

TOWN OF
QUEEN CREEK
ARIZONA

QC Inc.
Alternatives

May 16, 2012



Background

- March 21, 2012 – Council directed staff to continue the QC Inc. program until the lease expires.
- Town Council directed staff to bring back alternatives for consideration.



Background

- Staff provided two spreadsheets:
 - Arizona incubators.
 - Various types of incubator programs.
- Staff also provided four alternatives for Council's consideration.



Alternatives

- End the QC Inc. program.
- Continue the program as established with the same tenant criteria.
- Continue the program with a variation to the tenant criteria.
- Direct staff to conduct a feasibility study for a different type of incubator.





Questions?



Type of Incubator	Initial Cost	Context & Features	Strengths(Broad)	Challenges (Broad)	% within US	Spectrum
Kitchen	\$500,000 +	preparation, packaging/labeling, distribution and storage of food products	Unique to Arizona. Rural/homegrown areas have more success	only 70 in the US. In a recent survey, only 1 broke even. Heavily subsidized. Unique knowledge base needed	4%	Deep and Narrow
Technology	can vary depending on equipment but towards \$1 mil	technology can vary depending on the clusters of the community. Range can include, but not limited to, medical, software engineering/development, research, aviation,etc.	higher wage jobs, clustering to like minded business, potential for jobs	as business grows, many tech jobs relocate to cluster. Higher propensity for slow growth in the development stages. Funding	39%	Deep and Narrow
Social Business	similar to QC Inc.	uses entrepreneurship and innovation	brings in variety of business, large and small. Typically provides synergy within business	smaller business, may not grow as quickly or not focused on growing employees	4%	Shallow & Broad
Mixed	similar to QC Inc. to \$250K	variety of service/office oriented business	opens up opportunity to a number of industries. Provides commerce opportunities and opportunity for growth	job creation may not be as high as tech or specialty industry.	54%	Shallow & Broad

Feasibility Study Scope of Work

- Feasibility of an incubator in Queen Creek
- If feasible, type of incubator
- Best practices
- Incubator strength and weaknesses

FINDINGS

- A well designed, fairly valued (rental rate) service oriented office space would be most beneficial
- Convert the water company space
- Secure the Queen Creek Chamber of Commerce as an anchor tenant



Criteria Options

- Growth/Sales within company
- Job creation potential
- Creation of industry (new market)
- Under represented industry
- High probability of bringing new capital into the service area
- Sustainability within the community
- Potential probability for success
- Management team expertise

