

Minutes

MAYOR AND COUNCIL

The City of Douglas Mayor and Council met in a **Special Meeting on Wednesday, FEBRUARY 23, 2022, at 5:30 p.m.** at the Douglas Visitor Center, 345 16th Street. The Honorable Mayor Pro Tempore Morales called the meeting to order.

1. **CALL TO ORDER.** 5:30 p.m.
2. **PLEDGE OF ALLEGIANCE.** By Council
3. **ROLL CALL.**

	PRESENT	ABSENT
MAYOR, DONALD C. HUISH		X (excused)
MAYOR PRO TEMPORE, MARGARET MORALES	X	
COUNCILMEMBER, MITCH LINDEMANN		X (excused)
COUNCILMEMBER, DANYA ACOSTA	X	
COUNCILMEMBER, RAY SHELTON	X	
COUNCILMEMBER, MICHAEL BALDENEGRO	X	
COUNCILMEMBER, JOSE GRIJALVA	X	
CITY MANAGER, ANA URQUIJO	X	
CITY ATTORNEY, DENIS FITZGIBBONS	X	
CITY TREASURER, LUIS PEDROZA	X	
CITY CLERK, ALMA ANDRADE	X	

4. **PERSONS WISHING TO ADDRESS THE COUNCIL IN WRITING OR VERBALLY ON ANY ITEM NOT ON THE AGENDA.**

Ms. Andrade stated no public participation request were submitted.

5. **PRESENTATION/DISCUSSION:**

- A. Pertaining to Establishment of an **ENTERTAINMENT DISTRICT** and **HISTORIC OVERLAY ZONE** in the DOWNTOWN AREA.

City Planner William Osborne presented the following entertainment district and efforts in the downtown revitalization.

- Economic development tool for downtown.
- Diverse mix of businesses and housing
- Cultural, social and entertainment business.
- Area being considered is contained within the existing Historic Preservation Overlay Zoning district generally suited for the entertainment district.
- Historic Preservation Overlay Zoning District
 - The preservation overlay places users into that district or presently underlying zoning that holds the actual uses of the properties. Context for adaptive reuse of the historic property is missing. Uses can include visual activities, craft manufacturing, custom bicycle making, custom shoemaking, which currently are considered industrial uses. Also, microbreweries and craft distilleries will be added.
 - Planning and Zoning Commission public hearing and regular meeting took place on March 8th and commission reviewed item.
- Entertainment District.
 - Statute Title four, Section two of seven, has a restriction of 300 feet from any existing school, whether it is private or public or any place of worship.

- Entertainment district and the resolution of council will make it possible for an exemption to the statute. The city council can adopt a resolution with specific geographic impact and focus, for preservation overlay zoning district.
- Section 207a, Restrictions on licensing premises near school or church buildings and definitions. States that a retail license is going to be unavailable anywhere within 300 horizontal of a school or a school playground, whether it is private or public or any place of worship. Section C4 provides for exemptions in the entertainment district. On a case-by-case basis, after the city council adopts resolution, Council can look at applications for liquor licenses and make decisions based on the criteria that Council would establish. Our population being less than 200,000, we can only have one entertainment district, the opportunity is in our historic preservation overlay district where vacant buildings that are historic, we want to preserve, find occupants and encourage them to invest in those buildings. Some of these uses that, again, support our culture and support our social activity and support our arts.
- Entertainment district statute states it cannot be any larger than one square mile. The historic preservation overlay zoning district is about a quarter of a square mile, and with the historic preservation overlay zoning district, it is about a half a mile across.

Mr. Osborne stated that the map includes a section where the historic preservation overlay zone, the district boundaries are. Also, areas that are parcels within the city that cannot, by a current regulation, have a liquor license located there unless they already have one. There is a sizable concentration of schools and religious properties in proximity to downtown. This is our National Historic Preservation Overlay District. Anything outside of the boundary would still apply to the state law on restriction on school and religious facilities distances.

Councilmember Shelton commented that he would like to study further.

Councilmember Grijalva stated that downtown business owners would like to know more about the project and see options for them. It is known of the many restrictions within the historic district, but if businesses are accommodated and make it attractive to Douglas.

Councilmember Baldenegro asked if individuals and organizations would still be able to get a special event license for events at Raul Castro park.

Mr. Osborne responded it would be available.

B. **Endowment Fund**

Ana Urquijo presented on the Endowment Fund.

Ms. Urquijo commented the preface of the presentation to the council is that both presentations have to do with part of the visioning process that has been working with Mayor and Council, establishing programs and priorities based on downtown revitalization, Economic development, and the future priorities that have been identified. Ms. Urquijo added the presentations are preliminary, they will return to council with research and recommendations for council's consideration.

Ms. Urquijo stated there is process of conducting research on needed requirements to establish an endowment fund for the City of Douglas.

- Endowment Fund is a legal structure for managing and in many cases indefinitely perpetuating a pool of financial, real estate or other investments for a specific purpose, according to the will of either sponsors or donors.
- Endowment Fund Features.
 - Tax-deductible donations received.
 - Cash or non-cash assets

- Money set aside to earn interest or earnings from investment. In this case, for Beneficiary - City of Douglas (as the qualified non-profit)
- Principal value - kept intact
- Investment earnings used for unique purposes
- investment strategies and purposes that will be defined by either the type of funds or established policies
- Steered by board or committee
- So why an endowment fund for a city?
 - Community Funds rather than charity funds. They
 - Carry out purposes and programs for the public good within the city.
 - grant programs to establish nonprofits
 - Accept donations for specific purposes, as requested by donor.
 - Examples
 - Cemetery care in perpetuity
 - Preservation of community landmark or museum.
- Types of Endowment Funds
 - A restricted endowment
 - Term endowment
 - Quasi-endowment
- Endowment Fund Policies
 - Investment Policy
 - Withdrawal Policy
 - Usage Policy

Ms. Urquijo stated that Endowment funds have the power to address challenges facing communities, while also honoring the wishes of those who have the foresight to build capital for future needs.

Ms. Urquijo provided an example of how an initial endowment in the first year is the actual gift amount, then with investment of those amounts, there is growth, the principal is never issued to the community for their programs, only the proceeds.

- City Endowment Funds
 - City of Scottsdale
 - Human Service
 - Youth Programs
 - Flagstaff Public Library Foundation
 - Support for Special Projects
- Endowment Fund for the City of Douglas
 - Continue Research
 - Make a recommendation
 - Preparation and Planning
 - Create the Platform for Giving
 - Marketing
 - Remain Proactive

6. DISCUSSION/DECISION to call for and CONDUCT an EXECUTIVE SESSION:

1. Under the authority of A.R.S. 38-431.03 (A3), (A4), and (A7) to consider its position, instruct its representatives and obtain legal advice regarding the bid received for the City owned Rancho La Perilla Apartments (Parcel Number 410-09-004), and possible preparation of the Purchase Agreement concerning the potential sale of the Rancho La Perilla Apartments.
2. Under the authority of ARS 38-431.03 (A1) to conduct the annual personnel evaluation for the City Treasurer and the City Clerk.

Motion by Council Member Shelton, **second** by Council Member Acosta to enter into executive session at 6:00 p.m., and reconvene from executive session at 7:28 p.m.

Motion PASSED by a vote of 5-0. Roll call: Voted in Favor: Mayor Pro Tempore Margaret Morales, Council Members: Danya Acosta, Ray Shelton, Michael Baldenegro, and Jose Grijalva. **Voted Against:** None.

Motion by Council Member Acosta, **second** by Council Member Grijalva to adjourn executive session at 7:28 p.m.

Motion PASSED by a vote of 5-0. Roll call: Voted in Favor: Mayor Pro Tempore Margaret Morales, Council Members: Danya Acosta, Ray Shelton, Michael Baldenegro, and Jose Grijalva. **Voted Against:** None.

7. **DISCUSSION/DECISION on APPROVAL.**

- A. Approval of the Rancho La Perilla Apartments BID AWARD submitted by Build Investments LLC and directing staff to proceed with preparing a Purchase Agreement for the sale of the Rancho La Perilla Apartments.

Motion by Council Member Shelton, **second** by Council Member Baldenegro to grant Rancho La Perilla Apartments BID AWARD submitted by Build Investments LLC and directing staff to proceed with preparing a Purchase Agreement for the sale of the Rancho La Perilla Apartments.

Mayor Pro Tempore Morales allowed (open) public participation

Eric Landvik introduced himself as the bidder and provided background information about himself.

Robert Finch commented on the executive session purpose and the rental rates not increasing concern.

Ida Pedrego inquired on the need appraisal on property.

Ana Salazar expressed concern about tenants, rent increases, and regarding maintenance crew employment.

Motion PASSED by a vote of 5-0. Roll call: Voted in Favor: Mayor Pro Tempore Margaret Morales, Council Members: Danya Acosta, Ray Shelton, Michael Baldenegro, and Jose Grijalva. **Voted Against:** None.

8. **ADJOURNMENT.**

Motion by Council Member Shelton, **second** by Council Member Acosta to adjourn the meeting at 7:54 p.m. Motion unanimously passed.

Prepared by:


Cynthia Acuña Robles, Deputy City Clerk