

**Minutes  
of the  
Regular Meeting of Board of Directors of  
The Industrial Development Authority of the County of Gila  
(the "IDA")**

Date: September 13<sup>th</sup> 2013, 2:00 p.m.

Place: Gila County Supervisor's Building, Payson  
Supervisor's Conference Room  
610 E. Highway 260  
Payson, AZ

Presiding: Cliff Potts

Present: Cliff Potts, Mac Feezor, Bill Byrne, Tim Grier, Tim Humphrey,  
Gerry Kohlbeck. Present telephonically: Fred Barcón

Absent: Robert Pastor, Stanley Gibson

Administrative Manager: Sandy Palmer

Guest Present: Ted Quinn, Monster Media

Mr. Potts called the Regular Meeting of the Board of Directors of the Authority to order at 2:07 p.m., noting the presence of a quorum.

**1. APPROVAL OF THE MINUTES OF THE REGUALR MEETING OF THE BOARD HELD ON  
June 14, 2013, AND THE ANNUAL MEETING HELD ON AUGUST 26, 2013.**

On motion made by Mr. Byrne and seconded by Mr. Humphrey, the minutes of the Regular Meeting of the Board held on June 14, 2013 and Annual Meeting held on August 26, 2013 were approved as submitted.

**2. INFORMATION, DISCUSSION AND ACTION AS DETERMINED REGARDING IDA FINANCIAL REPORT AND A POSSIBLE AUDIT ON ALL IDA ACCOUNTS.**

Ms. Palmer gave an overview on IDA accounts and conveyed Mr. Gibson's recommendation to hold off on paying for an audit until the IDA begins to generate revenue.

Mr. Kohlbeck agreed explaining that there isn't much activity with the IDA accounts. It would be wise to wait on a revenue stream before the IDA pays for an audit.

After further discussion and upon motion made by Mr. Byrnes and seconded by Mr. Humphrey, motion passed to approve the financial report as submitted and postpone IDA audit until after revenue stream has been established.

**The motion passed unanimously by a vote of (7-0)**

**3. INFORMATION, DISCUSSION AS DETERMINED REGARDING PRESENTATION ON CURRENT ECONOMIC DEVELOPMENT ACTIVITIES GIVEN BY PAYSON TOWN MANAGER DEBRA GALBRAITH, IN ATTENDANCE WITH REPRESENTATIVES OF HPR AMMUNITION.**

Mr. Potts explained that Ms. Galbraith and representatives from HPR Ammunition had lunch with the IDA. While they were unable to discuss specifics, it was discussed that one or two members of the IDA sit down with HPR Ammunition to discuss the concept and financing that they would like to do that would possibly involve bond financing.

Mr. Potts stated that HPR Ammunition has been growing steadily and appears to have a bright future. He suggested one or two IDA Board Members join him in conversing with HPR Ammunition.

A subcommittee was formed including Cliff Potts, Mac Feezor and Bill Byrne.

**4. INFORMATION, DISCUSSION, ACTION AS DETERMINED REGARDING THE IDA'S ROLE IN BUSINESS RETENTION AND EXPANSION IN GILA COUNTY.**

Small Business Loan Program

Mr. Barcon explained the SGCEDC used to have a Small Business Loan Program, which was the main reason the IDA didn't pursue the program two years ago. It doesn't appear the EDC will continue with the loan program. The IDA has had meetings with USDA, CAG and SBA. The loan program is available if the IDA wants to pursue it.

Mr. Potts asked the status of the EDC Small Business Loan Program.

Mr. Barcon explained with the turnover the EDC has experienced over the past few years, and the current uncertainty, it's not likely the EDC will pursue the loan program. The USDA, CAG, SBA, and the Small Business Development Center at GCC have all expressed a willingness to work with the IDA to develop a lending program.

Mr. Potts mentioned, years ago, the Board of Supervisors, through the Northern and Southern EDC, established a revolving loan program that was quite successful. The County gave \$25,000 to the Northern EDC and \$25,000 to the Southern EDC. Applicants came before a subcommittee. A local bank, out of courtesy, handled the monthly payments. That program helped several struggling businesses stay in business. Those businesses are still in business and very successful today.

Mr. Potts stated the IDA would be the loan administrator on the USDA loan. This is something the IDA can do if judicious and careful.

#### Grant Funds

Mr. Potts explained that it was mentioned whether or not the IDA should be a non-profit Board, or organized as a for-profit Board. Should the IDA reincorporate as a non-profit or set up a non-profit subsidiary. The IDA has an upcoming meeting with Juan Salgado, Executive Director of Phoenix IDA; perhaps those are questions he can answer. The IDA may need advice beyond that.

Mr. Potts explained in order to receive grants from the majority of the grant providers an entity must be a non-profit. Freeport McMoRan has a Community Development initiative and there are other grant providers, like Arizona Commerce Authority, but the entity must be a non-profit in order to apply.

Mr. Grier stated that Star Valley has had success securing grant funds and questioned why the IDA would be defined as a for-profit committee.

Mr. Potts explained the IDA is incorporated as a political subdivision of the State. The IDA is not taxed on income, but is not classified as a non-profit entity.

Mr. Grier stated the IDA, as a political subdivision, should qualify for the same grant sources as Star Valley.

Mr. Potts mentioned the IDA is not a for-profit entity, neither is it a non-profit 501 (c) (3).

Mr. Barcon stated while he was assisting the Town of Miami on the Wastewater Committee they faced the same issue. The Town of Miami is a non-profit, but Genesis was for-profit. Genesis became a 501 (c) (3) so the Town could access funds, tax benefits, etc.

Mr. Barcon stated the IDA may need an attorney to guide the Board in exploring the viability of a non-profit arm.

Mr. Grier suggested the IDA seek guidance from an attorney specializing in non-profit entities, stating it's not his area of expertise.

## Events Center at Gila County Fairgrounds

Mr. Barcon explained the IDA has been working toward a Racetrack-Event Center at the fairgrounds for years. The IDA reached the point where a non-profit entity needed to step in to seek funding. Max Trax Racing Group put together a pro forma. It shows an Event Center can be very successful, very profitable. Max Trax has pledged to contribute to the community; they intend to use the IDA to administer those funds. They will also donate to Gila Community College.

### **5. INFORMATION/DISCUSSION/ACTION AS DETERMINED REGARDING USDA'S SMALL BUSINESS LOAN PROGRAM PRESENTED BY FRED BARCON.**

Mr. Barcon mentioned, as stated earlier, USDA has a Small Business Lending Program in place. USDA has expressed eagerness to work with the Gila County IDA. CAG and SBA have committed to walking the IDA through the set-up process.

Mr. Potts stated that he's a proponent of loan programs, yet cautioned, as with any loan program, once it is started you have to stick with it until the last payment is made. It's an awareness factor. As a Board, we need to know more about the program. Perhaps Gary Mack can present the program at the next IDA Meeting.

Mr. Barcon stated that with the IDA being a countywide entity the loan program has a greater chance for success.

Mr. Kohlbeck asked if the IDA will need to have loan recipients before pursuing the USDA funds.

Ms. Palmer stated the IDA will need to submit a business plan to USDA. Mr. Burke, of the Small Business Development Center at Gila Community College, said he would assist the IDA with the business plan.

Mr. Potts noted the consensus of the Board to proceed with the next step and invite USDA and CAG to the next IDA Board Meeting.

### **6. INFORMATION/DISCUSSION/ACTION AS DETERMINED REGARDING THE PRESENTATION OF A MARKETING PACKAGE FOR GILA COUNTY GIVEN BY TED QUINN OF MONSTER MEDIA.**

Mr. Quinn introduced himself and presented a video clip on marketing Gila County. He explained the need for entertainment value in marketing is higher in this day and age when most people spend their time on phones, computers and other electronic devices. It's not just what you have to offer, it's how you offer it.

Mr. Quinn explained the Gila IDA website will stream videos with links to facebook and twitter. Upcoming events will be blasted out through social media. He explained the importance of advertising to specific demographics and imprint advertising.

Mr. Quinn stated the need to create signature events with a cultural tie to maximize marketing opportunities. Events bring people in to discover what Gila County has to offer. He highlighted the importance of creating awareness through media.

Mr. Barcon mentioned the IDA owns the website. Being a countywide entity, the IDA is in position to market the entire county. The first step is to create a dynamic presentation for the Board of Supervisor's Work Session.

Mr. Potts mentioned putting together the business plan. The business plan should include: where, when, how, and how much to establish the income stream; starting and operational costs.

A media marketing subcommittee was formed including: Mac Feezor, Fred Barcon, Gerry Kohlbeck, and Tim Humphrey.

**7. INFORMATION/DISCUSSION/ACTION AS DETERMINED REAGRDNIG RESIGNATION OF IDA STATUORY AGENT, ALAN WEITZ, AND APPOINTMENT OF NEW IDA STATUTORY AGENT.**

Upon motion made by Mr. Kohlbeck and seconded Mr. Feezor, Mr. Barcon was appointed as Gila County IDA Statutory Agent.

**Motion passed unanimously by a vote of (7-0)**

**8. INFORMATION/DISCUSSION/ACTION AS DETERMINED REGARDING STANDING DATES FOR QUARTERLY AND ANNUAL MEETINGS.**

Mr. Potts asked the Board if they prefer standing meeting dates.

Mr. Humphrey stated that it is easier for him to plan around prescheduled dates.

The consensus of the Board: to set the upcoming Regular Meeting date and time at the current meeting.

Special meeting with Mr. Salgado to be determined based on Mr. Salgado's availability.

Regular Quarterly Meeting: Thursday, December 5, 2013, at 2:00 p.m.

**9. INFORMATION/DISCUSSION/ACTION AS DETERMINED REGARDING ITEMS FOR THE NEXT AGENDA.**

Set up a special meeting with Juan Salgado, Executive Director of Phoenix IDA.

December Regular Meeting:       501 (c) (3)  
  USDA Small Business Loan Program  
  HPR Ammunition Update  
  Marketing Package

**10. CALL TO THE PUBLIC**

**WITH NO FURTHER BUSINESS TO COME BEFORE THE AUTHORITY, UPON MOTION MADE AND DULY SECONDED,  
THE REGULAR MEETING WAS ADJOURNED AT 4:23 P.M., WITHOUT OBJECTION.**

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