



DRAFT MINUTES

Economic Development Commission Meeting January 26, 2011, 7:30 a.m. Queen Creek Incubator, SRP Conference Room 22713 S. Ellsworth Road, Building A, Queen Creek

1. Call to order

Present:

Lee Ester, Chairman	SRP
Carson Brown, Vice Chairman	W Holdings
John Schroeder	CGCC, Williams Campus
Vice Mayor Craig Barnes	Town Council
Gordon Mortensen	Queen Creek Resident
Roseann Sweet	Queen Creek Resident
Marquis Scott	Queen Creek Chamber of Commerce
Steve Sossaman	Queen Creek Resident
Tim Lynch	Town of Queen Creek
Doreen Cott	Town of Queen Creek
Kim Moyers	Town of Queen Creek
Marsha Hunt	Town of Queen Creek

Absent:

Dr. James Murlless	Queen Creek Unified School District
Mark Schnepf	Schnepf Farms
Jason Barney	Land Developer
David Valenzuela	Phoenix-Mesa Gateway Airport

The meeting was called to order at 7:41 a.m. by Chairman Ester.

2. Public Comment

No public comment.

3. Items for Discussion

A. **Consideration and possible approval of the December 15, 2010 minutes**

Commissioner Schroeder moved to approve the minutes. Commissioner Sweet seconded. Motion carried unanimously on a voice vote (7-0).

B. Discussion and possible action on the pricing structure at Horseshoe Park & Equestrian Centre (HPEC)

Economic Development Director Doreen Cott provided background information on Horseshoe Park & Equestrian Centre (HPEC). The facility was designed and built under the supervision of the Parks & Recreation Department and in fiscal year 10-11 the facility was transferred to the Economic Development Department. Parks & Recreation developed the fees based on Parks & Recreation programming, the department's fee philosophy and research conducted on pricing from other equestrian centers. The general concept was the greater the individual benefit, the larger the cost recovery. With the move from Parks & Recreation, staff wanted to revisit the fees and the non-profit vs. commercial categories. There has been some concern about non-profit pricing and how "non-profit" rates have been applied to different organizations and associations.

Tim Lynch, General Manager of HPEC, has been in contact with a variety of different user groups interested in the park. A majority of the people he has talked to are from Queen Creek. There are some that feel the park is primarily a gathering place for local horse people; however, staff is working to recapture the operating capital as directed by the Town Council. The current non-profit terminology could be applied to almost every horse group, even the larger associations like the Quarter Horse Association. Mr. Lynch explained the non-profit rate and the criteria associated with this rate need to be more specific. Mr. Lynch suggested that the Commission consider 501(3) C groups in Queen Creek, whose charity work benefits Queen Creek residents.

Commissioner Sweet said the main concern initially was to create a place to go and ride; the community arena helps address this need. The Town should still support the community events, not forget how we got there, and support the equestrian lifestyle in general.

Mr. Lynch said since Arizona has a 4 or 5 month lay down because of the hot weather, there is only an 8 month window that you can secure large, multi-day equestrian events to recoup the cost.

Commissioner Mortensen said when the Town made the decision to build HPEC the community was in a healthier economic time. Times have changed and the Town's budget has been reduced by almost half. Commissioner Mortensen said the decision makers looked at recovering 50%. There has been a lot of public debate about HPEC and the desire to make it economically stable.

Commissioner Sossaman asked if the 501(C) 3 groups are charging for admission and parking. It is different if a non-profit offers free entertainment and does not charge for anything. If they charge admission and parking, then they are holding commercial event. Commissioner Schroeder said some non-profits hold a fundraiser and the money raised is reinvested in the community. Not having a non-profit rate to rent the facility would make

it more challenging for these non-profits. Commissioner Sossaman asked that when developing a non-profit definition, he would like to include resident and non-resident status.

Commissioner Scott asked what the mind set is of the people in Queen Creek. Most people coming to an event expect to pay for parking, etc. Mr. Lynch said parking fees are only applicable for spectator events which will only be 5-10% of the events. When you have similar ticketed events, they compete with each other. For example you cannot have 2 rodeo events. There are two basic types of equestrian events - competitor events and spectator events. The competitor events bring in the money in the form of barn stall rentals and bedding for the stalls.

Commissioner Barnes said the American Legion had an event at HPEC and any money raised was given back to veterans and schools in Queen Creek. Commissioner Schroeder said additional agencies that may utilize the non-profit rate include the Queen Creek Education Foundation, Pan de Vida, and 4-H Club. There are a number of those kinds of agencies in Queen Creek.

Ms. Cott suggested that the policy require that the Queen Creek based non-profits are benefiting the community and the non-profit status has been established for a specified period of time. Staff wants to avoid the issue of a group currently in the process of getting non-profit status or borrowing some other organizations non-profit tax ID. Commissioner Schroeder said there should be a pre-existing pattern of philanthropy in the community.

Chairman Ester said the park is an asset to the whole community and this message needs to be conveyed. Some people have no way of linking to that notion.

Commissioner Mortensen asked what other facilities have wrestled with fee structures and how can we learn from them. Mr. Lynch said he has had a similar experience with this in Oklahoma. Hardy Murphy Coliseum had years of low usage however the Shriners and Jr. Livestock show were held there every year. The Home Community Education (HCE) had their annual craft show and the county fair was also held there. The Coliseum did not charge rent but groups were charged for electricity used. This is the sort of model that he has in mind for the more broad based people/groups in the community. The reason the Town can give them the rent free is because of the larger horse groups. The larger horse groups help fund the 501 (C) 3 events.

Vice Mayor Barnes said it would be helpful to have other events held in Town to promote the events/activities at HPEC. For example the Maricopa County Sheriff's Office (MCSO) had a car show in the Queen Creek Marketplace parking lot. Information could be distributed at these car shows that would let people know what is going on at HPEC. An event like a craft show at HPEC could bring in people with minimal impact on the facility or staff. Mr. Lynch said the facility lends itself to that type of community event.

Ms. Cott stated the Town needs to educate the community about the park. Chairman Ester said Commissioner Sossaman would like staff to develop a definition for non-profit and research how other facilities handle a non-profit vs. commercial rate.

Commissioner Sossaman made a MOTION to direct staff to develop definitions for the fee structure and the related categories; Commissioner Mortensen seconded the motion with the addition that staff will do research on commercial and non-profit fees and provide definition of non-profit related to HPEC fee structure. Motion carried unanimously on a voice vote (8-0).

Mr. Lynch will come up with a detailed fee structure plan with commercial and non-profit fee structures.

Commissioner Sossaman said from the non-horse people of the community, it helps knowing if HPEC is bringing in money. Chairman Ester said HPEC is an asset for the whole community and not just a small group.

Mr. Lynch said one of the more universal values is an economic generator. Back in Ardmore, Oklahoma, which is similar in size to Queen Creek, the people visiting the community were spending \$16M when he left. This spending benefits the whole community.

Commissioner Barnes said HPEC is bringing in economic development to the Town.

C. Discussion on sponsorship opportunities for the Queen Creek Incubator

Economic Development Specialist Kim Moyers stated that a tour of the incubator would take place after the meeting. She distributed sponsorship opportunities information to Commission. As a Gold Sponsor, SRP will decorate the conference room with the history of Queen Creek and SRP and how they have progressed throughout the years. There will be art in place for the Grand Opening scheduled for February 9. Wells Fargo will also be a sponsor, but is still unsure at what level. In addition to being a sponsor, Wells Fargo offered to put on a workshop for tenants on a quarterly basis. If they can put on the workshops, they will give an additional \$1,000. The QC Inc. will be responsible for having refreshments available for the workshops. Wells Fargo also would like to have their branch managers meeting here once a month.

If anyone knows of a business or bank that may be interested in being a sponsor please let staff know. Commissioner Scott said once Harris Bank purchases M&I Bank they may have an interest.

Chairman Ester asked if invitation went out to all of Queen Creek. Ms. Moyers said we have sent invitations to those on our VIP list and placed an invitation on Facebook. The Queen Creek Chamber of Commerce is sending the invitation to their membership and

My Brothers' Office is sending the invitation to their list. After the grand opening, there will be an open house every 2 weeks.

Ms. Moyers stated that the economic development department applied for a grant for \$210,000 through the AZ Commerce Authority. We will find out at the end of month if they accepted our application.

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

Economic Specialist Moyers distributed the economic profile. Economic Development Director Doreen Cott said the economic profile was printed as a courtesy by SRP. It is a 2 year piece and as things change in the community we will be able to add information to the back pocket. Ms. Cott thanked Ms. Moyers for the tremendous amount of work and wonderful job she has done on the economic profile and QC Inc.

Chairman Ester thought all of the future Commission meetings should be held at the Queen Creek Incubator, SRP conference room.

Ms. Cott thanked all of the partners with the Queen Creek Incubator; the Queen Creek Chamber of Commerce and My Brothers Office.

E. Tour of Queen Creek Incubator

The Commission toured the facility after the meeting adjourned.

4. Announcement

The Chamber of Commerce's annual golf tournament will be held on February 21.

5. Adjournment

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

The meeting adjourned at 8:44 a.m.

TOWN OF QUEEN CREEK

Lee Ester, Chairman

ATTEST:

Marsha Hunt, Sr. Administrative Assistant

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 January 26, 2011 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, Sr. Administrative Assistant

Passed and approved on _____, 2011.