

INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF GILA, ARIZONA

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Fred Barcón, President
William Long, Vice President
Mark Marcanti, Secretary/Treasurer
William Byrne, Member

Gerald Kohlbeck, Member
Cliff Potts, Member
Ray Pugel, Member
Mickie Nye, Member

The Board of Directors of the Industrial Development Authority of the County of Gila (hereinafter "IDA") held a meeting at 3:00 P.M. on Thursday, January 24, 2013, Supervisor's Hearing Room, Gila County Courthouse, 1400 E. Ash Street, Globe, Arizona.

President Barcón called the Meeting of the Board of Directors of the Authority to order at 3:11 P.M.

Attendance was noted for the record by roll call as follows: Present for the IDA Board: Fred Barcón, President; William Long, Vice President; Mickie Nye, Member; Bill Byrne, Member. Present via video stream: Cliff Potts, Member; Ray Pugel, Member. IDA staff: Sandy Palmer, Administrative Manager. Members absent: Mark Marcanti, Secretary/Treasurer; Gerry Kohlbeck, Member. Guest present: Daisy Flores, Flores & Clark Attorneys.

ITEM III: INFORMATION/DISCUSSION/ACTION to approve the IDA Minutes of November 8, 2012.

Cliff: Fred, I read the minutes pertaining to the loan for the college (Payson's ASU campus), I would like it to be stronger in the minutes that I am in favor of that loan. Quite a bit of the discussion was quoted, and I'm not arguing with the discussion, I'd just like it to be noted that I was in favor of that loan.

Fred: Anything else?

Cliff: With that change I move for approval of the minutes.

On motion made by Cliff Potts and seconded by Bill Byrne, the November 8, 2012 meeting minutes were approved.

The motion passed unanimously by a vote of (6-0).

ITEM IV: INFORMATION/DISCUSSION/ACTION to approve hiring Daisy Flores as the attorney for the racetrack project.

Fred: I'll quickly explain this. When we started putting the program together... we've had some delays on getting this before the Board of Supervisors. After we got into this we were notified that the Board of Supervisors required a package in their hands prior to the BOS work session. In order for that to happen, we had to have an attorney review the package.

In my discussion with Gerry Kohlbeck, in order to keep the ball rolling, we contacted Daisy Flores and asked her if she would be willing to run with it. Otherwise, the project would have been delayed anywhere from two to three months by the time we went out looking for an attorney. So, that is how this all came about in getting Daisy to look at it. She was good enough to look at the package and give us a presentation today and for the upcoming Board of Supervisor's work session.

In a discussion with Tom Irvine, he said that going by the minutes and the Board's previous discussion I was authorized to hire Daisy to represent the IDA on this one issue, the racetrack. We are on the agenda to discuss the racetrack with the BOS in their work session on Tuesday. If there are any questions, I'll try to address them.

Bill Byrne: I'd like to know how necessary it is at this time to have an attorney involved with the racetrack. I question why we need one at this point. I'm sure at one point down the road with this project we may need legal counsel or legal representation. I'm a little confused as to why we need it right now.

Fred: The answer to that, Bill, is that we were given a proposal by the Max Trax Group. In order for us to move forward we thought it was wise to know what we had to work with legally. We have a proposal on the table; we need to protect ourselves in moving forward. That is why she was brought on board, to review the proposal and prepare for the BOS work session.

Ray: Are you saying to review the proposal we have before us, this Copper State Raceway?

Fred: Yes.

Ray: Okay. Is it just for this one issue right now, or is she going to be our on-going attorney on this?

Fred: It's just for this one issue.

Ray: One issue, today, with the development thing here.

Fred: Yes.

Mickie: Mr. Chairman, I have a question to start with. Is our potential attorney going to be able to discuss with us whether or not we have the right or ability to use the fairgrounds with the deed restrictions that are in place, or how we go about changing those deed restrictions?

Fred: And that is another reason we went to Daisy. If anyone knows county law it's her, after all these years being the County Attorney.

Bill Long: I found it interesting that there is no date on this proposal from Max Trax. If I understand this correctly, they're looking for the county to fund it?

Fred: Let's take one issue at a time, Bill. Right now, let's finish up with Daisy.

Cliff: Fred, I know you have the authority to hire legal counsel. I was a little taken aback to see that we engaged legal counsel when there hadn't been any discussion prior to that point. I'm asking the same question Bill asked; do we need an attorney to review this? I haven't reviewed it close enough to know either, but I just feel like I'd like to be in the loop when something like this comes up. Under Open Meeting Law we can't go around asking people individually, maybe we can talk about it in a Board Meeting in advance before we hire legal counsel, that's just my input on it.

Fred: I believe a couple meetings ago we discussed looking for our own attorney, hopefully here locally.

Cliff: Yes, I agree with that. I was part of that discussion and I'm for hiring a more cost-effective attorney for the projects we need to move forward.

Fred: And understand, Members, that when we took this action we were pretty much ourselves blindsided with the fact that we had to provide an entire package to the Board of Supervisors before the work session. If we didn't provide the package, we were looking at not doing anything for the next month or two, possibly. That's why we decided to get this show on the road, get this item on the Supervisor's table and move forward to see if they are going to support it.

Ray: Fred, here is my concern... Is Daisy there to address my concern?

Fred: Yes, Daisy is here.

Ray: When I hire legal counsel for my business, I hire specific lawyers. In this case we are dealing with contract law and real estate law. My concern, and maybe Daisy can help me with this issue, is for the past how many years she has dealt primarily with criminal law. I hire specializations. When I'm doing my estate, I hire estate attorneys. When I'm dealing with real estate law, I hire real estate attorneys. Right now I'm working on a lease and I hired a contract law attorney. So, in there is my concern.

Fred: Ray, exactly what you said is the reason that... when we looked at going out for an attorney to represent the IDA Board... it's going to take a lot longer than a month or two to put this thing together to go out with a proposal. With the requirements that the county hit us with, as well as going out and looking for an attorney... we've been working towards this project for over two years. If I recall at the meeting up there in Payson we agreed to get this project to happen, and if not, move on to other things.

Mickie: Mr. Chairman is someone going to talk about the details; general price, cost per hour, what it includes. I saw something in an e-mail, but I don't remember the specifics of it. The copy of the contract I received via e-mail didn't specify the dollar amount.

Bill Byrne: I assumed that it would be on-going too, not just one...

Fred: No, it's only for this one issue and it is \$200 per hour.

Bill Byrne: That one issue is, explain it to me, to see that we are on the agenda for the work session.

Fred: In order for us to meet with the Board of Supervisors this coming Tuesday, we needed to provide the Supervisors with the proposal that is in front of you from Max Trax several weeks prior to their work

session. In order for that to happen, we had to make sure the IDA was protected. Instead of pulling out and delaying the process while we searched for an attorney, we decided to hire Daisy on this one issue.

This whole thing with the Board of Supervisors, the way I'm looking at it, we meet with them on Tuesday for the work session. During the work session they will decide to put it on the agenda for the next Board of Supervisor's Meeting. And then we'll find out, at that point, if they are willing to keep the ball rolling with the racetrack. We need to wrap this thing up; otherwise we would have been spinning our wheels for the next two or three months trying to find an attorney. Anyway, that is the reasoning for doing what we did.

Mickie: Mr. Chairman, I've known Daisy for a long time. I don't have any qualms whatsoever; I know she is going to do what we need her to do. If you need a motion to hire her, I'd make that motion, but I don't know if you do or don't.

In the future, I would hope that this type of decision would come before the rest of the Board so we can be up to speed. I know she is going to do all the things we need to have done, and I'm glad we hired someone local. I think it was Ray that indicated she has basically done criminal law. She had a long and distinguished career in law before she ever returned to Gila County. I'm comfortable with her research and meeting our needs as a Board.

Fred: Comments? Questions? I don't think we need to take any action to secure Daisy as our attorney; we have taken that step forward. Any comments on our decision? So, we're prepared to go forward.

ITEM V: INFORMATION/DISCUSSION review package submitted by the Racetrack Management Group for the Board of Supervisor's work session.

Fred: Daisy had all the information given to her from... John what do you plan on calling your group, is it Max Trax?

Steve: That's correct.

Fred: And if this project does work out, will it be under the same name?

Steve: No, that would just be the name of our group as the management entity. We used a generic working title for the track, Copper Raceway. This is one where, the whole basic structure is we are acting on behalf of the community to build and operate a racetrack. The name is up for discussion.

Fred: Okay. With that, Daisy do you want to take it from here and explain the proposal that is on the table.

Daisy: Sure, and I'm not sure where the best place is so the Payson people can actually see me.

Ray: You're good.

Daisy: You can see me?

Ray: Yes and we can hear you too.

Daisy: You have before you, this is an interesting concept and proposal that you have. I must admit this is an unusual stage to have an attorney, here at this point, because it is a preliminary stage to really have counsel in. There isn't anything before you necessarily, you're not entering into any contracts or negotiating right now. What I saw my role as being is to review the proposal you have before you. See how we can facilitate working with the county to move forward and get the project underway.

If I can just in general give you a general concept. I've talked with John and Steve and if you look at the big picture-- and I don't know where all of you on the IDA are as far as your understanding of how this concept might look in the end-- it really would be with Gila County as the owner of the fairgrounds property.

Really coming in and looking for a Request for Proposal (RFP) from anybody out there who wants to submit a proposal to come up with the whole idea of presenting the racetrack. That is where Max Trax could potentially come in and be one of those potential submittals, saying this is what we could potentially do, this is what we bring to the table. Through the RFP Max Trax would come in with a proposal. They could, through that, look for a local non-profit to be the entity that would essentially organize the money coming in through however they choose to do it.

The IDA's role then would be essentially the lending entity. At least that is the proposal you have, the concept before you, is what it would look like. The non-profit would be leasing from the county and then they would lease to Max Trax, if they are the ones that come in and run the whole operation.

The IDA, your function as you often are, you are essentially the lending entity. You may potentially go out and bond or something along that way. It seems like with the IDA the role that you have been playing so far has been you're trying to lead this whole discussion to get other people involved in having the discussion move forward.

Meeting with the county during the work session you will get a feel whether or not the county wants to consider and move forward. On potentially leasing the fairgrounds and having more of an active role getting the outside entity to come in and go forward with some sort of proposal. On Tuesday you are going to get a feel for which direction you are going to get from the county. As far as I can tell from the county, whether or not they can legally move forward with that, of course that will be from their own legal counsel advising whether they can do that or not. As far as I can tell, there really aren't any restrictions that I can see that would hamper the county moving forward. Mickie, you mentioned the deed or zoning restrictions or anything like that, I think those are issues we're going to have to deal with.

You'll get a feel from the county whether or not... what I think is my opinion and what I can advise you that they can do really doesn't matter to the county. It's actually going to be the county-- through their counsel and their advice-- what they are going to be telling them. As far as I can tell, I'm not seeing any major roadblocks that the county couldn't overcome, if they choose to. You're biggest roadblock is going to be, does the county want to move forward or not. Do they want to both move forward by allowing the fairgrounds to come outside of their realm of control because it will be under whatever entity is leasing it? And are they willing to potentially step up with some monetary support to have this economic

project come in. The county can do that if they choose to, it's just a matter of which way they want to go.

You have before you a very well presented unique idea. And it is an opportune moment, John and Steve can explain better why it is an opportune moment for Gila County to move forward in something like this because of the other projects that they have going on at this time. Steve can also explain to you the other types of projects that he has been involved with which are rather extensive. The most significant one, which you might be familiar with, is the Higley School District. The school district has essentially leased property to a non-profit; the non-profit has gone through the IDA to bond. They have the funds, they built the schools and they are going to lease the schools back to Higley School District. It is a unique way of solving the problem and Steve is involved in that project right now.

As far as I can tell where you're at right now, my suggestion at least looking at Tuesday, is to go forward first of all finding out the county's position. Are they even open to the concept moving forward with looking at the fairgrounds and this idea? And second, are they willing to step up to the plate with some money.

Mickie: Who is Steve and what is his role? I've seen John's name on a document, but not Steve's.

Fred: Steve is their attorney. Steve has also been with ASU's real estate department for, correct me if I'm wrong, 30 years.

Steve: I'm not an attorney. I'm the Vice President of Real Estate at Arizona State University. I'm an avid race car enthusiast, former driver, now an interested partner in trying to bring racing to all areas of Arizona. I have a number of companies that I'm involved with. The Higley School District, in that particular project, I am the developer and I have two partners. My company's name is Educational Facility Development Services. It is actually the text book example of how we think funding a race track facility works for Gila County. It really centers on a non-profit as the borrower or executer that has control over the racetrack facility. It can be a local entity. It removes the entire profit motive away from this.

What our company-- my partnership with John and Max Trax-- we come in with the expertise to design, bring the finance package together, see it through financing, construct and manage the facility on behalf of the non-profit foundation. We think that there are two different approaches to do this. In the Higley School District concept EFDS, my company, was hired directly by the Higley School District to bring them new schools. Literally turn-key, tell them how much it costs to lease it back and at the end of the lease term the school district will own the building and improvements.

In this case I think you have two options here asking the county to issue a Request for Proposal. One could be to hire somebody like Max Trax to design, build, finance and manage a racetrack facility on behalf of the county. The other alternative, which might be more locally acceptable, and that would be to select a non-profit entity to design, build, manage and operate a racetrack facility. Our role in this is to help you do this. We're not owners, we're not profit driven. It's more to make this racetrack facility a reality. That is how we see this coming together. We think the non-profit foundation is an acceptable

alternative for the county. This is not a find a developer who is going to make money, it is an entity that is going to take a county asset, develop a racetrack facility that provides economic development opportunities for the local community and the county. The revenue that it throws off, after paying the operating costs would get funneled back into either programs that the IDA Board might be interested in, or go to the county to assist the county with the costs of operating the fairgrounds.

Daisy: Maybe Steve or John could explain why it is opportune right now too, Fred. The other project they have going on right now, the other racetrack.

John: I'll answer that and let Steve rest his voice. What Daisy is referring to is... to do a small, grassroots local track like the Copper State Speedway in today's economy is... (Inaudible). I'm into racing, I want to build a track, I'm a private guy and I want to make money is almost ludicrous to even conceive. You can't make a lot of money doing it; yes you can do it because you love the sport. From our perspective right now, because we are close to securing and starting to build what we will call the mother ship-- the big track in Phoenix-- having smaller tracks outside the metropolitan area or wherever the major racetrack is, having support tracks somewhere within an hour or two of driving is very lucrative. We believe just having the Copper State Speedway in Globe; it gives us the opportunity to say to the drivers on our track from Phoenix, Tucson and Southern California that they've got to be in Globe for the next race. To have Globe as our sister track, but at the same time, because it's not a real big profit maker it's there for the community.

Steve raced at the old Globe racetrack way back when. My stepdad was a champion at the Globe track. I've been going to the Globe track since the 60's. For us it's more of a passion to get it up and running. To really drive sponsors to be able to benefit from this, to have the community be able to be proud of this, because when we do run regional events and we bring people from Nebraska, Oklahoma, and Texas they will come to a regional semi-national event. They're there for a two night event; we're driving those people because of our Phoenix track. That's what the interest is to have that sister track. Having the drivers alternate between the Tucson track and the Globe track allows us to send everybody out to race different tracks. That is really important to us, and it's important to the overall prospect of building more drivers, more cars, having more funds to be able to pay out to the drivers so they can travel to do this. So that's what we're looking at from our perspective of what the Globe track does.

Fred: John, we have some people here that are with the go kart group down below.

John: Wonderful, I knew at some point we would need to talk to them. I look forward to the opportunity to get with them. Find out what they know, what they're doing and find out how we can benefit them, improve their situation. I already have ideas with the things we are going to be implementing in Phoenix. Don't at all go in thinking that we're there to take over. No, we're there to partner with you, compliment with what we can do, and make that thing really work.

Fred: John, that's what I told the officer of the group. We're not here to take anything away from them, but to help them grow. At this time I'd like to ask them if they have any questions on this issue.

John: Absolutely.

Fred: Any questions for John?

Gentlemen: There are rumors of an asphalt track. Is that true?

John: Yes. And here is why: because the Phoenix track will be the home base. We fought for two years with the EPA and regulations, we were trying to show we were going to implement... (inaudible). Then they said it's not going to work with dirt. We really started looking at... it's like taking a pair of glasses off and putting a new pair of glasses on, you say okay let's look at it through these glasses- what does it look like.

Essentially with the Globe track now and more so the more we look at it. We're looking at racing one night a week for a couple years until we can build the fan base. Reasons why we considered pavement: the equipment costs, the upstart, the road graders, the water trucks, the watering, the wasted water. We're all trying to conserve our resources. If it rains the day before and the tracks are too muddy to race. All of that plays into a one-night race track; we would be spending more time and money prepping a dirt track than we would on an asphalt track.

The second thing we have to take a close look at is you know that the first thing we are going to have to do, and I would suggest that we do it before there is any type of public announcement, we need to get a meeting together with the people who live in the houses closest to the track, we've got to get them on our side from day one. Steve and I have some ideas that we would like to talk to them about, we have some ideas on what we should be prepared to offer them. This needs to be a good community benefit for all. We're ready to meet with the go kart group, with the neighbors and find solutions and benefits that work for everyone involved.

Fred: Any other questions?

John: One more point. Even if we get the neighbors on our side, if we have a dirt track, we'll have issues with the neighbors forever. Dirt will continually be an issue for those who live around the track. With an asphalt track you take away the dust issue, save on prep time, equipment costs, using water resources, and delays during the rainy season. And it will complement the Phoenix track because it will probably be an asphalt track, and again the freedom and mobility of driving one race into another race.

Gentleman in audience: There is only one asphalt track in the state and they put dirt over it. There is a reason nobody races pavement.

Fred: I don't know if you heard him, he feels if you go with pavement you won't be able to get the drivers.

John: I grew up racing on dirt and pretty much everyone in the southwest has raced on dirt. I traveled quite extensively and toured the NASCAR circuit for three years and went to every local track on that circuit because that's what guys do when you're on the circuit. I had a mobile energy vehicle we actually toured with. At every track in every city I got to see what worked and what didn't work and these are better tracks than most. And you're right, asphalt is a tough sell in Arizona, but back east it's not. And because of what we're doing at the Phoenix track, I can tell you we're going to make a reason for people

to want to race on asphalt. I know a lot of dirt drivers, I know a few who are switching to asphalt who grew up on dirt. Any driver who wants to go to the big leagues has to drive asphalt. A lot of drivers go through dirt to get there.

If you go car to car and racetrack to racetrack across the United States, we just have to break our mold. All I can tell you is what we're going to be doing in Phoenix is going to influence... and I already know some drivers that don't race dirt anymore and race asphalt because the facilities, the money that they're going to be making, the insurance that we're going to provide which is going to be the biggest and highest in the racing industry. The industry is changing and we're looking at keeping up with those changes.

Fred: John, you talked about this Phoenix project. Can you tell us a little bit more about that?

John: Sure, that's a 240 acre facility with a 100,000 to 160,000 square foot indoor racing facility for anything from stock cars to go karts to mini control cars. We'll have a racing museum, interactive racing, and videos, (inaudible) with the lights, schematics and miniatures.

We are going to introduce, I didn't want to get this far, we're going to be introducing the first little league of racing. It's going to rival pop warner football and little league baseball where parents can sign up for a nominal fee. And kids can get involved with racing the same way they do with other sports. We're creating Phoenix to be the Williamsport of racing. If anyone knows about the world series of little league it's at Williamsport and it has been for fifty or sixty years. We're creating that for racing. We're building tomorrow's base here in Phoenix. The future fan base from stock cars to sprint cars will basically be on asphalt.

Mickie: Mr. Chairman, I got the sense that we're going to have to have a number of community meetings as this thing moves along. A meeting with the neighborhood, I think we ought to have meetings with the racers. I can't tell you how many years ago when Thomas Warren & Associates did their reports, the report talks about the length of the track and all that kind of stuff. I think in order to get the community behind us, I think we need to have meetings with race car drivers and the local people who are going to do some things and not just gear this toward this being a funnel for the Phoenix racetrack.

John: Absolutely, that's foremost to have the locals because they are going to race there. The regional things will be once a quarter, or once every couple of weeks or so. The local deal will be what drives the real potential of the track.

Daisy: This gentleman thought that there was a thesis study done that indicated that dirt would be better than asphalt.

Fred: As a matter of fact, the IDA paid for that survey. We did that study; I think we paid out fifty-thousand on that study to have it just sit on someone's shelf.

John: Can I say something to that, Fred?

Fred: Sure, John.

John: If I remember correctly the original study was done around the premise of building the track down in the canyon. Building the track in the canyon wouldn't affect the neighbors up top with the noise and the dust. Those two issues are so big and potentially insurmountable. That's the difference between the first proposal and what we're talking about.

Fred: That's one of the things we did, the IDA. Again, the history of this is that this has been out there for several years with someone trying to get a track. We, the IDA, paid for the study, the drawings, we went all out. When it was turned over to the county, by the time they got done with whatever, we went from a 1.5 million dollar track to a 5 million dollar track. The study does show that it is feasible economically for the businesses and for the community. Our kids need something. We know we need something to bring economic growth and that is why the IDA looked at the track again. We can't move forward until the county Board of Supervisors commit and that is what this meeting is all about.

Mickie: Fred, I'm an absolute racetrack supporter, you've known that as many years as I can remember as well. But I'm not sold on, this is just me personally, I'm not sold on the idea of the horse track being converted versus being built down in the bowl. I happen to live out in that neighborhood. I'm still waiting to hear... I know we've talked about airports and noise abatement and stuff. I'm still not sure which is a better site yet. These are all things that are in my mind, and I'm sure are in their minds.

Fred: And that's all true, Mickie. Bottom line is we've invested a lot of money and we'd like to see this project through.

Daisy: And remember, what you are bringing the Board is the concept of allowing the fairgrounds to be used. There is nothing set in stone about exactly where or any of that. This is truly moving forward with the concept. And will they move forward with potential funding to have the true concept come to them. You, as the IDA, are taking an unusual role as you are being very proactive and bringing this forward, you funded the study previously. And you also need to decide what kind of active role that you wish to continue to pursue in this once you have the county involved.

Fred: There again, we can't move forward until we know where the Board of Supervisors will be.

Mickie: And the money we are asking from the county is basically on this one-page document, the \$47,500.

Fred: Almost \$50,000.

Daisy: And part of what it would be; it would really be for the county to step up and go out for an RFP. Which would be the preliminary phase to come back with an understanding of where they want to go with it, the county can do that if it chooses to.

Gentleman in audience: I'm a race car owner. I own a sprint car and I have for the past fifteen years. I have not in the past year, two or three heard of this Max Trax and their attempt to improve racing in the state of Arizona, much less in Globe. This is the first time I have ever heard of them or their plans.

Fred: Any comments, John?

John: The only thing I heard was this is the first time he heard of something.

Mickie: What are their credentials?

Fred: I guess that is what he's asking. That's why I asked you to explain the project there in Phoenix. He said he has been racing several years and has not heard about the project.

John: He hasn't heard about the track? Any news that's out there about the track being built in Phoenix happened the second day after Manzanita closed. We've had a group, in fact two groups now, trying to get something going. We've been working on it since Manzanita closed.

We have literally worked everywhere from the City of Phoenix up to the City of Buckeye trying to find the right land and the right opportunity. We've been in the Phoenix Mayor's office and the Vice Mayor's office half a dozen times in the last two years. We've been banging out there trying to get this thing going. I hope I answered his question, I couldn't hear him quite well.

Gentleman in audience: I haven't heard of Max Trax at all.

John: There is no reason why you should have. We're working behind the scenes. The company has been in business since 1999 building interactive mobile marketing business. I told you earlier that I did marketing and followed the NASCAR circuit. I designed, built and operated mobile marketing vehicles that toured the circuit.

When the Manzanita deal came up, all we're doing is restructuring, there are new people involved. We've been designing the indoor racing thing for the last fourteen years, and putting that together. When Manzanita closed, we formed a group to put both together. This February it will be four years that Manzanita has been closed. During the past four years we have worked diligently and religiously every single day almost trying to get the track going. We are very close to having that happen.

Daisy: And again, there is no obligation to Max Trax. If the county moves forward with the RFP, it's open to whoever responds and whoever the county chooses to go with. I think Max Trax was originally contacted by IDA. I believe the IDA got them involved, it wasn't them coming here. It's likely that they would be one of the entities that would respond to the RFP, if the county chooses to go that direction. There is no obligation to Max Trax, as of yet.

Fred: We've talked... Neil you were with that bunch when we met up at the fairgrounds. That was a long time ago. You guys have worked on it a lot longer than I've been involved with it. We stepped in because we feel this is something that is needed for the community. It's tremendous recreation. I have been to the go kart races. I think you guys have a heck of a thing going over there and we want to improve on that. Any questions from the Board?

Bill Byrne: A comment mostly. Steve and John this is Bill Byrne. I met with you guys last summer out at the racetrack with some members of the Fair and Racing Commission, if you remember. First of all I

want to thank you guys for your involvement and your interest in trying to get this racetrack going in the Globe-Miami area. I just want to say that I certainly support the racetrack, and I believe in your concept on how to put it all together. I'm sure there is a lot that needs to be straightened out on that, I certainly think it is doable and we should press on with it.

Speaking for myself only, as a Member of the IDA Board, and this IDA Board has been very persistent in trying to get this track up here. I applaud them on it. This IDA Board has good men on it who are really trying to do things for this community and I certainly support that, and I know they will continue to do good things. But in saying that, I will support this track any way that I can, but personally I can't support any location of this racetrack that will involve removing or altering the fairgrounds that we have in place now.

At one time you proposed to repurpose the horse track facility. I don't think that is a good idea. I want to go on record today to make it perfectly clear that I support the racecar track, and I have since the mid-eighties. I would love to see a racecar track in this area. I can't support a location that would involve altering the existing fairgrounds for a multitude of reasons that we have talked about before, so there is no use bringing them up now. Those can be discussed later at your presentation or whenever. I just don't think it is in the best interest of the fairgrounds to alter it at this point for a number of reasons. I think we can have, and my goal would be to have both. So why not work to have both out there. That would benefit this community and the fairgrounds a lot more if we could have both. We have the land out there to do that so I think that is what we need to pursue. That's just my opinion; I'll leave it at that. Thank you.

John: Can I respond to that? Bill, those are very good comments and you're absolutely right. We have to take a look at all options. And there are definitely benefits to having both. I have done some study into the future of horse racing. Will it make a comeback? Will it be able to draw a crowd and be as successful as it was years ago before casinos took over? One thing we have to consider in looking at all of that is, where is the cost at now? If there is something, can we make it grow better with the racetrack?

The cost to build the racetrack down in that canyon far exceeds the cost to repurpose the horse track. We can utilize what the county has already spent money on and make it work. From what I've heard, which includes conversations with the management at Turf Paradise; there is no way that horse racing will make a comeback. Then you have to ask, what is no and what is never. Other things have gone away before then come back. You guys have to make a decision as a group.

Those are great options and they are worth looking at. If you spend the 5 million to build it down in the canyon, will it help bring in other shows? Will you be able to recover the investment? Bill made great comments and they are worth looking at. If we can make a destination with multiple uses and different types of demographics that we can bring in there, the better for the whole community and county.

Fred: Like I said the point of the meeting and the point of the upcoming work session is not focused on how or where it is going to be built. It's about finding out if the Board of Supervisors will support a racetrack at the fairgrounds. There is no sense in us meeting, and we've had a lot of meetings, trying to come up with ideas unless the Supervisors step up and say they are willing to support the track.

Bill Byrne: I understand that. I've said this before; it's up to the Board of Supervisors. I'm just stating my opinion on it. I just want to go on record to let you know where I stand on it. Where other people stand on it will be discussed at a later date. People have a right to speak up at the meeting, either next week or whenever this is all brought up. They have the right to voice their opinion. It is ultimately up to the Board of Supervisors.

Fred: Unfortunately, Bill, this community has been so fractured. We may not be for the Job Corp. You ask these same people, okay you're not for the Job Corp what are you for? Well I don't know, but this isn't it. I'm not for the prison. Fine, what do you suggest? I don't know, but this isn't it.

Mickie: Well I'm 0-2. Laughs.

Fred: So that is basically where we are at. We're for a racetrack, now Board of Supervisors what do you want us to do?

Bill Byrne: Well, I'm for a racetrack too. I think most of the people in this community are for a racetrack. I question the location. The location is up for debate.

John: It absolutely is up for debate because it does work in both locations. Whoever is willing to give up what, to do what, and come up with a better plan. They are both good locations.

Fred: What we did, we went out and found an entity that is willing to work with us. We've come up with ideas, all these ideas are for not if we don't get the support.

John: Let me throw one thing out based on a comment made earlier. It is nearly impossible in today's world to make a grassroots track profitable, let alone break even. It's difficult to make enough to cover costs. What we don't want as we look at the risks, because you always have to look at what the risks are. We don't want to be a burden on the county because we're not making enough money.

If you make your choices based on what a few locals want instead of what is good business sense, you're going to have problems. Racetracks around the state are better off as a whole than they are individually. You want to make wise business choices that are going to grow over the years to come, not go down or go out. We have a better chance of finding success with asphalt than we do dirt. I'm looking at it from the business part.

I wouldn't myself, if I didn't have the Phoenix track going, I would not commit to building a track in Globe. It is not going to be possible to achieve the type of success that we hope to achieve if the Globe track doesn't have another track feeding into it. We don't want the county to say two years from now; you guys can't pay the bills because you're not making enough money. If you're just racing local drivers one night a week it won't be big enough to support itself. The numbers are not there, you can't get enough popcorn and beer sold. Unless you work with outer tracks and schedule each other and support each other, now you get guys coming from greater distances. At the end of the year, that is what drives a track to become successful.

Mickie: Fred, do we have enough time between now and Tuesday to get racers and supporter to pack this room for the Board of Supervisor's work session?

Fred: If anyone can make that happen, it is this gentleman who is going to speak now, Jim.

Jim: I would just like to ask the question, do you know Kevin Montgomery?

John: Yes, I know Kevin Montgomery.

Jim: Do you know Jonah Trussel?

John: Yes.

Jim: So what do you think of Jonah's attempt at building a dirt track in Apache Junction?

John: Valiant effort, love the passion he has with it. From what I do know of him he seems like a great guy. He's just in a whole different realm of the way I look at racing. I don't want to have my name or what I'm trying to do being associated with some grandstands on a dirt track with port-o-johns as a bathroom. That's not where I want to be. I think he went back thirty years. He's doing it with what money he can. To have a sponsor painted on a five-thousand gallon gas tank as your entry is not what I'm looking to build.

As much as he's helping city racing and keeping things going, bless his heart, Manzanita built in 1952 was a better track than the one he built. If we can't take a standard and use today's technology, today's building standards, today's architectural look and turn it into a track that people enjoy coming to. I have literally watched people at Jonah's track, the food servers go to the restroom and go back and serve food. There is no running water. You tell me, is that what we want for the City of Globe?

Gentleman in the audience: At whose expense?

John: Most of what drives the racetrack is sponsorship. If you want great sponsors, you need a track they will be willing to pay to have their name on.

Fred: John, the question was asked who is going to pay for this. Daisy?

Daisy: It depends on the structure you end up having. Again that is going to have to come out of the proposal. There are lots of structures that potentially could have... if it is with a non-profit seeking donations to fund it. We all know what our community is like and what potential there are for funds here or not as far as donations, and larger donations from larger business entities. And then again whether the IDA choses to look at bonding. Essentially the facility needs to pay for itself in the end.

The proposal, as they have it, is for a twenty year lease for the non-profit to lease it for that time; whatever funds may have been borrowed to be repaid by that time. Depending on how you work it, the county would become the owner at the end of the lease. It depends on how you structure it and what is feasible for our community. And again, what the dollar amount is that you are trying to raise, if you're trying to raise 1.5 or 5 million, there is a big difference.

Fred: The funding can get very complicated and it is time consuming. There is no sense in going through it and doing all that when three people up here are going to say no, we're not going to support it. We need a commitment from the Board of Supervisors before we move forward. It takes a lot of work to pull a project like this together. Are there any other questions?

Daisy: Did we answer the question; will there be people here next Tuesday supporting the project?

Fred: I'm sorry I got sidetracked here. We can, and that is up to Jim, we can... I'm afraid to have so many that you can't get anything done, but I'm sure he can get enough drivers here for Tuesday's work session.

John: That's a great idea. And afterwards maybe we can get together, I'd really like to meet the drivers, talk to them, and get their input.

Fred: Jim, you weren't at our last meeting with John. He has always wanted to meet with the local drivers, he values their input. With us, we need the commitment first. That's why he is saying after the work session when we have a feel about how things are going to go. I would actually recommend meeting after the Board of Supervisor's Meeting, if they chose to put it on the agenda. We'll find out Tuesday exactly how much support we're going to get.

John: True, there is no point in talking to the drivers and getting them all excited only to find out we have a long road in front of us.

Cliff: Fred, will you be able to broadcast that meeting up here the same way we're doing this today?

Fred: You mean on the screen?

Cliff: Is it possible to have the Board of Supervisor's work session broadcast the way we are doing it now?

Fred: I'm sure they probably will.

Daisy: It should be normally. All you have to do, Sandy, is verify the availability and that they are broadcasting.

Mickie: Tommie normally meets from that room.

Cliff: Okay good. This is how I prefer to attend, a lot less driving.

Mickie: Fred, who is going to represent the IDA at this meeting on Tuesday?

Fred: Gerry Kohlbeck will be the spokesman for the racetrack along with Daisy.

Daisy: And I believe John will also be available on the phone as well. Is that right, Fred?

Fred: You will be available, right John?

John: I'm coming up for the meeting.

Gentleman in audience: I'd like to comment that I am not affiliated with Globe-Miami go kart program; I'm just an independent race car owner. I don't want to take away from all the hard work the go kart authorities have done for that program.

Fred: And that's why I reached out to them to make sure they understand that we are here to help them grow. They have a tremendously facility out there and the kids need it.

Daisy: Remember the focus for Tuesday is we want the Board of Supervisors to support the idea. And will they come forward with funding. It's not about this group, or the location, it's about the concept.

Mickie: We're going to title this economic development and we're going to title this an economic development grant. Is that it?

Fred: Contribution.

Mickie: Alright.

Fred: Any other questions from the Board or audience? Do I hear a motion for adjournment?

On motion made by Mickie Nye and seconded by Bill Byrne, the meeting adjourned at 4:45 p.m. Motion passed unanimously by a vote of (6-0).