

Office of Economic Development
Economic Development Advisory Board
MEETING MINUTES

Date: February 1, 2005: 7:07 a.m.

MEMBERS PRESENT

Linda Flick
Don Evans
Mike Garcia
Vern Mathern
Patricia Schroeder
David Woods

EX-OFFICIO

Mayor Keno Hawker (excused)
Mike Hutchinson
Jack Sellers

STAFF PRESENT

Betsy Adams
Sue Cason
Harold Decker
Tom Reyes
Scot Rigby
Wayne Balmer
Jeff Welker

GUESTS

David DeBois
Lynn Kusy
Lois Yates

STAFF ABSENT

Micah Miranda

MEMBERS ABSENT

Raul Cardenas (excused)
Charlie Deaton (excused)
Debra Duvall (excused)
Gary Smith (excused)
James Zaharis (excused)

Vice-Chair Linda Flick called the February 1, 2005 meeting of the Economic Development Advisory Board to order at 7:07 A.M. in the Williams Gateway Airport Boardroom, 5835 S. Sossaman Road.

Vice-Chair Flick called for a motion to approve the minutes (with minor correction) from the meeting held December 7, 2004.

MOTION: Mike Garcia moved that minutes from December 7, 2004 be approved.

SECOND: Vernon Mathern.

DECISION: Passed unanimously.

1. Councilmember Interviews

Vice-Chair Flick reviewed the Councilmembers interviews. She commented that all the interviews to her knowledge had not been completed.

Vice-Chair Flick and Mr. Jack Sellers had the opportunity to complete their interview of Councilmember Janie Thom. Comments to the questions asked are completed and will be turned over to Economic Development for the compiling of all interviews together.

Mr. Vernon Mathern reported that along with Mr. Charlie Deaton, Councilmember Walters' interview was completed. Mr. Mathern pointed out that Councilmember Walters commented that the Mesa Tribune has not always been real positive in city issues and printed a lot of negative information in the past. However, she felt that in the last four months that the Tribune had seemed to show a new face and improvement because of Proposition 400 and Riverview at Dobson.

Mr. Dave Woods and Mr. Don Evans interviewed Councilmember Mike Whalen by telephone. Mr. Woods said the notes taken of the interview, were being prepared by Mr. Evan's assistant Kay Keyes. The principal impression that came out of the interview with Councilmember Whalen was that he was very candid and that he felt that Mesa lacked visionary leadership. He also thought that Mesa should be working harder to retain existing businesses. When asked about the Council's Economic Development Plan, his response was that there wasn't a Council Economic Development Plan. He also suggested the Economic Development Advisory Board needed to scold the Council for not having a plan. He stated that Mesa is not as business friendly as he would like to see it and that he felt people with business backgrounds need to sit on some of the boards and committees.

Ms. Patricia Schroeder commented that the interview with Councilmember Jones showed that he had come a long way from the first interview as a new Councilmember. With Financing the Future Committee and all the issues that he has had to deal with, she thought that he was very, very reasonable and had a fairly good grasp on how economic development fit in with everything. Councilmember Jones praised the EDAB board. One recommendation that he made was to get rational messages by rational people out to the public, not only as a board, but also as individual members. In addition, he suggested that EDAB write letters to editors and to take advantage of opportunities to speak or communicate about what needs to happen in Mesa to further economic development.

Mr. Mike Garcia commented that Councilmember Jones is sensitive to the economic development issues and is high on staff as well.

Mr. Sellers commented that this was the second time he had interviewed Councilmember Janie Thom. She is fun to interview because there are no gray areas and has an opinion on everything talked about. The most significant points that came out of the interview was that Councilmember Thom is very supportive of the Williams Gateway Airport Area. She feels that the City needs to protect this area. Another point is that she is emphatic that Mesa is not business friendly and that Mesa

needs to find ways to be more business friendly if we are serious about attracting any economic development. She also feels that we need to be working harder to retain existing businesses.

Vice-Chair Flick commented that the remaining interviews would be conducted over the next week or two. As the interviews are completed the notes should be given to Scot Rigby to compile them for reviewing at the next meeting. Further direction, input and recommendations will be discussed at a future meeting. Vice-Chair Flick commended everyone for a job well done.

Ms. Schroeder and Mr. Garcia reported that they were interviewing the Mayor today (Tuesday, February 1) at 10:00 a.m. and would get the notes to Scot Rigby.

2. Development Impact Fees

Vice-Chair Flick welcomed and introduced Mr. Jeff Welker, Deputy Building Safety Director, to give an update on the Development Impact Fees.

Mr. Welker gave a brief update on the Development Impact Fees along with several handout materials. He commented that on December 20, 2004 the City Council adopted the Notice of Intention for the City of Mesa to update the Impact Fees. This is a process that the City typically goes through annually. You may recall that at a briefing with EDAB not quite a year ago, the City was looking at all the Impact Fees. During that process, the City was changing methodologies for the Police, which is now called Public Safety and Fire Impact Fees. The rationale for changing that methodology was that there were 22 different categories that represented different land uses that the City had to try to tag a particular development with in order to determine which Impact Fee rate for Police and Fire should apply. It has been problematic for the City over the years, and it is difficult for both staff and the applicants to identify clearly which is the most appropriate fee. Oftentimes those 22 categories don't effectively cover a particular development. The City has looked for a legal way to create a one size fits all category so that we didn't have to worry about different land use types. If you were nonresidential, the City had one category at one rate that would work. That went before the City Council in early 2004 and we are taking it to them again this spring. There was some initial concern about that change in methodology because it was significant. The concern was for how were we going to achieve changing from the multiple land use types for businesses to a single land use type. There was also some concern about the Cultural Impact Fee and the themes that were included in that before the Council would consider adopting any change. As the City went through that process in June 2004 we pulled out the Police and Fire and Cultural fees and said we are going to take a longer look at those and come back at a later date with recommendations on what we need to do. The Council adopted the rest of the fee increases that were proposed and in no small part to the support and encouragement of the EDAB Board. We are now going back in front of the Council again.

On December 20, 2004 the council passed the Notice of Intention, which started a 60-day Public Review period of these fee changes. In the past, what we did for the Fire and Public Safety was to have categories in order to try and determine the demand an individual business might create for the Police and Fire Departments. That was based upon the number of individuals you could realistically anticipate to occupy and use that facility during a single day. The City now has the technology to take all the 911 calls with the addresses assigned to them and use the GIS technology system to plot every 911 call (cell phones excluded) that has come into the City of Mesa over the last two years and overlay it with the zoning categories. Consequently, we can then start to see which land use types create demands for police and fire services. Armed with the data needed to identify a specific demand that these different land use types create, the City can now more accurately determine the fiscal impact on City public safety services.

Mr. Welker explained what effect, if the Council were to adopt the maximum limit of increases that are being proposed to them were approved. Fees would increase from \$4,919 per single family home to \$5,231. A commercial development would drop ten percent and that's because, in this change of methodology, we are able to show that by 911 call demand, that businesses do not place the same demand for Police and Fire services as residential uses do. This new methodology shifts that responsibility to pay for that infrastructure cost more appropriately and more accurately to the residential side and remove some of that burden from the commercial/business side.

Mr. Welker explained that as a staff it seems more appropriate to change the existing methodology. We think the new methodology is more equitable, more appropriate and accurate.

On February 22 we are going in front of the City Council to hold a Public Hearing. After the period of 60 days of Public Review, then we are obligated by law to go before the City Council and have a Public Hearing. At that same time we would introduce the Ordinances necessary to put these things in place. Any one and any member of the community and development industry will have an opportunity to comment. We would like to include, as we have in the past, comments from EDAB. We would like to have a letter from EDAB to the City Council either in support or non-support.

Mr. Mike Hutchinson commented that the Impact Fees could only be used for Capital Projects. In comparison to Tempe, they only have four fire stations and Mesa has eighteen. Tempe doesn't charge for parks. Mr. Hutchinson guesses they are not planning on building any parks. Tempe also only has one library, and that all their police stations are built up. Mesa, on the other hand, has to build more facilities just to break even. Tempe has a property tax and uses some of that property tax income to pay for some of their capital projects, and have decided to do it that way perhaps, instead of having impact fees.

Vice-Chair Flick commented that an easier means of calculations early in the develop process will be beneficial for the developer.

Mr. Welker responded that Mesa's Building Safety division is working to install an on-line fee calculator that will allow a developer to go in and punch in some basic numbers which will help them estimate their permit fees, impact fees and other development related fees. Development Impact Fees can only be used to buy the land, build the building and infrastructure. The fees can only be used for capital expenses and not maintenance of any sort. Development Impact Fee funds sit in special restricted accounts independent of the budget and can only be used for specified funds such as police, fire and cultural. State law governs uses of the funds.

Vice- Chair Flick asked for any discussion or decision/position be decided today or by the next EDAB meeting on March 1.

Ms. Schroeder commented that Mr. Welker's briefing clarifies the process and goes toward making Mesa much more business friendly. The idea of having the Impact Fees calculator on the internet is really good so that the developer can know what he's facing right up front and doesn't get blind-sided. She is very much in favor of supporting the direction the Impact Fees are headed.

Mr. Woods agreed with the stipulation that they be readily accessible and that a business is quickly able, up front, to calculate the development costs.

Mr. Mathern commented that it definitely is a step in the right direction and that the staff has done an excellent job. He also would like to see EDAB strongly support what the staff has prepared with the plan.

MOTION: Vern Mathern moved that the Economic Development Advisory Board strongly support the proposal for updating the Impact Fees with the stipulation that the fees be readily available for early calculation in the development process and thus providing a more business friendly environment.

SECOND: Mike Garcia.

DECISION: Unanimous.

Mr. Hutchinson recommended that EDAB send a letter of support to the City Council and that the Economic Development staff would draft the letter.

3. Economic Development Incentives

Vice-Chair Flick referred to the material in the packet of the Economic Development Impact Matrix. The matrix shows the Board a historical matrix of past incentives. Mr. Richard Mulligan pointed out at the last EDAB meeting that most of the

incentives given, have been given by the state in terms of training and not a great deal by the City.

Mr. Woods raised a question regarding Longbow Business Park and Golf Club. He commented that other than the nice road through there and some nice landscaping, it does not appear that anything else is going on out there. Is there some reason for that or has it just not taken off yet?

Mr. Hutchinson responded that the City is in the final throes of negotiating a development agreement with the developer, which is Mr. Bob McNichols. Mr. Hutchinson outlined what has been completed or discussed to date:

1. Mesa participated in the cost of putting in the Longbow Park road.
2. Mesa is proposing to sell the developer a piece of property of approximately 30 acres on the corner of Recker Road and Longbow Parkway, which the City owns, at a discounted price.
3. Mesa is in the process of setting up a special improvement district that will allow the developer to spread the costs over the future developments in that project.
4. Mesa is working on finalizing a development agreement, which will detail some of these issues, as well as others.

Mr. Hutchinson said that with the Development Agreement completed, the developer is poised to begin. Mesa has had some hard negotiations on what goes into the Development Agreement and what doesn't. When the Development Agreement is completed, then it will go before the City Council with a recommendation. Once the City Council accepts the agreement, the developer will then go into the Planning and Zoning process.

Mr. Woods asked what types of businesses the developer is looking for at Longbow?

Mr. Hutchinson responded that the developer is looking for high-end commercial and industrial. On the city owned piece of land that we are proposing to sell to him, the plan today is for a mixed-use retail. We do not have a real firm idea of what that will be, but that is the plan right now.

Ms. Lois Yates commented that in the retail section there will be a life style center and it will be high-end retail, comparable to a Gainey Ranch type operation. The Higley Road and McDowell side will probably be composed of light industrial, which will allow for some access from those two streets, and for some high-end Class "A" office space as well.

Mr. Mathern asked if there were any legal issues or obstacles pending?

Mr. Hutchinson responded that there were a couple of fairly thorny issues that have come up in terms of water rights. These have come up recently and are serious issues that the City and developer have to figure out.

Mr. Woods asked if the developer could use the golf course for any other expansion project?

Mr. Hutchinson responded yes he could, but he would have to go through the Planning and Zoning process and Council review.

Mr. Scot Rigby commented that this is only one part of the Incentives Report and that a full report will be coming in the next month or two. It will also tie in with another piece that we are talking about, the City Share Program for infrastructures, and will probably bring several recommendations dealing with incentives. This is just one part that we wanted to share with the Financing the Future Committee and with EDAB.

Mr. Woods asked if there was anything on the site of the Auto Mall at Hampton and Sossaman Road?

Mr. Hutchinson responded no there is nothing on that site. The City worked closely with DMB, which is a prominent Valley and West Coast developer to put together a package. We have a development agreement and an approved sign design which has been controversial. The site is hampered a little bit by access, as they lost their access from the westbound ramp, and that is a detractor from the site. DMB is aggressively trying to market to auto dealers. We feel that the auto dealers now located on the arterial streets, not only in Mesa, but throughout the valley, will be relocating to freeway locations pretty quick.

Vice-Chair Flick asked Mr. Hutchinson to give an update on Riverview @ Dobson Project.

Mr. Hutchinson responded that with the Council's called election on May 17, 2005 the City is on track for preparing for the election. It is not easy work and is expensive to hold an election. This election is costing between \$200,000.00 – 250,000.00 and a lot of staff time involved. A challenge a day on some aspect of it has come up, be it the election or the development agreement. Our City Attorney's Office is spending a great deal of our taxpayer dollars on defending these actions. They were in court yesterday and in court last Thursday. I think there is a strategy now that is being played out and there will be lots of issues raised. Largely I think some issues probably have merit but some are just to garner publicity – negative or positive.

Ms. Schroeder raised the question of finding out who is funding the committee.

Mr. Hutchinson responded that the Committee does not have to report funding until approximately 10 days before the election.

4. Future Focus

What Matters – The Maturing of Greater Phoenix

Vice-Chair Flick referred to a report booklet in the packet and encouraged board members to read the report. She did comment on the noticeable absence of post secondary educational facilities such as Ottawa, Western International and others were very limited and with ASU being the focus.

Mr. Mathern commented that the Morrison Institute for Public Policy has contributed a lot of good things and does a lot to give the big picture as to how we fit in. Morrison Institute only started up two or three years ago and does a great service for the Greater Phoenix area.

How Arizona Compares

Vice-Chair Flick encouraged the board members to read the report.

Mr. Woods commented that at Empire Machinery, when the CEO of Marketing for Avnet spoke, the principle thing that led to his decision to locate in Mesa was education and not incentives.

Mr. Sellers commented that an encouraging sign on the education side is that we have Dr. Michael Crow of ASU, and that one of his goals is to make ASU the #1 American University. One of the ASU staff members, after Dr. Crow came to ASU, told Dr. Crow that they were pretty happy at ASU. The average or above average students are happy living here. Dr. Crow's response was that "average is not part of his vocabulary. I think you mean mediocre and you have to work hard in education to remain mediocre."

Mr. Sellers also commented on the MAG Business Coalition of the Past, Focus and Future and that Mr. Lattie Coor is heading a group called The Center for the Future of Arizona. They are establishing what Mr. Coor calls big, hairy, and audacious goals. One of those goals is to move Arizona from the bottom ten ranking in education to the top ten ranking in education. Some good people are making some extreme efforts to improve our image.

5. Staff Reports

Vice-Chair Flick referred to the material in the packet.

Development Advisory Forum – January 12, 2005

Vice-Chair Flick reported on the Development Advisory Forum that was held on January 12, 2005. Jeff Welker went through the Impact Fees. Tammy Albright gave

a presentation about the Coordinators. The Development Advisory Forum is an ongoing monthly meeting and is very interesting and informative.

Quarterly Report

Mr. Scot Rigby reported that the Quarterly Report would be included in the March EDAB packet.

6. Update on Financing the Future Citizens Committee

Ms. Schroeder briefed the Board on the Financing the Future Committee. The timing on this is good. Up until this point we were still very much in the learning process, but on January 26th was the last presentation, which was Economic Development. Our next meeting is going to be a Public Hearing on February 9th. She referred to the handout that was presented by Bryan Raines from Finance on January 26, 2005. It is one of the most informative pieces that the Committee has received so far. Looking at the price of local government, Mesa comes in as the 48th largest city out of the 50 largest cities. Mesa only comes in ahead of the 49th city, being Arlington and the 50th being Las Vegas. The pieces are beginning to fit with all the meetings and presentations, and she was beginning to see why they had gone through the process. When you start looking at these comparisons, Mesa is at the bottom. Phoenix, Mesa and Tucson are the only cities that do not have sales tax on food. Not having that restricts our ability to receive sales tax. Comparing our sales tax with all of the other cities, Mesa is really the cheapest place to live. The committee is realizing that we cannot continue to be the cheapest in "town" and maintain the facilities and the services that the citizens want in Mesa. After June 30, 2006 our sales tax, from the Quality of Life Tax is going to drop yet another quarter percent. If you look at the utility differences, much of the city government is financed off of utility rates unlike any other city in the country. Mesa's electric rates are higher than the other cities with the exception of Scottsdale. Property taxes were compared to other cities with Mesa not having a property tax.

The deferred maintenance issue is very chilling. This is partially political as our leaders have been unwilling to impose the cost that would be necessary in order to maintain our systems the way they should be. One of the points that was made at the meeting was even if we do recommend an increased sales tax, property tax or some other kind of method of bringing in money, it still does not mean that utility costs can be reduced, because we have to catch up with the maintenance needs. The City simply needs additional revenue coming into the city to cover all of the services it provides.

Ms. Schroeder explained that there is one group of folks on the committee that want to go in and look at everything that the city does. Then there is another group that says the committee should not be going in and saying how the city should be doing, or micromanaging the city departments. One suggestion would be to have the department come back and tell the committee what they would change. The majority

of the committee does not want to go through that again. Another direction of the committee is trying to determine the bottom line. A gentleman of the committee keeps asking the question of what was needed to get to the bottom line in 2025. If you actually added everything that has been listed in the presentations, the number would be so astronomical. It is what is called straight edge projections. The rational voices that are being heard are saying, look this is a structural problem. We are basing our entire city economy on retail sales tax. You cannot control retail sales tax. The economy controls retail sales tax. If Mesa doesn't get it's act together and get some visionary leadership, we are all going to be losing out on our property values, education systems, police and fire systems. We have a big problem and we are going to have to figure out how to get this message out, and how to sell it to the people.

Mr. Evans commented that a wide-range of topics is being covered, but it seems as though we need to begin focusing on two or three things and this is one of them. This is the most important issue and our task is to make sure that it is elevated on the board agenda, and that we keep pushing on this and make sure we have the facts for it to stay on the agenda.

Ms. Schroeder announced that on February 9th, a Public Meeting is being held. It is at 5:30 p.m. in the Lower Council Chambers. This meeting is to give the public an opportunity for their input.

Mr. Sellers commented that the good news is that this topic is even being discussed and the Mayor is to be thanked for bringing the subject up for discussion.

Ms. Schroeder explained that this topic is not something that has happened since 9/11, but has been an ongoing problem that has grown to proportions that cannot be ignored. Mesa cannot continue to be the cheapest place in the Valley to live and want to be a City of excellence also. There is a culture of excellence with all city staff and every single department. Staffing positions have been lost along with funding. The staff are struggling to get by on what they have left.

Mr. Don Evans commented that he felt that EDAB could be of service in terms of EDAB's role. He suggested EDAB find ways to keep it high on the agenda.

Ms. Schroeder explained that City sales tax dips in June 2006 and Mesa crests out of debt in 2007 and that is when the crisis point is. Something has to be done before then.

Mr. Scot Rigby commented that it will be interesting after the interview questions and notes are compiled for next months meeting to see if common themes or threads emerge. Perhaps these common threads could be specific areas that the Board could approach the Council to raise the issues.

Ms. Schroeder re-enforced the fact that Mesa is the cheapest place to live in the state and that is going to come back to haunt us.

Mr. Mathern commented that would be easier to deal with just a tree or two instead of the whole forest. Make it our mantra and keep pounding away at it. We could be sort of a collective voice in the wilderness.

Ms. Schroeder explained that the message needed to be projected out that we have the lowest housing valuation of any city in the Valley. We are going to continue to draw lower income, lower educated, lower everything until there is nothing left. It's not just the idea of a cheap place to live, but it is going to be an awful place to live with our services crumbling.

After some discussion as to how to get the message out it was decided that this discussion needed to wait until Financing the Future Committee finishes with their meetings and presents their findings to the City Council.

Vice-Chair Flick commented that the Financing the Future Committee has done a great job and has been getting all the background. They are just now getting to the substance of where to go now. We might be preempting the Committee by jumping in too early, but that EDAB members need to be updated at every meeting as to what is happening and the findings of the Committee.

Ms. Schroeder commented that when it is opened up for discussion in the Committee that there will be at least three different directions that different folks have already pushed the Committee. We need to look at a self-sustaining way of financing a quality city and then try to work on that.

7. Other Business: Public and Board Comments

Vice-Chair Flick encouraged comments from the staff and public. She also encouraged EDAB members to read the information in the packet and to sign-up for the City Council Meeting and Study Sessions. She thanked Mr. Lynn Kusy for hosting EDAB at Williams Gateway Airport.

Mr. Jack Sellers announced that the new CEO at GPEC is very enthusiastic and hopefully that will translate into some positive things.

Annual Breakfast: April 5, 2005

Mr. Scot Rigby updated the Board on the Annual Breakfast scheduled for April 5, 2005. Next Monday, February 14th we will be receiving the first draft of the report from Dr. Olivas. This report will give us a good idea of how it is going and we will reconvene the Action Group to review the report. In the next few weeks you will begin to see some information coming out regarding the Annual Breakfast. It will be held at the Phoenix/Mesa Marriott. The Annual Breakfast will begin to answer the questions of educational attainment, where it is going and how do we change that course. In addition, the focus will be on building a bond between business, private

sector, education and how accepting they are of working to build a talent based economy in Mesa. All three have to work together. Education cannot do it alone.

Williams Gateway Update

Mr. Wayne Balmer commented that he and Mr. Kusy were prepared to take those interested on a tour of Williams Gateway Airport, but things were running late and he would be happy to give a briefing using an aerial photo. With the Boards permission Mr. Balmer preceded with a pictorial briefing instead of the scheduled bus tour. Mr. Balmer explained that Sossaman Road is complete all the way through giving access to the airport from the north. Pecos Road is now complete giving access to the airport from the south. An increase of traffic coming through the airport from Queen Creek going north has been noted. There has been an increase of interest for development in the south section of the airport since Pecos Road has been completed.

The 202 Freeway is now open to Elliott Road. There is a proposal to tear up Ellsworth Road and widen it to four lanes all the way down to Ray Road. The second Phase II would be to widen it from Ray Road down to Germann Road.

The 202 Freeway will open to Power Road in the spring of 2006, which will complete the 202 Freeway. In just a little over a year the freeway will be completed all the way around. Mr. Kusy is seeing a lot of activity as a result of improved transportation, improved utilities and improved access from this area to the west and the rest of the metropolitan area. To the north Cessna is proposing to build. The City of Mesa built the three large water tanks. The City of Mesa contributes \$2 ½ million dollars a year to help move the airport forward. In addition, Mesa built the roads, utilities and other things that are needed to support the airport. Since 1993 when the Air Force left, the university, colleges, airport, and WGA partners along with the Federal and State governments have invested \$110 million in capital infrastructure to get the airport to where it is today.

Mr. Balmer explained that the Financing the Future Committee asked what revenue all this being done would generate for the City of Mesa. He responded, that in direct revenue, not a whole lot would be generated to the City. There is some sales tax on the fuel that is sold, car rentals in the terminal, but it is all secondary benefit to the City. The jobs that will be created at the airport can only be hoped that the employees will live in Mesa or shop in Mesa, and buy water from the City of Mesa. If they don't and live in Gilbert, Mesa has just spent a lot of money to enhance the Gilbert economy. Mesa will have put in the entire infrastructure to make Gilbert's economy work. That is back to the structural way that Mesa operates the city that allows Gilbert to get an economic advantage.

Several hangers are planned and taxiways are being built with completion in February 2005. New underground utilities have been installed also.

The Apache helicopters are being refurbished and repaired in a hanger at the airport. When they are complete that will go back out into service to the military.

Mr. Lynn Kusy explained that Boeing has almost 200 jobs at the airport in four different programs. The Apache Reset Program, T-38 Renovation Project, F18 Project and another Apache repair facility for transmissions and other parts.

Mr. Balmer commented that in 1993 when the Air Force Base closed, 3,000 jobs were lost. Today there are a total of 36 companies at the airport with Boeing being the largest company. Those 36 companies employ about 1,000 people on the airport today. That's not counting ASU University and the other uses on the other side of Sossaman Road. If the University and all the others are included then those employed on the airport property are up to 3,000 people. It took ten long years to get that number back up there, but now with everything in place the airport is ready to grow significantly and add to that job total.

Mr. Balmer commented that Mayor Hawker has talked about having 100,000 jobs by 2035. In order to reach that goal we need infrastructure throughout the area to support those jobs.

Mr. Woods commended Mr. Balmer, Mr. Kusy and all others for the excellent job that has been done at the airport. This is one of the few successful abandoned Air Force Bases in the country. Mr. Woods asked if there was going to be any benefit for Mesa and not just Gilbert reaping all the benefit.

Mr. Balmer explained that the benefit is a secondary benefit. More jobs will come to our area, higher paying salaries, people will live in Mesa, shop in Mesa. It will be an asset, not just to Mesa, but also to the East Valley and the State of Arizona. It is the only primary reliever airport to Sky Harbor that Arizona has planned. We are trying to look at the broader picture and if we do some of the structural changes to the way Mesa collects revenue, this could be a dramatic increase in benefits directly to the City of Mesa.

8. Adjournment

It was noted that the next EDAB meeting would be held March 1, 2005.

There being no further business, Vice-Chair Flick adjourned the meeting at 9:08 A.M.

Submitted By:

Richard K. Mulligan, CEcD

Economic Development Director