



MINUTES

Economic Development Commission Meeting

February 22, 2012, 7:30am

Town of Queen Creek

22358 S. Ellsworth Rd, Queen Creek, AZ 85142

San Tan Conference Room

1. Call to Order and Introductions

Present:

Lee Ester, Chairman
Carson Brown, Vice Chairman
Warde Nichols
John Schroeder
Jason Barney
David Valenzuela
Gordon Mortensen
Randy Parish
Steve Sossaman
Tom Lindsey
Mark Schnepf

SRP
W Holdings
ASU Polytechnic
CGCC, Williams Campus
Land Developer
Phoenix-Mesa Gateway Airport
Queen Creek Resident
Queen Creek Resident
Queen Creek Resident
Queen Creek Unified School District
Schnepf Farms

Doreen Cott
Kim Moyers
Marsha Hunt
Wayne Balmer

Town of Queen Creek
Town of Queen Creek
Town of Queen Creek
Town of Queen Creek

Absent:

Marquis Scott
Craig Barnes
Julia Wheatley

Queen Creek Chamber of Commerce
Town Council
Town Council

The meeting was called to order at 7:33 a.m. by Chairman Ester.

2. Public Comment:

No public comment.

3. Items for Discussion and Possible Action

A. Consideration and possible approval of the November 16, 2011 minutes

Commissioner Sossaman moved to approve the minutes of November 16, 2011. Commissioner Schroeder seconded. Motion carried unanimously.

B. Discussion and possible approval of recommendations for the QC Incubator program

Kim Moyers, Economic Development Specialist, provided an update on the Queen Creek Incubator program that just celebrated its first year anniversary.

QC Inc. offers a full range of services from social memberships to business development suites. The business development suites have 24/7 access to the incubator site. QC Inc. has had 15 tenants utilize incubator programs and there are currently 13 tenants. One tenant decided to continue operations out of their home and one tenant has graduated from the program. All 15 of the tenants have attended the business training made available through the incubator program.

There have been over 50 jobs created from the incubator program and we have had approximately 60 businesses in the community utilize the services. In addition to local interest, staff has been pleased that other town/cities have requested information in an attempt to replicate the incubator program.

The graduating tenant, At Home Solutions, has had much success in the incubator program. They have hired 42 people (mostly part-time) and are moving to a location in the Town Center. Economic Development Staff assisted in finding available space for At Home Solutions.

Since the initial implementation of the program the criteria for accepting tenants has been kept broad in order to help grow the greatest number of small businesses possible.

Ms. Moyers provided the Commission information on the business growth cycle which includes business ideation, business incubation, and business acceleration.

As part of the next step for the incubator program, staff has applied for a Rural Economic Development Grant through the Arizona Commerce Authority. If Queen Creek is awarded the grant it will determine how the Incubator moves forward. Currently the incubator is in space that was once occupied by the water company; however the lease on this space ends in December 2012. Staff is evaluating options for the continuation of the program.

Staff will be providing the Town Council with a full update on the program's first year and request input on next steps for the program. Options will include continuing the program or to end the program at the end of the lease on the current space. The discussion will also include the merits of the program for Queen Creek and if continued, a possible new location in the vacant parks building. This building has 12 hard wall offices however the space needs a bit of renovation. Staff will also discuss criteria for evaluating and accepting tenants into the program. There have been comments on only accepting home base businesses however staff has seen more interest from already established businesses that want to evaluate the Queen Creek market. Other thoughts include only accepting tenants that fall within the approved targeted industry sectors.

Commissioner Mortensen would like to target solar businesses as they start up in Queen Creek. Commissioner Barney suggested looking at the vendors for Able Engineering. Commissioner Valenzuela suggested looking at distributor or sales representatives for these companies. Economic Development Director Doreen Cott explained that we are somewhat limited because we only have office space available not large manufacturing or testing space.

Chairman Ester asked what is the life cycle of the businesses in the incubator program. Ms. Moyers responded 18-24 months in the QC Inc. program and then the hope is that they are ready to move into their own commercial space. Some incubator programs keep the businesses from 12 months to 5 years because each business is different and the economy affects business sectors differently. Chairman Ester commented the life cycle curve is similar to a financial curve with the investment in the beginning. He suggested a building rent price increase for tenants as they move through the program which will encourage people to move out towards the end of the program. The businesses that are doing well will help offset the lower priced rent for the start up businesses.

Commissioner Mortensen made a MOTION recommending that the Economic Development Commission support the ongoing operations of the QC Incubator program, move the program to the parks building at the end of the current lease and maintain broad criteria for evaluating potential tenants for the program allowing for flexibility in the type of businesses that can utilize the program. Commissioner Schnepf seconded. Motion carried unanimously

C. Discussion and possible approval of updates to the Economic Development Strategic Plan

Economic Development Director Doreen Cott distributed the draft outline for the Economic Development Strategic Plan. The current plan was adopted in 2007 and included the targeted sectors of aerospace and aviation, health and wellness, arts, culture & experience, specialty/lifestyle retail, education and advanced business services.

Key accomplishments made in the last five years include: the Communiiversity at Queen Creek, the development of the Shop QC program, the QC Incubator program, Banner Health Medical Center, the Ombudsman program, the update to the Town Center Plan and strengthening the relationship with Queen Creek Unified School District (QCUSD).

Additional accomplishments include participating in GPEC, marketing partnership agreements,, continue partnerships with Queen Creek Performing Arts Center (QCPAC) and Chamber of Commerce, economic development marketing strategy, and the farmers' market program.

Ms Cott stressed the importance of a realistic Strategic Plan that is aligned with the Key Result Areas (KRAs) from the Corporate Strategic Plan. Due to the current economic conditions staff is recommending a 3 year plan. The plan will also include community demographics, transportation, utilities and infrastructure as well as S.W.O.T. outcomes.

In the draft Economic Development Strategic Plan, the first KRA 8 is land use/economic development. Under the goal there is a list of objectives.

Commissioner Schroeder suggested an incubation program for manufacturing. Ms. Cott will include incubation in the targeted area. Commissioner Mortensen suggested an alternative fuel targeted area.

Commissioner Valenzuela discussed a program called EB5 (Employee Based Program #5) which involves foreign nationals that want to come to the US. It is designed to create foreign direct investment in the US. He suggested staff speak with Hank Marshall with the ACA and evaluate EB5.

Ms. Cott went through the objectives for this goal which include continuing the incubator program, small business development, exploring kitchen incubators and continuing the partnership with Chamber. The Chamber has been proactive with business retention and expansion. Additional objectives include developing an implementation and financial plan related to infrastructure, conduct a housing density study, continue to attract and preserve higher education opportunities, and continue to promote resort/hotel development.

Commissioner Valenzuela suggested exploring a machinist incubator program. Aerospace has seen a lot of growth this year. Machinists could make custom products and ship by UPS. Machining and welding could be outsourced by businesses. The key for Queen Creek is the business side.

Ms. Cott reviewed the objectives under the Town Center Development goal. The objectives listed are consistent with the Town Center Plan. The objectives include working with the development community on the development of the 17-acre Town owned site, outline a plan for Town owned parcels within the Town Center, develop a façade improvement program, streetlight and traffic signal replacement; street furniture; public (functional) art, develop brochure/improve website with information specific to the Town Center, and attract destination drivers/entertainment anchors to the Town Center.

Ms. Cott reviewed KRA 6: Image/Identity. The goal is brand recognition and marketing. The objectives include, strategically placed advertisements, hosting an economic development focused event, continue to participate in joint marketing activities with regional organizations, enhance economic development pages on Town's website, tourism focus, work with media to ensure business success stories are published, evaluate economic impact study results, focus on attracting festivals/events, participate in industry trade events, and increase awareness and knowledge of success in community educational facilities.

Commissioner Mortensen commented on the branding efforts. The tag "convenience of the city and comfort of the country" has not been strong. Commissioner Sossaman likes the shorter tag of "Shop the QC."

Ms. Cott reviewed the revised targeted industry sectors list. The 4 sectors include aerospace & aviation, health & wellness, education, and arts, culture & experience.

Commissioner Mortensen suggested bio-fuel as its own sector. Commissioner Barney suggested opportunities for Queen Creek associated with solar. Commissioner Schroeder suggested a modification to alternative fuels by changing it to sustainability. Commissioner Sossaman suggested sustainable energy. Commissioner Schnepf suggested sustainable resources. Ms. Cott will add appropriate language to the draft.

Chairman Ester thinks the high-tech industries in the neighboring communities will need support systems which will eventually move into Queen Creek. Ms. Cott will include high tech under aviation.

Commissioner Sossaman commented the Health & Wellness sector is focused on the Banner Health Medical Center. The Catholic Health Care West is expanding. Ms. Cott will include something broader. Commissioner Mortensen suggested including something on long-term care. Commissioner Schroeder suggested discouraging the use of specific names of business.

Commissioner Sossaman suggested adding the other school districts under the Education sector. Commissioner Barney suggested calling out the K-12 schools.

Ms. Cott will make the recommended changes and bring a revised draft to the next meeting for further discussion.

D. Update on Horseshoe Park & Equestrian Centre

Continued to next meeting due to time.

E. Summary of current events – Reports from Chair, Commission Members and Economic Development staff

Commissioner Schroeder announced the CGCC will be hosting the 16th Annual Greater Southwest Aviation Maintenance Technician Symposium on March 8 and 9.

Chairman Ester announced the SRP Water Conservation Expo on March 3 located at SRP's PERA Club in Tempe.

Commissioner Schnepf announced that the farm has had a busy peach blossom season.

Economic Development Director Cott announced Roots 'N Boots will be held on March 30-April 1. The event is presented by Friends of Horseshoe Park with the Town as a sponsor.

5. Adjournment

Commissioner Schnepf moved to adjourn the meeting at 9:09 a.m. Commissioner Mortensen seconded. Motion carried unanimously.



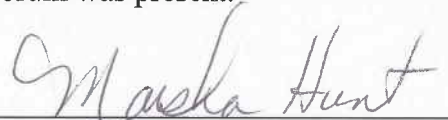
Lee Ester, Chairman

ATTEST:



Marsha Hunt, Sr. Administrative Asst.

I, Marsha Hunt, do hereby certify that, to the best of my knowledge and belief, the foregoing minutes are a true and correct copy of the minutes of the February 22, 2012 meeting of the Queen Creek Town Economic Development Commission. I further certify that the meeting was duly called and that a quorum was present.



Marsha Hunt

Passed and approved on March 28, 2012.