

**PROCEEDINGS OF THE
COCHISE COUNTY BOARD OF SUPERVISORS SPECIAL MEETING
HELD ON TUESDAY, FEBRUARY 26, 2013 @ 11:00 A.M.
BOARD OF SUPERVISORS' EXECUTIVE CONFERENCE ROOM
LOCATED AT 1415 MELODY LANE, BUILDING G, BISBEE, ARIZONA**

Chairman English called the Special Meeting of the Board of Supervisors to order at 11:17 a.m. All three supervisors were present: Ann English, Chairman; Richard Searle, Vice-Chairman; and Patrick Call, Supervisor. Also attending were Mike Ortega, County Administrator; James Vlahovich, Deputy County Administrator; Britt Hanson, Chief Civil Deputy County Attorney; and Arlethe Rios, Assistant to the Clerk of the Board.

This executive session is authorized under A.R.S. § 38-431.03, Subsection (A), paragraph 7 and 3.

ACTION

ITEM 1

Discussion and direction regarding a proposed lease of mineral rights (oil) for land at Bisbee-Douglas International (BDI) Airport by Gusher State, LLC.

Chairman English clarified that the Board had the option to go into executive session.

Mr. Hanson said that it was fine to do the presentation first.

Mr. Carl Rice, Gusher State LLC representative, handed out booklets that had more details regarding his presentation. He said that oil has been found in Arizona in the past and that his company is interested in forming a partnership with Cochise County in order to explore areas of interest. He stated that his main job is to research mineral rights in interested areas and therefore had come across mineral rights owned by the county.

Chairman English asked if a standard lease was used in order to lease mineral rights.

Mr. Rice explained that a standard lease would be used to enter into an agreement with any entity in Arizona and that the lease would be for ten years.

Vice-Chairman Searle asked what areas in the County were of interest for this purpose and if conventional drilling processes would be used.

Mr. Rice said that all the areas were located in the Sulphur Springs Valley area and clarified that although straight holes would be drilled but if the flow stopped, fracking would have to be used. He assured the Board that all processes are standard and also have to be approved by the State. He thanked the Board for the opportunity to do this presentation.

ITEM 2

Discussion and direction on a possible lease of Bisbee-Douglas International Airport by the City of Douglas in partnership with the Douglas Regional Economic Development Corporation.

Mr. Carlos De La Torre, City of Douglas Manager, presented this item using a PowerPoint presentation. Mr. De La Torre said that the City of Douglas wanted to partner with the County in order to explore economic development opportunities as well as other interests at BDI. He stated that it would be a non-exclusive lease agreement for the use of BDI and if the Board agreed the City would work with the county attorney's office on a final lease agreement suited for all interested parties.

Mr. Hanson stated that current leases with the Federal Aviation Administration (FAA) and the Arizona Department of Corrections would be reviewed before a lease was entered into with City of Douglas.

Mr. Ortega said he supported this partnership, but suggested that the Board hold on to some revenues to keep funding structures and not have to use general fund monies.

Mr. De La Torre went over the main reasons the City of Douglas was interested in leasing BDI: managing daily airport operations, water system operations, economic development opportunities (partnership with Douglas Regional Economic Development Corporation), logistical center for international trade, aircraft refurbishing, and Unmanned Aircraft System (UAS) operations.

Supervisor Call asked what the interest was to do this project now as opposed to before.

Mr. De La Torre said that the interest was due to new leadership at the City.

Supervisor Call said that a similar attempt to have UAS operations had been done in Whetstone and it had not been successful.

Mr. Victor Gonzalez, Douglas Regional Economic Development Corporation, stated that research had been done on BDI and the results showed it was a good place for UAS operations.

Supervisor Call stated that he supported the idea, but wanted all those involved to realize this would not be an easy project to undertake. He offered his help to the City of Douglas to get them in contact with those who had prior experience in the UAS operations requirements.

Mr. Ortega asked for direction on both projects from the Board.

Vice-Chairman Searle moved to authorize Mr. Ortega to continue research into both projects and bring back with a recommendation for their approval. Supervisor Call seconded the motion.

Chairman English called for the vote and it passed 3-0.

ITEM 3

Pursuant to A.R.S. 38-431-03(A)7 and (A)(3), the Board may vote to go into Executive Session for discussion or consultation for legal advice with the attorney or attorneys of the public body in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale, or lease of real property, or mineral rights of real property, known as the Bisbee/Douglas International Airport located at 6940 N Air Terminal Road, or for discussion or consultation for legal advice with the Board's attorney.

Executive Session was not needed.

There being no further business before the Board, Chairman English adjourned the meeting at 12:10 p.m.

APPROVED: _____
Ann English, Chairman

ATTEST: _____
Katie A. Howard, Clerk of the Board