

DRAFT

Pima County Small Business Commission
County Administration Building
130 W. Congress, 1st Floor
Thursday, April 15th, 2010
3:00 P.M.

Members Present

Tom Ward
Ken Goodman
Lyra Done
Joy Soler
Jerry Long
Edie Lake
Pat Taviss

Others Present

Tom Moulton
Carmine DeBonis
Michael McGinn

Members Absent

Jim Leader, Jr.
Lea Marquez-Peterson

Call to Order- The meeting was called to order by Chairman Ward at 3:10 pm. Special guests included Carmine DeBonis from PC Development Services and Mike McGinn from Scout Arizona.

Approval of Minutes-Minutes from March 18 meeting were approved, unanimously.

Chairman's Report- The procurement policies report- The Commission has received comments regarding the Procurement Hearing Final Report from Supervisor Ann Day, Supervisor Ray Carroll, County Administrator, C.H. Huckelberry, and Procurement Director George Widugiris. All comments have been positive. Mr. Widugiris was very pleased, and felt it was very objective.

Procurement has a few "housekeeping" changes they would like to make in the County registration. Mr. Huckelberry would like to combine changes from the Procurement Department and the Small Business Commission to present to the Board of Supervisors. Changes at this time are not specific, but they would like to see changes on the Select Qualifications Point System. The recommendations from Procurement will go to County Administrator Mr. Huckelberry, who will comment and return to the SBC for recommendations for combination of the two. There will be some changes in language.

Presentation of SBC Award- the SBC award was presented on Tuesday, April 13 at the Board of Supervisors meeting. The award was presented to Debbie Chandler from MAC by Chairman Ramon Valadez and Supervisor Bronson. The Flowing Wells students were very pleased with the presentation. Photos have been posted in the main hallway of Flowing Wells HS and the Principal read the

press release to the entire student body, great recognition for the students. Work is under way for the 2011 award.

SBC and TREO- Following last month's discussion with Mr. Snell it became clearer that the two missions of the organizations did not match, and there will be no interaction between the SBC and TREO.

Carmine DeBonis- Pima County Development Services- fee increases, memo from Carmine DeBonis. Mr. DeBonis passed out some literature re: fee increases. There are proposed fee increases in process. Mr. DeBonis discussed a presentation to be presented to the Planning and Zoning Department next week. The suggested increase will have a possible implementation in two phases, 8% in July 2010 and another 8% in June 2011. The proposal will go to Planning and Zoning then on to the Board of Supervisors for approval.

The Commission would like to assist in the rate increase structuring. Construction in process should not be included in the increase. The Commission proposed a motion "*building permit applications in process would not be effected by proposed rate increase.*" Motion was passed unanimously. The suggestion will be made to the Board of Supervisors.

Development Services operates on enterprise funding. There are three programs, planning, division review, and permitting. The department has been operating at a loss for the last two years. They have been using reserve funding since 06-07. That fund has gone from \$18 million to approx. 3 million. They are reducing their expenses by staff layoffs. The staffing has been reduced by 64% overall budget reductions by 60%. The reductions have not reduced the programs. They are still operating at full service.

Tom Moulton- Directors Report Mr. Moulton spoke about the Film Tax Incentive. In 2005-06 the motion picture tax incentive was implemented. The program is administered by the Dept. of Commerce. At this time Gov. Brewer is proposing reorganization of the Dept. of Commerce, with less staff and less funding.

Mr. Moulton stated Tucson has been a great producer of films for the last 40 years. Great movies have come from Old Tucson and Tombstone amongst other locations in Arizona. More than just westerns have been produced here in Arizona, many television series have been filmed here.

Arizona has been under attack from other states competing for film productions. Some states have great incentives for film companies, such as, financial help with the productions and low interest loans.

Mr. Moulton introduced Michael McGinn from Scout Arizona. Mr. McGinn a long time Arizona resident who knows the history of the film industry here in Arizona.

Mr. Michael McGinn- Scout Arizona-

Arizona's tax incentive bill is about to sunset and New Mexico is ready to jump in. There are 43 other states that have incentive programs. But AZ has some unique characteristics here, tourism, promoting new companies, and movie productions.

Mr. McGinn would like to see a local film office. Arizona was a great location for filming in the past, in the 80's and 90's the business was booming, filming movies of the week, and various TV series. Since then the film industry has gone to other locations. They went to Canada first and we have seen a 10 year decline of almost 60%.

In 2004 a Round Table was called, educators, film commissions, guilds, Old Tucson and other film companies to see what could be done to bring the film industry back to Arizona. It was decided to speak as a single voice. In 2005, Senator Helen, from Tucson, went to the legislature with a written program to compete with New Mexico. We wanted a level playing field to be able to compete. We have better locations, better weather and crews. With very hard work, and Senator Helen we were able to pass the Tax incentive.

An increase in the industry brings more money to Arizona. Production crews need housing during the productions, many literally move here, buying homes, paying taxes and becoming members of the community. If they don't live here they rent hotels, eat at restaurants, buy at gift shops, etc.

With the film industry filming here in Arizona, people around the world see places like Monument Valley and want to see it. That brings tourism from all over the world.

Mr. McGinn discussed Bill 1409, the bill made it out of the Senate and is now in the House, after which it will go to the Governor's desk for signature. The legislature is very supportive. If we lose this program everyone will lose jobs. Production companies will go to other states that do have a tax incentive.

Organizations such as the SBC are key to passing this legislation. A motion was voted on and passed to send a letter to the Legislature in support of the bill. *"For the good of the Small Businesses in Pima County we would like to see this legislation pass because it would bring jobs and income to our state. We are non-partisan."*

Other Commissioners reports-

Ken Goodman –reported on JTED- Sabino High School now has an agricultural program. Funding for JTED is down to 1%.

Mini retreat will be held in May- in order to scope strategies for next fiscal year a small business retreat was discussed. The commissioners decided to hold an expanded meeting as part of the May meeting to brainstorm and develop next years scope of work. It was decided to begin the May meeting at 2PM.

At the end of June we need to submit the annual report. Chairman Ward will write the document and promises to keep it at 4 pages.

Call to the Public- no response

Meeting adjourned at 4:55 PM