



## MINUTES

### ECONOMIC DEVELOPMENT COMMISSION MEETING

August 25, 2010, 7:30 a.m.

San Tan Conference Room

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#### 1. **Call to order**

##### **Present:**

John Schroeder, Chairman	CGCC, Williams Campus
Lee Ester	SRP
Jason Barney	Land Developer
Patrick Oakley	Phoenix-Mesa Gateway Airport
Roseann Sweet	Queen Creek Resident
Steve Sossaman	Queen Creek Resident
Carson Brown	W Holdings
Gordon Mortensen	Queen Creek Resident
Doreen Cott	Town of Queen Creek
Wayne Balmer	Town of Queen Creek
Kim Moyers	Town of Queen Creek

##### **Absent:**

Dr. James Murlless	Queen Creek Unified School District
Vice Mayor Barnes	Town of Queen Creek
Chamber President or Representative	Queen Creek Chamber of Commerce
Jean Humphries	Arizona State University Polytechnic
Mark Schnepf	Schnepf Farms

The meeting was called to order at 7:37 a.m. by Chairman Schroeder.

Introductions were made. Economic Development Director Doreen Cott thanked Commissioner Sweet and Commissioner Mortensen for their willingness to serve on the Commission. She thanked Commissioner Barney for his willingness to represent Queen Creek on the Greater Phoenix Economic Council (GPEC) Board of Directors for another year.

#### 2. **Public Comment**

No public comment.

#### 3. **Items for Discussion**

##### A. **Consideration and possible approval of the June 23, 2010 minutes.**

A **MOTION** was made by Commissioner Sweet and seconded by Commissioner Ester to approve the minutes dated June 23, 2010. The motion carried unanimously by a voice vote (7-0).

Commissioner Sossaman joined the meeting.

**B. Consideration and possible approval of a new Chair and Vice Chair for the Economic Development Commission.**

Chairman Schroeder opened the floor for nominations for the positions of Chair and Vice Chair for 2010-11. Commissioner Sweet nominated Commissioner Brown as Vice Chair. Commissioner Brown accepted the nomination.

Chairman Schroeder nominated Commissioner Ester as Chair. Commissioner Ester accepted the nomination. Nominations were closed.

A **MOTION** was made by Commissioner Schroeder, seconded by Commissioner Barney, to elect the new Chair and Vice Chair for the Economic Development Commission for FY10-11. Voice vote carried 8-0.

Economic Development Director, Doreen Cott, thanked Chairman Schroeder for his leadership as Chairman.

**C. Consideration and Possible Approval of the annual work program priorities for FY10-11.**

The Commission was asked for comments and/or changes to the draft program. Commissioner Barney asked that additional language related to infrastructure needs be added to Item #8. It was revised to read: *Develop "next steps" related to the S.W.O.T. analysis completed on the Town's main employment areas and evaluate and plan for future infrastructure needs.* Commissioner Mortensen asked that additional language related to small business development be added to Item #4. It was revised to read: *Work with staff to develop action plan and objectives to implement a small business incubator program if feasible and further enhance small business development opportunities in Queen Creek.* Commissioner Mortensen asked for staff to add language related to Horseshoe Park and Equestrian Centre in Item #6 since the Park is now in the Economic Development Department. Commission members will work with staff on direction for HPEC related to Economic Development Strategy.

A **MOTION** was made by Commissioner Barney, seconded by Commissioner Ester to approve the work program priorities, as revised, for FY10-11. Voice vote carried 8-0.

**D. Discussion and possible action on plans for an "ombudsman program" for the Town.**

Ms. Cott introduced the revised draft of the "ombudsman program" that incorporated comments from the June meeting. Revisions included a clear purpose of the program; a more detailed description of Economic Development staff's role; general criteria for determining eligibility – not just building permits but other development related issues such as annexation and projects with significant interagency coordination were included; sample timeline; and contact information for staff.

Commissioner Sossaman asked if other cities have similar programs and if they have encountered any issues. Ms. Cott explained that several valley cities have similar programs and there have not been any major concerns and/or issues associated with implementation. Commissioner Barney stated that this is a marketing tool to promote that Queen Creek is business friendly.

Planning Manager Wayne Balmer explained that Town staff will need to educate Development Services staff on the program and develop a good understanding on how it will work internally.

Commissioner Mortensen asked if Community Development Staff could be the "ombudsman" instead or in addition to Economic Development staff. Ms. Cott explained that typically this is a role of the Economic Development staff; they are the facilitators of information between the staff and the applicant.

Commissioner Barney stated that it is important to define expectations of the applicant up front.

A **MOTION** was made by Commissioner Sossaman, seconded by Commissioner Mortensen to approve the "Ombudsman Program" as presented. Voice vote carried 8-0.

**E. Discussion and possible recommendation on next steps for a Business Incubator Program.**

Economic Development Specialist, Kim Moyers introduced this item. Ms. Moyers explained that staff has been looking at strategic ways to grow the Town's business base. The Town was awarded the Rural Economic Development and Planning Assistance Grant through the Arizona Department of Commerce. The matching grant award (\$10,000) was used to conduct a business incubator feasibility study. Staff has also been researching different cities and their incubator programs.

The feasibility study determined that a business services/office incubator program would have the highest probability of success based on the existing employment base and the large number of home based businesses in Queen Creek. Several recommended steps were outlined in the study:

- Move forward with plans to implement an incubator program
- Create a sub-committee to set objectives
- Utilize existing assets
- Chamber of Commerce as an anchor tenant
- Offer an array of business services to incubator clients
- Complete a survey to determine needs for the business population

Staff has met several times with members for the Incubator Task Force. Commissioner Barney has been working on marketing to targeted sectors; Chairman Ester has been assisting with building logistics and Chris Clark with the Chamber Board has been assisting with the program financials and developing a pro-forma.

Commissioner Schroeder asked when the lease expires on the office space and what will happen after the lease expires. He asked if the incubator will operate on a break even model. Ms. Moyers explained that the Town has the space until December 2012; staff is working on three different scenarios to help with future planning. If the incubator is successful the Town could opt to renegotiate the lease and stay in that location; decide to move into a different more feasible location; have an out clause that would end the program. The goal is to break even; staff is looking at grants so the Town is able to offer the space to business owners at a reduced rate with slight increases every 6 month to ensure that at the end of the program they are commercially viable and able to pay market rate for space.

Commissioner Sossaman asked what the typical length of stay is for a business in an incubator space. Ms. Moyers explained that most businesses stay in an incubator space for a period of 24-36 months. Staff is currently looking at the Town's current cost and what the elevated cost will be with utilities, maintenance, etc. to include in the pro-forma.

Commissioner Barney stated that the intent of the program is not to become subsidized executive office space. Business will need to participate in the available mentoring services. Commissioner Sossaman asked if the mentoring would be available on-site. Ms. Moyers explained that the mentoring/business assistance would occur on-site and that staff would like to create a small business resource team

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comprised of Queen Creek professionals in the fields of accounting, financial planning, marketing, etc. to volunteer their time to help businesses grow. It will be mandatory for businesses to utilize the business assistance that will be provided as part of the program.

Commissioner Mortensen asked if the time frames will be flexible and when staff would like to start the incubator. Ms. Moyers responded that the time frames will be flexible depending on individual business needs and staff would like to have the program operational by January 2011.

Commissioner Mortensen asked if the Chamber was interested in being an anchor tenant as recommended in the study. Ms. Moyers explained that the Chamber is interested but no formal decision has been made and details would need to be worked out.

Commissioner Barney stated that the incubator will help connect people to people.

Planning Manager Balmer asked about furniture and equipment for the facility. Commissioner Barney stated that most small businesses will have their own computers and chairs. Ms. Moyers explained that she is working on securing office furniture but there is a conference room table available at the site. Commissioner Mortensen said that the common areas should be furnished but individual businesses could be expected to bring in their own equipment in most cases. Commissioner Schroeder suggested that the Town not get into the server or information technology business as part of this program.

A MOTION was made by Commissioner Barney, seconded by Vice Chairman Brown to move forward with the incubator study's recommendation of an office style business incubator utilizing existing resources (the former Water Company building). Furthermore, staff will develop a two year action plan including financial/pro forma statements, a small business resource team and options after the two year lease. Voice vote carried 8-0.

Ms. Moyers requested input from the Commission on the survey tool that was drafted for this program. The Commission asked that the questions have opportunity for respondents to explain their answers; design with text boxes.

Ms. Moyers explained that the surveys will be mailed to home based businesses, available on the Town's web site, Facebook and the Chamber of Commerce.

Commissioner Sossaman suggested that survey include information describing generally what an incubator is. Commissioner Mortensen asked if the survey is different from the application. Ms. Moyers explained that the survey is a tool to help craft the program and the application will be part of a completely different process.

Chairman Ester asked if there is value in asking if an existing business owner would like to volunteer or mentor clients in the incubator. Ms. Moyers thought this would be a good item to include in the survey.

Staff will revise the draft to incorporate the Commissions' comments and distribute as soon as possible.

### **F. Summary of current events – Reports from Chair, Commission Members and Economic Development Staff.**

Director Doreen Cott announced that Tim Lynch, the new General Manager of HPEC, began working at the Town on August 16.

Commissioner Barney asked how the Council Retreat went. Ms. Cott commented that it was a very good retreat. The new Council is energized and there was a lot of positive discussion.

Commissioner Mortensen asked Planning Manager Wayne Balmer about the current permit levels. Mr. Balmer responded that there are several projects in the queue that would have a positive impact on workload and revenues.

Chairman Ester asked if Paul Gardner could address the Commission on the issue of Central Arizona Groundwater Replenishment District (CAGR) and the future of pricing in Queen Creek under the current plan. This will have an impact on economic development in Queen Creek.

A **MOTION** was made by Commissioner Barney and seconded by Commissioner Sossaman, to adjourn. The motion carried unanimously by a voice vote (8-0).

The meeting adjourned at 9:05 a.m.

TOWN OF QUEEN CREEK

  
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Lee Ester, Chairman

ATTEST:

  
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Doreen Cott, Economic Development Director

I, Doreen Cott, 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 August 25, 2010 meeting of the Queen Creek Town Economic Development Commission. I further certify that the meeting was duly called and that a quorum was present.

  
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Doreen Cott

Passed and approved on September 22, 2010.