

MINUTES OF THE REGULAR MEETING OF THE INDUSTRIAL DEVELOPMENT
AUTHORITY (IDA) OF THE CITY OF CASA GRANDE HELD MAY 27, 2015 IN THE
CITY HALL COUNCIL CHAMBERS, 510 E. FLORENCE BLVD., CASA GRANDE,
ARIZONA, AT THE HOUR OF 4:00 P.M.

MEMBERS PRESENT: David Fitzgibbons President
 Tommy Caywood Secretary/Treasurer
 Richard O'Neil Assistant Secretary/Treasurer
 Kara Cooper Member
 Ole Solberg Member
 Dennis Dugan Member
 Dennis Jenkins Member

MEMBERS ABSENT: Kirk McCarville Vice President
 David Brett Benedict Member

OTHERS PRESENT: Margaret Pieper, Recording Secretary

Call to Order

President Fitzgibbons called the meeting to order at 4:03 p.m.

Roll Call

Roll call established a quorum was present. Member Benedict contacted President Fitzgibbons and his absence was excused. Member McCarville was absent.

Approval of Minutes – April 22, 2015 Meeting

Member Dugan moved to approve the minutes of the April 22, 2015 meeting as presented. Motion was seconded by Member O'Neil and carried unanimously.

Discussion of Finances and Approval of Treasurer's Report

Member Dugan moved to approve the Treasurer's Report as presented. Motion was seconded by Member Jenkins and carried unanimously.

Old Business

- A. Update on Building Repairs at 408/412 N. Florence Street, Casa Grande, AZ
 The IDA property manager, Paula Lambert, AZ New Horizon Realty, 107 E. 4th Street, Casa Grande addressed the Board. All required building repairs have been completed and passed inspection. There may be minor expenses at the 408 N. Florence Street building depending on the type of use. If it stays retail, no improvements will be needed but if it is leased to a different type of business, the restrooms may need to be ADA compliant and that expense could be negotiated with the tenant. The Ale House at 412 N. Florence Street is continuing with their tenant improvements and they hope to open in June.

- B. Update from Subcommittee on Leasing of Property at 408 N. Florence Street, Casa Grande, AZ
Ms. Lambert reported the 1,300 square foot building at 408 N. Florence Street has not been leased yet. She will continue to show the property to any interested parties.
- C. Report on Property Insurance Coverage on IDA Owned Properties
All the IDA properties have current insurance coverage. Ms. Lambert and Member Jenkins are still in the process of reviewing the policies and will meet with the agent to go over the coverage details and report back to the Board.

New Business

- A. Discussion and Possible Action of Paying off Money Borrowed from Edward Jones for the IDA Property at 408/412 N. Florence street, Casa Grande
President Fitzgibbons stated the Board approved borrowing \$100,000 from Edward Jones at 4.75% at the last meeting. When the loan closed, the interest rate was 5.25%. Member O'Neil moved to ratify the previous loan interest rate from 4.75% to 5.25%. Motion was seconded by Member Dugan and carried unanimously.

President Fitzgibbons asked Treasurer Caywood to present the IDA's income and expense projections to the Board. Currently the income and expense calculations project the IDA has enough money in the bank to pay off the \$100,000 loan. There was discussion about paying off part of the loan and keeping enough money in the account for an unanticipated emergency expense. Member O'Neil moved to pay off \$90,000 of the Edward Jones loan. Motion was seconded by Member Jenkins and carried unanimously. The Board will reassess their financial situation at the end of the year to determine if they want to pay off the balance of the loan at that time.

- B. Networking with Rick Miller, Growth Management Director at the City of Coolidge
Rick Miller was unable to attend and will be invited to a future meeting.
- C. Presentation by Jennifer Alai Regarding Financing
President Fitzgibbons invited Jennifer Alai, Great Western Bank, 1300 E. Florence Blvd, Casa Grande to address the Board regarding financing options the bank has available to the IDA. Ms. Alai told the Board the bank can offer both long and short term financing options. They could offer a Certificate of Deposit (CD) secured loan at 2.5% for the IDA's current \$100,000 debt. There is an additional amount added to the 2.5% depending on the term of the loan. For example, a 12 month CD loan would be 2.7% and a 60 month CD loan would be 3.2%. The CD is used as collateral for the loan in exchange for a lower annual percentage rate. The amount in the CD will not be available for use until the secured loan is paid in full. The IDA would set the term of the CD secured loan, for example 12 months up to a maximum of 60 months. There is a \$300 origination fee and a prepayment penalty. A real estate loan with the building as collateral would have a much higher interest rate and also more fees. A long-term option would be to set up a line of credit to have available for future projects. The Board will keep these options in mind if needed for future projects.

- D. Resignation of IDA Attorney Marty Ryan and Discussion of Need for New IDA Attorney
Attorney Ryan e-mailed his retirement notice to President Fitzgibbons. The Board will need to find a new bond attorney. President Fitzgibbons has several potential names and Board members also provided names. The potential attorneys will need to be evaluated based on experience and rates. Member Jenkins moved to have President Fitzgibbons conduct initial screenings of the attorneys and present several qualified candidates to the Board for selection. Motion was seconded by Member O'Neil and carried unanimously.

Future Agenda Items

None.

Next Meeting Date

The Board will meet on September 23rd which is a regular meeting date, unless something comes up sooner.

Call to the Public

None.

Adjournment

Member O'Neil moved to adjourn the meeting at 5:04 p.m. Motion was seconded by Member Dugan and carried unanimously.

Submitted by Margaret Pieper, Recording Secretary of the Industrial Development Authority of the City of Casa Grande, to the City Council, subject to the Authority's approval.

Approved this 23 day of September, 2015 by the
Industrial Development Authority of the City of Casa Grande.

ATTEST:

Thomas H. Caywood
Secretary of the Industrial Development
Authority of the City of Casa Grande