

**MINUTES OF THE REGULAR MEETING
TOWN COUNCIL ECONOMIC DEVELOPMENT SUBCOMMITTEE
TOWN OF CHINO VALLEY**

**TUESDAY, NOVEMBER 10, 2020
4:00 P.M.**

**CHINO VALLEY COUNCIL CHAMBERS
202 N. STATE ROUTE 89, CHINO VALLEY, AZ**

Present: Darryl Croft, Mayor; Annie Perkins (remotely), Chair; Corey Mendoza, Councilmember

Staff Jack Miller, Vice Mayor; Joshua Cook, Development Services Director; Maggie Tidaback,
Present: Economic Development / Project Manager

Attendees: Mark Holmes , Water Services Consultant, Lorette Brashear, Chamber of Commerce Executive Director

1) CALL TO ORDER

Chair Perkins called the meeting to order at 4:00 p.m.

2) ROLL CALL

3) APPROVAL OF MINUTES

- a)** Consideration and possible action to approve the September 22, 2020, regular meeting minutes.

MOVED by Mayor Darryl Croft, seconded by Chair Annie Perkins (remotely) to approve the September 22, 2020, regular meeting minutes.

AYE: Mayor Darryl Croft, Chair Annie Perkins (remotely), Councilmember Corey Mendoza

3 - 0 PASSED - Unanimously

4) CALL TO THE PUBLIC

Call to the Public is an opportunity for the public to address the Subcommittee concerning a subject that is not on the agenda. Public comment is encouraged. Individuals are limited to speak for three (3) minutes. The total time for Call to the Public may be up to 15 minutes per meeting. Committee action taken as a result of public comment will be limited to directing staff to study the matter, scheduling the matter for further consideration and decision at a later date, or responding to criticism.

5) OLD BUSINESS

- a) Update and discussion on Rounds Consulting job and projections model for Old Home Manor.

Maggie Tidaback reported the following:

- Reviewed the Economic Impact Model that was developed by Rounds Consulting.
- It was modeled for OHM but could be used anywhere in Town where there was commercial development.
- It was a tool that showed the economic impact of a business within Town, showing both direct and indirect effects and showed estimated financial benefits.
- Staff wanted to ensure it was clear to users that any commercial use needed to abide by zoning codes, which the program was unable to indicate.
- It could be used as a tool to help estimate incoming business numbers to compare with the numbers provided by those businesses.

- b) Update and discussion regarding the Old Home Manor Business Plan.

Maggie Tidaback reported the following:

- The way this was initially presented had been confusing and staff wanted to clarify what they were trying to accomplish with a business plan.

Mark Holmes, Committee Members and staff discussed the following:

- The goal was to treat the piece of property like a special district with its own business plan. The Town could create a special district and look at financing through low interest funding sources. This would allow the Town to extend infrastructure through the business park and then attract business entities.
- The Town could track debt service and revenue on a ledger specific to that special district. This would help the Town see the return rate on the investment.
- Development paid for itself, but smaller businesses like RV Parks did not have the money upfront for extending infrastructure like sewer and water.
- Water Infrastructure Finance Authority (WIFA) was the cheapest money to borrow, with very low interest rates. They also had principal forgiveness on portions of the debt.
- Staff researched the potential revenue from an RV Park, which was estimated at \$11,000 per month (based on a RFP lease submittal), and how that money could be used for infrastructure.
- CivilTec was in the final stages of the Integrated Water Master Plan, which would have a five year capital improvement plan based on the properties the Town wanted to develop in OHM. It would provide a breakdown of estimated annual costs for improvements. To fulfill those infrastructure improvements, the Town had to invest in the improvements or wait for a developer to invest, which was the reason for recommending the creation of a special district.
- The goal was to figure out how to pay the debt service for development of OHM. With a special district, the Town could show the community that with an upfront investment from the

Town, it would be paid back through the development.

- If someone did not make the initial investment, it was difficult to know when the first entity would bring their business to OHM.
- If there was water and sewer infrastructure to an RV Park, other entities would be able to connect as well. Additional revenue would allow the Town to consider, borrow and invest in other capital improvement projects.
- Some Committee members had community members that shared concerns with the amount of money being spent on OHM. Members thought that securing the water system for the benefit of the whole Town as opposed to just OHM would be easier to accomplish.
- Mr. Holmes explained the improvements were twofold. The improvements were improving the overall water delivery system, especially in regard to the additional water storage for fire flows and the expanding loop systems that would ensure the whole system did not shut down if a pipe was lost.
- The General Plan specified that when there was a water or sewer expansion, there needed to be community meetings. Developments that had public interest such as community parks, RV park, etc., needed to be proposed to the public to gain their support.
- Staff reviewed other area RV park's daily, weekly and monthly fees and found that if the Town had 250 RV spots that were only occupied once per month, it would generate \$12,500 monthly. If every spot was occupied every day each month, it generated \$100,000 monthly. Based on those numbers, the \$11,000 was feasible.
- Staff wanted to put together a business plan that identified the risks and how those risks would be managed, what the investment looked like, and the return on investment. The plan would look at financing, land use, and the aggressive recruitment of business entities. This would allow the Town to analyze risk and benefits. It would be a living document, with the focus on five years but it could also look long range.
- A special district would be separate from the general fund and other funds. There were different district models that could be used from a financial standpoint.
- The Committee members wanted to see this go back to a Study Session for further discussion. They wanted to see it more broken down and organized for Council review. Staff would try to get it ready for a spring meeting.

6) NEW BUSINESS

- a) Discussion regarding Sketch Landscape Architect's Celia va der Molen, proposal for the RV Park conceptual plan at Old Home Manor.

Committee members and staff discussed the following:

- The conceptual plan was already prepared before the Committee members requested it be changed, so staff decided to present what was done.
- Staff thought the design was nice and the development could be phased.
- Staff recommended more pull through sites instead of those that had to be backed into. Committee members explained the revenue generated by the pull through sites was more and any additional cost for development would be balanced out.
- Staff wanted to see the size of an RV the park was modeled for, and if they had that information, they could put it on Bluebeam and measure it out.
- The Town may want to consider larger RV spaces instead of smaller, or have them separated out. There were horse trailer sites as well. Dry camping spaces were available in the middle of the park, but there needed to be parking available to those sites.
- It was recommended the community center be large enough to accommodate weddings and family reunions. Staff thought it could be put in a future RFP as something that was

negotiable. Committee members thought that was too ambitious.

- Staff thought if the Town wanted to do a simple RV park with a focus on Town events it was good, but if they wanted to have a tourism destination type of RV park, they should do the pickle ball and community center development. It would be the largest, nicest park in the area and would be an attraction. Council needed to decide how to move forward. If it were a phased design, it could begin with a simple design. There needed to be some amenities such as bathrooms available from the beginning.
- Chino Valley was considered the it destination for trail riding or hiking the upper Verde River. The Peavine Trail connection was also a big deal because hiking trails brought in a lot of money to towns.
- A Committee member said the RV Parks in Northern Arizona had wait lists and it would be easy to fill the spots. It was a good place for people to camp who intended on going to the Grand Canyon, which was only three hours away. The Town could find a niche, and it could become a regular destination for travelers.
- If the Town were to manage the RV Park, it could put their own stipulations on the park. Staff explained that if the park were leased out, they could still have stipulations that the lessee was required to meet. There was nothing that prohibited the Town from requiring a lessee to do more than what was stated in code if the Town owned the land.
- The RV Park would bring new money into the Town and the local businesses.
- Staff would present this to the Council at a study session for further review during the first quarter of the next year.

- b) Discussion and review of the 5-year Economic Development Strategic Plan; Focus area 2 "State Route 89 Corridor"

Ms. Tidaback recommended postponing the item until a future meeting. There was no objection. Committee Members also wanted this item to be discussed at the Unified Development Ordinance meetings.

- c) Update on Arizona Economic forecast, and Chino Valley snapshot.

Ms. Tidaback presented the following:

- Rounds consulting presented economic information at the Arizona Association for Economic Development meeting.
- Arizona was currently in a good economic place. Although there had been a short dip in the economy, it quickly recovered. If the State received more stimulus money, they would remain in a good position but may see another dip without it.
- Arizona had recovered well partly because of policy that was implemented.
- The Covid-19 pandemic had caused severe job loss, but the recovery was quick.
- The Town of Chino Valley was growing and had 1112 prosed housing units in the development phase. That number did not include Century Ranch or Perkinsville 40 developments.
- Housing prices had risen significantly since 2013 because of the great demand.
- Sales tax revenue had increased by 25%.
- The commercial activity was increasing with the addition of new restaurants and larger developers looking in the area.
- The density of Prescott and Prescott Valley were driving people to Town.
- Families were moving to the area

- d) Discussion regarding Stone Truss, a California company, possibly relocating to Chino Valley.

Staff presented the following:

- Staff had a telephone meeting with a business owner from Truss, a manufacturing business in California, who was researching purchasing land behind the ABC Funeral Home.
- This was becoming a trend from California businesses.

- e) Update regarding Economic Development Project Manager, Maggie Tidaback's, completed education over the last year and a half.

Ms. Tidaback reported the following:

- She was one class away from her Arizona Professional Certification. The education had included eight classes.
- She was working on certification from the International Economic Development Council as a Certified Economic Developer. It required four years of work experience, and she was not quite at two years. There were also certain classes that were required to take the exam.

7) **ADJOURNMENT**

MOVED by Chair Annie Perkins (remotely), to adjourn the meeting at 5:06 p.m.

AYE: Mayor Darryl Croft, Chair Annie Perkins (remotely), Councilmember Corey Mendoza

3 - 0 PASSED - Unanimously

Submitted: November 25, 2020.

By: *Traci Lavelle, Deputy Town Clerk*

Approved: January 19, 2021.