

TOWN OF
QUEEN CREEK
ARIZONA

Queen Creek Incubator “QC Inc.”

February 19, 2014



Corporate Strategic Plan

KRA 6: Image and Identity

Goal 3: Enhance the opportunities for Queen Creek businesses to be successful and amplify Queen Creek's reputation as a premier investment opportunity by adopting strategies and policies that provide for expedited permitting and support of existing businesses through marketing cooperatives

- Continue the QC Inc. program and research ideas for different incubation programs



Corporate Strategic Plan

KRA 8: Land Use and Economic Development

Goal 2: Implement the Council approved Economic Development Strategic Plan

- Continue to evolve the QC Inc. program.



Economic Development Strategic Plan

GOAL 1: Diversify and strengthen Queen Creek's economic base.

GOAL 2: Town Center Development.

GOAL 3: Brand recognition & Marketing.



Definition of an Incubator

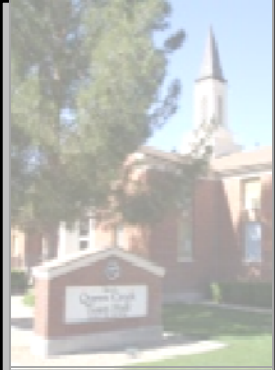
Incubator programs are a comprehensive business assistance program targeted to meet the needs of start-up and fledging companies with the aim of helping them survive during their formative years and grow into sustainable firms that will create jobs and wealth in our communities. And while providing mentoring, consulting and training to these firms is critical to the definition of business incubation, most (but not all) incubators also provide space for young firms to collaborate and share equipment and services as well as learn from each other, over the incubation period, which may run from one to five years.

Source: "Why Business Incubation Programs Succeed or Fail" NBIA White Paper Series



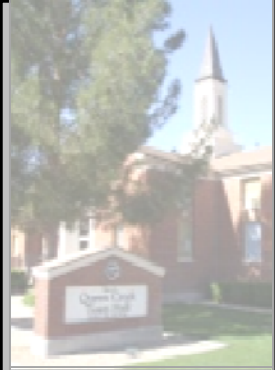
Program's Evolution

- January 2010 - Matching grant from ADOC
- Consultant selected to conduct a feasibility study
- June 2010 - Consultant recommended an office style incubator program
- November 2010 – Town Council approved the incubator program to be implemented
- February 2011 – Grand Opening
- November 2011 – Update to the Town Council; direction on the criteria for evaluating tenant applications



Program's Evolution

- May 2012 – Council directed staff to continue the program as established and evaluate new locations
- July 2012 – Council approved budget to improve the former Parks & Recreation building and transition the program to the new location
- December 2012 – QC Inc. fully transitioned into the new location
- August 2013 – Town Council Retreat; request for staff to present and overview of the program and to present options for consideration



Program Overview

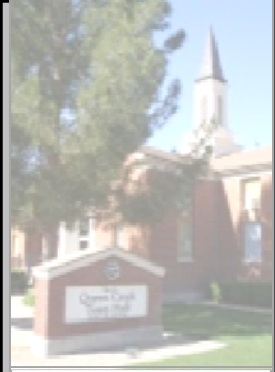
Mission– Nurture the development of entrepreneurial companies helping them grow during the start-up period and to assist businesses ready to take the business to the next level.



Program Overview

Goals—

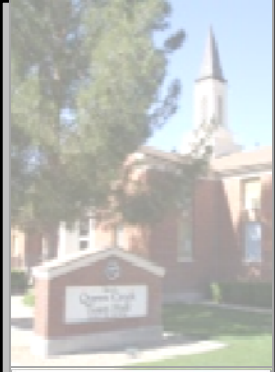
- Assist individuals who want to start a business
- Help existing companies to expand and grow
- Increase the number of employees in the community
- Create a collaborative work environment



Program Overview

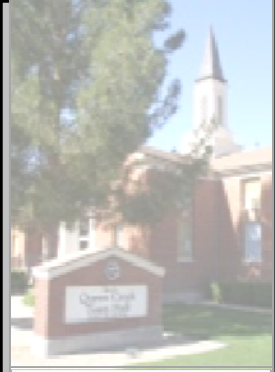
Criteria -

- Company's potential to increase the number of employees
- Company's potential to increase sales/revenue
- Overall business plan
- Company's potential to increase market share and their presence in Queen Creek



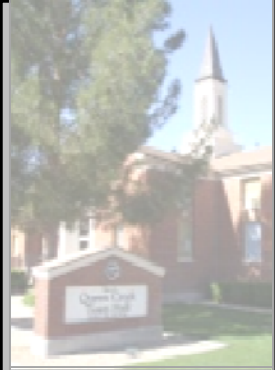
Status Quo – New Strategic Plan

Pros	Cons
<p data-bbox="338 544 1014 672">Staffing and budget levels will remain constant</p>	<p data-bbox="1116 544 1850 746">Continued discussion about program's mission, goals and criteria</p>
<p data-bbox="338 865 904 993">Chamber remains the anchor tenant</p>	
<p data-bbox="338 1088 778 1143">“One Stop Shop”</p>	




Discontinue

Pros	Cons
Allow staff to focus on other initiatives	Eliminate small business tool & One Stop Shop
Free up space on municipal campus	Affect on Services Agreement with the Chamber
Utilize Town Center funds for other opportunities	Tenants will be displaced (possibly Chamber)
	Cost for tenant improvements if tenants or use is changed

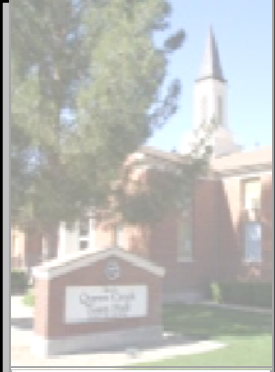


Change Program's Focus

Pros	Cons
 <p data-bbox="338 425 1089 711">Move from office style to a defined sector may provide clarity and alleviate subjectivity</p>	<p data-bbox="1122 425 1789 554">Different space; elevating costs</p>
<p data-bbox="338 753 1089 882">Potential for higher paying jobs</p>	<p data-bbox="1122 753 1789 811">Increase in staff expenses</p>
<p data-bbox="338 925 1089 1125">Potential partnership opportunities with other groups</p>	<p data-bbox="1122 925 1789 1053">Need to rebrand and market the new program</p>
	<p data-bbox="1122 1172 1837 1372">Conduct new feasibility study to determine success of a new program</p>

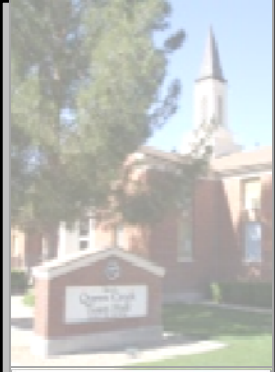
3rd Party Operator

Pros	Cons
Allow staff to focus on other initiatives	Management Fee
Full-time manager to handle all QC Inc. responsibilities	Less Town Control
Less government bureaucracy	Change to the Chamber Services Agreement
Develop specific and measurable goals	



Tenant Input

- QC Inc. has assisted many businesses and individuals over the last 3 years
- The program was designed to be flexible and has adjusted to meet the needs of Queen Creek businesses
- Array of services and training opportunities



Fiscal Impact

- True fiscal impacts for many of these options are unknown.
- Based on Council's direction staff would be back with full cost data for the selected option.



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Questions?

Thank You.



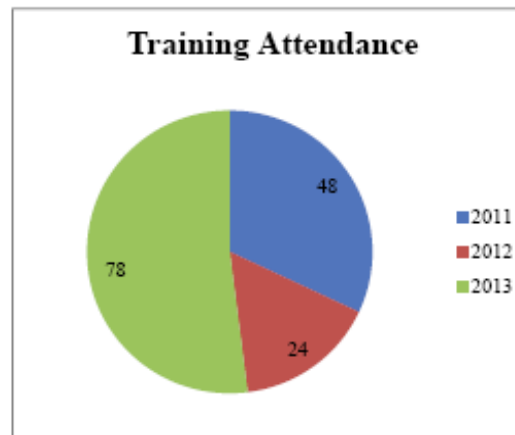
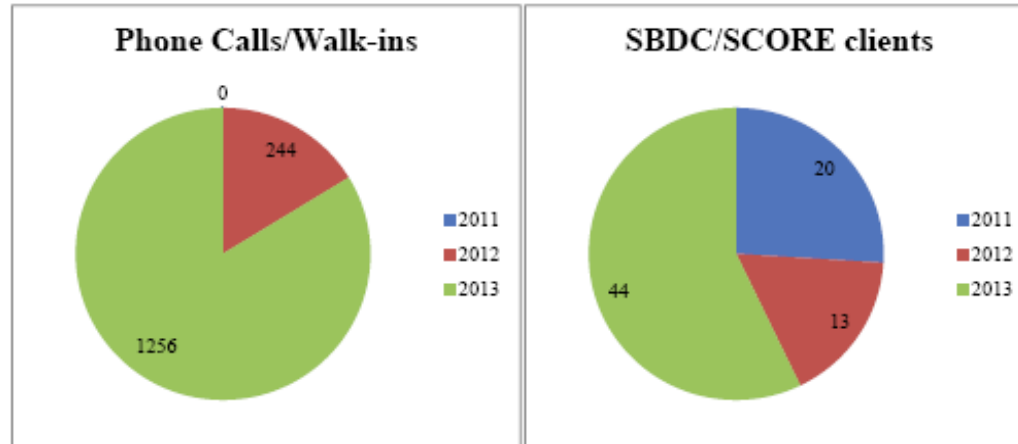
Financials

Schedule of Actual Revenues and Expenditures for the period FY10-11 to FY13-14

Description	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Year to Date	FY15 Projected
Revenue					
QC Inc.	\$ 12,823	\$ 34,656	\$ 25,244	\$ 25,875	\$ 56,000
Total Revenue	\$ 12,823	\$ 34,656	\$ 25,244	\$ 25,875	\$ 56,000
Operating Expenditures					
General Services	\$ 15,483	\$ 8,022	\$ 4,942	\$ 7,916	\$ 20,900
Electricity	\$ 2,335	\$ 6,821	\$ 7,232	\$ 5,520	\$ 17,000
Telephone Service	\$ 6,190	\$ 11,102	\$ 11,968	\$ 5,600	\$ 11,100
Office Supplies	\$ 3,662	\$ 579	\$ 515	\$ 271	\$ 3,800
Advertising	\$ 2,711	\$ 241	\$ 100	\$ 193	\$ 1,000
Legal Services	\$ -	\$ 225	\$ 75	\$ -	\$ 1,000
License/Fees	\$ -	\$ 197	\$ -	\$ -	\$ 200
Total Operating Expenditures	\$ 30,381	\$ 27,187	\$ 24,832	\$ 19,500	\$ 55,000
Net Operating	\$ (17,558)	\$ 7,469	\$ 412	\$ 6,375	\$ 1,000
Improvement Expenditures					
Improvements	\$ 13,499	\$ -	\$ 34,336	\$ -	\$ -
Equipment	\$ 7,726	\$ 2,260	\$ 14,493	\$ -	\$ -
Total Improvments	\$ 21,225	\$ 2,260	\$ 48,829	\$ -	\$ -
Net Program	\$ (38,783)	\$ 5,209	\$ (48,417)	\$ 6,375	\$ 1,000

Breakdown of Participation

2011-2013: Utilized Services at QC Inc.



Note: Data was not tracked for phone calls/walk-ins in 2011.

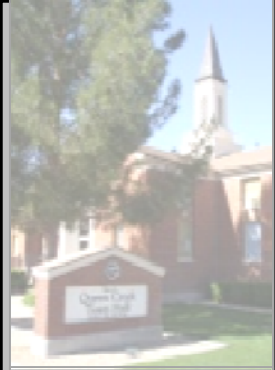
Market Lease Rates

- General office market lease rates in Queen Creek range from \$16 - \$22 S.F.
Ex.) $1,000 \text{ S.F.} \times \$20 = \$1,666/\text{mo.}$
- Office space in QC Inc:
 - 100 S.F. - \$400/month – tenants are paying above market rate for individual, private space
 - If QC Inc. tenants were paying the \$20 S.F. rate, their monthly lease rate would be \$166



TENANTS

NAME	BUS NAME	TYPE	TYPE OF SERVICES	LICENSE	QC Inc. Tenancy
Adam Rieth	Adam C Rieth PLLC	Law Firm	Next level (office)	3493 In progress	4/12
Karen Berg	United Brokers Group	Realty	Expanded mbrship/uses Adams office when available	3446	6/11
Brian Jentzen	DAC	DAC	Next level (office)	No	2/11
Michael Carnes	Southeast Ledger	Southeast Ledger	Next level (office)	3060	7/12
Meghan Cassidy	Meghan Cassidy, LPC	Counseling	Next level (office)	3402	2/13
Pam Dean/Ed	Pathway Counseling	Counseling	Next level (office)	3387	2/13
Tom Carter Rita Cowdery	SolarWerks	Software Training	Next level (office)	360	2/13
Henry Jenkins	Micros & Business Solutions LLC	Software Training	Next level (office)	718	11/12
Dawson Alverson	Queen Creek Accounting	Accounting	Next level (office)	3459	2/13
Kimberlee Coleman	Economic Principals San Tan Mountain Property Mgmt	Realty Mgmt	Access & mail	3452	3/13
Steve Fisher	The Insurance Team	Insurance	Mail	3477	11/11
Scott Yee	Open Technology Development	Open Tech & Material Research	Mail	3488	4/11
Chris Benson	Estate Realty Mgmt	Realty	Access	3457 In progress	7/13
American Legion			Next level (office)	N/A	7/13
Larry Farris	Capital Group, LTD	Accounting	Next level (office)	Will be complete by 2/1	2/14



PAST TENANTS

NAME	BUS NAME	TYPE	TYPE OF SERVICES
Kim McCreary	At Home Solutions	Service	Next level
Scott Smith	Desert Winds Counseling	Counseling	Expanded Access Membership
Kimberly	Firehorse Solutions	Consulting	Expanded Access Membership
Mark Winsor	Mark Winsor, Attorney at Law	Attorney	Expanded Access Membership
Sandy Short	The Prospecting Group /Scrubs & More	Service/ wholesale	Next Level
Jeff Taylor	Champion Satellite	Sales	Front & Center (old facility offering)
Lucia Femi DanTaylor-Kip	Queen Creek Valley Taxi	Service	Access Membership
Scott Reeves	Sandigital	Consulting	Access Membership
Tori Shaw	Mary Kay Cosmetics	consulting	Access Membership
Marnee Nicholson	A Perfect Touch Services	Cleaning service	Mail Service
Lynn Freed			Access Membership

