

Office of Economic Development
Economic Development Advisory Board
MEETING MINUTES

Date: June 19, 2007: 7:45 A.M.

MEMBERS PRESENT

Mike Garcia, Chair
Brian Campbell, Vice Chair
Jim LeCheminant
Patricia Schroeder
Steve Shope

EX-OFFICIO

Mayor Keno Hawker (excused)
Chris Brady (excused)
Jack Sellers
Charlie Deaton

STAFF PRESENT

Betsy Adams
Shelly Allen
Sue Cason
Harold Decker
Jerry Dillehay
Gordon Haws
Jim Huling
Cathy Ji
Shea Joachim
Corrine Nystrom
Terry Williams
Beth Huning

MEMBERS ABSENT

Dale Easter (excused)
Vern Mathern (excused) Steve Wood
Ted Wendel (unexcused)

GUESTS

Roc Arnett
Lois Yates

1. Chair's Call To Order

Chair Mike Garcia called the June 19, 2007 meeting of the Economic Development Advisory Board to order at 7:45 A.M. at City of Mesa Public Safety Training Facility, Cochise Room, 3260 N. 40th Street, Mesa, Arizona 85215.

2. Approval of Minutes of the May 22, 2007 Special Meeting

Chair Garcia called for a motion to approve the minutes from the meeting held May 22, 2007.

MOTION: Brian Campbell moved that the minutes from May 22, 2007 be approved.

SECOND: Jim LeCheminant

DECISION: Passed unanimously

3. Recognition of Mike Garcia, Patricia Schroeder and Harold Decker

Chair Garcia thanked Mr. Harold Decker for his 15 years of service to the City of Mesa and congratulated him on his retirement. He also thanked Pat Schroeder for serving on the EDAB Board for 6 years.

Vice-Chair Brian Campbell recognized and thanked Chair Garcia's 6 years of service to the Board, Pat Schroeder's 6 years of service to the Board and Mr. Jim Huling's retirement in the next few weeks after 15 years with the City of Mesa.

4. Update on Va Shly'ay Akimel – Salt River Project

Mr. Jim Huling, Assistant to the City Manager, Mr. Gordon Haws, Senior Civil Engineer, and Mr. Jerry Dillehay, Grants Coordinator, gave a presentation, regarding the Va Shly'ay Akimel Project.

Mr. Huling explained the history of the joint study area. The goals of the River Ecosystem Restoration are; to improve the overall ecological health of the river, re-establish a more stable, less degraded, sustainable conditions, identify a solution that is technically feasible, economically practical, environmentally sound and publicly acceptable. He also explained there were ongoing projects and studies in the Phoenix area for river ecosystem restorations and gave a project history time-line.

Mr. Haws explained the restoration measures identified during the feasibility study are; vegetation, terracing/reshaping, low flow channel, grade control structure, bank stabilization, recreation, open water/wetlands and cultural, ecological interpretation and education.

The recommended plan restores: 883 acres of cottonwood/willow trees, 380 acres of mesquite trees, 200 acres wetlands, 24 acres Sonoran desert scrub shrub, plus approximately 5 miles of maintained trails. The potential project will be completed in three phases: design, construction and operation and maintenance. Costs will be shared with the local sponsors, which are Salt River-Pima Maricopa Indian Community, City of Mesa and Salt River Project. The total cost for the design and construction phase is estimated at approximately \$138.9 million with an estimated annual Operation & Maintenance cost of \$1,670,500.00 split between the local sponsors. The anticipated design schedule for Phase 1 is to be completed by October 2009.

Mr. Dillehay commented that there were misconceptions that this project is a typical greenbelt project. Most of the land is on the Salt River/Pima Indian Reservation. The Salt River/Pima Indian Reservation owns approximately 90% of the properties involved with this project. The Salt River/Pima Indian's perception of public contact on their side is to be as limited as possible, due to cultural differences and sacred sites in the area. However, because it is a tremendous ecological project, there are going to be ancillary opportunities to allow the public access for bird watching and other non-direct contact activities.

5. Update on Falcon Field Area

Ms. Corinne Nystrom, Director of Falcon Field, gave a brief history of Falcon Field and updated the Board on the construction projects at Falcon Field Airport. She stated that Falcon Field receives funding from the FAA, which are only to be used for aviation related purposes. There are no longer any plans to extend the runways. The extension/opening of Loop 202 has greatly opened the area for development. Falcon

Field is operated like a business and does not rely on City of Mesa general funds. Revenues go right back into the facilities at the airport. Right now there are approximately 250,000 flights per year out of Falcon Field and with the Sabena Flight Center that will likely increase to 300,000-350,000 flight operations per year. There will be no affect on Boeing or MD Helicopters operations. Boeing has its own control tower and we are seeing a large increase in helicopter operations. Several new projects/developments with 70 new corporate hanger/offices are currently in the planning stages or under construction. Falcon Field Airport is one of the top 5 aviation fields in the United States.

6. Update on Impact Fees

Mr. Terry Williams, Director of Building Safety, gave a briefing on the Impact Fees. He stated there are 9 current impact fee categories: Water, Wastewater, Parks, Cultural, Library, Fire, Public Safety (Police), General Government and Stormwater. It was determined that there were 2 alternative methodologies that the City could use to assess the current level of service being provided and future levels of service provided in the Water/Wastewater area.

Mr. Williams referred to the Ordinance revisions and new Fee Table in the packet/handout materials. He noted that a Stormwater Table is now part of the ordinance approved by the City Council on June 4, 2007. New impact fees are implemented 90 days after approval, which will be September 4, 2007.

Chair Garcia noted that the fees could only be used for capital projects, such as expanding or replacing facilities, but not used for maintenance or salaries.

Mr. Shope suggested a change in the impact fees to allow usage for maintenance and staff salaries.

7. Discuss Proposed Changes to the City of Mesa Incentives

Chair Garcia commented that Mrs. Schroeder, Mr. Sellers, Mr. Deaton and Mr. Easter had met with Mayor Hawker and Vice-Mayor Claudia Walters regarding where they stand on incentives. The comments were favorable. There is a proposal to draft an initiative to take to the National League of Cities intending to gather support of all the communities to stop the use of the sales tax as an incentive. The Mayor requested that staff draft an initiative to take to the National League of Cities. The Mayor indicated that he was concerned with the proposed point system. They received direction to draft an Incentive Catalog to be used as a start with other cities as a guideline for the appropriate use of incentives. The State Legislation just passed a law that no retail sales tax rebates by any city, town, or the state would be allowed.

Mr. Deaton voiced concern that he was not comfortable proceeding with the incentive policy until a new Director/Manager was hired and he/she was given the opportunity for input.

Mrs. Schroeder wanted to go on record that she believed the Point System is the key to incentives, which would define what Mesa wants at locations and to customize it for Mesa.

Mr. Sellers commented that GPEC is working on the area of incentives. He also feels that the Federal Trade Zone could be an extreme advantage to Mesa and that not enough push for Williams Gateway Airport has been or is being made.

Mr. Shea Joachim, Temporary Economic Development Research Analyst, provided handouts and gave a brief presentation on incentive research he has done with regard to State Incentives, Local Competition and National Competition. He commented that on the Federal Level there is a 2,500 page catalog on domestic assistance programs. One program in particular is a high growth /job training grant. The Federal Government issues the program and in fiscal 2007 approximately \$175 million was available.

8. Directors Update

Ms. Allen, Acting Director of Economic Development, commented that there were several candidates interviewed for an Economic Development Program Manager position. One is coming back the afternoon of June 19, 2007 for a second interview and to meet with staff. It was decided to leave the remaining of the staff hiring for the new Economic Development Manager.

Three candidates recommended by the headhunter for the Economic Development Manager position will be interviewed June 20, 2007. On June 21, 2007 they will be given a tour of the City of Mesa.

Ms. Allen commented that election of officers would take place at the next meeting on August 7, 2007. She suggested that Vice-Chair Campbell chair the next meeting.

9. Other Business

Sub-Committee Reports

No reports.

10. Comments from the Board and Public

No Comments.

It was noted that the next EDAB meeting would be held August 7, 2007. Location is yet to be determined.

11. Adjournment

Chair Garcia adjourned the meeting at 9:10 A.M.

Submitted By:

Shelly Allen, Acting Interim Economic Development Director
(Prepared by Betsy Adams)