

The **Community Builder** is published monthly by the Surprise Economic Development Department to inform readers of its progress meeting city economic development goals and its efforts to build a community "beyond expectations." For further information about how you can help—or to discuss your next project—call us at 623.222.3300.

Metrics:
(May 2009)

Business Inquiries

- Start-ups 5
- Local Businesses 1
- Developers 0
- Location Searches 20

Business Licenses

- Commercial 47
- Home-based 10

Building Permits (Issued)

- Commercial 8
- Single Family Residential 36

Open For Business (Certificates of Occupancy)

11

SURPRISE

More Registers Ring in Surprise

Residents now have another great place to buy groceries in Surprise. On June 24th, Fry's opened its doors and joined Sands Chevrolet as the second retail development at Prasada. Sands has had better than expected success during its opening months and is already among the top three GM dealerships in the Valley. Fry's is also expected to do well. The new Fry's store is the company's third outlet in Surprise.

Online Form is a Resource to New and Existing Businesses

In just two weeks, 11 business inquiries have been received in the Economic Development Department's inbox from new businesses and existing businesses reaching out to the City for assistance. The short online form on the City's website was intended for use by business owners looking to start a new venture in Surprise. The response from new businesses has been strong, but it has also provided existing businesses with a quick, easy way to get in touch with City staff. Inquiries have included questions about City processes, permits, and even loans.

Chamber and City Collaborate on Several Initiatives

The Surprise Regional Chamber of Commerce has finalized the remaining elements of its FY2009 work program with the City and has had tremendous success in assisting the City and the Economic Development Department. Some of the main deliverables from the Chamber include completing 100 face-to-face interviews with local businesses, executing the Youth Leadership program in partnership with Dysart Unified School district, promotion of the Western Heritage Trail, and generating new business leads. The Chamber of Commerce hopes to enter into another contract in FY 2010 with the City and continue collaborating around its relationships with the City and business community. Consideration of the new agreement is expected to take place at the July 23rd meeting of Surprise City Council.

Surprise and ABREC Craft Industrial/Manufacturing Report

The City of Surprise Economic Development Department is a member of the Arizona Business Retention and Expansion Council (ABREC) and has been working with over a dozen other communities to create a state-wide report on industrial and manufacturing businesses. The report, which should be finalized by August, 2009, will include trends and conclusions based on the input of 150 Arizona companies. The information will be used by ABREC communities to bring attention to any issues affecting their businesses. The positive information will be used by Economic Development practitioners to promote AZ as a place for investment.

Megan Griego is the current Chair of ABREC, a program started by Arizona Public Service. The Surprise Regional Chamber of Commerce has worked closely with the Economic Development to complete 100 surveys, including a handful of manufacturers, in the City.

Floating Your Boat in Surprise

Bodnar Boat Works has established its home in Surprise at 17150 N 134th Drive. Mr. Dana Bodnar's company, specializing in new and used boat sales, repairs, service, and parts, originated in 1993 in a residential garage in Glendale and, most recently, has relocated from Lake Pleasant Marina. Bodnar's opened on June 15 at its new location.

Home Rentals Add to Commercial Business License Applications

An increased number of rental houses accounted for an uptick in commercial business licenses in May. Home owners are required to apply for a business license in order to rent out a house. For the month of May, 38 rentals were logged as part of a total of a 47 commercial business licenses granted. More than 250 home and commercial businesses have been licensed in the City since January, 2009.

Phoenix Home Sales Rose in May

The median price in metro Phoenix of single family homes sold via the Multiple Listing Service rose \$4,000 from \$118,000 in April 2009 to \$122,000 in May 2009. According to Home Sale News, an e-newsletter published by Realtor John Wake, this was the first increase in the Phoenix area median home price in two years, since May 2007. Single family home sales in metro Phoenix AZ in May were incredibly high at 8,287 homes. That was the best month for home sales since September 2005 and was 55% higher than a year earlier in May 2008. Surprisingly, the number of homes sold increased strongly from April to May - up 8% - which suggests the market is so strong that the high season will stretch into June this year.

The number of single family detached homes listed for sale fell an incredible 10% from mid-May to mid-June. The mid-June inventory is 38% less than a year earlier, in mid-June 2008. Home Sales News also notes that the months of inventory in May of single family homes listed for sale was "normal" with the equivalent of a 4 month supply. A year ago, in May 2008, the market had a 10-month inventory. The inventory peaked at over 17 months in November 2007.

It may be premature to state that the housing slump is over, but May sales are an encouraging sign that better times lie ahead.

City Council Approves Foreign Trade Zone Participation

The Surprise City Council approved at its June meeting a Foreign Trade Zone property tax policy and agreed to participate in the Western Maricopa Foreign Trade Zone (FTZ). The Zone is being organized as a non-profit corporation in conjunction with IMI Worldwide. It covers communities in Maricopa County who do not have their own FTZ. IMI Worldwide specializes in organizing and operating FTZ's, and there is no cost to the City to belong to the Zone. Industrial businesses and business park owners who will be beneficiaries of the tax and tariff reductions that are the purpose of the zone will help pay its annual operating costs. FTZ activity is expected to be centered on the Southwest Railplex, the business park district in Surprise bounded by Waddell, Dysart, Peoria, and Litchfield Roads.

State Bar Association Benefits from Economic Development Department

The Arizona Bar Association annual seminar for attorneys and land planners included a lively discussion on economic development incentives. Surprise ED Director John Hagen joined colleagues from Tucson and Phoenix on a panel to discuss the current competitive situation in Arizona and other states for new business. This was followed by a rousing debate between Clint Bolick of the Goldwater Institute and Grady Gammage, representing the City of Phoenix, regarding the now infamous City North economic incentives case, which days earlier had been referred to the State Supreme Court.

John Hagen's presentation noted that Arizona, because of its local tax structure, is overly focused on retail development. The City North issue represents a distraction from the real issue facing the state, which is how to generate internal growth through means other than in-migration of new residents. With no more cheap mortgage money and millions of people nationally out of work, plus unable to sell their homes, the State has to execute a different model for future growth. This puts it on a collision course with 49 other states wrestling with the same problem. Without some competitive tools, Arizona's performance will be, at best, mediocre.

Receiving Our Newsletter?

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