



**REAL AZ Development Council
Minutes of Meeting
October 11, 2012
12 PM
Heritage Hall
123 North Main Street
Snowflake, Arizona**

Welcome / Introductions:

David Tenney called the meeting to order at 12:20 welcoming the attendees. Introductions were made.

Attendees: Donna Porter, Bonnie Stallings, J.R. DeSpain, Ben File, Teri Walker, Jeremy Raisor, Paul Esparza, Paul Ferris, Judy Bratcher, David Bentler, Steve Quinn, Senator Sylvia Allen, Naomi Hatch, Rick Evans, Shawn Nau, Paul Ramsey, Bill Greenwood, Mike Cooley, Karalee Cox, David Roberts, Ken Bond, Trent Larson, Hunter Moore, David Tenney, Eric Duthie, Paul Watson, Steve North, Elizabeth Flake, Tracy Mancuso, Kelly Jones

4FRI update / introduction of Pioneer Forest Products

Mike Cooley with Pioneer Forest Products gave a brief background of his experience in the lumber business stating his family has been involved in the business for three generations. Pioneer Forest Products contacted him as a consultant for help in acquiring the 4FRI contract. Pioneer was awarded the contract on May 18, 2012 and Mr. Cooley stated it has taken longer than they anticipated getting things going. After narrowing down their funding sources they have received one firm letter of commitment which will be effective as of January 1, 2013.

Mr. Cooley gave a briefing of what Pioneer Forest Products have accomplished since the contract was awarded;

They have signed agreements toward the purchase of over 500 acres of land on the Southwest side of Winslow. This will allow them to work with their Biomass Partner, Concord Blue USA to

lay out plans. Winslow was chosen due to their location and accessibility of Interstate 49, Highway 89 and their access to BNSF Railway for domestic and export marketing.

They have been working with City of Winslow staff and engineers on the site layout design to meet zoning requirements. They have an agreement with the City of Winslow for the city to re-route roads and utilities to serve their needs and the needs of the residents.

They have selected loggers and equipment operators to carry out operations on the ground designed by the Forest Service. Logging contractors from Arizona will likely handle all logging for the first several months and will begin operations in 2013, 9 – 12 months before the Winslow plant will open.

Mr. Cooley said they will hire Arizona residents and they are working closely with Northern Arizona University for training employees. The construction phase will employ 250 and 160 will be hired for logging in the field. The biomass plant will run through Snowflake Power and will employ 35 individuals for each of their two shifts. The total amount of people hired for the 4FRI project and jobs related to the facility will be 950 to 1000. Mr. Cooley said during the duration of the contract 65% of the timber is on the west side so there will be constant movement in our areas.

Catalyst Paper Mill sale update

J.R. DeSpain and David Tenney reported they have met with others regarding concerns with the closure of the Catalyst Paper Mill Plant. If Catalyst would leave some of the equipment during the clean-up process the mill would be a better sale. David said they worked for several weeks to save the mill but it has shut down. There are different angles to the shut down; the bankrupt side and the environmental clean-up side. They are trying to slow down the process long enough for potential buyers to be completely informed of issues. If the plant is left as is it will be more valuable and dismantling it is not viable. On the environmental side, the building is old material and so they need clearance from the Arizona Department of Environmental Quality. They met yesterday with representatives from the Governor's Office to try and slow down the process and the urgency was understood. The Navajo County Attorney's office is working on this.

Retention of services from the Law Offices of Patrick J. Cunningham, LLC for the purpose of insuring that the environmental issues surrounding Catalyst Paper Mill in Snowflake are properly identified and noticed to all potential bidders and other pertinent parties. Projected costs to be between \$2,000 and \$10,000 to be shared by RADC and possible other parties of interest to be identified.

David said the County Attorney will handle the environmental issues surrounding Catalyst Paper Mill in Snowflake.

Tomato trade impact

Senator Sylvia Allen addressed the attendees regarding the tomato suspension agreement that will affect the Euro Fresh Green houses in Snowflake and Wilcox. The concern is with free trade agreements with Mexico. There have been complaints by tomato growers in Florida and the US Department of Commerce. This is a labeling issue and we don't want Mexico tomatoes flooding our market. Because of this agreement Euro Fresh is not making money having to sell tomatoes for much lower and they have joined with Florida in this effort. Euro Fresh contacted Senator Allen's office and feel there needs to be a realistic compromise. She said she is concerned because we don't need to lose jobs or revenue through these trade agreements as they do not protect American growers. She encouraged the Real AZ Corridor to get involved with this situation. Senator Allen said she has written a letter to the U.S. Department of Commerce and the AG Department in Arizona and she is working on meeting with Congressman Flake regarding this issue. She said there are approximately 1084 full time employees at both Euro Fresh plants. The suspension agreement has been in effect since 1966.

ACA Vision grant actions

Lori was unable to attend the meeting today. Eric reported that she sent out an activity report on our progress and what is going on. Question came up last month on the best way to calculate numbers on work force. Eric said we know where it comes from using this as a base 75 mile radius. Demographic updates were sent out to everyone so everyone needs to make sure they get them updated and email back to Eric. Comments for sector goals on where we are and where we should go were emailed out but Lori has only received 3 responses. She is looking at a social media tool that recommends linking to a professional site for information and sharing. Eric encouraged everyone to link in as it is a free service and gives opportunity to see and share what information is coming.

He said we are at a point where people know we exist and we need the dollars so we have tried to build our email list and by the first of the year we will split off paying members on a preferred list and those who are non-paying members will be on a secondary list.

Lori is working with Nolan Larson to find someone who can do aerial photographs to be used for data at very little cost. Subcommittee heads need to get finished with sites certifications for ECA.

Bill Greenwood said Lori has a report on 12 burns using product 208. He would like summary of the White Mountain Stewardship annual report at a future RADC meeting. It shows whose employees in what towns and costs of travel.

Ben File said that at the Rural Business Development Advisory Council meeting among other things they discussed asset inventory. ADWR is asking for input to reserve 17,000 acre feet of CAP water for rural use.

David Weltner with Arizona Public Service. Eric requests in Round Valley and St. Johns an effort with ideas on sustainable food supply AG green houses. Fuel for cooking oils there are people out there with these entrepreneurs. Eric some calls regarding mill had opportunity to talk with vice president of empire machinery about potash and potential of needed equipment. Encourage push we need all we can get.

Approval of September 20, 2012 minutes

The minutes of the September 20, 2012 and the October 11, 2012 RADC meetings will be approved at the November, 2012 meeting.

1. Next meeting:

The next Real Arizona Development Council meeting will be held on November 8, 2012 at the Heritage Hall in Snowflake.

2. Adjourn

The meeting was adjourned at 1:35.

Minutes taken by:

Kelly Jones
Town Clerk
Town of Taylor

