

**TOWN OF PAYSON
TOWN COUNCIL MEETING
MINUTES OF THE SPECIAL MEETING
April 5, 2016**

CALL TO ORDER

Mayor Evans called the meeting to order at approximately 2:00 p.m. in the Town Hall Council Chambers, 303 N. Beeline Highway, Payson, Arizona.

PRESENT: Mayor Kenny J. Evans, Vice-Mayor Michael Hughes, Council Member Fred Carpenter, Council Member Su Connell, Council Member Richard Croy, Council Member Chris Higgins, and Council Member John Wilson.

STAFF PRESENT: LaRon Garrett - Town Manager, Hector Figueroa - Town Attorney, Don Engler - Police Chief, Silvia Smith - Town Clerk, and Cameron Davis - Parks, Recreation and Tourism Director.

OTHERS PRESENT: Tracie Bailey - Chief Deputy Town Clerk, Sheila DeSchaaf - Planning and Development Director, Trever Fleetham - Planning Technician, Bobby Davis - Economic Development Specialist, and Hope Cribb - Finance Manager.

PURPOSE OF MEETING

1. **Presentation by Judie Scalise, ESI Corporation, regarding the Economic Development Plan.**
2. **Discussion/possible action concerning the Economic Development Plan Draft: Phase III process assigning tasks, goals, and setting dates.**

Mayor Evans explained the purpose of the meeting and introduced Bobby Davis, Economic Development Specialist. Mr. Davis welcomed the Council and introduced Judie Scalise, owner of ESI Corporation. Mr. Davis noted Kelly Patton, Arizona Public Service (APS) Senior Economic Development Consultant, would arrive shortly. Mr. Davis asked for the Council's insight and leadership regarding the Economic Development Plan Draft.

Ms. Scalise explained she had made some revisions to the draft based on feedback. Ms. Scalise gave an overview of economic development and the benefits of strategic planning. Ms. Scalise reviewed economic development programs and outcomes.

Ms. Patton thanked the Council and noted she has been with APS for a year and a half. Ms. Patton used the Gilbert Heritage District as an example for her presentation on economic development.

Cameron Davis, Parks, Recreation and Tourism Director, discussed tourism and how it affected Payson. Mr. Davis gave each Council Member a copy of the 2015 Parks, Recreation and Tourism Department Planning Summit Report. Mr. Davis pointed out one of the challenges was to increase the shoulder seasons. Mr. Davis noted web site traffic was growing and roughly a quarter of a million cars came through town. One of Mr. Davis's goals was to figure out how to stop those cars. Mr. Davis noted Arizona, California, Texas and Nevada were the top state visitors; however, Phoenix was the target audience. Mr. Davis has tracked traffic on the websites since 2008. The 4th of July was a very strong draw. The special events were definitely drawing people to Payson. Mr. Davis wanted to see what the pieces of the puzzle were to create to get people to spend more money in Payson. Mayor Evans noted there was a spike when the Arizona State University (ASU) pep rally was held in Payson and asked if there was a spike for it last year. Mr. Davis explained he just started tracking that and that ASU was coming on the first week of August in the future.

Ms. Scalise went over the draft economic development plan and planning process. Ms. Scalise reviewed the key initiatives and goals as well as industry targets. Council Member Higgins asked Ms. Scalise to comment on the economic status of outdoor recreation and to further highlight the potential for trails with bicyclers. Ms. Scalise explained the bicyclers viewed the area when they came through and would come back with their families. They were high income earners and they did come back.

Council Member Higgins asked how much investment has been put into social media vs the website marketing. Ms. Scalise noted in economic development social media marketing has grown exponentially. Ms. Patton noted Gilbert had one person who worked only on social media and that it drives people to the website. Council Member Higgins felt working in conjunction with social media would step it up to get the Town's story out there through videos and pictures. Ms. Patton noted the Town could also do a hashtag to engage the community so they would retweet tweets the Town put out. Ms. Scalise noted there was a publication called *Area Development Magazine* that did an annual corporate site survey that asked where they go for information and they all started with the economic development website. Mr. (Bobby) Davis explained the economic development website for Payson was up and running. Council Member Carpenter encouraged everyone to look at the American Gulch Project as the five year keystone project. Council Member Higgins noted the tourism website was easy to navigate and that would drive more people to the website. Mr. (Cameron) Davis explained it was more economical for the Town to use Face Book. Mr. Davis believed the mud run has become such a big event because of Face Book. Mr. (Bobby) Davis explained the economic development website focused on economic development and tied back to the tourism website. It was also linked to the Chamber of Commerce. Council Member Carpenter noted another project was a hotel and conference center and felt there were organizations that would love to come to Payson if there was a big enough facility. Council Member Higgins noted some teams for the Gracie Lee

Haught Softball Tournament had to stay in Fountain Hills because there were not enough hotels in Payson. Council Member Higgins believed when all of the bicycling and trails opened up it would create an opportunity for a niche manufacturer in that industry. Ms. Scalise noted it took time and money and felt if the Town grew outdoor recreation it could see some company come here and do that kind of manufacturing.

Mr. (Bobby) Davis indicated he had started talking to Bob Simpson who was with a company out of California that was in the lumber business. The business had a contract with the Forest Service to work on the Forest Restoration Initiative (*AFRI*) and Mr. Simpson was looking to bring a business into Payson to cut up to six inch trees and chip them and bring the chips to the industrial site and heat the chips and turn them into bricks for fire places. Mr. Simpson had a contract with Tractor Supply to buy the bricks.

Council Member Connell felt the university was as big of a project as the American Gulch Project although it was probably a ten year project. Council Member Connell noted there has been a lot of time and money spent on the university, but did not want to take on too much at one time. Mayor Evans explained the private sector had to be involved as well as the public sector and a hotel conference center would be developed on the university site. It would be adjacent to the trail system. Discussion ensued regarding university projects and other projects that could be done while the university was being developed. Council Member Connell was concerned there would be more resources used as the university developed. Mayor Evans indicated there would have to be a lot of articulation between the Town and university and it was still a fixed number of people to work. Mayor Evans noted the American Gulch has been worked on for the last nineteen years and the Town needed to start with a manageable project. Ms. Scalise believed the plan recognized that. Council Member Carpenter felt one advantage was the Town owned some of the property in the American Gulch. Council Member Wilson indicated the Town was working on bringing more people in for baseball tournaments.

Vice-Mayor Hughes noted the biggest challenge was what worked for Payson and that the university would be the foundation. Tourism has kept the Town afloat in the economic down turn. Ms. Scalise explained the point of the five year plan was to focus on what the Town could leverage today. Ms. Scalise felt Main Street did have components of a small town and the plan recognized who Payson was and where it was going. Council Member Croy believed it all got down to money and asked what the available resources were annually and how much money there was and what other resources were available. Mr. (Bobby) Davis explained Ms. DeSchaaf was writing a policy for the Community Facilities District (CFD). It would affect the property owners that were in the American Gulch area and it depended on the number of property owners in the area. Mr. Garrett noted currently it took twenty five percent of the owners to agree for it to come to the Council. Council Member Croy asked how many dollars it would be. Mr.

Garrett explained it depended on the extent they wanted to improve it. Council Member Croy asked based on the plan how much would it be. Mr. Garrett replied millions. Council Member Croy asked what the financial impact would be. Mr. Garrett replied staff would determine if it was financially feasible to move forward. Council Member Croy was concerned it could be a burden and the land owners would not want to do it. Mayor Evans explained it would be about a \$1 per linear foot. It was not overwhelming, but it was significant. Council Member Croy felt this needed to be pumped up so people would understand the value of the project. Mr. Garrett noted the area was long and narrow so not many property owners would be involved. Council Member Carpenter noted the Town needed to enhance the event center and asked the Council to consider it.

Council Member Higgins asked the Council to look at Objective 4 and asked how important or critical it was to the other communities to offer incentives to businesses to do business with them. Council Member Higgins indicated he had seen there were concessions made by other communities and asked for an example. Ms. Scalise replied Queen Creek had fabricated a down town and used the CFD to fund it and implemented a deal closing fund. The Town could provide money to merchants to do a façade. Ms. Scalise felt the Town had to have some kind of a fund to be a deal closing fund. Council Member Higgins asked Ms. Scalise to comment on the Curley School in Ajo. Ms. Scalise explained a group had bought the old high school called Curley School and created artist lofts. The group got special zoning to live in, work in and sell out of the lofts. The group formed a cooperative and took turns working in the shop. They used grant money and worked with the County. Ms. DeSchaaf indicated staff was looking at alternative uses for Community Development Block Grant (CDBG) money and some potential uses would go to Council next year. Ms. DeSchaaf asked the Council where they wanted to use the money and asked for direction in that regard. Council Member Croy asked how much it was. Ms. DeSchaaf replied \$200,000 every other year. Council Member Croy asked how much would be available. Mr. (Bobby) Davis indicated he would be talking to supervisors Martin and Pastor to discuss it and would make a presentation to the County Supervisors to appropriate some of those funds.

Ms. Patton felt one deal closing fund could be for job training and job training funds could be paid from the General Fund. Ms. Patton noted the Town could waive permit fees as an incentive. Council Member Higgins asked the Council to look at page 3 of the plan, objective 4, items 2-5. Council Member Higgins believed these items were critical to retain businesses and felt they needed to be on the one to two year time line. Mayor Evans agreed and noted the challenge Mr. (Bobby) Davis faced daily was what the Town could offer businesses. The Council concurred to move those items. Following some discussion Mayor Evans asked if there was any objection to moving items 2, 3 and 5 to a two to three year timeline. The Council agreed. Mayor Evans felt the American Gulch needed to be identified as something more. Mr. (Bobby) Davis suggested connecting Green Valley Park up to McLane Road and make that phase one. Mr. Garrett

indicated the Town could tie into one end or the other and the Town property would be in the transition zone. Mr. Davis asked if the Town could phase it in with the CFD. Mr. Garrett replied the Town could not afford it right now, but could with the CFD. Mayor Evans noted any development west had to have a bridge over McLane road and it would cost one million dollars.

Council Member Carpenter noted the completion of improvements at the event center was in the three to five years column and asked if that could be done sooner. Mr. Garrett replied unfortunately the dollar amount was not financially feasible. Council Member Croy felt getting the university would answer half of the questions on the sheet because the other things would just happen. Council Member Croy felt the second project was the American Gulch. Council Member Higgins asked if the summer youth employment program was easy to work with and if that was something the Town could look at to provide training for young people. Mr. (Bobby) Davis noted he had recently met with the Arizona Workforce and found they had received a grant and would be putting a person in Payson. Mayor Evans asked if that should be moved back to one to two years. Ms. Scalise indicated Gila County just became a part of the workers solutions responsible for creating the work solutions in Gila County and there was the potential to for that. Hector Figueroa, Town Attorney, noted the Council was putting in their input and there could be a motion based on all of the input put in. The plan was a working document that could be amended and worked with. Cameron Davis indicated he would love to be connected to the summer youth employment program.

Council Member Higgins felt education providers could do the marketing and the program could be moved to the one to two year column. Vice-Mayor Hughes asked if the one to two year column was being overloaded. Mr. (Cameron) Davis noted in the last two years social media has become huge and the Town was already doing alot of these things. Council Member Higgins felt social media should be in the one to two year column. Ms. Scalise appreciated the Council going through the plan and felt Payson could be a visitor destination instead of a pass through. Ms. Scalise encouraged the Council to create an Economic Development Advisory Committee to work with the Town on plan implementation. Mr. (Bobby) Davis thanked the Council for taking the time to review the plan and noted with the Council's support and the financing we can make a difference and are making a difference each day. Mr. (Bobby) Davis believed if the Town followed these guidelines the Town would be successful.

Motion: to Approve the Economic Development Plan Draft with the changes that were proposed and discussed.

Moved by Council Member Fred Carpenter, seconded by Council Member John Wilson.

Vote: Motion carried 7 - 0

Yes: Mayor Kenny J. Evans, Vice-Mayor Michael Hughes, Council Member

Fred Carpenter, Council Member Su Connell, Council Member Richard Croy, Council Member Chris Higgins, and Council Member John Wilson.

ADJOURNMENT

Mayor Evans adjourned the meeting at approximately 4:26 p.m.

APPROVED:

_____ Date: _____

Kenny J. Evans, Mayor

ATTEST:

Silvia Smith, Town Clerk

Certification

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the special meeting of the Town Council of the Town of Payson held on this day the 5 of April, 2016. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this ____ day of _____, 2016.

Tracie Bailey, Chief Deputy Town Clerk