

Office of Economic Development
Economic Development Advisory Board
57 E. 1st Street
Lower Level Council Chambers
Mesa, AZ 85201

Date: December 4, 2012

Time: 7:30 A.M.

MEMBERS PRESENT

Rich Adams
Terry Benelli
James Christensen
Jeff Pitcher
Tony Siebers
Laura Snow
Jo Wilson
Steve Wood

EX-OFFICIO

Mayor Scott Smith (excused)
Chris Brady (excused)
Brian Campbell
Jeff Crockett
Sally Harrison
Steve Shope (excused)
Peter Sterling (excused)

STAFF PRESENT

Betsy Adams
Lori Gary
William Jabjiniak
Shea Joachim
Jaye O'Donnell

MEMBERS ABSENT

Mitzi Montoya (excused)

GUESTS

None

1. Chair's Call To Order

Chair Jeff Crockett called the December 4, 2012 meeting of the Economic Development Advisory Board to order at 7:35 a.m. at the City Council Chambers, Lower Level, 57 E. 1st Street, Mesa, AZ 85201.

2. Items from Citizens Present

None.

3. Approval of Minutes from November 6, 2012, Board Meeting

Chair Crockett called for a motion to approve the minutes from the meeting held on November 6, 2012.

MOTION: Rich Adams moved that the minutes from November 6, 2012 be approved.

SECOND: Steve Wood

DECISION: Passed unanimously.

4. General Plan Update

Vice-Chair Rich Adams advised the PAC (Plan Advisory Committee) meets December 7, and will be focusing on revitalization, redevelopment and housing with economic development in the fore-front.

Chair Crockett represented EDAB/Economic Development at the meeting in November. Economic development was emphasized as the core piece of the city in connection with the General Plan update. PAC noted the new universities are important for the development of the downtown area. The future includes the General Plan to capitalize on the diversity in the community and economic development.

5. Education Update

Mr. William Jabjiniak commented that Upper Iowa University's lease in the Fiesta District has been finalized. They are scheduled to move in the next few months, and a formal announcement will be forthcoming. Five-year leases for Westminster and Wilkes will be discussed at City Council Study Session on Thursday, December 6 and voted on at the City Council meeting Monday, December 10. Albright College is spending an extra year at the Financial Plaza in the Fiesta District since they cater to the adult market. They are proposing an additional location in the future.

Ms. Jo Wilson announced the addition of Mr. Tony Siebers for a total of eight staff members for Benedictine University (Ben U). They will be posting for eight faculty positions in the next few weeks. The building at 225 East Main Street is currently under remodeling construction for their proposed facility. Ben U recruitment efforts were initially targeted for juniors and seniors but there have been overwhelming requests to accommodate incoming freshmen. They are thrilled with the progress and are excited about the freshmen parental responses.

Mr. Jabjiniak recently was a presenter on Higher Education at the National League of Cities (NLC) Conference in Boston the week of December 3. He cited that he was able to share the initial goal of attracting three to five schools over a five-year window was accomplished in one year and generated additional inquiries.

Mr. Shea Joachim reviewed the Mesa Educates U Scholarship Program with Wilkes, Albright, Westminster and Ben U. These scholarships are a five-year commitment with a specific dollar amount above and beyond the schools typical financial aid tools. A Marketing Plan and establishing criteria levels are in the planning stages.

Benedictine has two annual scholarships at \$10,000 per scholarship. Albright offers a \$2,500 program scholarship for the final two years toward a Bachelor's degree and an additional \$2,500 if the student transfers into their program from Mesa Community College.

Westminster and Wilkes will offer two annual scholarships at \$10,000 per scholarship. The priority deadline is March 1st to have the program in place for the Fall 2013 semester. These opportunities are targeting Mesa residents and the city is striving to communicate and promote interest in these scholarships. Recipients will be determined by their academic excellence, financial need, residency and additional criteria that are still in the primary phase.

Ms. Wilson pointed out that the Ben U offering totals \$400,000 of continuing student scholarships if the student stays in the same program for four years and if all

scholarships are realized and utilized. This amounts to a significant investment from Ben U in the community over the next five years.

Mr. Jabjiniak stated a goal was to obtain and retain a collaboration and consortium feel among the universities. The Mesa Counts on College program is the key to moving this forward as well as the Mesa Center for Higher Education. The Higher Education Initiative has been said to be the most innovative and unique initiative in the entire nation.

6. Healthcare Update

Ms. Jaye O'Donnell presented the Healthcare Business Recruitment Strategy which is actually phase two of the original City of Mesa Healthcare and Biotech Initiative Strategy Analysis that was completed in 2010. ESI Corporation was awarded the contract per the Request for Proposal (RFP) and they have partnered with NGH to develop a comprehensive life sciences and healthcare business recruitment plan for stimulating economic growth, as well as evaluate two of the catalyst projects that were identified in the initial Feasibility Study.

The business recruitment plan includes: a market analysis and vision statement; identifying other target opportunities that Mesa can pursue; opportunities that exist with the Banner Simulation Center and Banner MD Anderson Cancer Center.

ESI has conducted 27 interviews with a diverse group of healthcare professionals, biotech professionals, higher education institutions as well as healthcare brokers and developers in order to assess the market and real estate perspective in the valley as well as across the country. Consultants have completed research, drafted white papers on the simulation and cancer centers as well as concluded a market analysis. Meetings have also been conducted with healthcare providers to ascertain their growth strategies and how the city can assist them in the future.

Current biotech assets are being mapped in Mesa and the East Valley and research is being conducted to determine where clusters already exist. The Banner Simulation Center's white papers will be presented to the subcommittee in the near future for their feedback. Plans are to schedule a round table discussion with Banner executives, after the first of the year, to review and discuss their long-term goals. The subcommittee is scheduled to meet December 18, 2012, to review these issues with the consultants.

Representatives of the MD Anderson Cancer Center met with ESI to discuss future plans specifically for Mesa. The real estate development around the cancer center provides potential opportunity for the City of Mesa because it surrounds the center on three sides. Discussions revolved around the concept of a medical district which will be discussed in the subcommittee meeting as well.

Arizona has historically positioned itself as a state where collaboration is realized naturally and institutions are open to partnering. With the accelerator and other similar programs potentially seed money can be obtained for bioscience companies. With the healthcare reform, medical device manufacturing companies will be examined as

potential partners for the city. The slow process for regulating and approving FDA drugs can be a hindrance in this regard especially compared to other countries.

The month of December will focus on the subcommittee meeting as well as a meeting with staff to review the visioning process. Additional meetings are slated with higher education work in the biotech area at ASU Poly and other higher education institutions. A market analysis will examine local trends and will reach into Phoenix, West Valley and Tucson in order to ascertain any gaps that may exist in the state. A vision statement is in progress to be presented to industry leaders for input.

Ms. Jo Wilson interjected that the focus on the healthcare model is a pathway to get students into the healthcare field and therefore internships might be a worthwhile endeavor.

Chair Crockett asked about the chief advantages for Arizona.

Ms. O'Donnell suggested a number of assets that can be built upon such as the Banner Simulation Center. It is the largest in the western part of the country. Also, the number of hospitals in the area is phenomenal as well as the medical district. The final report for the Healthcare Initiative is scheduled to conclude in March.

Mr. Jabjiniak stated that the City Council will discuss these issues after the first of the year.

Ms. Laura Snow suggested that healthcare is less about volume but rather moving a population toward optimum health. She suggested there is much that a municipality can do to build a healthier population.

Ms. Snows' comment prompted Chair Crockett to share a discussion in last month's PAC meeting regarding bike trails. It was observed that Mesa is not a bike friendly community and lacks a suitable number of trails. A discussion ensued regarding trails along canals and the liability issues that follow such possibilities.

Vice-Chair Adams added that the discussions about walking and biking trails have been general in nature. Arizona has ample opportunities for outdoor activities which can move a population to optimum health levels.

7. Update on AZ Labs

Mr. Brian Campbell commented on the Mesa Redevelopment Authority's (MRA) Executive Board meeting held November 27. Mr. Campbell reiterated several significant developments; namely, the trademark was approved for the Arizona Laboratories for Security and Defense Research (AZLabs). The formal EDA Conveyance from the Air Force to the City of Mesa is currently underway with final details being negotiated with a distinct possibility of a fully leased facility in the foreseeable future. Several issues with Washington, D.C. remain to be rectified. The designation process for Arizona to be selected as an Unmanned Aircraft Vehicle (UAV) test site designation is currently subject to Washington's time frame. The congressional delegation has been alerted and the Federal Aviation Administration (FAA) is on a Congressional mandate.

Mr. Jabjiniak thanked Mr. Campbell for all the work he has done on the MRA and EDA conveyance. He has kept the ball rolling with the hopes of bringing the final agreement to City Council after the first of the year.

8. Director's Report

Mr. Jabjiniak commented on the construction of the Cubs facility. He toured the facility just before Thanksgiving and some fields are already roughed in. The Oakland A's Development Agreement for occupying Hohokam Stadium has been moved until after the first of the year as details are still being working out. Funding questions continue, with additional information coming in January 2013.

A new Economic Development Management Assistant II has been hired with a start date of December 17. Her name is Kelly Keffer and she will be focusing on the budget, Human Resources (HR) and assisting the Director and Deputy on key initiatives.

The Economic Development Holiday Party is scheduled for The Patio at La Sendas on December 12. GPEC's Open House is Thursday, December 6. The Grand Opening of The Summit at Sunland Springs Memory Care on Signal Butte Road is also Thursday, December 6.

The offices are closed for Christmas (December 25) and New Year's Day (January 1).

The East Valley Partnership Economic Forum sponsored by Cox Communications is December 5 at the Mesa Marriott Hotel. This event will host the first public appearance of newly elected Senator Matt Salmon at this forum.

9. GPEC Update

Mr. Campbell stated that China is the current hotbed with the Z-corridor strategy expanding rapidly. GPEC is staying out of Beijing and concentrating on the southwestern parts of the country. China in terms of opportunities to our region is second only to California. Mesa offers unique opportunities given the assets of the city. The tariff position that GPEC took with solar panels gave China a boost.

The second GPEC strategy is the California 100, a change in philosophy and tone where GPEC goes into California and points out the state's problems. This was a philosophical change and has changed the tone, discussions and positions Mesa in a positive light. The California 100 strategy which is to target 100 specific businesses and host them and their senior level management team on their visits had to be doubled due to the interest and response from California businesses as it was originally titled the California 50 program.

The Washington D.C. annual trip is set for April 17-19, 2013, and features aerospace as one of the main focuses, with the intention of reaching out to congress and senators for help in the specific budget issues.

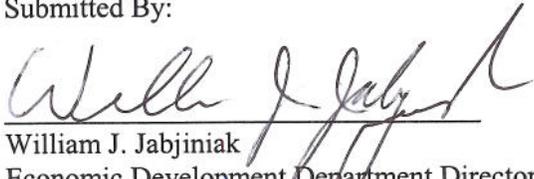
10. Other Business

Tuesday, January 8, 2013, will be the next board meeting.

11. Adjournment

Chair Crockett adjourned the Board meeting at 8:51 a.m.

Submitted By:



William J. Jabjiniak
Economic Development Department Director
(Prepared by Jeanne LaRue)