



DRAFT MINUTES

ECONOMIC DEVELOPMENT COMMISSION MEETING August 26, 2009, 7:30 a.m. San Tan Conference Room

1. Call to order

Present:

Vice Chairman, Roseann Sweet	Queen Creek Resident
Vice Mayor Mortensen	Town of Queen Creek
Council Member Barnes	Town of Queen Creek
Lee Ester	SRP
Jason Barney	Land Developer
Carson Brown	Vanderbilt
Rustyn Sherer	Queen Creek Chamber of Commerce
David Valenzuela	Phoenix-Mesa Gateway Airport
Steve Sossaman	Queen Creek Resident
Doreen Cott	Town of Queen Creek
Kim Moyers	Town of Queen Creek
Wayne Balmer	Town of Queen Creek

Guests:

Ryan Duncan	Land Advisors Organization
Candy Cooley	Queen Creek Unified School District

Absent:

Chairman, John Schroeder	CGCC Williams Campus
Jean Humphries	Arizona State University Polytechnic
Dr. James Murlless	Queen Creek Unified School District
Mark Schnepf	Schnepf Farms

Economic Development Director Doreen Cott introduced Candy Cooley, Facilities Manager at the Queen Creek Unified School District.

2. Public Comment

No public comment.

3. Items for Discussion:

A. Consideration and possible approval of the May 27, 2009 minutes.

A **MOTION** was made by Commissioner Sossaman, seconded by Commissioner Brown to approve the minutes dated May 27, 2009. Voice vote carried 9-0.

B. Consideration and possible approval of the work program priorities for FY09-10.

Economic Development Director Doreen Cott reviewed the work program with the commission. The work program presented was a draft copy for discussion.

- Item #1 – Review all General Plan amendments for conformance with the Economic Development Strategic Plan.
- Item #2 – Amending the Economic Development Strategic Plan to include a sustainability philosophy. This item is a carryover from last fiscal year and will be brought back for further discussion.
- Item #3 – Ms. Cott recommended drilling down two of the identified targeted business sectors for next fiscal year. Vice Mayor Mortensen recommended changing the verbiage to “at least two” in order to not limit ourselves if an opportunity arises.
- Item #4 – Work with staff to research opportunities/challenges associated with a small business incubator. Staff will identify incubator possibilities and bring to commission for input. Commissioner Sherer asked if an incubator would be utilized by local business or to attract new business to the area. Ms. Cott replied by saying it could be both.
- Item #5 – Work with staff to formalize the program that was used to facilitate the Vestar Queen Creek Marketplace and WDP Cornerstone projects. This item is included in the economic development action plan for 09/10 and is a carryover item from last year’s work program. Commission will be providing input on this item in the future.
- Item #6 – Work with staff to develop plans for an Economic Development event or Economic Development Summit to promote economic development opportunities in Queen Creek. Queen Creek was awarded a \$4,000 grant from NEPEP (\$2,000 identified for the event) to be used to towards the event/summit.
- Item #7 – Continue to work with staff to refine the scope of work for a hotel/hospitality study. A stakeholders meeting is tentatively scheduled for September 29th. Mike Martin with the Tempe Convention & Visitors Bureau has agreed to facilitate the meeting.
- Item #8 – Research opportunities for a public transportation route between Queen Creek and educational facilities. Commissioner Humphries recommended this item to be placed on the 08/09 work plan so this is a carryover item. Vice Mayor Mortensen recommended that this item be a staff assignment. Ms. Cott indicated that staff would work with Commissioner Humphries and report back with an update.
- Item #9 – Work with staff to ensure economic development goals are aligned with the Greater Phoenix Economic Council (GPEC) priorities and track results of benefits received through partnership with GPEC. Ms. Cott stated that this should be more of a staff items with an update provided to the Commission.

Ms. Cott asked if there were any additional questions or comments on the work plan.

Ms. Cott stated that the Economic Development Commission meetings will continue to be held every other month – next meeting scheduled for October 28, 2009.

Vice Mayor Mortensen suggested that the Commission members stay informed on the development that is taking place in Mesa, just north of Queen Creek. Ms. Cott suggested inviting a member of Mesa’s Economic Development Department to be a guest speaker at a future meeting.

Vice Mayor Mortensen also suggested that staff provide an update on Riggs Road and development along that corridor.

Ms. Cott stated that staff is preparing work for a SWOT analysis of our major employment areas, the Northern Tier and the Southeast corner of Riggs and Meridian. Ms. Cott would like to invite a few of the commission members to assist with the study.

Vice Mayor Mortensen pointed out that there is a great deal of commercial businesses opening in the county island close to the Power and San Tan Boulevard intersection. He suggested keeping a close eye on this development.

Commissioner Barney would like to identify property owners within our major employment areas in order to be more strategic when it comes to planning. He is working with owners of the Gateway area and will provide updates to the Commission.

Vice Mayor Mortensen suggested that the Commission hear an update on the progress of the Town Center Committee. Ms. Cott stated she will be giving an update at the Chamber luncheon on September 8th and would put this item on a future agenda for the Commission.

Ms. Cott reviewed the following changes to be made in the Work Plan:

- Deletion of items #8 and #9
- Verbiage on item #3 to read “Work with staff to drill down at least two targeted business sectors...”
- Addition to the work plan – Coordinate detailed SWOT Analysis of Queen Creek’s employment areas including the Northern Tier, Southeast Corner with updates on the Riggs Road corridor and the San Tan Boulevard county island.

A **MOTION** to amend the changes to the Work Plan with noted changes was made by Commissioner Sossaman, seconded by Commissioner Barney. Voice vote carried 9-0.

C. Consideration and possible approval of a Chair and Vice Chair for the Economic Development Commission for FY09-10.

Ms. Cott opened the floor for nominations for the positions of Chair and Vice Chair for 2009-010. Commissioner Sossaman nominated Chairman Schroeder to a second term as Chairman. Although unable to attend the meeting, Chairman Schroeder indicated to Ms. Cott that he would accept the nomination. Commissioner Sweet nominated Commissioner Sherer as Vice Chair. Commissioner Sherer accepted the nomination.

A **MOTION** was made by Commissioner Sossaman, seconded by Vice Chairman Sweet, to elect the new Chair and Vice Chair for the Economic Development Commission. Voice vote carried 9-0.

Vice Mayor Mortensen and Economic Development Director Doreen Cott both thanked Roseann Sweet and John Schroeder for their time served and a job well done. Commissioner Sweet stated she enjoyed her time as Vice Chair.

D. Presentation and discussion with Ryan Duncan of Land Advisors Organization on the Metro Phoenix Residential, Commercial and Industrial Market Overview.

Economic Development Director Doreen Cott introduced Ryan Duncan from Land Advisors Organization. Mr. Duncan provided an overview on the Metro Phoenix Residential, Commercial and Industrial Market.

Key Points (presentation available upon request):

- The population in Arizona will help us come out of the economic slump, and will double by 2025
- Employment is weak throughout the country but Arizona is below the national average which should help the area recover quicker
- The three largest employers in Arizona are Walmart, Banner Health and Wells Fargo
- The housing permit activity has picked up in the past 90 days
- Top 10 builders in Arizona include Pulte Homes, Taylor Morrison, DH Horton, Shea Homes, Meritage Homes, Blandford Homes, Richmond America, Lennar, Beazer Homes and Fulton Homes
- Builder's costs are down making housing more affordable
- Rentals peaked in December 2008
- Vacant lots totaled 61,200 as of June 2009
- Southeast Valley has the highest number of vacant lots totaling 13,250
- Rental rates will continue to fall
- Industrial vacancy rates are at an all time high with a poor outlook in the near future
- New housing equilibrium recovery should occur in 2012

Commissioner Sossaman asked if any banks are profiting from hanging on to bank owned properties. Mr. Duncan said that some banks are holding properties and waiting for the economy to recover while others are putting homes back on the market for sale.

Commissioner Sossaman inquired on recent lot sales pertaining to lot sizes and densities. Mr. Duncan stated that builders are building smaller homes on smaller lots, and going back to line builds where the properties will have a plainer look.

Commissioner Sossaman questioned how other US cities compare to the growth of Phoenix. Mr. Duncan replied comparable. Phoenix will continue to bring additional people to the area.

Mr. Duncan added that builders looking at impact fees and design standards. The City of Mesa is almost built-out, and not as competitive as surrounding areas. Queen Creek's impact fees, density and design guidelines are may be unappealing to builders. There are not as many lots available in Queen Creek as there are in Gilbert or Chandler.

3. **Announcements**

Economic Development Director Doreen Cott stated that Planning Manager Wayne Balmer will be presenting an overview of the two General Plan Amendment applications received by the Town. Ms. Cott indicated that the Commission will be able to provide comments before the presentation is given to the Planning and Zoning Commission.

Ms. Cott also announced that she and Mayor Sanders visited Los Angeles, California on Tuesday, August 25, 2009 and met with GPEC and had the opportunity to meet with three companies, two of which were renewable energy companies.

The Commission members had a brief discussion pertaining to solar companies.

Commissioner Ester asked Ms. Cott if Queen Creek has given thought to charging stations for electric cars. Ms. Cott replied that the Town is looking at ways to create a sustainability culture in Queen Creek and this might very well be considered in the future.

Ms. Cott informed the Commission that a four week workshop series entitled “Starting and Staying in Business” has been scheduled for the month of October. This program is one of the objectives in the department’s action plan and will be facilitated by the Small Business Development Center. The program has been coordinated in partnership with the Chamber of Commerce.

Commissioner Valenzuela announced to the Commission that on September 29 Allegiant Airlines will be adding two additional destinations, in addition to the recently announced Grand Rapids destination. Mr. Valenzuela will provide an update at the next meeting.

Planning Manager Wayne Balmer indicated that there is a proposed Gateway Studios, on approximately 37 acres, located in the vicinity of Hawes and Germann Rd. The proposed studio’s development is predicated on the type/amount of tax credits they will receive.

Commissioner Brown inquired about the power line route and how that will affect the proposed studio. Mr. Balmer indicated that the airport is working with the FAA, and studies have been done to see if the FAA will approve alternate locations.

4. **Adjournment**

The meeting adjourned at 9:10 a.m.

Next meeting is scheduled for October 28, 2009.

/jk