

Pro-Business Climate Tops Priorities for Chamber/Town Council

Members of the Chamber's Board of Directors and Public Policy committee met with the Gilbert Town Council and management staff to discuss the Chamber's 2007 Local Public Policy Priorities on August 7th.

Topping the list of priorities is setting the stage for a pro-business climate that would encourage the growth of our current small businesses. Topics discussed were evaluating permitting times, predictable fees, increasing our spec building inventory, and shortening the entitlement process.

Predictable, measurable, and consistent processes were a common theme throughout the evening. The Chamber applauded the Town's efforts to date and encouraged the Council to provide sufficient resources to accomplish these goals.

"In this priorities paper we have outlined the Chamber's positions on business related issues that have come before the Council in the past and/or may come forward in the future," said Chair of the Board Linda Stanfield, Benjamin Franklin Plumbing. "By putting these priorities in writing it is our intent to provide both Town Council and staff a better understanding of our philosophy and perspective on several issues and to help expedite decisions regarding our involvement in the appropriate Town process."



YOUR BUSINESS COMMUNITY ADVOCATE

Gilbert Chamber of Commerce 2007 Local Public Policy Priorities

August 7, 2007

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TO: Mayor and Town Councilmembers

The Gilbert Chamber of Commerce believes we should be proactive in creating a community which is an attractive place to live, conduct business, shop, work and play. As part of these efforts, it is essential the community be at the forefront in efforts to develop, promote and operate sound municipal services and cost-effective government.

As the Town continues to grow, the need to update policies and ordinances is critical to address new market trends and to keep up with new ways of doing business using technology and other resources. With this in mind, the Gilbert Chamber of Commerce has prepared the Chamber's 2007 Local Public Policy Priorities paper which is attached to this letter.

In this priorities paper we have outlined the Chamber's positions on business related issues that have come before the Council in the past and/or may come forward in the future. By putting these priorities in writing it is our intent to provide both Town Council and staff a better understanding of our philosophy and perspective on several issues and to help expedite decisions regarding our involvement in the appropriate Town processes.

On behalf of the Board of Directors, I would like to personally thank each of you for your commitment to a pro-business environment and for your consideration of these priorities.

Best regards,

Linda Stanfield
Chairman of the Board



YOUR BUSINESS COMMUNITY ADVOCATE

Gilbert Chamber of Commerce 2007 Local Public Policy Priorities

Periodically, the Gilbert Chamber of Commerce reviews the business climate in Gilbert by looking at the impact Town policies and proposals have on businesses and by gathering information from local and county officials and our members. Based on these reviews, the Chamber determines certain priorities that it believes are important for local policy makers to consider. A main theme is the Chamber supports economic policies that will most directly promote the attraction and the retention of businesses. To do this, we present our 2007 Local Public Policy Priorities.

SETTING THE STAGE FOR A PRO-BUSINESS CLIMATE

It is important that the Town of Gilbert have a pro-business climate. The Chamber supports the Town's efforts to evaluate permitting times, predictable fees, increasing our spec building inventory, and shortening the entitlement process. We look forward to being a part of these discussions.

The Chamber also supports the Town Council's decision to move forward with exploring a Preferred Company Environment, which has the possibility of gaining national recognition for our Town and economic development efforts.

Small businesses make up the majority of the Town's inventory of economic generators. We urge the Town Council to shift the traditional philosophy of "economic development equals attraction" to one that includes not only attraction but also prioritizing the growth of our current small businesses as well.

With the many priorities and limited government funds, in order to foster a pro-business climate we urge the Council to consider opportunities that would encourage some form of private/public partnerships to build the infrastructure in our designated business parks needed to attract new businesses now. Decisions are made much more quickly in today's environment and are often based on the amount of time it will take to build without consideration of infrastructure needs. Non-existing infrastructure within our business parks could easily take Gilbert out of the running for larger companies looking to relocate.

➤ **Permits, Inspections and Code Requirements**

While there has been progress in the Town's permitting processes, based upon the tremendous growth experienced in recent years we believe it is time to evaluate new and innovative ways to enhance these processes in an effort to help small businesses as well as larger projects. Businesses still find it difficult and expensive to get permitted in Gilbert. The process must be streamlined and unnecessary or overly burdensome requirements eliminated or reduced. Permitting issues are an important piece of the decision-making process that businesses go through when deciding whether to remain and/or expand in Gilbert.

The Chamber would like to work with the Town to explore opportunities to streamline the permit process and to implement or amend code requirements which would encourage local businesses to locate or to expand here in Gilbert.

The Chamber supports sufficient technology and training resources to ensure projects are easily tracked, employees are well-trained and knowledgeable to implement consistent standards throughout the process.

Of particular concern are tenant improvements for small businesses. Based on comments we've received from businesses after receiving their certificate of occupancy, there appears to be inconsistencies in meeting turnaround times and discrepancies between reviews and inspections. Small businesses generally don't have the expertise to fully understand the process and delays result in substantial loss of revenue if their doors don't open by the projected date. Predictable, measurable, and consistent processes will help small businesses maneuver through the process with the least amount of delay. Inspectors need not be barriers to a business opening, but should proactively work with businesses in ways to get opened while remaining in compliance with Town codes.

Current businesses who want to expand and/or enhance their current facility may be discouraged to do so when they are required to meet new code requirements. This often leads to businesses relocating to larger, existing facilities in other communities. The old facilities remain unchanged and may become occupied by businesses offering lower wages and maintaining fewer employees than the prior business. We recommend the Town employ processes that would provide a gradual transition to new code requirements that would encourage local businesses to improve properties, rather than relocate to other communities.

The Gilbert Chamber supports the current sign code and amendments that went into effect during 2007 as they strengthen business visibility, which in turn translates into additional sales tax dollars for the Town of Gilbert. The Council is commended for their support of small businesses by allowing the opportunity to display A-frame signs. We recommend that any issues arising from A-Frame signs be addressed in the context of finding a solution to the individual problem without a general banning of the signs.

➤ **Protecting Commercial and Employment Zoning**

Maintaining commercial and employment growth is essential to the Town of Gilbert's fiscal stability.

As the Chamber has recommended in the past, we again strongly recommend the Town of Gilbert protect all current commercial and employment (business park, office, and light industrial) land use and not allow downzoning to occur.

Protecting employment land use is critical to the Town's ability to attract new businesses and to encourage current businesses to expand. New and expanded businesses create a strong employment base, which in turn results in increased employment opportunities, bringing more tax dollars to the Town. We urge the Council to protect commercial and industrial land designations and to thoroughly evaluate the long-term impact of eliminating industrial and commercial land for other uses. It is critical that commercial and employment land use is protected along the Santan corridor.

➤ **Incentives –**

The Chamber continues to support the limited use of incentives to draw business to the Town when such incentives do not unreasonably increase the taxes and fees paid by current Town businesses and there is a benefit to the Town from the business that is being incentivized.

➤ **Eminent Domain –**

The Gilbert Chamber of Commerce commends the Council for its continued restraint in using eminent domain for redevelopment in the Heritage District. Personal property rights should be protected. We support the ability to have eminent domain as a tool in our Town's economic tool kit; however, we believe it should be exercised in only extreme situations closely following the current statutory language.

TAXATION AND FEES

➤ **Taxes**

Burdensome requirements, unjustified or non-competitive increases in business taxes and fees are detrimental to the attraction and retention of businesses. Any taxes imposed or proposed should have a direct relationship to the provision of basic and necessary services and supporting infrastructure.

The Chamber supports relief from/elimination of taxes that are in opposition to a friendly business environment. While we are cognizant of the costs of providing necessary infrastructure and services in a growing community, the cost of those services and infrastructure should not be inordinately born by businesses which pay a much higher portion of property taxes than do homeowners.

The significant increase in assessed valuation will result in an increased tax burden for local businesses and homeowners. The Town should not look at this revenue increase as a windfall to add new projects to the already approved Capital Improvement Projects. We recommend the Town carefully evaluate opportunities to accelerate approved priority projects, the impact this would have on the tax rate, and to move forward with the intent to lower the tax rate as soon as possible. We urge the Town to maintain prudent spending patterns and adjust tax rates accordingly. Failure to take this type of responsible action will only provide additional support to existing forces seeking to cause a "tax revolt" that could have dire effects on future growth. The Chamber will encourage other taxing agencies to follow this philosophy as well.

➤ **Fees**

The Gilbert Chamber of Commerce acknowledges the need to charge fees to cover the cost of providing a service or expanding a service because of growth or aging infrastructure. However, all fees (license, application, use permit, building permit) should be based on the actual cost of services and should not be out of line when compared to that charged in neighboring communities. While nominal fee increases may not seem excessive when taken by themselves, the cumulative impact of such increases is to adversely affect our efforts to attract and retain businesses.

In an effort to provide predictable fee costs to new businesses or those expanding in our community, we recommend the Town evaluate and adjust its fee schedules once a year. Financing for projects are often times based on current fee structures which are not charged until a permit is pulled; however, these unexpected increases could jeopardize the company's ability to move forward with a project.

The Chamber supports the methodology used for system development fees and the philosophy of growth paying for itself. This methodology was originally intended to provide a consistent revenue source for future projects with an anticipated minimal

annual increase. We've witnessed significant increases over the past years due to various reasons including cost of construction; while the Chamber has been supportive of the increases we still caution the Council to consider the impact of these increasing costs on the ability to attract valuable businesses to our community.

➤ **Capital Improvement Projects**

We believe the Town is doing a better job of reviewing proposed capital improvement projects and weeding out the unnecessary and/or excessive projects. We support a continuation of current Town efforts as well as stakeholder involvement in the review of such projects. A significant factor underlying the need for increased taxes and fees is the cost of the Town's capital improvement projects. The Gilbert Chamber of Commerce recommends the Town of Gilbert take into account the cost of maintenance and operation when considering the cost of new capital improvement projects. We recommend an evaluation of whether or not the need for the project justifies the construction, operation and maintenance costs of the project in terms of present and future impact on the Town's General Fund, and the impact of the project on system development fees before any such projects are approved.

IMPORTANCE OF MAINTAINING REGIONAL PARTNERSHIPS

The Town of Gilbert has a history of working closely to share costs of projects with other entities and the Chamber supports continuing these efforts such as Williams Gateway Airport.

➤ **Williams Gateway Airport -**

The Gilbert Chamber of Commerce recognizes Williams Gateway Airport as an economic engine for Gilbert and the East Valley. The Chamber continues to oppose any legislation that will adversely affect its ability to grow and attract industry to the area. To ensure future commercial and employment growth, the area surrounding the airport must be protected from residential encroachment. The Chamber supports the Town of Gilbert's financial commitment to the airport.

TRANSPORTATION

The Chamber appreciates the significant emphasis that the Town has placed on the construction of or the improvement to arterial roads within the Town limits in the past several years. The Gilbert Chamber of Commerce promotes effective use of resources for the development, preservation and improvement of the roadway system and connections throughout the community to provide quality mobility, traffic control, quality of life, economic vitality and safety. The efficient and effective movement of goods, employees and customers is essential to business success in Gilbert.

➤ Multi-modal Transportation

The Gilbert Chamber of Commerce urges the Town of Gilbert to support bus routes on major arterials, as well as through larger business parks, so employees can get to Gilbert jobs and consumers can get to Gilbert retailers. To succeed, the buses must be frequent, convenient, and have schedules easy to understand. In addition, we support the Town of Gilbert actively participating in regional commuter-rail discussions.

➤ Road Construction/Access to Businesses

During the construction phase of street expansion and repair throughout the community, the Gilbert Chamber of Commerce urges the Town of Gilbert to minimize the negative impact on businesses. Efficient “business access” signs and thoroughfares will make the difference between a business’ success and closure.

➤ Santan Freeway

The Gilbert Chamber of Commerce supports the acceleration of the additional general purpose lanes and expansion of HOV lanes along the Santan Freeway as a way to more efficiently move traffic in and out of the Town. The Chamber also supports the Town’s involvement in regional transportation planning, especially as it pertains to the Santan Freeway connection through Queen Creek and discussions regarding Hunt Highway.

HERITAGE DISTRICT REDEVELOPMENT –

We agree the Gilbert Heritage District is the historic and symbolic center of the community. The Gilbert Chamber of Commerce supports the adaptation of historic and significant properties to uses that will have a positive impact in the downtown area and serves to draw citizens to the area. The Chamber supports the goals of the Gilbert Heritage District Redevelopment Plan to:

1. Promote quality urban design with an emphasis on small town historical character and future vision.
2. Improve the economic viability of downtown.
3. Promote reinvestment and attract new development.
4. Improve pedestrian and vehicular circulation to ensure a pedestrian friendly and safe environment.
5. Promote downtown as the symbolic/cultural center of the community.

Many improvements to the downtown streetscape and attraction of unique projects have taken place, however, we believe the implementation of the redevelopment plan's goals could be more efficient and timely with additional dedicated Town resources to the downtown area.

The Gilbert Chamber of Commerce supports efforts to preserve the water tower in conjunction with the Water Tower Park design. This project will serve as a community gathering place and focal point in downtown.

To aid in the development of the Heritage District as a destination center for Gilbert, the Gilbert Chamber of Commerce supports decisions that will allow the tourism/visitors center to remain in the Heritage District.

The Chamber also supports the Town's use of private/public partnerships to build a parking structure in the Heritage District.

PUBLIC SAFETY –

The Gilbert Chamber of Commerce understands the vital importance of public safety for continued success of the community by protecting lives, rights, property and privileges of its residents and businesses. The Chamber supports efforts to ensure adequate resources for cost effective and efficient public safety services for the Town of Gilbert.

WATER

The current plan for providing water infrastructure to the Town seems to be adequate for build out. The ability to buy water rights in the future and replenish ground water as quickly are of bigger concern. We recommend the Town continue to monitor the future water needs as decisions are made about land use, height, and types of development.

RECALLS AND REFERENDUMS -

Recalls, referendums and political indecisiveness make it difficult to attract new business into our community. Recalls and referendums create negative images which slow economic development, cost the community approximately \$120,000 for special called elections, and make it difficult to attract good leadership and businesses to the community. The Chamber believes sound, consistent and well-supported decisions by the Town Council will help deter the need for recalls and referendums. However, the Chamber does not believe the Town should reverse sound decisions when faced with the threat of a referendum. It is important that businesses be able to rely on consistency from the Town in supporting its decisions.

8/19/2007