

## MEMORANDUM

TO: Town Council  
FROM: Fred Carpenter, Town Manager   
SUBJECT: Backup Materials for Tuesday's Meeting  
DATE: September 21, 2006

For Tuesday's meeting regarding funding contracts for the Rim Country Regional Chamber of Commerce and the Payson Regional Economic Development Corporation, and discussion of Main Street and other economic development activities, I have attached the following:

- A packet of information from the PREDC regarding proposed activities and budget for FY 06/07. Monday I expect to receive the annual report for FY 05/06, which will be distributed upon receipt;
- A packet of information from the Chamber concerning their budget and use of funds for last year and the current year;
- A chart covering the Town's costs of participation in various festivals and events during FY 05/06. Economic benefit information cannot be readily determined;
- Contracts for the agencies for the coming year;
- Resolutions approving the contracts.

SEP 26 2006 SP6



# PAYSON REGIONAL

**Economic Development Corp.**

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September 19, 2006

Town of Payson Mayor and Council  
303 North Beeline Highway  
Payson, Arizona 85541

Dear Mayor and Council:

This letter describes the key contributions of Payson Regional Economic Development Corporation toward meeting the economic development needs for the Town of Payson. The execution of these initiatives is in exchange for the amount of \$53,000 during the period of July 1, 2006 to June 30, 2007.

The identification of these initiatives is the result of a variety of inputs: a) the 2006-2007 annual plan created by the PREDC board; b) review of the Town of Payson Strategic Plan for 2006-2007; c) the Focused Future II Strategic Plan for Economic Development; and d) input from Jerry Owen and Glenn Smith.

The key areas include:

1. **Business Retention and Expansion.** In June, PREDC completed its "Building Bridges to Business (B3) – Business Retention Report" – a comprehensive survey of thirty major Payson businesses. Many hope to expand over the next three years. It is critical that PREDC respond to the B3 Report and encourage and assist these local businesses in their expansion plans.
2. **Focused Future II.** This Strategic Plan for Economic Development was created three years ago with broad community involvement. The Plan identifies six focus areas and also addresses the roles and responsibilities of all the entities involved in Economic Development. The FF II Plan should be reviewed, updated and implemented in line with community values. PREDC intends to work with our partners on an economic summit to accomplish this.

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Town Clerk  
SEP 21 2006

Town of Payson

3. **Mayor's task forces.** Participate in and coordinate with the Mayor's task force on economic development as well as other task forces that impact the local economy. PREDC can serve as a resource of information, support and decision making for various taskforces.
4. **Smart Growth to Buildout.** Assist the Town with the development of a Smart Growth Plan that would define Payson as a livable community with a sustainable economy. The Plan may incorporate the Governor's Growing Smart Principles as well as other nationally-accepted principles of sustainable growth.
5. **Economic Development Plan and Partnerships.** Implement an approach of partnerships, networking, leveraging of resources and information sharing. Economic Development efforts need to be well-thought-out, focused efforts. There needs to be a community awareness component of what, why, and how things are being done to support economic development.

The funding provided by the Town of Payson will allow PREDC to satisfy the five aforementioned areas as well as other activities, which contribute to the economic development of Payson. These achievements will benefit Payson by helping to create an economically viable and livable community.

PREDC representatives are pleased to attend the work session scheduled for September 26<sup>th</sup> at 5:00 p.m. so that mutual understandings and support for the previously identified focus areas may be established. We look forward to this dialogue concerning the direction of economic development in Payson.

Sincerely,

A handwritten signature in cursive script that reads "Barbara Ganz". The signature is written in black ink and is positioned below the word "Sincerely,".

Payson Regional Economic  
Development Corporation  
Budget 2006-07

**2006-07 PREDC Budget**

Salary-benefits (ft & pt, as needed)	\$	67,200
Telephone		1,180
Insurance, legal, accounting		5,864
Advertising, promotion		12,000
Office supplies, operation		1,500
Community education, research		4,000
Professional development		2,000
Travel (in-state)		2,500
Dues, subscriptions		350
Hospitality		1,800
Miscellaneous		2,000
	<b>\$</b>	<b>100,394</b>

Revenue Sources

Town of Payson	\$	53,000	
Gila County		25,000	There may be an additional \$25,000
Membership/community support		22,394	
	<b>\$</b>	<b>100,394</b>	

**Payson Regional Economic Development Corporation Annual Plan 2006/7 DRAFT**

<b>Key Results Area/Objective</b>	<b>Narrative Description</b>	<b>Responsible</b>	<b>Perf. Meas</b>	<b>Perf. Std.</b>	<b>LEAD/Partner</b>
<b>KRA1:</b>					
<b>1. Objective</b> Raise awareness of ED (ED101)	Participate in 1 council work session to discuss definition/elements of ED	Barbara Ganz	Council members better understanding of ED	Post-session survey rating 3 or above scale 1-5	Jan Parsons, Christine Harrison (as needed)
	Ongoing ED educational sessions for the community Mini showcase for new businesses	Barbara Ganz	Attendance of at least 3 participants per session	Conduct at least 2 sessions by June of '07	Jan
	Train Town, Chamber, PREDC members in ED ambassadorship	Christine Harrison	Attendance of identified entities	Conduct at least 2 sessions by June of '07	Barbara Ganz
	Implement economic impact analysis software	Barbara Ganz	Communicate results of analyses	Analyses of 5 companies	Jan, APS
<b>2. Objective</b> Update Council on ED progress	Quarterly reports to Council which include expectations, status, accomplishments	Barbara Ganz	Aware of ED activities and progress on plan goals	Report delivered on time w/all relevant info.	
<b>3. Objective</b> Revisit & revitalize FFII with the community	Reconstitute the community action team to reassess the viability of the FFII document. Present revisions to council for acceptance	Jan Parsons	Focused enthusiastic actions to implement FFII Determine if focuses are still relevant	a) Team formed b) Review FFII, c) Document changes	Jan, Odette

**Payson Regional Economic Development Corporation Annual Plan 2006/7 pg. 2**

<b>Key Results Area/Objective</b>	<b>Narrative Description</b>	<b>Responsible</b>	<b>Perf. Meas</b>	<b>Perf. Std.</b>	<b>LEAD/Partner</b>
<b>KRA2: Business Retention &amp; Expansion</b>					
<b>1. Objective</b> Create a Business Welcome Team	Identify compatible PREDC members to welcome new business	Barbara Ganz	Develop the process for introducing new businesses to the community	At least 10 businesses participating in intro process	PREDC board Chamber of Commerce
<b>2. Objective</b> Complete the needs assessment for postsecondary ed	Conduct focus groups to identify community-wide postsecondary needs, analyze results.	Peter Kettner	Comprehensive report and recommendation	6 focus groups 50 survey employees/employers	Peter Kettner, PRMC, PUSD, MHA, APS, etc.
<b>3. Objective</b> Develop plan to resolve healthcare needs of local businesses	Monitor developments in the insurance industry for Small businesses, employees	Barbara Ganz	Research available options legislation	Report to community what is available i.e. healthcare insurance fair	J. Baker and J. Parsons
	Lobby for insurance industry changes/small business	Lou Adams	Monitor state legislature	Report changes to businesses	
<b>4. Objective</b> Complete B3 for retail/hospitality business sectors	Partner with the chamber to survey businesses.	Barbara Ganz	Monitor wellness comprehensive B3 report for retail/hospitality sectors	Survey minimum of 30 businesses	Chamber, APS, ASU

**Payson Regional Economic Development Corporation Annual Plan 2006/7 pg. 3**

<b>Key Results Area/Objective</b>	<b>Narrative Description</b>	<b>Responsible</b>	<b>Perf. Meas</b>	<b>Perf. Std.</b>	<b>LEAD/Partner</b>
<b>KRA2: Business Retention &amp; Expansion</b>					
<b>5. Objective</b> Encourage training classes in needed skills / occupations	Facilitate enhanced educational opportunities within the current condition.	Harry Swanson	20 people employed or higher pay because of training	2 trainings conducted	Jim Richey
<b>6. Objective</b> Follow up on the needs identified in the first B3 study.	Analyze needs and develop a plan to address the issues.	Barbara Ganz	Documented results of B3 improvements	3 focused efforts to address B3 issues	B3 Committee
<b>7. Objective</b> Update the business license survey.	Improve the questions to provide needed data.	Barbara Ganz	Revised survey instrument	Complete by Feb. '07	Jerry Owen
<b>8. Objective</b> Begin the development of a B to B resource guide	Promote commerce between local businesses.	Barbara Ganz	Research similar documents as models	Identify 4 documents	
<b>9. Objective</b> Implement a business award program	Recognize outstanding business achievements.	Pat Willis	Identified process for nomination and selection	4 identified outstanding business leaders honored at ceremony	Pat and Committee

**Payson Regional Economic Development Corporation Annual Plan 2006/7 pg. 4**

<b>Key Results Area/Objective</b>	<b>Narrative Description</b>	<b>Responsible</b>	<b>Perf. Meas</b>	<b>Perf. Std.</b>	<b>LEAD/Partner</b>
<b>KRA3: Business Development</b>					
<b>1. Objective</b> Continue some attraction efforts	Explore niches for future focused development	Barbara Ganz	Analyze current info available. Identify businesses compatible with Payson community	Increase number of jobs relative to economic condition and competitiveness of Payson	DOC, APS, TOP, Chamber
<b>2. Objective</b> Continue marketing efforts to businesses	Establish and maintain relationship with biotechnology and forest technology companies and identify lessons learned to proceed with future partnerships.	Barbara Ganz	Report from interviews for identifying lessons learned.	Interviews participants in Apache Sigreaves contract. Identify local stake holders	Parsons, TGen, U of A, Forest Service, White Mtn. Regional Economic Development
<b>3. Objective</b> Support the PUSD bond issue	Prepare a white paper on relationship to economic development	Barbara Ganz	Guest editorial Roundup and Gazette	Paper completed by Oct. 1	

**Payson Regional Economic Development Corporation Annual Plan 2006/7 pg. 5**

<b>Key Results Area/Objective</b>	<b>Narrative Description</b>	<b>Responsible</b>	<b>Perf. Meas</b>	<b>Perf. Std.</b>	<b>LEAD/Partner</b>
<b>KRA4: Housing</b>  <b>1. Objective</b> Assist in development of a regional plan incorporating inventory of stock, land, willing developers, and best practices	Develop an inventory of available land for housing Identify developers speculating in workforce housing	Pat Willis	Identify available accessible comm. Research successful models for affordable housing	Review successful models national Recommend modifications for Payson region.	Willis, Sam Baker, J. Miles
<b>2. Objective</b> Advocate for workforce housing in a way that frames the issue for the well being of Payson's future.	Attend and give input at zoning hearings, develop services meetings, and any public hearing, and participate in policy development.	Pat Willis	Inform elected official	Participation in 3 hearings and 3 meetings attended	Willis, Baker, Miles, Owens

Our chamber was organized in 1977 and became a regional chamber in the summer of 1998. We were established for the purpose of advancing the working partnership of business; to enhance the ability of our members to conduct their individual business successfully; and to improve the economic well-being of all citizens of the Rim Country and surrounding area. As a regional chamber of commerce, we represent not only Payson, but also Pine, Strawberry, Star Valley, Christopher Creek and our reach extends to assisting businesses in Happy Jack, Rye, Gisela, Young, and Forest Lakes.

The Chamber performs two distinct but constantly overlapping services for Payson:

- We operate a State of Arizona certified visitor center. It is open 8-5 Monday-Friday and 10-2 on Saturday and Sunday for approximately 360 days every year.

As the 'front door' to our community, the place where visitors and newcomers receive their first impression of Payson and Arizona Rim Country, the Rim Country Regional Chamber of Commerce welcomed over 22,650 visitors in our Visitor Center this past year, representing most of the 50 states as well as 33 countries. The majority of our visitors were from within Arizona. Our monthly average visitor count was 1916, and daily count was 60. The greatest traffic is during our March – November season.

Over 650 relocation packets were sent out, the majority of which went out of state. Tourism packets were sent to approximately 520 households, again with the most going out of state. The 24 chamber volunteers who staff the Visitor Center work an average of 96 hours per week, 4992 hours per year. In dollars & cents, this is a labor value of \$87,659.52!! We provide information about our local business Chamber members as well as copious amounts of business brochures and chamber-printed brochures and guides highlighting museums, the parks department, events, schedules and anything else that might entice a visitor to stay.

Our chamber purposely acts as a central hub in Payson. We're the best source for quick information, answering 50-plus calls on a slow day. Local groups use our office as a location for ticket sales and our marquee to promote their event. If you need to know how and where to register to vote, or a hunting or fishing guide, a phone book, directions to the school district office or library or MVD office, the quickest way to the hospital or weather info on the Rim.....we're the source!

- We operate a Chamber of Commerce. The Chamber interfaces with our approximate 500 members and over 5100 employees they represent on a continual basis. We assist to promote their businesses through numerous venues. In addition, the Chamber markets the Town of Payson and the area.

We serve as an information center, a clearing house, a central agency for improving and building a better community. We enable people to accomplish collectively what none could do individually. The chamber creates a pool of resources from which ideas, energy and finances can be drawn. Our contract for services with the Town represents only 25% of our working capital.

We respond to inquiries about our community and its opportunities. We promote our area to the markets most likely to be interested in what we have to offer. An example of our outreach advertising is through the grant we annually apply for and receive through the Arizona Office of Tourism. Our print efforts through this grant touched more than 2.1 million people. A partial listing of these advertisements is attached. With cooperative advertising campaigns such as this with the Arizona Office of Tourism and other entities, our limited marketing funds go further with more effect. Examples of our teamwork and partnerships are varied as is the economic impact on the Town. Another example of these partnerships is the series of ads run in various locations throughout the state on Cox channels. These are costing us nothing because of the long-term relationship and partnership I have developed with Cox over the years I have been in this industry. In 2004, we hosted a film crew from Japan who were here to film a commercial. I worked with them for almost a year before they actually arrived, facilitating their filming with the Forest Service, local businesses, and the Arizona film commission. There were over 20 people in their crew and after their 13 day stay, Payson's local economy was \$30,000 richer. In 2005, I worked with a reality show called Cowboy U, and a PBS show called America's Heartlands. Presently, we are working with an independent film crew from Los Angeles who is interested in using Payson and the surrounding area as a location for their full length movie.

In comparison to many chambers in more urban areas, we are more a Chamber of Events. Directly, the Chamber is responsible for and derives revenue from our Business Showcase in April, the Strawberry Festival in June, and the annual World's Oldest Continuous Rodeo in August. This year, we have taken over the Rim Country Quilt Roundup to be held in October. In addition to these Chamber-sponsored events, we are involved at some level with literally every event held in Arizona Rim Country. Most of this involvement is through promotion (both locally and out of the area) and volunteer participation.

A partial list of where our hands have been involved includes: the Classic Car Show on Main Street, Paws in the Park, the Northern Gila Fair, Zane Grey Cabin & our other museums, Health & Care Fair, Payson Art League fall show, Community Volunteer Fair, holiday lighting at Swiss Village shops, the Electric Light Parade, Hashknife Pont Express, a clinic featuring the Diamondbacks, the Tonto Community Concert Association series, Payson Stampede Mountain Bike Rally and Street Fair, Western Heritage Festival, the Town's Concert Under the Stars series as well as other Parks & Rec sponsored events, the Old Time Fiddler's festival, Payson Art League Open Studio Tour, Soap Box Derby, Mazatzal Casino's Chili Cook-off, Habitat for Humanity 5K Run, American Cancer Society Relay for Life, and numerous fundraisers and events sponsored by literally every civic and fraternal organization in Payson!

We have continued to partner with the Small Business Development Center at the college in various workshops covering such topics as fraud, identity theft, drug-free workplaces, and customer service. A new alliance was formed this year with the Payson School District in supporting the Arizona Academic Scholars program. This program is an effort by area business and school volunteers to encourage students to complete challenging courses during high school that will prepare them for jobs or higher education after graduation giving the students the foundation they will need in order to success in a technical school, community college, university, the military, or industry.

The area's tourism/visitor numbers rose over 25% this past year. A study was prepared for the Arizona Office of Tourism by Dean Runyan Associates documenting the economic significance and impact of travel industry in Arizona from 1998 through 2005. This study broke down the information by county. According to their findings, Gila County is the second most dependent county in the state on tourism, the top being LaPaz County. Over \$2.9 million is collected in taxes and over 9.1% of all earnings are tied to travel/tourism. Travel generated earnings were up 4.9% last year in our county, representing approximate earnings of \$55.6 million. A detailed presentation of this study will be held in Payson on October 18, and I encourage any and all of you to attend. This AOT workshop will be the fourth time AOT has come to Payson and used us as a regional location for various workshops and seminars they host. A chart prepared by Glenn Smith representing the Town's monthly bed tax receipts from the fiscal year 2000-01 through 2005-06 substantiate the findings in the AOT study.....tourism continues to rise as do the bed tax receipts (\$211,000 to the Town of Payson in FY 2005-06).

On a more personal level, I have been in this industry for over 13 years. I am active in my state association (the Arizona Association of Chamber Executives) and have served on their board of directors. I have received professional awards from my regional association (the Western Association of Chamber Executives) and presently serve on their board of directors, this regional association represents fourteen western states and I am one of three representing Arizona.

The staff and volunteers of the Rim Country Regional Chamber of Commerce are here to serve our members and the over 5100 employees they represent; we are membership driven. The Chamber means business and promoting the community is where it begins! So..... what does the Chamber do for you? The question should be what DOESN'T the Chamber do for you?

**July 2005 – June 2006**

**INCOME (pertaining to contract for services)**

**Bed Tax** **\$76,800**

**EXPENSES**

<b>Advertising</b>	<b>\$27,100</b>
<b>Telecommunications</b>	<b>\$ 5,884</b>
<b>Water/sewer</b>	<b>\$ 959</b>
<b>Trash</b>	<b>\$ 278</b>
<b>Electricity</b>	<b>\$ 4,299</b>
<b>Postage (relo/tourism/brochures)</b>	<b>\$ 3,000</b>
<b>Copies (handouts – 127,500)</b>	<b>\$ 2,000</b>
<b>Salaries</b>	<b>\$26,880</b>
<b>Overhead</b>	<b>\$ 6,400</b>

## EXAMPLES OF ADVERTISING IN 2005

### Arizona Drive Guide Magazine

½ page, 4 color ad

Quarterly 150,000 distribution statewide

### AZ Tourist News

Full banner page (editorial and advertisements)

Monthly 50,000 + distribution statewide

### Experience Arizona Magazine

Full page, 4 color ad plus full page, 4 color editorial

Annually 45,000 distribution statewide

### True West Magazine

½ page, 4 color

Monthly 45,000 circulation internationally

### Where Magazine

1/3 page, 4 color

Monthly – May through September 35,000 distribution statewide

### “Things To Do in Rim Country” Brochure

4 color 50,000 reprint in 2005

### Rim Country rack brochure

4 color distributed to all visitor centers statewide; inserted into every tourist info & relocation packet sent out

### Chamber Visitor Guide & Membership Directory

35,000 printed in 2005 distribution same as rack brochure plus through members & visitor center

## Exhibit A to Contract for Services

### Scope of Services

A. Visitor Center

The Chamber will operate a visitor center in accordance with the requirements and specifications of the Arizona Office of Tourism.

B. Business Development

The Chamber may, as requested, get involved in business attraction. All leads forwarded to PREDC.

C. Tourism

The Chamber has primary responsibility for tourism promotion and development.

D. Retail/Hospitality

The Chamber has the primary responsibility for promoting retail and hospitality development.

E. Special Events

The Chamber is directly involved with any special events and the attraction of same to Payson.

F. Business Advocacy

The Chamber has the primary responsibility to advocate for business interests.

G. Business Retention and Expansion

The Chamber offers assistance to existing businesses as required. Sponsors and/or co-sponsors seminars and workshops to support existing businesses; supports the efforts of the SBDC.

H. Branding and Promotion

Promotes the area for tourism, residential relocation, buying local, etc. throughout the Region.

I. Liaison Role

The chamber acts in a liaison role with other agencies to include, but not limited to, Town of Payson departments, PREDC, GVRA, emergency response teams, Payson Police Department, Payson Fire Department, Gila county Sheriff Department, US Forest Service.

- The Chamber Executive director and one or more Board members will be active participants in various civic organizations, service clubs, and other endeavors that do not qualify for public funding to facilitate the economic development of Arizona Rim Country.
- The Chamber will print and distribute a minimum of the following: 30,000 local street maps; 35,000 visitor guides/business directories; 100,000 rack brochures; 50,000 "Things to Do in Rim Country" brochures
- Advertising will continue to promote Payson to appropriate markets. Advertising may be through a combination of print media, radio, television, trade shows, and other to be determined.
- "Annual Business Showcase" will be held in the late Spring offering a 15,000-plus square foot trade show environment for local businesses to exhibit to the public.
- The Chamber will continue to host the Annual World's Oldest Continuous Rodeo the third weekend in August.
- The Chamber will continue to assist and promote the Northern Gila County Fair as well as any other events/festivals that will enrich tourism in the area..
- Efforts will continue towards bringing additional events to Payson and the chamber will continue to cooperate and partner (where appropriate) with other existing community events.

**TOP  
Festival Events Summary  
2005/2006**

Event	General Fund	Gifts & Grants Fund	Bed Tax	Green Valley Mainstreet	Public Works - Streets	Event Center	Festival Total
<b>Rodeo - Spring</b>							
Payson-Rodeo Committee	\$ 1,500.00						\$ 1,500.00
Labor estimate	1,180.00						1,180.00
<b>Total</b>	<b>2,680.00</b>	-	-	-	-	-	<b>2,680.00</b>
<b>Rodeo - Fall</b>							
Sponsorship	1,540.00						1,540.00
Street cones -rental Parade	3,137.52						3,137.52
Labor estimate	4,109.00				3,887.50		7,996.50
<b>Total</b>	<b>8,786.52</b>	-	-	-	<b>3,887.50</b>	-	<b>12,674.02</b>
<b>Electric Light Parade</b>							
Fireworks Show	2,500.00						2,500.00
Labor estimate	500.00						
Expenses - Paid for by fees		1,770.50					1,770.50
<b>Total</b>	<b>3,000.00</b>	<b>1,770.50</b>	-	-	-	-	<b>4,270.50</b>
<b>Hashknife Pony Express</b>							
Navajo County Sheriff's Posse	2,500.00						2,500.00
<b>Total</b>	<b>2,500.00</b>	-	-	-	-	-	<b>2,500.00</b>
<b>Green Valley Park Festivals</b>							
Fireworks Show			10,000.00				10,000.00
Concerts in the Park			8,971.49				8,971.49
Labor estimate	1,080.00						1,080.00
<b>Total</b>	<b>1,080.00</b>	-	<b>18,971.49</b>	-	-	-	<b>20,051.49</b>
<b>Northern Gila County Fair ...</b>			20,099.59		4,585.50		24,685.09
<b>Event Center Programming</b>					13,266.25	44,068.67	57,334.92
<b>Stampede Street Festival ...</b>				1,238.24			1,238.24
<b>Soap Box Derby .....</b>				553.58			553.58
<b>Classic Auto Show-Sponsorship .....</b>				250.00			250.00
							-
							-
<b>Grand Total</b>	<b>\$18,046.52</b>	<b>\$ 1,770.50</b>	<b>\$ 39,071.08</b>	<b>\$ 2,041.82</b>	<b>\$21,739.25</b>	<b>\$ 44,068.67</b>	<b>\$ 126,237.84</b>