



Embracing our Heritage, Advancing our Future

Minutes

MAYOR AND COUNCIL

The City of Douglas Mayor and Council met in a **Special Meeting on Wednesday, November 16, 2022 at 5:30 p.m.** at City Hall Council Chamber, 425 10th Street. The Honorable Mayor Donald C. Huish called the meeting to order.

1. **CALL TO ORDER.** 4:30 p.m.
2. **ROLL CALL.**

	PRESENT	ABSENT
MAYOR, DONALD C. HUISH	X	
MAYOR PRO TEMPORE, MARGARET MORALES		X excused
COUNCILMEMBER, MITCH LINDEMANN	X	
COUNCILMEMBER, DANYA ACOSTA	X (tardy 5:48)	
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	

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

Ms. Andrade stated no public participation forms were submitted.

4. **DISCUSSION/DECISION on APPROVALS:**

A. **SECOND READING of ORDINANCE NO. 22-1152**, an Ordinance of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **AUTHORIZING the SALE of a SEMI-IMPROVED** parcel of land located on the southwest corner of **15th STREET** and **VAN BUREN**, **FOOTHILLS** lots 22 through 26 including Block 30, with Assessor's parcel number 410-32-121 to **ENCARNACION** and **NADIA DENISE BAEZ**, pursuant to terms entered into by the parties; establishing severability of components of Ordinance; and establishing an effective date thereof.

Luis Pedroza provided background information on the sale the of parcel of land.

Motion by Council Member Baldenegro, second by Council Member Shelton to approve the second reading of Ordinance No. 22-1152.

Roll call: Voted in Favor: Mayor Donald Huish, Council Members: Mitch Lindemann, Ray Shelton, Michael Baldenegro, and Jose Grijalva. Voted Against: None.

B. **SECOND READING of ORDINANCE No. 22-1153**, an Ordinance of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **AUTHORIZING the PURCHASE of REAL PROPERTY** located at **1300 N. SAN ANTONIO AVENUE**, Douglas, Arizona, at a purchase price of **\$900,000; APPROVING the PURCHASE and SALE AGREEMENT and ESCROW** instructions with **PACIFIC RESOURCES ASSOCIATES, LLC; AUTHORIZING** the Mayor and the City Manager to execute all necessary documents; establishing severability of components of Ordinance; and establishing an effective date thereof.

Ana Urquijo provided background information on the purchase of the Food City building. Minor edits were needed to finalize the purchase agreement.

Mr. Fitzgibbons reviewed slight modifications that were made to the purchase agreement. He reported that in addition to minor rewordings First American Title Company has been identified to handle the transaction; and one substantive change which includes the buyer to release the seller Pacific Resources Associates at the time of closing from any and all potential causes of actions due to zoning or environmental laws.

Ms. Urquijo reported that the recommendation from staff is to utilize funding from the current \$4.3 million unrestricted general fund reserve, with the expectation to have a return of investment over a 10-year period. Ms. Urquijo also reported that a commercial inspection is ready to take place as soon as the City has entered into a contract.

Motion by Council Member Lindemann, second by Council Member Grijalva to approve the second reading of Ordinance No. 22-1153.

Council Member Lindemann expressed it was a very important move that can be made to invest in the community.

Council Member Grijalva commented that it is a great deal for the City; and requested to report on social media to inform the community how much the building was selling for and how much the City was able to get it for. Additionally, Council Member Grijalva asked to report on the plan to get the money back, and include the building's owner to prevent any misconceptions about the ownership of the building.

Council Member Shelton asked what was the first figure given to the City.

Mr. Pedroza answered it was \$2.1 million.

Council Member Shelton commented that the City is purchasing the building for \$900 000 and his main concern is if there is something wrong would the City be able to bail out. Council Member Shelton expressed this will be a good thing.

Council Member Baldenegro asked if there is a timeline to the renovations of this building once the purchase is complete.

Mr. Pedroza answered that a timeline will be established once inspections are completed.

Council Member Baldenegro asked if renovation will be done in-house or contracted it out.

Mr. Pedroza answered that it will be contracted out based on what has been seen on the surface from HVAC to the size of the building.

Roll call: Voted in Favor: Mayor Donald Huish, Council Members: Mitch Lindemann, Ray Shelton, Michael Baldenegro, and Jose Grijalva. Voted Against: None.

C. **RESOLUTION NO. 22-1530**, a Resolution of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **AUTHORIZING** the City of Douglas to **ACCEPT GRANT FUNDING** from **WALMART** in the amount of \$3,500 as part of their **FY2022 COMMUNITY GRANTS PROGRAM**.

Chief Fullen provided background information on the grant funding from Walmart as part of their fiscal year 2022 Community grants program in the amount of \$3,500.

Motion by Council Member Grijalva, second by Council Member Acosta to approve Resolution No. 22-1530.

Council Member Lindemann commented that it is wonderful and thanked Chief Fullen.

Chief Fullen stated that he would like to thank Walmart, specifically Mr. Richard Yanez for helping facilitate the grant funding.

Roll call: Voted in Favor: Mayor Donald Huish, Council Members: Mitch Lindemann, Danya Acosta, Ray Shelton, Michael Baldenegro, and Jose Grijalva. Voted Against: None.

D. **RESOLUTION NO. 22-1531**, a Resolution of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **AUTHORIZING** the execution of a **MEMORANDUM OF UNDERSTANDING** between the City of Douglas

and The Society of St. Vincent de Paul Douglas for the **ESTABLISHMENT** of a **COMMUNITY GARDEN** within the City of Douglas, Arizona.

Xenia Gonzalez provided background information on the Memorandum of Understanding between the City of Douglas and The Society of St. Vincent de Paul Douglas, and reported \$21,500 will be transferred to a local nonprofit Saint Vincent De Paul to establish a community garden.

Motion by Council Member Baldenegro, second by Council Member Acosta to approve Resolution No. 22-1531.

Council Member Lindemann commented it was another good thing for the community and also asked if St. Vincent de Paul will be reporting their progress.

Ms. Gonzalez answered the grant requires the reporting on how the funds are distributed and utilized and through a memorandum of agreement Saint Vincent De Paul agrees to all of the requirements under the grant and the City will be reporting to the government on how the City expended those funds.

Council Member Acosta asked if a location for the garden has been designated.

Ms. Gonzalez answered a space has been dedicated in the Saint Vincent De Paul parking lot and they will be adding wrought iron fencing to the space.

Council Member Acosta stated expressed happiness to see that this is coming to fruition.

Ms. Gonzalez commented Saint Vincent De Paul is always open to volunteers who want to help install and tend to the Garden.

Council Member Shelton stated it is a great idea, but wondered if public funds going to a church or religious organization would have issues.

Mr. Fitzgibbons answered because the City has a specific MOU with St. Vincent De Paul they will have to follow and provide updates to the City on how the money is being spent and it is being spent for a community purpose and to his understanding with regard to Saint Vincent Paul they provide services to anybody in the community and not based on religion.

Roll call: Voted in Favor: Mayor Donald Huish, Council Members: Mitch Lindemann, Danya Acosta, Ray Shelton, Michael Baldenegro, and Jose Grijalva. Voted Against: None.

E. **RESOLUTION NO. 22-1532**, a Resolution of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **AUTHORIZING** a **LEASE AGREEMENT** for **INDIVIDUAL T-HANGARS** located within the **DOUGLAS MUNICIPAL AIRPORT** with parcel 410-01-005 and granting the City Manager authorization to execute 12-month lease agreements with individual tenants for **AVIATION PURPOSES**; establishing severability of components of resolution; and establishing an effective date thereof.

Ms. Urquijo provided background information on proposed lease agreements for the individual T-hangars. She reported that 30 years ago, November 12, 1992, the City entered into a partnership with Shade Place Incorporated to construct 10 T- hangars at the Douglas Municipal Airport and entered into a 30-year \$1 per year rent or lease with the City for the construction of those hangars on city land. She added that the lease expired as of November 12, 2022 at which point the T-hangars revert back to the City under the original agreement. The recommendation from staff of \$125 per month for the eight smaller hangers and \$150 per month for the two larger hangars.

Ms. Urquijo reported Airport Authority meeting was held previously.

Motion by Council Member Lindemann, second by Council Member Shelton to approve Resolution No. 22-1532 with fees of \$125 per month for the eight 25X44 hangars and \$150 per month for the two 25X65 hangars.

Council Member Lindemann asked if regular car insurance covered driving on airport property.

Mr. Fitzgibbons answered that liability car insurance coverage would cover the automobile on airport property.

Mayor Huish asked if lessees would only have to show coverage not purchase a separate policy.

Mr. Fitzgibbons answered that was correct.

Council Member Shelton commented that it could be a car to hit an airplane and the car insurance would have to cover the damage.

Council Member Acosta commented she attended the Airport Authority meeting and sees that the future looks bright for future improvements of the airport, but from what she understands that the condition of the airport is making it difficult for some of these aircraft to come in and out, and the concern of no nighttime flights coming in or out due to the poor lighting and conditions of the runway. Council Member Acosta added the concern of going from a zero dollar rent to \$125 is steep knowing the facilities are not comparable to anything else in the market.

Council Member Acosta stated she understood from the Airport Authority meeting was that most of the airplane owners with rental space are hobbyists and the concern would be hurting the airplane community and quite the opposite the City should try to foster especially having a community college that offers airplane pilot and airplane mechanic programs. Council Member Acosta would recommend lowering the proposed rent to ease the transition from zero dollar rent to a constant monthly.

Motion by Council Member Acosta, to amend fees at \$50.00 monthly for a 25X44 T-Hangar, and \$75.00 for a 25X65 T-Hangar.

Motion FAILED due to lack of second.

Ms. Urquijo commented that currently there is a rental fee of \$100 for the big hangar and was used as the benchmark before it was decided for individual lease agreement. Ms. Urquijo added that going back to Shady Place Incorporated to see if they would take on the umbrella again at a rate of \$100 and they were not interested.

Council Member Baldenegro commented that storage space rentals within Douglas for a 10 by 12 storage room goes for \$100 monthly.

Motion by Council Member Acosta, to amend fees at \$75.00 monthly for a 25X44 T-Hangar, and \$100.00 for a 25X65 T-Hangar.

Motion FAILED due to lack of second.

Motion by Council Member Shelton, second by Council Member Acosta to amend at \$100.00 monthly for a 25X44 T-Hangar, and \$125.00 for a 25X65 T-Hangar.

Council Member Grijalva commented that all these suggestions are coming from the Airport Authority meeting and some members of the Airport Authority rent hangar space, and asked if any members recused themselves from the discussion.

Mr. Pedroza answered that the item was not a voting item and that it was a discussion and information item.

Mr. Fitzgibbons commented that the Airport Authority members do not have the final authority, in this instance it is the council that has the ultimate authority and members can give their opinions.

Carlos Fernandez, 801 N. Douglas, Douglas, Az. commented on the following:

- Lack of attention at the Airport
- Hangar rental fees
- Lease contract language

Mayor Huish asked on the type of liability that the City is placed in if agreements are not signed or when would that need to happen.

Ms. Urquijo answered it was directed as the first of the month.

Mr. Fitzgibbons answered the current insurance holder has extended the insurance to the end of this month and it would be important to take it over to have lease agreements in place. Mr. Fitzgibbons added that Council can approve the agreement tonight with the fees and direct staff, come back in 90 or 120 days and make lease changes if needed.

Mayor Huish had questions on the hazardous materials language.

Mr. Fitzgibbons answered under section 10 regarding aircraft maintenance, this allows general maintenance to be done in the hangar.

Mr. Pedroza commented that the end of the sentence it reads that if it is in violation of any environmental law those things are prohibited.

Council Member Baldenegro asked who is responsible for the disposal of the hazardous material.

Mayor Huish stated that initial responsibility is on the people that are leasing the T hangars.

Mr. Fitzgibbons stated that you cannot store, cannot bring on, and you cannot discharge anything if it violates environmental laws.

Council Member Lindemann asked if the item can be tabled because of all the questions.

Mayor Huish commented that Mr. Fitzgibbons clarified that that paragraph refers to anything that's currently outlawed cannot be brought on and then in the other section it says that you can do your maintenance and if you are going to leave your materials out there you need to store them properly. Mayor Huish added that he puts his confidence in Mr. Fitzgibbons and personally would like to move forward with a vote.

Roll call: Voted in Favor: Mayor Donald Huish, Council Members: Danya Acosta, Ray Shelton, and Michael Baldenegro. Voted Against: Council Members: Mitch Lindemann, and Jose Grijalva.

Roll call: Voted in Favor: Mayor Donald Huish, Council Members: Mitch Lindemann, Danya Acosta, Ray Shelton, Michael Baldenegro, and Jose Grijalva. Voted Against: None.

5. ADJOURNMENT.

Motion by Council Member Shelton, second by Council Member Acosta to adjourn the meeting at 6:38 p.m.

Prepared by:



Cynthia Acuña Robles, Deputy City Clerk