

INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF SIERRA VISTA

Minutes – Board Meeting

January 21, 2020

2:00pm

CALL TO ORDER

Demetry Simonton, President, called the meeting of the Industrial Development Authority of the City of Sierra Vista to order at 2:05pm on January 21, 2020, in the First West Properties Corporation conference room.

ROLL CALL

The following were present: Demetry Simonton-President, Sid Downey-Treasurer, Wafaa Smith-Board Member (telephonically), Frank Moro-First West Properties Consultant, Stacey Loucks-First West Properties Corporation. A quorum of the current Board Members was established.

APPROVAL OF AGENDA

Demetry Simonton motioned to approve the agenda as written, Sid Downey seconded, the motion carried.

APPROVAL OF MINUTES

Demetry Simonton motioned to approve the minutes from the September 13, 2019 meeting as written, Sid Downey seconded, the motioned carried.

NEW BUSINESS

Demetry Simonton explained the benefits of a separate SHRP website, and asked if IDA would provide funding for that website in the future. Sid Downey motioned to approve IDA funding the website, with a \$1,000 cap, and pending the availability of funds. Wafaa Smith seconded, the motion carried. Demetry Simonton abstained due to potential conflict of interest.

Sid Downey motioned to establish the first Tuesday of every month at 2:00pm as a set day and time for the 2020 IDA meetings, with the ability to call for special meetings at any time. Wafaa Smith seconded, the motion carried.

Demetry Simonton shared some ideas for the IDA's focus in 2020, to include: looking at assisting with more educational projects to assist the Sierra Vista Unified School District and other educational institutions; training and touring the new board members on the IDA and SHRP history, vision, projects and properties; creating success binders for all board members and review open meeting laws; strong focus on re-starting and completion of the Crossing Point home construction and sales on the last 17 lots; implement an accounting audit (per the bylaws); electing new officers and transitioning to the board treasurer handling the accounting and annual budget for the IDA, and the new board secretary handling agendas and minutes; bringing the Phoenix IDA director down for training; exploring more low income and/or veteran housing and the programs and grants available. Melanie with the Chamber of Commerce, and many other people/businesses/entities, need to be educated on the IDA and SHRP, and all work together to assist the community and bring in new business and programs.

Demetry Simonton would like the board to consider purchasing Quickbooks for the IDA to maintain their accounting/bookkeeping. Discussions need to happen to verify who is doing what on the bookkeeping for the IDA, and what software is being used. This will be tabled until the board is more familiar with the current processes.

OLD BUSINESS

Demetry Simonton motioned to approve the 4 applicants (Adrienne Weiss, Brandy Kea-Robinson, Lawrence Goodhue, and Johanna Scott) as new IDA Board Members. Sid Downey seconded, the motion carried. Demetry Simonton has submitted the 4 applications to the City Council for approval.

Frank Moro explained the potential buyers submitted a lower offer for the purchase of Sierra Linda Apartments. Upon a physical site inspection of the apartments, the potential buyers are concerned that more money and time needs to be put in to the renovation of the apartments than they originally thought. They are only willing to pay \$462,000 (original contract was for \$585,000), defer payments for 6 months, and they would like Frank to come in as a 33% partner. Frank will do so to save the deal if that is what the IDA would like, but it is entirely up to the board to accept, decline, or counter the offer. Frank also shared that they could complete more renovations at Sierra Linda to increase the value, then put it on the market to find other investors. Rents have already been increased to \$500/month to provide more income. Six tenants were lost due to the increase, 2 units have been re-leased, but there are currently 4 vacant units. In the past, the rents on the 24 units at Sierra Linda were only \$385/month, so although bills were being paid, there was no profit for the property. In an effort to see what is involved in renovations for those units, one of the vacant units has renovations 65% complete, but the cost was higher than anticipated, and the funding isn't available to finish at this time. The idea is to do a full renovation on the units, to include new wall texture and paint, new cabinets and countertops, new lighting, new flooring, and new doors and hardware. The renovations are currently projected at \$14k to \$15k per unit, but Frank would like to get them down below \$12k. The roof repair has been taken care of already. Frank offered to continue to implement the renovations, at no charge to the IDA, as the units become vacant, and potentially loan the money to IDA to complete the renovations, if necessary. The current purchase offer included \$185,000 down, which could potentially pay for the fees involved in the sale, pay off the loan, and put some money in the bank.

The board discussed the options, and Sid Downey motioned to counter their lower offer at \$518,000, with deferred payments for 6 months, Wafaa Smith seconded, the motion carried.

Frank also advised the board that the IDA and SHRP properties are theirs to do what they feel is best. Even though all the properties are providing monthly income, they could be sold for a lump sum to pay off debt and provide funding to begin new projects.

CALL TO THE PUBLIC

None.

NEXT MEETING

The next meeting will be held on Tuesday, February 4th, at 2:00pm.

ADJOURNMENT

Demetry Simonton adjourned the meeting at 3:05pm.

APPROVED:

By:

Date