

**SUBMITTED BY:** Luis Pedroza, Deputy City Manager/City Treasurer

**MANAGEMENT TEAM REVIEW:** Ana Urquijo, City Manager

**FOCUS AREA:** Other / NA

**ORGANIZATIONAL  
IMPROVEMENTS:**

**SUBJECT:** **RESOLUTION NO. 24-1597**, a Resolution of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **APPROVING** the **TERMINATION** of the **NOVEMBER 26, 1979, PROPERTY MANAGEMENT AGREEMENT** between the City of Douglas and the City of Douglas **INDUSTRIAL DEVELOPMENT AUTHORITY**.

**EXECUTIVE SUMMARY:**

A property management agreement was established on November 26, 1979 between the City of Douglas and the U.S. Economic Development Administration (EDA) for grant funds received from EDA for constructing and equipping of an industrial building in the industrial park on 11<sup>th</sup> Street west of Pan American. On May 8, 1991, there was an amendment to the agreement where the IDA became successor to the EDA to exercise all rights thereof under the property management agreement.

**BACKGROUND:**

Currently, the IDA owns parcel 409-06-020L that contains a warehouse and is in the process of selling the parcel to OVA, a broker company in Douglas using the warehouse for storage. The city owns parcel 409-06-020D that is adjacent to the IDA owned parcel. The city's parcel is a thin 2-acre parcel that is currently being utilized as the driveway for the property. While the IDA is selling this parcel, the city will bring back to Council action to divulge this parcel to OVA as the sale from the IDA's intent was to also include this section. Although the IDA had control over this driveway parcel through the 1978 lease, there was confusion as to ownership. Since it is now clear that the city owns the parcel and the city currently does not have use for such parcel, it will bring back to Council a potential abandonment agenda item.

Staff is requesting to terminate the 1979 property management agreement as amended for both parcels and provide the parcel to OVA to clear title. IDA will also consider similar action in their upcoming 4/12/24 meeting.

After the sale of the IDA's parcel, the recent city sale of parcel to Cox and the upcoming potential abandonment of the small parcel by the city, the industrial area of west 11<sup>th</sup> Street will no longer have any IDA or city owned parcels in the area. Those parcels are being used for industrial and commercial purposes by the private sector.

**DISCUSSION:**

Staff recommends the termination of the property management agreement established between the city and the EDA in 1979 and amended in 1991 with the IDA becoming successor of the EDA since the property management agreement is no longer necessary with the parcel being sold to a private owner.

**FISCAL IMPACT:**

None.

**Fiscal Year:** 2023/2024

**Amount Requested:** \$0

**Budgeted:** Y / N

**Account (s):**

**“...I MOVE THAT THE MAYOR AND COUNCIL APPROVE RESOLUTION NO. 24-1597.”**