

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

**TUESDAY, AUGUST 18, 2020
4:00 P.M.**

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

Present: Annie Perkins, Chair; Darryl Croft, Mayor

Absent: Corey Mendoza, Councilmember

Staff Maggie Tidaback, Economic Development Project Manager; Frank Marby , Public Works

Present: Director/Town Engineer; Joshua Cook, Development Services Director; Joe Duffy, Administrative Services Director; Mark Holmes, Town Water Consultant

1) CALL TO ORDER

Chair Perkins called the meeting to order at 4:01 p.m.

2) ROLL CALL

3) APPROVAL OF MINUTES

- a) Consideration and possible action to approve the July 21, 2020, regular meeting minutes.

MOVED by Mayor Darryl Croft, seconded by Chair Annie Perkins to approve the July 21, 2020, regular meeting minutes.

AYE: Chair Annie Perkins, Mayor Darryl Croft

2 - 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 regarding previous RV Park submittal.

Staff reported on the following:

- Spoke to the RV Park proposer after the last meeting in which Members did not want to move forward based on the proposer's intent to have RV Storage units. The proposer was willing to work with the Town and follow any guidelines set by Town. They thought the proposal was vague, which was the reason they came in with the storage units. They requested more information from the town regarding infrastructure in the area.
- Mr. Marbury, Mr. Holmes and Ms. Tidaback met to discuss future infrastructure, including water and sewer.
- The subcommittee could put together a complete due diligence for staff.
- Old Home Manor (OHM) had no infrastructure, but there was some infrastructure up to the boundaries.
- This was a lease opportunity that could bring in up to \$11,000 per month. With that revenue stream in perpetuity, there could be a potential of bringing in \$2 million dollars within 20years.
- CivilTech was currently looking at a capital improvement plan and what made sense for the development.
- The Town could do an inexpensive design concept report to look at how to get water and sewer to the RV Park.
- As part of the due diligence, the Town could look at a financial analysis and an economic analysis. If there was water and sewer available in multiple locations at OHM, the town could aggressively look at more developmental RFP's. There would be additional interest in the property and it would eventually create a snowball effect. As more development took place, it would be small utility extensions to each new point.
- The Town could leverage the revenue stream to borrow the money to extend the infrastructure at OHM. The Town would have to borrow money to extend the infrastructure, but this would provide a dedicated stream of money.
- OHM could be the next enterprise fund. All the federal and state funds, the assets and the improvements the Town did could be all put in a separate fund, which would show how much money had already been invested. The concept of an enterprise fund was the Town was investing in the enterprise fund to get off the ground and up and operating, with the idea that the Town would eventually get that money back. At some point there will be enough businesses out there that it would become a profitable enterprise fund.
- When the infrastructure was extended, the Town could do it as the OHM Improvement District and the costs could be allocated to the lots as they were developed.
- Since the Town owned the property, the Town needed to start acting like a developer that is finance and business savvy. The Town owed it to the taxpayers to maximize the value and the return.
- The Water Infrastructure Finance Authority (WIFA), was a revolving fund that had low to no interest. It was federal and state money that was loaned primarily for three things: water, sewer and water resources projects. The current interest rates were so low, it was almost free money. They also could sometimes forgive portions of the loan.
- All these strategies would be put into a proposal and if recommended, have a full Council study session for review.
- To extend water and sewer to where it needed to go, it would cost \$300,000-\$500,000, plus any additional roadway costs. \$2 million dollars could cover both projects.
- The Town was looking at updating the square footage growth rates Integrated Water Master Plan (IWMP) and firming up population growth.
- Staff reviewed the possible areas for the proposed RV Park and the area where infrastructure would be needed to get to the proposed area. The area was flexible and the RV park would be phased in.

- Engineering estimates based on the current construction costs would be provided.
- Staff explained that amenities would need to be provided as well to the RV Park. Those amenities included a dog park, convenience store, community center, covered areas, etc. It was also made clear that the RV Park was only for short term stays. Staff thought there might be a market for longer term for students and snowbirds, but Committee Members were not supportive of that idea and wanted a two-week maximum.
- The next step after any recommendations from the Committee, would be to have a staff meeting to go over what can and cannot be done. At that point, it would become clear if Town could move forward.
- It would be a lot easier to market OHM if there was someone onsite and infrastructure provided.
- Staff asked for clarification on the two-week maximum stay. Members explained that Council had not wanted a permanent RV park, but instead wanted more of a recreational area.
- The Town still had \$400,000 -\$500,000 in capital improvement funds that had not yet been allocated that could be the down payment for the extension and then the Town would not have to borrow \$1 million in funds.
- Performance could be built into the lease. If a lease was signed, then the engineering process could be started and staff could start the financing process.
- If a concerned citizen questioned if they were paying taxes for the infrastructure improvement at OHM, staff could explain it was a self-sustaining enterprise district that did not touch the tax rates.
- Even if the RV Park does not happen, the business models would already be put together and could be used by the next interested party.
- Staff reviewed other current interest from companies that were being crowded out at the Prescott Airport.
- The subcommittee approved staff to work as a team to put the due diligence together, including the financial and development models, engineering and infrastructure models, the water aspect, etc. It could be presented in a study session in approximately two months with the full Council.
- Members discussed the reason for the short term stay policy at the RV Park.
- The overall property lease would be long term.

- b) Consideration and discussion regarding tourism campaign and update on the website, marketing and branding strategy.
- c) Discussion and review of the Economic Development Strategy Focus Area 1; The Chino Valley Business Park at Old Home Manor.

6) **NEW BUSINESS**

- a) Discussion regarding Rounds Consulting Economic Impact Study and the impact jobs have on our local economy.

7) **ADJOURNMENT**

MOVED by Mayor Darryl Croft, seconded by Chair Annie Perkins to adjourn the meeting and forward the remaining items to the next meeting at 4:45 p.m.

AYE: Chair Annie Perkins, Mayor Darryl Croft

2 - 0 PASSED - Unanimously

Submitted: August 27, 2020.

By: *Erin Deskins, Deputy Town Clerk*

Approved: September 22, 2020.