

MINUTES
Commission Meeting
San Luis Economic Development Commission
San Luis Council Chamber
1090 E. Union Street
October 16, 2024
4:00 p.m.

MEMBERS OF THE COMMISSION WILL ATTEND EITHER IN PERSON, TELEPHONE, OR VIDEO CONFERENCE COMMUNICATION.

1. **CALL TO ORDER/ROLL CALL BY THE CLERK OF THE BOARD** Sonia Cornelio called the San Luis Economic Development Commission meeting to order at approximately 4:03 p.m.

PRESENT: Abraham Andrade, Commission Member
Jesus Carrillo, Commission Member
Linda Padilla, Commission Member
Mary Carmen Lopez, Commission Member
Oscar Franco, Commission Member
Salma Marrufo, Commission Member

ABSENT: Audren Morris-Sandoval, Commission Member
Jamie Kerr, Rural Economic Development (due to technical difficulties)

OTHERS PRESENT: Armando Esparza, Director of Economic Dev. & Government Affairs
Sonia Cornelio, City Clerk
Yigal Duarte, Economic Development Assistant
Greg LaVann, Greater Yuma Economic Development Corporation
Crystal Mendoza, Small Business Development Center
Remigio Martinez, 4FRONTED
Elaman Rodriguez, Local First Arizona (joined virtually)
Melissa Lopez, Deputy City Clerk

2. **PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Sonia Cornelio.

3. **DISCUSSION AND POSSIBLE ACTION ITEMS:**

3.A. Discussion and possible action on any and all matters regarding electing the Chair of the San Luis Economic Development Commission. **(Armando Esparza, Director of Economic)**

Armando Esparza explained the process that Commission Members must follow in order to elect the Chairman for the Economic Development Commission. Mr. Esparza further informed the Commission Members about the role and duties that will be required by the Chairman.

Ms. Sonia Cornelio informed Commission Members that a “recommended suggest to motion” was available on the Commission Members’ computer screen to serve as a guide on how to elect a chairman for the Commission.

MOTION: Commission member Oscar Franco/Commission member Linda Padilla recommend Jesus Carrillo as Chairman of the Economic Development Commission based on Mr. Carrillo’s experience and knowledge in similar commissions. Motion passed unanimously.

The Vote was as follows:

Commission Member Abraham Andrade	Aye
Commission Member Jesus Carrillo	Aye
Commission Member Oscar Franco.	Aye
Commission Member Salma Marrufo	Aye
Commission Member Mary Carmen Lopez	Aye
Commission Member Linda Padilla	Aye

3.B. Discussion and possible action on any and all matters regarding electing the Vice Chair of the San Luis Economic Development Commission. **(Armando Esparza, Director of Economic)**

Mr. Esparza informed Chairman Carrillo that upon being selected as the Chairman for the San Luis Economic Development Commission, the Chairman will now take over the meeting and proceed with the agenda items. Chairman Carrillo open the floor for Commission Members who which to state a recommendation to elect the Vice Chair for the San Luis Economic Development Commission.

MOTION: Commission member Salma Marrufo moved to appoint herself as Vice Chair to the San Luis Economic Development Commission and Commission member Mary Carmen Lopez second the motion. Motion passed unanimously.

The Vote was as follows:

Chairman Jesus Carrillo	Aye
Commission Member Abraham Andrade	Aye
Commission Member Oscar Franco.	Aye
Commission member Salma Marrufo	Aye
Commission Member Mary Carmen Lopez	Aye
Commission Member Linda Padilla	Aye

3.C. Discussion and possible action on any and all matters regarding the selection of Commission Member terms. **(Armando Esparza, Director of Economic Development)**

Mr. Esparza explained the schedule of terms to be observed by Commission Members. Mr. Esparza recommended Commission Member Audren Morris-Sandoval to serve a 2-year term based on previous conversations.

Chairman Carrillo opened the floor for Commission Members to state the term each one will be serving.

Chairman Carrillo recommended to serve a 4-year term.

Commission Member Oscar Franco recommended to serve a 4-year term.

Commission Member Linda Padilla recommended to serve a 2-year term.

Commission Member Abraham Andrade recommended to serve a 2-year term.

Commission Member Mary Carmen Lopez recommended to serve a 4-year term.

Vice Chair Salma Marrufo recommended to serve a 4-year term.

MOTION: Commission Member Oscar Franco/ Chairman Jesus Carrillo moved to appoint Commission Members to their stated term. Motion passed unanimously.

The Vote was as follows:

Chairman Jesus Carrillo	Aye
Vice Chair Salma Marrufo	Aye
Commission Member Abraham Andrade	Aye
Commission Member Oscar Franco.	Aye
Commission Member Mary Carmen Lopez	Aye
Commission Member Linda Padilla	Aye

3.D. Oath and Swearing-in of office for members to serve on the Economic Development Commission to be officiated by Sonia Cornelio, City Clerk.

Ms. Cornelio instructed Commission Members to approach the floor podium to state the Oath, perform the swearing, and provide a signature on their corresponding Commission Member agreements.

3.E. Discussion and possible directions to the commission on any and all matters regarding the proposed amendments to the San Luis Economic Development Commission Bylaws. (**Armando Esparza, Director of Economic Development**)

Mr. Esparza stated that he previously provided copies of the San Luis Economic Development Commission Bylaws to Commission Members in a past meeting, and upon internal review, the Economic Development Department determined that no major changes are required at this time.

Minor changes implemented include:

- Changing *Community Development Department* to the "Economic Development Division".
- Adding membership categories to clarify what industries Commission Members can represent.
- Proposal to conduct Economic Development Commission regular meetings on a quarterly basis.

Mr. Esparza opened the floor for comments from Commission Members. Commission Member Franco requested clarification on the intention for the "executive committee". Mr. Esparza replied

by describing that in situations where grants are required for a project, or if opportunities for business development arise, the Chairman of the Economic Development Commission can create a committee to address those situations.

MOTION: Commission Member Franco/Chairman Jesus Carrillo moved to approve the San Luis Economic Development Commission Bylaws as presented. Motion passed unanimously.

The Vote was as follows:

Chairman Jesus Carrillo	Aye
Vice Chair Salma Marrufo	Aye
Commission Member Abraham Andrade	Aye
Commission Member Oscar Franco.	Aye
Commission Member Mary Carmen Lopez	Aye
Commission Member Linda Padilla	Aye

3.F. Discussion and possible action on any and all matters regarding the use of the USDA Rural Business Development Grant award to contact with Local First Arizona to bring Fuerza Local to the City of San Luis (Elaman Rodriguez, Senior Manager of Spanish Rural Programs)

Mr. Esparza provided Commission Members with an introduction as to how the Economic Development Department was awarded a grant by the United States Department of Agriculture (USDA) and how the department came in contact with Local First Arizona to implement their business development program, Fuerza Local.

Mr. Rodriguez presented Commission Members with information about the services available, community impact, and milestones obtained through the Fuerza Local business accelerator program.

Mr. Esparza stated the timeline and process to take place upon implementation of the Fuerza Local business accelerator program.

Commission Member Lopez inquired about the number of applicants that are expected to graduate from the program and what will happen if an applicant is accepted but unable to complete the program. Mr. Rodriguez replied by describing the application and screening process

observed throughout the program and how countermeasures are in place should an applicant be unable to complete the program.

Commission Member Franco inquired about the selection process. Mr. Rodriguez responded by expanding on his previous response and listed the criteria that will be observed during the application screening process and provided examples from other communities where the program

has been successfully implemented. Mr. Esparza added that the interview process prior to admitting a potential applicant on the program will determine the probability of them being able to complete the program and graduate.

Commission Member Lopez inquired about the process that is being conducted to invite business owners to apply to the program. Mr. Rodriguez and Mr. Esparza responded that an application is available online to allow interested entrepreneurs to register, department staff and Mr. Rodriguez are meeting with business owners in person, and through collaboration with partner organizations

such as Comite de Bienestar and SBDC, to name a few, who will assist with promotion through their networks.

Vice Chair Marrufo inquired about the promotion process that will be followed in San Luis. Mr. Rodriguez listed the marketing material that will be posted and handed out throughout San Luis, and how in-person meetings will also aid in the promotion of the program. Mr. Esparza added that a meeting has been scheduled to present the program to Seniors from San Luis High School who are taking Career and Technical Education (CTE) courses and could potentially start a business upon meeting the requirements of the accelerator program. Mr. Esparza mentioned that the department will also meet with the Yuma County Chamber of Commerce and will promote the program through radio and television interviews.

Commission Member Padilla inquired about the allocation of the \$60,000.00 received from the USDA grant. Mr. Esparza described the process that was followed upon obtaining a budget from Local First Arizona and discussion about how to divide the program into two cohorts valued at \$30,000.00 per cohort.

Commission Member Andrade inquired about the start date for the registration process. Mr. Esparza responded that the registration process will begin in two weeks and that a public session will be hosted to provide additional information for interested applicants.

Chairman Carrillo inquired if there is a presentation taking place at the Arizona Western College. Mr. Esparza confirmed that a presentation will be provided in collaboration with SBDC.

Vice Chair Marrufo inquired if the program is only oriented for businesses from San Luis. Mr. Esparza confirmed that the primary focus are entrepreneurs from San Luis, however, if needed, the admission criteria will be expanded to Yuma County. Mr. Esparza mentioned a collaboration with Comite de Bienestar's Border Financial Resources, Inc. (BFR) division in the promotion of the program as they have been named the designated lender for our county of a new microbusiness program from the Governor's office. Commission Member Lopez confirmed Mr. Esparza's comment and informed of requirements for applying for loans through BFR.

Commission Member Andrade mentioned that with good outreach, there are many businesses that are likely to apply for the accelerator program. Mr. Esparza and Mr. Rodriguez requested assistance from Commission Members in the promotion of the program and to encourage business owners to apply.

Mr. Esparza concluded by informing Commission Members that the department is finalizing the grant agreement with USDA and will begin promotion and recruitment of applicants.

3.G. Discussion and possible action on any and all matters regarding proposed changes to the San Luis Business Incubator Rates for startup businesses and existing businesses (Armando Esparza, Director of Economic Development)

Mr. Esparza presented information on the Business Incubator program and proposed changes to the current lease rates with the goal to make the program more sustainable and be able to offer more services.

Mr. Esparza opened the floor for Commission Members to ask questions and offer recommendation on the suggested changes to the program.

Commission Member Andrade inquired about the current number of tenants in the program. Mr. Esparza replied by stating the program has currently seven tenants. Commission Member Andrade inquired about the capacity of the program. Mr. Esparza called Rogelio Martinez, Administrative Coordinator from the Economic Development Department, to the podium to respond to additional questions regarding the Business Incubator program. Mr. Martinez responded to Commission Member Andrade by describing the structure of the building, its layout, and current leases.

Commission Member Lopez inquired about the existence of a waiting list. Mr. Martinez responded by stating that an active list exists but due to current lease terms it is uncertain when a suite will become available for a new tenant to be able to lease it.

Vice Chair Marrufo inquired about the possibility of tenants leaving the program if rates are increased. Mr. Martinez responded by stating that there is a possibility, however, most of the current tenants have reached a rate that is closer to the current market rate. Mr. Esparza added that measures are being evaluated to mitigate losing current tenants, some include defining "startup" vs. "existing business" to consider fair rates and leasing terms so that the Incubation process can be accelerated and allow new tenants to apply to the program and make the program more profitable.

Commission Member Franco inquired about the current six-year lease terms. Mr. Esparza replied by stating that long-term leases are common in industrial spaces. Mr. Esparza informed that the department proposes changing the current lease term to three years in order to accelerate the Incubation process. Commission Member Lopez affirmed that three years is the current term for a new business to flourish.

Commission Member Padilla inquired about the current financial status of the Business Incubator program. Mr. Martinez informed of the current situation and the difficulties faced by both the program and applicants of the program. Mr. Esparza added that a change in the rates and terms of lease will help improve the program and make it more self-sustainable.

Chairman Carrillo inquired if current tenants are local or not. Mr. Esparza responded by stating that current tenants are both local and some come from Mexico, but everyone conducts business in San Luis.

Commission Member Andrade asked if the Business Incubator had an industrial kitchen available for anyone looking to house a food-based business. Mr. Esparza responded by stating that an industrial kitchen is needed, however, the Business Incubator would require major renovations to be able to allocate a food-based business setup.

Vice Chair Marrufo inquired about the benefits renters have when leasing at the Business Incubator. Mr. Martinez described current services available to tenants on site and through the program's collaborators.

Commission Member Lopez inquired about the use for the Conference Room and the possibility of making it accessible to the community in exchange for a rate. Mr. Martinez responded by stating that a proposal is being evaluated to consider leasing the Business Incubator's conference room to businesses outside of the tenancy program, however, further analysis and support from the Commission is needed to establish a fair rate and regulations.

Mr. Esparza concluded by requesting and encouraging Commission Members to propose changes or additions to improve the Business Incubator program.

3.H. Discussion and update of current projects from the Economic Development Director. (Armando Esparza, Director of Economic Development)

Mr. Esparza presented information and updates on current projects from the Economic Development Department which included Groundbreakings, Commercial Developments, Industrial Developments, USHWY 95 Water and Sewer project, and EPA Community Change Grant.

Mr. Esparza opened the floor for questions from Commission Members or suggestions for topics to be addressed in the next regular meeting.

Commission Member Lopez recommended discussion on seeking assistance for business owners who have empty buildings on Main Street in San Luis so that they can lease or sell them to establish new businesses. Mr. Esparza noted the item and will address it in the next regular meeting.

4. PRESENTATIONS:

4.A. Presentation by Arizona Commerce Authority on Statewide Economic Development. (Jamie Kerr, Vice President, Rural Economic Development)

Due to technical difficulties, Mr. Kerr was unable to connect virtually, therefore, Mr. Esparza provided the presentation on Arizona Commerce Authority and their impact on Statewide Economic Development.

4.B. Presentation by Greater Yuma Economic Development Corporation on Regional Economic Development. (Greg LaVann, President and CEO)

Mr. LaVann moved to provide Commission Members with a presentation on the services available from the Greater Yuma Economic Development Corporation (GYEDC) and their impact on Regional Economic Development.

Commission Member Lopez acknowledged GYEDC's website and inquired about how frequently it is updated. Mr. LaVann responded by stating that GYEDC is creating a new website that is set to be launched in the coming months.

4.C. Presentation by 4FrontED on Bi-National Economic Development. (Remigio Martinez, Executive Director)

Mr. Martinez requested that the Commission allow him to perform the presentation in Spanish.

Mr. Martinez moved to provide Commission Members with a presentation on 4FrontED and the impact the organization has on Bi-National Economic Development.

Commission Member Franco commended the importance of maintaining and strengthening binational relationships as governments change across the four regions. Mr. Martinez concluded by stating the importance of conducting regional events such as the upcoming 8th Mayors'

International Bike Ride, which has become a symbol of the relationships between the four regions (Arizona, Baja California, California, and Sonora) due to its planning and requirements to allow participants to move across borderlines.

4.D. Presentation by Small Business Development Center. (Crystal Mendoza, Director)

Ms. Mendoza presented to Commission Members the services provided, impact, and milestones achieved by the Small Business Development Center (SBDC) across Yuma and La Paz Counties.

Chairman Carrillo commended SBDC's "LLC Lunch Lab" class and how SBDC educates small business owners on defining their business structure as a Limited Liability Company (LLC). Commission Member Andrade commended SBDC's work and stated the three-year relationship he has built with SBDC and his business. Commission Member Lopez mentioned her experience as a business owner, and now as a Business Counselor for SBDC, and described the importance of the benefits available through SBDC's free consulting services to aspiring and existing entrepreneurs.

5. ADJOURNMENT

MOTION: Chairman Jesus Carrillo/Commission Member Oscar Franco to adjourn the meeting at 6:07 p.m. Motion passed unanimously.

The Vote was as follows:

Chairman Jesus Carrillo	Aye
Vice Chair Salma Marrufo	Aye
Commission Member Abraham Andrade	Aye
Commission Member Oscar Franco.	Aye
Commission Member Mary Carmen Lopez	Aye
Commission Member Linda Padilla	Aye

APPROVED:



Jesus Carrillo, Chairman

ATTEST:



Yigal Duarte, Economic Development Assistant

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the San Luis Economic Development Commission meeting of the City of San Luis, Arizona, held on October 16, 2024. I further certify that the meeting was duly called and held and that a quorum was present.



Yigal Duarte, Economic Development Assistant