



**CITY OF SURPRISE
City Council Work Session
16000 N. Civic Center Plaza
Surprise, AZ 85374**

**Tuesday, October 15, 2024 @ 5:00 PM
COUNCIL CHAMBERS**

- A. Call To Order
- B. Roll Call
- C. Pledge of Allegiance
- D. Proclamation and Community Acknowledgements
- E. City Manager Report

The City Manager may present a brief summary of current events, including recognition of community members, employees, and programs, pursuant to A.R.S. § 38-431.02(K). The City Council will not discuss or take action on any matter within the City Manager Report.

- F. City Clerk Report
- G. Regular City Council Work Session Agenda

CONSENT AGENDA:

REGULAR AGENDA ITEM - PUBLIC HEARING:

REGULAR AGENDA ITEM - NON-PUBLIC HEARING:

- 1. Citywide Economic Development presentation on findings from a community business survey and opportunities for enhanced small business and entrepreneurship programming in the future. Economic Development
- H. Other Business and Future Agenda Items
- I. City Council Reports
- J. Executive Session

For information Purposes; Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, but for only the following purposes:

- discussion or consideration of personnel matters (A.R.S. §38-431.03 (A)(1));
- discussion or consideration of records exempt by law from public inspection (A.R.S. §38-401.03 (A)(2));
- discussion or consultation for legal advice with the city's attorneys (A.R.S. §38-431.03 (A)(3));
- discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid or resolve litigation (A.R.S. §38-431.03 (a)(4));
- discussion or consultation with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. §38-431.03 (A)(5)); or
- discussion, consultation or consideration for international and interstate negotiations or for negotiations by a city or town, or its designated representatives, with members of a tribal council, or its designated representatives, of an Indian reservation located within or adjacent to the city or town. A.R.S. §38-401.03 (A)(6)).
- discussing or consulting with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. §38-431.03 (A)(7)).

Confidentiality Requirements Pursuant to A.R.S. §38-431.03(C)(D): Any person receiving executive session information pursuant to A.R.S. §38-431.02 shall not disclose that information except to the Attorney General or County Attorney by agreement of the City Council, or as otherwise ordered by a court of competent jurisdiction.

The council may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03(A)(3).

K. Adjournment

KRISTI PASSARELLI, CITY CLERK

POSTED: Thursday, October 10, 2024 @ 1:30 PM

SPECIAL NOTE: PERSONS WITH SPECIAL ACCESSIBILITY NEEDS, INCLUDING LARGE PRINT MATERIALS OR INTERPRETER, SHOULD CONTACT THE CITY CLERK'S OFFICE @ 623.222.1200 OR TTY 623.222.1002, BY NO LATER THAN 24 HOURS IN ADVANCE OF THE REGULAR SCHEDULED MEETING TIME.



CITY OF SURPRISE
City Council Work Session

Council Meeting Date: October 15, 2024
Submitting Department:
Staff Recommendations:

Contact Person:
District: Citywide

Consent: No	Regular: No	Public Hearing: No	Report/Discussion: No
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Agenda Wording:
City Manager sub-text

Motion:

Background:

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:



CITY OF SURPRISE City Council Work Session

Council Meeting Date: October 15, 2024 Contact Person:
Submitting Department: Economic Development District: Citywide
Staff Recommendations: None

Consent: No Regular: No Public Hearing: No Report/Discussion: Yes

Agenda Wording:

Economic Development presentation on findings from a community business survey and opportunities for enhanced small business and entrepreneurship programming in the future.

Motion:

No motion - work session item

Background:

The Surprise Economic Development Department is seeking to modernize and enhance its small business and entrepreneurship services, and in doing so conducted a community business survey with 140 local business respondents and two focus group sessions with 24 attendees. The information collected over the last several years in addition to the recent survey and focus groups is helping to shape an advanced program in which the Surprise Economic Development team hopes to deliver next year.

Objective Analysis:

The presentation is a work session item for the purposes of updating City Council on a programmatic item and to seek input and questions prior to formalizing any program modifications, a program location and any associated budget decisions.

Policy Compliant:

The item is a work session item only.

Financial Impact:

None at this time; however, topics covered in this presentation could lead to future actions which may have fiscal impact.

Budget Impact:

None at this time; however, topics covered in this presentation could lead to future actions which may have budgetary impact.

FTE Impact:

None at this time; however, topics covered in this presentation could lead to future impacts to the overall

full-time equivalent count.

ATTACHMENTS:

1. Surprise Business Community Survey and Focus Group_
 2. Surprise Business Survey Results (1)
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Surprise Business Community Survey & Focus Groups

Economic Development
October 15, 2024

Why Supporting Startups Matters

Post-2020:

- 62% of Americans want to start a business; (*Gallup-Shopify poll June 2024*):
 - **Most Motivated by:** (1) being the boss and (2) higher pay potential
 - **Most Helpful:** (1) prior industry experience and (2) support from people they know
 - **Biggest Barriers:** (1) financial risks, (2) knowledge, (3) access to capital, (4) government regulation
- Staying up-to-speed is hard for startups: i.e., AI is deepening the digital divide; work styles, marketing, hiring, etc. are changing.
- While well-intended, most entrepreneurship training programs / incubators today are antiquated (not “high-touch,” high-tech or data-driven)...**we want to change that in the City of Surprise!**
- Entrepreneurship training today is also an important **workforce** skillset.

Recap: What We're Working On

Phase 1: Redesign the program / Asking the questions: “If we could do it all over today, what would we want the service model to look like, and what do businesses post-2020 need? What can we do better?”

Phase 3: Identify the new location, finalize an agreement,* improve space & launch new business services program at new location in mid-2025 +/-
*(*finalizing the agreement for next possible Council meeting?)*

Phase 2: Fully inform, support & transition licensee, partners to new locations, as needed / Explore new location opportunities for our program and our small businesses and partners.

Phase 4: Develop Property Reuse recommendation with multiple department leaders for City Council; Property transition working group is meeting, identifying priorities, evaluating highest/best use options.

City Council Strategic Plan

Why the refresh and change?

- To better support the City Council Strategic Plan with a new and innovative small business development model and facility in the heart of Surprise City Center.
- **Strategy 3.2: Provide hands-on approach to supporting innovation, entrepreneurship and small businesses.**
 - Develop and market partnerships and programming to help small businesses in the City of Surprise.
 - Engage with small business organizations to enhance resources and networking opportunities for the small business community.
 - **Identify best practices and programs of the AZ TechCelerator and engage in new opportunities to embed in university programming and/or new development in City Center.**
 - Foster Entrepreneurship and small business education and partnerships.
 - Leverage local, regional, statewide, national and global partnerships that facilitate entrepreneurial growth in Surprise and the Greater Phoenix West Valley.

New Vision, New Business Center

“1.0:” 2010-2025	The Future: Post-2025
Location 2 miles east of City Hall campus, east of Grand Avenue	Located in the heart of Surprise City Center adjacent to retail, services, supporting Elm Street / downtown
Real estate-focused, generalized services, lots of program flexibility, not time sensitive	<u>Outcomes</u> -focused, customized / “high touch” services & resources, time is precious
Facility owned & operated by the City of Surprise, assisted by mentors, partners	Program operated by the City of Surprise, mentors, partners – with support / business curriculum <u>fueled by</u> Ottawa University-AZ

So...We Asked!

Phase 1: Redesign the program /

Asking the questions: “If we could do it all over, what would we want the service model to look like, and what do businesses post-2020 need? What can we do better?”

140 Survey
Responses

24 Focus
Group
Attendees

Business Size

Years In Business



■ Self-Employed
■ 2-5 Employees
■ 6-12 Employees
■ 13-30 Employees
■ > 30 Employees

■ Aspiring Entrepreneur ■ < A Year ■ 1-4 Years ■ 5-10 Years ■ > 10 Years



80% Are interested in a new program that offers personalized support & resources for Small Businesses in Surprise



Needs & Support



Mentoring & Guidance

- Hands-On Coaching & Training
- Personalized Educational Programing
- Career development Support



Networking & Community

- Shared Space & Facilities
- Organized Networking Events
- Internal & External Relationships



City Engagement & Resources

- Financial & Legal Support
- On Site Resources to Navigate Licensing, Regulations, & Permits

Focus Group Reactions

Fundamental Business Advice

“Leverage every resource, including government programs”

Suggested Components for a New Business Program

“Customized 1 on 1 services...education focused”

Reflection of Professional Lessons Through Personal experience

“Create a framework for what a successful business could look like: gates & metrics of success”

Essential Insights for Business Success



Planning & Strategy



Learning & Adapting



Customer Focus



Internal & External Relationships



Personal & Business Values



Trust & Communication

'Fitness' Membership for Businesses

Stage 1: Startup
Package

Stage 2

Stage 3

STAGE 1 - (pre-seed, seed and early stage)

12-month+/- customized ***Start-Up Package***:

- Coaching and validating with experienced business mentors and Ottawa University business faculty and senior level students
- Curriculum; access to seed funding, commercial realtors, legal and accounting resources
- Participation in networking and speaker events
- Co-working space, locker and private conference room access; podcast / media room access Use of mailing address
- **(CONCEPT ONLY) \$100 per month, plus \$100 refundable security deposit**

'Fitness' Membership for Businesses

Stage 1

Stage 2: **Growth Package**

Stage 3

STAGE 2 - (growth/expansion stage) 6-12-month+/- customized **Growth Package (Start-Up Package plus):**

- Customized curriculum that is tailored to your business with experienced business mentors and Ottawa University faculty and senior level students
- Business model evaluation
- Physical space either at a dedicated desk within the coworking space or a private office space (if available and qualified)
- **(CONCEPT ONLY) \$150 per month for co-working space OR \$500/month for private temp. office plus \$100 refundable security deposit**

'Fitness' Membership for Businesses

Stage 1

Stage 2

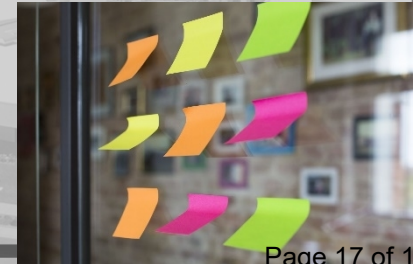
Stage 3: Critical Mass Package

STAGE 3 - (mature stage) 6 - month+/- customized Critical Mass Package (Start-Up Package + Growth Package plus):

- Customized curriculum that is tailored to your business with experienced business mentors
- Exit strategy development and/or harvesting profits
- Participate in SCORE CEO program (\$1 M+ revenue & referral qualifier)
- **(CONCEPT ONLY) \$250 per month for co-working space OR \$500/month for private temp. office plus \$100 refundable security deposit**

Key Takeaways / Next Steps

- Cohorts, coaching, events, accountability, deadlines
- AI Proficiency = increasingly important:
 - EDA program grant considered
 - Leveraging WESTMARC ERC fellow, ASU Digital Twin Pilot
- Developing the “Business Assessment”
- Exploring all possibilities to reduce barriers to entrepreneurship





@SurpriseEconDev



@SurpriseEconDev



@surpriseazgov



Surprise Economic Development

Thank You!

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Surprise Business

Community Survey & Focus Groups

Who Participated?

140 Survey Responses

24 Focus Group Attendees

Years in Business

Aspiring Entrepreneur > A Year
1-4 Years 5-10 Years < 10 Years



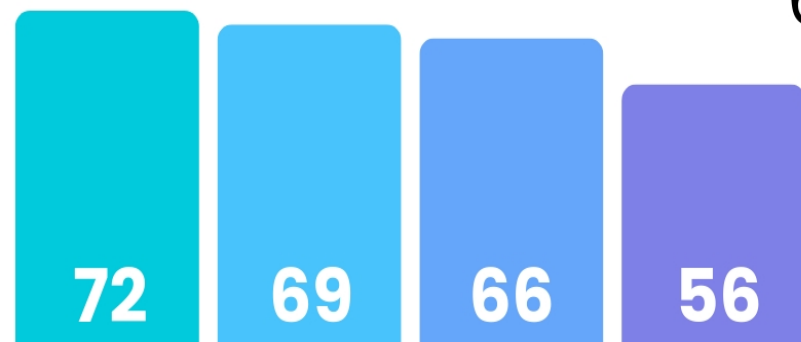
Business Size

Self-Employed
2-5 Employees
6-12 Employees
13-30 Employees
< 30 Employees



Needs & Support

Business Marketing Strategies
Fundamentals of Starting, Operating, & Growing a Business
Securing Financing or Funding
Navigating Licensing, Regulations, & Permits

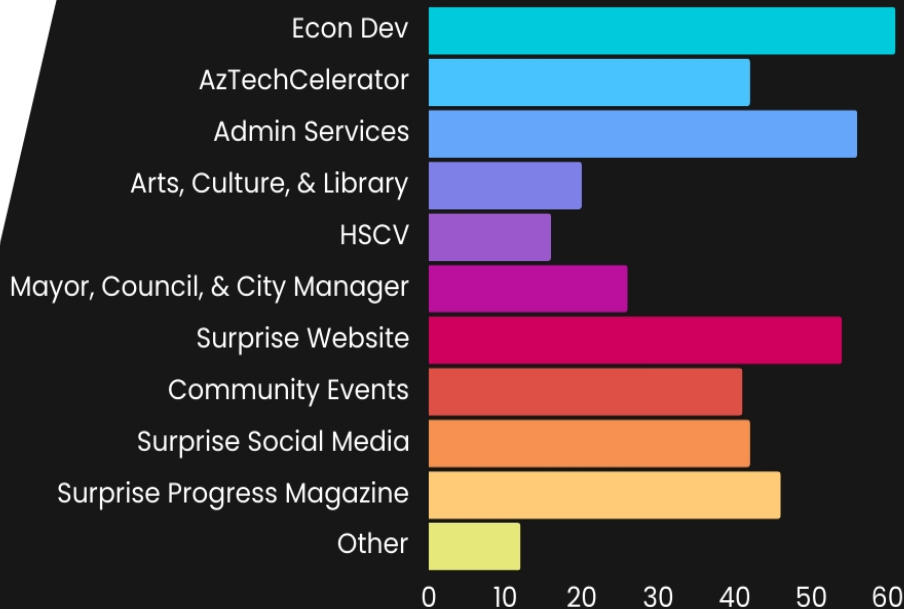


80%

Are interested in a new program that offers personalized support and resources for Small Businesses in Surprise!



Best Business Services



External Business Services

- #1 Local Business Networking Groups
- #2 Online Business Networking Groups
- #3 U.S. Dep. of Commerce or SBA

68% Believe each Business needs a customized approach and education program

59% Believe a quick timeline is critical for small businesses to be successful

"Time is money and small businesses need information quickly!" Page 19 of 19