

**THE WORKSESSION
OF THE MAYOR AND CITY COUNCIL OF BENSON, ARIZONA
HELD SEPTEMBER 12, 2016 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 6:16 p.m. with the Pledge of Allegiance.

ROLL CALL:

Present were: Mayor Toney D. King, Sr., Councilmembers Pat Boyle, Joe Konrad and David Lambert. Absent were: Vice Mayor Lori McGoffin, Councilmembers Chris Moncada and Jeff Cook. Mayor King stated Vice Mayor McGoffin was excused due to being ill.

NEW BUSINESS:

1. **Discussion with the Southeast 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 Bill Stephens stated Mr. George Scott, Director of the Southeast Arizona Economic Development Group (SAEDG) had requested a worksession to discuss economic development opportunities. Mr. Scott then addressed the Council and stated the SAEDG was organized in 2007 and is a 501c6 run by a Board of Directors that includes business owner Larry Dempster; Real Estate Appraiser, Realtor and business owner David DiPeso; Cindy Batten, the Manager of National Bank and Les Thompson, a former Cochise County Supervisor. Mr. Scott stated SAEDG has several other members and advisory members including Geoff Oldfather and former Mayor Mark Fenn of Fenn Homes. Mr. Scott then stated SAEDG has affiliates such as the Benson/San Pedro Valley Chamber of Commerce, adding SAEDG also works with other Chambers in Cochise County.

Mr. Scott stated the City had economic development committees in the past, noting he had served on one of the committees with Mr. Oldfather and Mr. Lupe Diaz before the Council disbanded it and created another economic development committee, which had also been disbanded at the request of the committee members. Mr. Scott then said he wanted to talk about the direction the City was headed and that the SAEDG believes when the Villages at Vigneto starts construction, more businesses will want to come to Benson. Mr. Scott then stated SAEDG and their affiliates are in a good position to help, adding he gets calls from prospective businesses every week with questions about the type of assistance that is available, what facilities are available and the permitting process. Mr. Scott then stated the callers know that the Community Master Plan for the Villages at Vigneto has been approved and they are watching to see if it moves forward.

Mr. Scott gave a handout to the Council listing some of the things the SAEDG has been working on and stated they are currently working with the Planning staff to rezone property adjacent to the golf course.

Mr. Scott then said there are things in the City's strategic plan that parallel what SAEDG is talking about doing and they would like to work with Staff and Council to develop a strategic marketing plan for the City. Mr. Scott then stated tourism is easy because tourists and winter visitors already come to Benson, adding SAEDG would like to be able to work with the City and Staff to see how they might put together some plans and events that get tourists to stay longer. Mr. Scott stated SAEDG is also working on other things to help Benson with people who have the expertise and stated there needs to be more trust between SAEDG and the City Council.

Mr. Scott then introduced Kirsten Smith, who is helping him put together a project at the golf course to raise money for trees and enhancements, adding AZ G&T is also involved to help improve the golf course. Mr. Scott stated this is being done mostly with donations and stated no money is coming from the City. Ms. Smith then addressed Council stating a golf tournament will be held on November 5 and will have annual hole sponsorships for \$1,000 which will include a 4 man team. Ms. Smith stated a project, such as a tree or bench will be done for each hole at the course, adding 6 trees and some benches will be delivered to the golf course soon and are things the Director of Golf wanted for the golf course. Ms. Smith stated AZ G&T is taking care of all the plaques for the hole sponsorships for a year as well as providing the printing service for anything that is needed, such as scorecards, sponsorship boards, etc.

Mr. Scott then stated there will also be a wine tasting that will be open to the public to bring people in from around the county and again stated he would like to find a way for SAEDG and the City to work closer together, adding SAEDG can maybe complete some projects the Council wants done.

Geoff Oldfather then addressed the Council stating AZ G&T is cooperatives who have merged and is a not for profit, member-owned entity. Mr. Oldfather stated SSVEC is a member of the cooperative and SSVEC distributes power to their customers that is generated at Apache Powder Station. Mr. Oldfather then stated AZ G&T has 240 employees, pays the highest property taxes in the county and they filed for a rate decrease 3 years ago, which doesn't happen very often, adding he is proud of what they do. Mr. Oldfather then stated AZ G&T is also probably a lot more involved in things behind the scenes than people realize, noting they work at the national level with rural economic development. Mr. Oldfather stated next month they will be attending one of the largest conventions ever, to brainstorm on economic development in rural areas, adding rural areas were hit harder by the recession and have taken longer to recover. Mr. Oldfather then stated rural areas lost population over the last 7 years, but is seeing it level out. Mr. Oldfather then stated he will be sending staff to the conference and hopefully they will be bringing back people who will conduct some workshops next year. Mr. Oldfather then spoke about the rural economic development program AZ G&T applied for to provide rural economic development funding opportunities, stating AZ G&T applied for \$400,000 and matched it with \$80,000. Mr. Oldfather then stated 3 loans were then approved by the Board including a revolving loan in the amount of \$83,000 to SAEDG to purchase and renovate the building they are in. Mr. Oldfather then stated the Benson Hospital also applied for a loan to lease and renovate where the Physical, Occupational and Speech Therapy facility is located and the Northern Cochise Community Hospital applied for a \$300,000 loan to take their emergency department from paper to electronic, adding they have paid half of the loan back and then qualified for a grant to further modify and enhance their hospital. Mr. Oldfather then said there is only about \$83,000 left in the program fund right now and he hopes AZ G&T will get funding again for the program, adding he gets calls regarding it about every 2 weeks from people who want to know if a project they have qualifies. Mr. Oldfather then said the program is available to help fund projects in all 6 of their members distribution territories and encouraged people to spread the word about this program noting many people aren't aware of it. Mr. Oldfather then stated the Council and the public probably don't know how much Mr. Scott works behind the scenes, adding Mr. Scott and the SAEDG is on the cusp of being able to bring viable economic development projects to Benson that will pay off and what Mr. Scott is asking for is a closer collaboration with the City.

Councilmember Konrad noted in the case with the Northern Cochise Hospital, they used the loan and then qualified for additional grant funding, adding he wanted everyone to understand that the when the project is successful, more money is available. Mr. Oldfather then briefly went over the process of qualifying for funding, stating the application is reviewed by a Board comprised of community leaders who look at the applicant's financial background, which takes 3-6 months. Mr. Oldfather then stated the advantage of the program is that the loan has a very low interest rate (from 1-3%) over 10 years, noting in the Benson Hospital's case, they probably would not have been able to do their renovation. A member of the public asked if 501c3 organizations qualified with Mr. Oldfather stating the project has to meet some requirements, such as having to create a job, create a revenue stream and improve the quality of life in the community.

Mr. Scott then spoke about one of the projects SAEDG was able to get started, stating Leo O'Farrell Lisa Hill with Benson Clean & Beautiful came to him about getting murals painted by the visitor center. Mr. Scott then stated SAEDG gave a space in their office to the Benson Clean & Beautiful and is helping them, adding Benson Clean & Beautiful is doing a great job.

Mr. Scott then stated he would like to come away from this meeting with some kind of commitment from the Council, adding he was not asking for any money, but was asking for the Council to consider figuring out a way that Staff can refer businesses that come in to SAEDG and a way that SAEDG can work with the Council and City to be successful. Mr. Scott then stated SAEDG working together with the City will result in more success for the City, noting there are more things that can be accomplished when there is a private/public partnership; then added if the Council has projects they would like to accomplish, there may be ways SAEDG can do it with other private organizations because the City may be limited in ways the private sector is not. Mr. Scott then asked if the Council had any questions.

Councilmember Boyle asked what the limitations were of the agreement and how to expand the City's ability to do things with City Attorney Paul Loucks stating a lot would depend on the actual relationship and what services are provided with the contract. Mr. Loucks then stated legal counsel has addressed concerns regarding the gift clause, noting the City needs to get something for any monetary contribution. Mr. Scott then stated he was not asking for a formal agreement, adding if the Council has a project they would like to do and the City can't do it for some reason, he would like the Council to see if his group could possibly partner with other organizations and get the project done. Councilmember Boyle confirmed the Council was not entering into an agreement with Mr. Loucks stating it sounded like Mr. Scott was asking for more of a coordinating effort right now.

Mayor King stated he knows SAEDG has been working with Mr. Hartley on his development and the rezoning application with Planning Technician Michelle Johnson stating she received direct permission from the property owner to use Mr. Scott as his representative, adding there is no contract in place, but Mr. Hartley did give permission for Mr. Scott to represent him. Ms. Johnson then stated in some instances, using a third party such as SAEDG is easier because it's a local organization, adding if the property owner were local, there may not be a benefit using a third party, because it creates a middleman. Mayor King stated Mr. Scott serving as a third party may help in that Mr. Scott may be able to do some of the homework that would need to be done. Ms. Johnson then stated her office also gets weekly calls from prospective businesses that are waiting to see what happens with Vignetto, adding an asset inventory and a list of shovel-ready properties may need to come up again.

Larry Dempster then addressed Council stating SAEDG is not asking for any legal contract, adding SAEDG doesn't want any approval or denial authority. Mr. Dempster then stated SAEDG is comprised of smart, influential volunteers who know people and they are just asking to be a tool for the City to use to accomplish economic development projects.

Councilmember Lambert stated he liked the idea that SAEDG can serve as a type of concierge and be the point of contact, adding SAEDG can point people to the proper place. Councilmember Lambert then stated some of the people on the SAEDG Board of Directors and their members have the background and expertise that would benefit the City and those who want to come to Benson. Mayor King agreed, stating as the Villages of Vignetto project moves forward, SAEDG's service would be an asset to the City.

Mark Fenn then addressed the Council stating Mr. Scott's desire for this meeting and the outcome is that SAEDG would be a resource for the City, especially since the City doesn't have an economic development committee. Mr. Fenn then stated SAEDG would be the Council's go to group should they have questions and not any answers, adding SAEDG could be used for specific projects, such as the golf course or ball fields, noting the group using its resources may be able to accomplish projects the Council wants to do.

Councilmember Konrad stated the City and SAEDG can work together on economic development projects and build trust between the two organizations.

Mr. Scott then stated he would like just a gentleman's agreement, adding SAEDG is not competing with the City, but would like to work with them. Mr. Scott then stated the golf course project is a perfect example, adding SAEDG went out and raised money and will raise more and with completed projects, the golf course becomes more valuable for the City. Mr. Scott then stated he would just like the Council to think about the working with SAEDG, adding if the Council and City Staff can work with SAEDG, he thinks things can be accomplished, such as projects the Council would like to do, but they can't be done through the City. Mr. Scott then stated SAEDG wants to improve Benson and make it more prosperous.

Mayor King thanked everyone for attending the meeting.

City Manager Bill Stephens stated City Staff is more than willing and is open to taking all the help they can get, adding the community working hand in hand is a great thing. Mr. Stephens then stated he is not trying to stop anything, but he would want to make sure everything is done legally, adding he welcomes any help and assistance the City can get from the community to make Benson and the surrounding areas great.

Mayor King then stated the regular Council meeting would begin at 7:05 p.m.

ADJOURNMENT:

Councilmember Boyle moved to adjourn at 6:58 p.m. Seconded by Councilmember Konrad. Motion passed 4-0.

ATTEST:

Toney D. King, Sr., Mayor

Vicki L. Vivian, CMC, City Clerk