

**THE WORKSESSION
OF THE MAYOR AND CITY COUNCIL OF BENSON, ARIZONA,
THE BENSON ECONOMIC DEVELOPMENT COMMITTEE AND
SOUTHEASTERN ARIZONA ECONOMIC DEVELOPMENT GROUP
HELD MARCH 23, 2015 AT 6:00 P.M.
AT CITY HALL, 120 W. 6TH STREET, BENSON, ARIZONA**

CALL TO ORDER:

Mayor King called the meeting to order at 6:01 p.m. with the Pledge of Allegiance.

ROLL CALL:

Present were: Mayor Toney D. King, Sr., Vice Mayor Lori McGoffin, Councilmembers Pat Boyle, Jeff Cook, Joe Konrad and David Lambert.

Also present were: Benson Economic Development Committee Chairperson Mike Berryhill and Benson Economic Development Committee Members Councilmember Pat Boyle, Annette Buechel, Mindi Flores, and John Comaduran. Absent were: Benson Economic Development Committee members Barbara Nunn and Jennifer Swindle.

Also present were: Southeastern Arizona Economic Development Group Director George Scott and Member Andrew Abernathy.

NEW BUSINESS:

1. **Discussion with the Benson Economic Development Committee and the Southeastern Arizona Economic Development Group regarding economic development in the Benson community and surrounding areas; discussion may include but not be limited to existing and potential economic development opportunities and projects being sought as well as completed and developing projects**

City Manager William Stephens stated Mr. George Scott of the Southeastern Arizona Economic Development Group (SAEDG) asked for a meeting between SAEDG and the Council, adding once the Council determined the status of the Benson Economic Development Committee (BEDC), Mr. Stephens suggested they join the worksession to explore possible economic development opportunities for the City.

George Scott, the Executive Director of SAEDG, addressed Council giving a brief history SAEDG, stating he has lived in Benson, has been a business owner and manager of several businesses and he was a former Councilmember and a former Mayor. Mr. Scott then informed the Council who the SAEDG's Board of Directors are, beginning with President Larry Dempster, a retired Chevron Executive who is a local businessman, owning the Cowboy Way and the Benson Ice Cream store, adding Mr. Dempster also has a ranch in Benson. Mr. Scott then stated Vice President David DiPeso is on the Cochise College Board, is a lifetime business owner, owning 2 businesses in Benson and was a former Mayor. Mr. Scott then stated the Treasurer at this time is Cindy Batten, who is a longtime resident of Benson and is also the manager at the Benson branch of the National Bank of Arizona. Mr. Scott then stated other board members were chosen for their experience, beginning with Les Thompson, a former County Supervisor in Cochise County, who has been a Benson business owner and a Benson lifelong resident; Gill Lusk, a property owner in Cochise County who is a retired Director of National Parks Service and is also on the City Council in the City of Sahuarita; Judy Thompson, a retired manager of the Benson branch of the National Bank of Arizona, who is also a lifelong resident of Benson; Jerry Degrazia, a retired City planner out of Illinois, a real estate developer and property owner in Benson and in Cochise County; Mark Fenn, a former Mayor and former Councilmember, who is a Contractor and businessman; Kimberly Lockhart, the manager of Pioneer Title Company in Benson and a longtime resident of Benson and Geoff Oldfather, who works with Arizona G&T Cooperatives and is a lifelong resident of Benson. Mr. Scott then stated SAEDG was incorporated in 2007, and is a 501c6 with the Internal Revenue Service, adding more information could be found on the SAEDG website. Ms. Scott then

stated the SAEDG mission statement is to responsibly develop and expand the economy of Southeastern Arizona, adding they feel they have done that with some of the projects they are working on and have helped to complete.

Mr. Scott then spoke about the various projects they have assisted with during the last 18 months beginning with the Easter Mountain/J6 rezoning. Mr. Scott stated this is a large residential subdivision that is going to be on the south end of J6 Ranch Road with high-end residential homes in the future, when the economy is better. Mr. Scott stated SAEDG helped this project go through the Cochise County rezoning process, noting SAEDG also helped San Pedro Partners with their recent rezoning. Mr. Scott stated SAEDG continues to work on the San Pedro real estate project with City Staff, which is a rezoning effort around the golf course enabling the development of 40 residential lots and condominiums. Mr. Scott then stated SAEDG also helped Council go through the General Development Plan update. Mr. Scott then stated some Councilmembers might be familiar with the Red Horse Wind and Solar Project between Benson and Willcox, adding the project is in the process of building the foundation for the wind farm, with parts arriving in the spring. Mr. Scott then stated SAEDG's part of that project was to help get a special use permit through Cochise County, adding SAEDG lobbied the Board of Supervisors. Mr. Scott then stated SAEDG has also been involved with several film projects, such as EZ Rider 2 and about 2 years ago, they worked with Gammons Gulch to build a new saloon for filming The Gundown. Mr. Scott then stated at this time, there is also a reality series in Tombstone, adding he has information he can send to Council on it. Mr. Scott then stated SAEDG also helped reorganize and revitalize the Benson Clean & Beautiful organization, which was dormant for about 5 years, adding they got Lisa Hill and other volunteers to take over and bring it out of hibernation. Mr. Scott then stated the Benson Clean & Beautiful committee is working on the murals around town and had their offices in SAEDG's building. Mr. Scott stated another project SAEDG is working on with the City is in its infancy; promoting the Benson Municipal Airport as an Unmanned Aerial Site (UAS), adding not much has been done yet as they are still exploring the possibilities, but they are working with the Sierra Vista Economic Development Foundation and the U of A Tech Park to try and bring customers to Benson for that. Mr. Scott then stated he has had conversations with both City Manager William Stephens and Public Works Director/Airport Manager Brad Hamilton about bringing businesses to the airport and he will continue working on that. Mr. Scott then stated another project SAEDG has been working on is holding a Benson Employer Focus Group, which will be held at the Benson School Board room on March 24, in Willcox on March 31 and in Douglas on April 1. Mr. Scott stated this forum is for employers to talk to the U of A and Cochise College to help them understand what employers are looking for and to help the schools know what type of courses to offer. Mr. Scott then stated SAEDG is also working on the Apache Powder Museum, which is also called the Western Heritage Culture Center and he would like Mr. Andrew Abernathy to address the Council with information on that project in a minute, he then stated SAEDG continues to work with Kevin Rasch for the solar park at the airport to get customers there also. Mr. Scott then stated some important projects SAEDG has been working on for Benson are mining projects, adding HudBay bought out Rosemont Copper and the project is still moving forward, noting it will be 1-2 years to get permitted, but when it does, the project will bring a lot of jobs to the area. Mr. Scott then stated the second project is with Excelsior Mining Corporation, which is a Canadian-based company, adding the project is located between Benson and Willcox. Mr. Scott then stated SAEDG has also been in contact with NORD Resources Corporation to offer services and is also working with a local company COLT RR on a reclamation project. Mr. Scott then stated tourism is one of the most important things to help bring money into the City, adding SAEDG tried a coffee and doughnut show at the golf course in January to show appreciation for the winter visitors and it was well received with quite a few people in attendance despite the weather being awful. Mr. Scott then stated SAEDG will continue to work with Go Cochise and some others to help develop additional events that can be done throughout the year to help boost the tourism economy.

Mr. Scott then asked Mr. Andrew Abernathy to give a brief update on the Western Heritage Culture Center and how Go Cochise has partnered with SAEDG on some of these projects. Mr. Abernathy stated he was asked a little over 2 years ago to get involved with what at the time was thought to be a dynamite museum for the history of the old Apache Powder Company, which many people know now as Apache Nitrogen Products, adding the project was near and dear to him because his father-in-law worked there for 40 years and helped begin and close a dynamite line. Mr. Abernathy then stated they soon found that a dynamite museum wasn't feasible, so they looked to see what other opportunities might be available and found that dynamite was an

influential component in the development of Cochise County and surrounding counties as well. Mr. Abernathy then stated with this information, they decided to develop a storyline with 6 themes; indigenous peoples, focusing on the latter part of the Mexican colonial period from 1830 on, the military, transportation, mining, farming and ranching and entertainment, adding each one has a distinct story, but each one being told by itself doesn't really tell the full story of not only Cochise County, but the other surrounding counties of Graham, Greenlee and Santa Cruz. Mr. Abernathy then stated the stories will tell not only of dynamite, but of settlement and development in southeastern Arizona regions. Mr. Abernathy then stated they finally managed to put together an organization and formed a fully accredited tax exempt organization with a 501c3 designation at Christmas time, adding this year, the goal is to move forward and officially form a Board of Directors and to begin to move forward with serious efforts toward raising money for the project. Mr. Abernathy then stated the project will bring people here and will show how the stories come together to form a rich story that no one has told before in this region of Arizona. Mr. Abernathy then stated he was excited about the opportunities and corporate support, adding they have a number of key supporting entities, such as Apache Nitrogen, Empire Caterpillar Distribution Company, HudBay and others. Mr. Abernathy then stated a couple of successful events have been put on to help raise funding; a golf tournament, adding another one will be held in September, and other private venues where people come together to pledge support. Mr. Abernathy then spoke about the Go Cochise company, stating it was an offshoot of the Heritage Center, adding Go Cochise was created as the commercial side, developing different kinds of assets and relationships from a commercial side that the Heritage Center can't do and doesn't have time to do. Mr. Abernathy stated Go Cochise is a company he and George Scott started together as an events promotion, tours and tourism consultation company, adding it has recently become involved with the newly formed Sierra Vista Hotel Owners Association and the Cochise County Tourism Council (CCTC) as well. Mr. Abernathy then stated Go Cochise has been invited to Bisbee, Douglas and other cities around Cochise County. Mr. Abernathy then stated SAEDG has recently received a letter of support and involvement from people in Greenlee County who were very excited about the project, adding a brief presentation on the Heritage Center was done and SAEDG will be going to visit with them again to inform them more about it and how Go Cochise can tie together communities to form a much stronger economic community, especially in tourism and event promotions.

Mr. Scott then addressed Council regarding an SAEDG sponsored event being held April 8, bringing the Director of a Canada-Arizona business Council to speak about the involvement of Canadians in southern Arizona. Mr. Scott stated 900,000 Canadians visited Arizona in 2013 and about 300 Canadian companies operate here, noting 2 are in Cochise County; Excelsior Mining Corporation and the Commonwealth mine near Pearce. Mr. Scott stated the Council is invited and he hopes they can come. Mr. Scott then stated on April 28, SAEDG is hosting a Faith Hill-Clark company located in Phoenix, who casts roles in movies, adding SAEDG worked with her about 2 years ago and a lot of people in Cochise County have an opportunity to get jobs on films in this area. Mr. Scott stated this sums up what SAEDG is all about.

Mr. Scott then stated SAEDG feels there should be more coordination between SAEDG, the City and the BEDC and all these entities should work a lot closer together with a single voice that is speaking for the community, adding if there are too many people telling too many different stories, then no one will believe anything, which has happened in Benson once in a while. Mr. Scott then stated he believes Benson has a lot of opportunity and if SAEDG, the BEDC and the City Council work together to decide what to pursue and go from there, he believes things can be made to happen fairly quickly. Mr. Scott then stated at the last worksession, Mr. Berryhill, Chairperson of the BEDC was talking about a liaison, adding SAEDG currently works as a liaison between a lot of developers and the City, adding many times, the developers are out of state or out of town and SAEDG is able to work on their behalf with City Staff to resolve issues, noting SAEDG tries to help shepherd projects through the process.

Councilmember Lambert asked if SAEDG held regular meetings with Mr. Scott stating SAEDG is not a public entity and isn't required to hold meetings, but they do have Board meetings once a quarter and Council is welcome to attend and come down and take a look at their finances, adding their operation runs on less than \$50,000 per year due to it consisting mostly of volunteers.

Councilmember Cook stated he did an informal survey of people stopping at the Visitor Center when it's closed, adding he has found a lot of visitors are in Benson from British Columbia and Manitoba, Canada with

Mr. Scott stating he thinks there will be many more Canadian visitors in the near future, citing one reason is they can now buy real estate here and finance it in Canada. Mr. Scott then stated he knows a lot of people will buy winter homes in the U.S., adding the two mining groups he mentioned before are here and he believes there will be a large influx of Canadians here. Councilmember Cook agreed. Councilmember Cook then stated Mr. Scott had indicated SAEDG was partnering with Sierra Vista, other communities and other organizations, and asked who paid for the costs related to travel with Mr. Scott stating he often paid for it personally, adding the funding SAEDG receives comes from memberships in their organization, but that funding is mostly used for operating expenses. Mr. Scott then stated he personally pays the phone bill and for meeting SAEDG attends, adding SAEDG is trying to promote the City of Benson and trying to get people to come here and do something.

Councilmember Cook stated it was his understanding when Mr. Scott requested this meeting that SAEDG was going to supply some help or direction to the BEDC to get the BEDC to do something economic development related and away from parks and recreation and tourism projects. Mr. Scott stated SAEDG is offering their services to help either the BEDC or the Council address any economic development opportunities and help come up with solutions so Benson can be a better climate for business and attract more businesses. Mr. Scott then stated that is why it's important to hold any worksessions or meetings where SAEDG could help resolve some of the problems.

Vice Mayor McGoffin stated she agrees with Mr. Scott that there should be one person speaking, adding it's frustrating for a business to ask a question and get 50 different answers. Vice Mayor McGoffin then stated she knows sometimes SAEDG has business leads and the BEDC sometimes has leads, but felt the two organizations should communicate and coordinate their efforts. Vice Mayor McGoffin then stated SAEDG has more experience in economic development because they've been pursuing it a lot longer and stated SAEDG has done a very good job. Vice Mayor McGoffin then stated she likes a lot of the events and seminars SAEDG has hosted, adding she thinks the events are very interesting and are great for the economy and growth of the City. Vice Mayor McGoffin then restated the SAEDG and the BEDC should talk to each other and coordinate their efforts so they aren't working on the same things and there is one person to go to for answers instead of multiple people.

Mayor King asked if BEDC Chairperson Mike Berryhill would like to add anything with Mr. Berryhill stating he would not.

Councilmember Boyle then asked Mr. Scott how he envisioned the two entities working together and if he had any ideas about how he would like to see it work with Mr. Scott stating he would suggest coordinating their efforts, noting he has talked to Mr. Stephens and a few others about this, adding the Council can't be going in one direction, SAEDG in another direction and the BEDC in another direction because it doesn't look professional. Mr. Scott then stated if the BEDC has a project they're working on, SAEDG could probably lend a lot of expertise because they have a lot of people in their group who have expertise and experience in putting on events. Mr. Scott then stated one of the things he remembers from the worksession the Council held with the BEDC was the mention of a grant application for planting trees, adding if someone would have talked to him, he could have gotten about 100 free trees and no grant would have been necessary, but there are a lot of other aspects to consider, such as where to plant them and who would be planting them. Mr. Scott then stated this is an example of where the SAEDG could lend their experience and assistance to help the BEDC and work with the City, adding it's important to coordinate efforts and be working toward the same goal. Councilmember Boyle stated he agreed he didn't like the idea of a turf war and he thinks everyone is on the same page, basically, which is to help Benson achieve and improve its tax base to help itself financially, as well as to make Benson a better place to live, so everyone should figure out a way to remove any animosity and work together as a team.

SAEDG Member David DiPeso then addressed Council regarding his vision of coordinating efforts, stating when a business comes in; they work with the City for permits and regulations, but are apt to be more friendly with SAEDG. Mr. DiPeso then stated his thought is that the BEDC should be working on ways to smooth the process, a shovel ready projects list and zoning and building code issues to help businesses, adding many times small businesses can't afford something that's required, such as Mr. Lotsof's parking lot. Mr. DiPeso then

stated there should be a way to adjust those requirements and determine that Mr. Lotsof's business probably doesn't need that big of a parking lot. Mr. DiPeso then stated the BEDC could work on regulations to help businesses out so they can come in and work, adding again, a lot of small businesses are struggling with the building codes and other requirements, yet most of the generation of the City's income comes from smaller businesses. Mr. DiPeso then stated Benson needs a better reputation to attract new businesses and if the BEDC could work on the processes, SAEDG could work on bringing businesses in. Mr. DiPeso then stated if the BEDC and SAEDG could segregate it that way, he thinks it would help, adding they would still be working together toward the same goal.

Councilmember Konrad stated he had met with Mr. Scott a couple of times and he believes there is a lot of potential out there. Councilmember Konrad then stated he sees the good SAEDG is doing and that there is a lot of excitement coming into town and asked Mr. Scott to keep up the good work. Councilmember Konrad then stated if the Council could find a way to blend these groups together and could give some direction that's good for the City, he thinks Benson will gain some ground.

Mayor King stated he had also met with Mr. Scott a few times and he is very interested in what they are doing. Mayor King then stated everyone needs to figure out how to work together and not work against each other, adding everyone has different ideas on what they want to do, but it's important to find a common point and communicate so everyone isn't going in ten different directions. Mayor King then stated both SAEDG and the BEDC are all working toward the best interests of the City and as a whole, can do great things.

Mr. Scott then stated he would like to suggest that if the BEDC and Council have a project they want to work on, that they contact SAEDG and work together to see how it can be done, instead of working on their own, adding the more people involved, the better. Mr. Scott then agreed with Mayor King stating they're all working toward the same goal of making Benson a better place; they just need to coordinate their efforts more. Mr. Scott then stated when Mr. DiPeso brought up outside investors or developers being friendly with SAEDG, it reminded him to mention the fact that sometimes SAEDG has to sign non-disclosure agreements until a decision is made to move forward with a project. Mr. Scott then stated this is an advantage SAEDG has that the BEDC doesn't, adding, this is why sometimes investors or developers are more willing to work with SAEDG.

Councilmember Konrad then stated he would like to commend everyone participating in these committees, adding he knows it takes a lot of personal time and he appreciates the work they put into it.

Mayor King asked if there was anything further from Mr. Scott or Mr. Berryhill, with both stating there was nothing further.

ADJOURNMENT:

Vice Mayor McGoffin moved to adjourn at 6:42 p.m. Seconded by Councilmember Konrad. Motion passed 7-0.

ATTEST:

Toney D. King, Sr., Mayor

Vicki L. Vivian, CMC, City Clerk