

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. 24-1596**, a Resolution of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **APPROVING** the **TERMINATION** of the August 16, 1978 **LEASE** between the City of Douglas and the City of Douglas **INDUSTRIAL DEVELOPMENT AUTHORITY**.

EXECUTIVE SUMMARY:

On August 15, 1978 a lease agreement between the City of Douglas and the City of Douglas Industrial Development Authority was established for the purpose of industrial development of the area on 11th Street west of Pan American.

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. Now that it is clear that the city owns the parcel and 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 1978 lease agreement for both parcels and provide the parcel to OVA to clear title. The IDA will also consider similar action in their upcoming 4/12/24 meeting.

After the IDA's parcel sale, the recent city sale parcel to Cox and the upcoming potential abandonment of the small parcel by the city, the industrial area of west 11th 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 lease agreement established between the city and IDA in 1978 since the lease 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. 24-1596.”