

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

Date: Wednesday, June 18, 2014 at 10:00 a.m.

Place: Gila County Courthouse
Supervisors’ Hearing Room
1400 E. Ash Street
Globe, AZ

Presiding: Cliff Potts

Present: Cliff Potts, Mac Feezor, Stan Gibson, Bill Byrne, Tim Humphrey, Fred Barcon, Gerry Kohlbeck

Absent: Bob Pastor, Tim Grier

Administrative Manager: Sandy Palmer

Guest Present: None

Cliff Potts called the Regular Meeting of the Board of Directors of the Authority to order at 10:04 a.m., noting the presence of a quorum.

1. APPROVAL OF THE MINUTES OF THE PLANNING MEETING OF THE BOARD HELD ON JANUARY 23, 2014 AND THE SPECIAL MEETING OF THE BOARD HELD ON MARCH 14, 2014.

On motion made by Stan Gibson and seconded by Gerry Kohlbeck, the minutes of the Planning Meeting held on January 23, 2014 and Special Meeting held on March 14, 2014 were approved as submitted.

2. APPROVAL OF THE TREASURER’S REPORT FOR THE SECOND QUARTER OF 2014.

On motion made by Mac Feezor and seconded by Stan Gibson, the Treasurer’s Report for the second quarter of 2014 was approved as submitted.

3. INFORMATION/DISCUSSION/ACTION AS DETERMINED REGARDING A STATUS UPDATE ON THE IDA WEBSITE.

Mac Feezor showed a video presentation of the GilaCountyIDA.net website. The tourism website is stubbed out and well underway. There is an opportunity to sell and link websites to businesses (restaurants and shops) around Gila County. For linking/selling business websites and advertising: information with permission, first. Then provide a

sample of what they can upgrade to for X amount of dollars. The site will also have a directory with non-sponsored links.

Cliff Potts mentioned the website costs to date: \$984. Cost for hosting and domain registration is \$225 per year; domain name is \$20 per year. The website is maintained through a third party. The IDA will have two websites: tourism and IDA business front. Cliff asked how much it will cost to get both websites up and functioning with up-to-date information.

Mac Feezor estimated about \$3,000 to finish.

Stan Gibson asked to make sure the Chambers are involved.

Tim Humphrey is a Globe-Miami Chamber Member; he offered to meet with the Globe-Miami Chamber.

Mac Feezor stated the sites can be cross-linked to increase traffic and increases the popularity of the overall sites.

Fred Barcon suggested authorizing Sandy to sell the websites and advertising.

Cliff Potts asked if this is something the Board would like to pursue. Authorize \$3,000 to finish the websites and sell websites and/or advertising.

Gerry Kohlbeck said he would like to see a separate line on the financial records to see if the advertising is paying off.

Mac Feezor said he would meet with Dragon's Flight Marketing to prepare marketing materials. A complete marketing package is needed to present to prospective businesses.

On motion made by Fred Barcon and seconded by Tim Humphrey, the IDA moved to set aside \$3,000 for the completion of the IDA websites (tourism and business front/economic development) and authorize Sandy to market and sell websites and advertisement on the IDA websites.

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

4. INFORMATION/DISCUSSION/ACTION AS DETERMINED REGARDING THE PROPOSAL TO ENCOURAGE GILA COUNTY TO HIRE AN ECONOMIC DEVELOPMENT DIRECTOR.

Cliff Potts said the presentation to the Board of Supervisors seemed to go well. Afterward, Cliff met with County manager, Don McDaniel. Don said if the County were to hire an economic director, they would assemble a governing board for the economic director; they would not use the IDA as the governing board.

Cliff Potts summarized the economic summit with Alan Urban of CAG, his meeting with the Mayor of Payson, and presentation to the Star Valley Council. There is support for the IDA as a governing board for the economic director.

The IDA Board discussed moving forward with plans to encourage the County to hire an economic director and utilize the IDA as a governing board.

5. INFORMATION/DISCUSSION/ACTION AS DETERMINED REGARDING THE NEED FOR A WORKFORCE FEASIBILITY STUDY FOR GILA COUNTY.

Fred Barcon was contacted by a group of investors interested in build an apartment complex of 200-250 apartments in Globe. If successful, they will approach the IDA for financing. The investment group requested a workforce feasibility study of the area. Fred referred them to the City of Globe and the EDC. The City of Globe and EDC were unable to provide the information needed. The workforce feasibility study is required by banks/lenders for financing, without the document the project is dead. The cost of a workforce feasibility study is around \$15,000.

Cliff Potts stated this is a broad issue. He asked if the document is universally required. Cliff's involvement has always been project specific, a document to take to lenders to prove they have a viable project. These types of questions underscore the need for an economic director.

Fred Barcon said the investment group informed him that a workforce feasibility study should be available to investors and developers interested in economic development projects. Supervisor Marcanti said he wants his district to be prepared, he offered \$5,000 toward the goal of obtaining the workforce feasibility study.

The investment group is very interested in making the project a reality. The Freeport smelter renovation will bring new contractors and employees to the area. There is a lack of suitable housing in Globe-Miami. If the ASARCO renovation happens, that will bring several jobs to the county.

Mac Feezor stated the project would bring a bond deal to the IDA. The study is a seed that has to be developed for all of the communities where economic development/growth is likely to happen. Mac said he'd like to know more about grant monies to expand the survey.

Fred Barcon mentioned that Griffin Consulting will be looking for grant funds to expand the study to include all communities in Gila County.

On motion made by Fred Barcon and seconded by Tim Humphrey, the IDA Board moved to hire Griffin Consulting for a Workforce Feasibility Study for Globe, AZ. Costs for the study not to exceed \$14,000 (\$11,000 plus expenditures). The IDA will accept and apply the \$5,000 contribution from Supervisor Marcanti to Griffin Consulting's invoice.

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

6. INFORMATION/DISCUSSION/ACTION AS DETERMINED REGARDING AN UPDATE ON THE IDA TASK LIST.

Cliff Potts reviewed the list, and noted that he sent a letter to ASARCO introducing the IDA and offering bond service.

Gerry Kohlbeck asked how the IDA Board felt about extending construction loans to contractors.

Cliff Potts said the statute for the IDA states no single family residents.

Tim Humphrey mentioned individual investors that might be interested in providing funds for construction loans through the IDA.

Cliff Potts said the IDA would need legal counsel before pursuing. It would be a good sideline investment. However, the laws are in effect due to the ability to repay the loans, normal underwriting standards. The borrower can unwind the loan because there is no way to prove the ability to repay. From this end of the business, you'd have to have experts involved. The consequences of mistakes are terrible.

Fred Barcon suggested contacting USDA about loan programs.

Cliff Potts said there is a gap for exactly what Tim is talking about. You have to get a licensed loan originator to handle the transaction and documentation required. It may be worth checking into. Cliff suggested checking with Pat Ray and loan services to flesh it out and see what might be feasible.

ADJOURNMENT. With no further action to come before the Board, motion to adjourn made and dully seconded at 11:40 a.m.

I certify that the minutes of June 18, 2014 were approved on Tuesday, September 23, 2014.

Fred Barcon, Vice President

Date