

MINUTES OF THE REGULAR MEETING OF THE INDUSTRIAL DEVELOPMENT AUTHORITY (IDA) OF THE CITY OF CASA GRANDE HELD JANUARY 22, 2014 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  
Kirk McCarville Vice President  
Tommy Caywood Secretary/Treasurer  
Richard O'Neil Assistant Secretary/Treasurer  
Kara Cooper Member  
Ole Solberg Member  
David Brett Benedict Member

MEMBERS ABSENT: Dennis Dugan Member  
Dennis Jenkins Member

OTHERS PRESENT: Margaret Pieper, Recording Secretary

Call to Order

President Fitzgibbons called the meeting to order at 4:04 p.m.

Roll Call

Roll call established a quorum was present.

Approval of Minutes – November 27, 2013 Meeting

Member Solberg moved to approve the minutes of the November 27, 2013 meeting with the correction of the spelling of Dennis Dugan's name. Motion was seconded by Member O'Neil and carried unanimously.

Discussion of Finances

A. Investment of Money from Certificate of Deposit

The Compass Bank Certificate of Deposit matured on November 18, 2013 and the balance, \$177,616.40, was put into the checking account. Treasurer Caywood presented the interest rates for Certificates of Deposits at various banks with the best rate of 1.25% for a 29 month certificate. There was discussion that with the low interest rates, there was no advantage to putting the money in a Certificate of Deposit. Members agreed the money should be available if an opportunity was presented to the Board. Member Benedict moved to table the investment of IDA money for six months. Motion was seconded by Member McCarville and carried unanimously.

B. Approval of Treasurer's Report

Member Benedict moved to approve the Treasurer's Report as presented. Motion was seconded by Member McCarville and carried unanimously. President Fitzgibbons thanked Treasurer Caywood for his work on the report.

### Old Business

#### A. Ratification of Signature on City of Casa Grande Right of Way/Public Easement Encroachment Permit Application Related to the Downtown Construction Project

President Fitzgibbons signed this permit which the City required as part of the downtown construction project since the awning of the Cook-e-Jar overhangs onto the City's right-of-way. Member O'Neil moved to ratify President David Fitzgibbons' signature on behalf of the IDA on the City of Casa Grande Right of Way/Public Easement Encroachment Permit Application related to the Downtown Construction Project. Motion was seconded by Member Benedict and carried unanimously.

#### B. Discussion of Rent, Leases and Utilities of IDA Owned Properties

President Fitzgibbons invited Louise Ozment, Palo Verde Realty and Property Management, to address the Board on various lease and utility issues regarding the three properties the IDA owns in the downtown area. She told the Board the uniform leases were effective December 2012. The Cook-e-Jar signed a two year lease and rent is currently \$1,150 per month. Shawna Porter, dba the Top Notch, pays \$400 per month rent. Palo Verde Realty and Property Management fronted money for utilities to Top Notch but that loan has been paid in-full. Valley Home Theatre has been on a month-to-month lease and pays \$375 per month. Because they are not open much and provide very little foot traffic to the downtown area, Louise Ozment did the month to month lease in hopes of finding another opportunity. She asked the Board their opinion of giving Valley Home Theatre a 30-day notice and offering the space to Mark Benson, an artist who takes art work and puts it on different mediums. She stated this would be a better fit for the downtown area and proposed \$375 per month for the first year of rent with a 20% increase in the second year. Member McCarville moved to approve the change in tenants. Motion was seconded by Member O'Neil and carried unanimously.

Member McCarville explained the new electrical house panel that was installed during the downtown construction project is for the exterior signage and lighting on all three buildings. It was designed with a long-term goal of a triple net lease, which would make the property investment grade. Under a triple net lease, the tenant pays the landlord a base rent plus all of the maintenance, taxes and utility expenses. It would be premature to pass on the costs of the exterior lighting to the tenants at this time. The Board agreed with Member O'Neil's comment that the purpose of the IDA is to make a positive impact on the community and therefore he recommended the IDA continue to pay the cost for the exterior lighting.

When President Fitzgibbons inquired, Louise Ozment stated the Cook-e-Jar's past sewer and trash bill with the City Of Casa Grande was brought current that afternoon. Discussion followed about the Cook-e-Jar paying their rent late. Louise stated she had a check from the Cook-e-Jar for January's rent and over the next three months they will work on getting caught up and pay by the first of the month. When President Fitzgibbons asked, Mary Ann from the Cook-e-Jar stated she has been a tenant for 22 years. President Fitzgibbons thanked her for the good relationship and she also stated the IDA has been good to her.

Louise Ozment stated that her own measuring of the IDA property comes up 400 square feet less than the assessor's office has on record for the three buildings the IDA owns in the downtown area. She will call the architect who did the downtown construction project to see if he has the square footage numbers for the buildings. She is concerned about paying the correct amount of taxes which are based on the square footage.

Upon Member Cooper's suggestion, it was agreed to invite the property manager, Louise Ozment, to the annual IDA meeting each January. She stated she is willing to come to a meeting anytime.

C. Casa Grande Regional Medical Center (CGRMC) Update

President Fitzgibbons shared what is public knowledge about the CGRMC's reorganization. After a competitive process, the decision was made to move forward with a letter-of-intent with Banner Health. The complex process includes getting regulatory approval and it is expected to be final in the spring of 2014. The IDA issued bonds to CGRMC. President Fitzgibbons stated the bondholders are watching the process closely and that the IDA does not have any liability for the bonds.

New Business

A. Election of Officers:

Member O'Neil moved to table election of officers until the next meeting since the Nominating Committee members, Dugan and Jenkins, were not present. Motion was seconded by Member McCarville and carried unanimously.

Discussion without Voting

President Fitzgibbons stated the annual statements were sent out in January to Casa Grande Regional Medical Center, Price Industries, Center Park and Quail Garden Apartments.

Future Agenda Items

Election of Officers

Call to the Public

None.

Next Meeting Date

A calendar with regular meeting dates, the fourth Wednesday of the month, was distributed to members. However, the Board meets on an as-needed basis.

Adjournment

The meeting adjourned at 4:50 p.m.

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 28 day of May, 2014 by the  
Industrial Development Authority of the City of Casa Grande.

ATTEST:

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