

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

**MEETING MINUTES**

**Date:** February 5, 2013

**Time:** 7:30 A.M.

MEMBERS PRESENT

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

EX-OFFICIO

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

STAFF PRESENT

Betsy Adams  
Bill Jabjiniak  
Kelley Keffer  
Corrine Nystrom

MEMBERS ABSENT

None

GUESTS

Lynn Kusy

**1. Chair's Call To Order**

Chair Jeff Crockett called the February 5, 2013 meeting of the Economic Development Advisory Board to order at 7:33 a.m. at the City Council Chambers, Lower Level, 57 E. 1<sup>st</sup> Street, Mesa, AZ 85201.

**2. Items from Citizens Present**

None.

**3. Approval of Minutes from January 8, 2013, Board Meeting**

Chair Crockett called for a motion to approve the minutes from the meeting held on January 8, 2013.

**MOTION:** Laura Snow moved that the minutes from January 8, 2013, be approved.

**SECOND:** Jo Wilson

**DECISION:** Passed unanimously.

**4. Capital Improvement Projects at Falcon Field Airport Update**

Ms. Corrine Nystrom reviewed a map of Falcon Field, emphasizing Capital Improvement project work in progress with the cooperation of the Federal Aviation Administration (FAA) and the State of Arizona.

With the completion of the current Airport Master Plan Update that was revised in 2009, a new Master Plan will be updated in the next three to four years.

The number one asset of the airport is the two (2) runways (at 5,100 and 3,800 feet) and the newly upgraded taxiways. Current projects include overlay of asphalt on top of the existing asphalt on the runways with overlay of the taxiways in the future. A reconfiguration on both sides of the runway with reconnections will soon be completed. The North runway improvements include taxiway connectors, with encouraged use of the North runway for take-off and the South Runway for landings.

Located at Falcon Field, CAE Global Flight Oxford Academy is the largest flight academy in the country. CAE recently purchased Oxford Aviation flight school. The flight schools have been encouraged to utilize the north runway for practicing touch and go landings, which has less effect on the neighborhoods surrounding the airport. Lighting upgrades are in progress to make the runway more attractive to corporate clients.

Ms. Nystrom pointed out the three zones at Falcon Field; namely, the Historic, the East Side Zone and the Leading Edge Zone. The Historic Zone, located at the southern portion of the airport where everything began, is home to World War II hangers which although they have definitive personality, are in need of upgrading and improving in order to make a more positive impression of the area. New design standards are underway for new tenants as well as tenants that choose to resign leases. These standards include such items as updated signage, road configuration and landscape improvements. With much itinerant traffic around the terminal area, renovations for the terminal building are needed with a post office and taxi lane planned in the future.

Marketing efforts continue on the East Side and Leading Edge Zones with 64 acres of land on the northwest side also owned by the airport designed for non-aeronautical purposes. The airport is self-sustaining and not dependent on city funds. Falcon Field has a great history and has potential for corporate and aviation growth to respond to the needs of the future.

Ms. Terry Benelli inquired about the future of the water tower.

Ms. Nystrom assured the Board that the water tower is a fixture and will be upgraded as part of the overall development. The community sees the tower as an icon and the pilots use it as a beacon.

Vice-chair Rich Adams queried regarding FAA flight patterns; specifically, whether or not Sky Harbor limits development for Falcon Field.

Ms. Nystrom assured the Board that Sky Harbor functions in Class D airspace whereas Falcon Field is mostly interested in Class B lower level airspace. She further opined that the biggest asset for Falcon Field is its location in that there is great proximity to the Loop 202 freeway, 15 minutes from downtown Mesa as well as quick access to Tempe among other assets.

Chair Crockett asked about the coordination of economic development with the airport and the City.

Ms. Nystrom confirmed that there are open lines of communication with the City of Mesa with continual cooperation and a good working relationship.

Chair Crockett further inquired whether or not there are economic developments specifically designed for airports.

Mr. Bill Jabjiniak stated that although there is much interaction as an economic driver, there are no specific designs for aeronautical institutions. He further reiterated that much investment with capital improvements continues with Falcon Field rated the fifth busiest general aviation airport in the country. Boeing has its own access to Falcon Field runways as they sometimes use the access for training and some testing of Apache Helicopters. MD Helicopters also has access to Falcon Field runways.

Ms. Nystrom pointed out there are currently 403 hangers in the airport. The airport also owns property to the west of the airport as well as a parcel to the south.

Chair Crockett inquired whether a bridge across Greenfield was possible.

Ms. Nystrom assured the Board that this is not a possibility at this time.

Mr. Steve Shope queried regarding the airports relationship with the neighboring communities, specifically regarding noise abatement.

Ms. Nystrom stated that 99% of the parcels of land around the airport have a navigation/noise abatement easement which home buyers were made aware of at the time of purchase. The airport strives to maintain common ground with residents as well as users. When the flight academy commenced in 2007, there was a spike in operations and noticeable elevation of air traffic. Voluntary noise abatement procedures have been put into place. The tenants and flight academy have made a commendable effort with a set of procedures such as no flight training at night and if there is no wind they take off to the north instead of the south.

Mr. Steve Wood inquired about jet traffic and jet fuel considerations for the airport.

Ms. Nystrom stated that projections nationally are that corporate jet traffic and business general aviation will continue to grow. Fuel flowage fee from jet fuel purchases has continued to grow as well. Recreational usage nationwide is projected to remain the same; specifically, due to the expense of flying, fuel prices, insurance as well as the great expense to maintain an aircraft. The ratio of general aviation fuel to jet fuel is approximately 40/60 at this time, by Ms. Nystrom's rough estimate.

Vice-chair Adams pointed out that the city's General Plan focuses on streets and motor vehicle transportation with little focus on air traffic and wondered how these dovetail.

Ms. Nystrom stated that Falcon Field has to be a part of the General Plan and communicate regularly with planning. With a Master Plan completed, Falcon Field has a good working relationship with the city.

Mr. Jabjiniak confirmed that Boeing has expanded with more property west of the airport. He would like to see them develop further in the area beyond Apache training.

Ms. Nystrom stated that regular communication between Falcon Field and Boeing is ongoing.

The Board reviewed the positive working relationship between Mesa Gateway and Falcon Field in that they are found to be cooperative and complement one another as opposed to competing.

#### **5. General Plan Update**

Vice-chair Adams stated February 6, 2013 Planning Advisory Committee (PAC) meeting will include discussions focusing on housing and transit along with discussions involving water, utilities, and neighborhood areas. Progress is being made with light rail and other car transport reduction issues in the city.

Mr. Jabjiniak inquired about economic development in the General Plan.

Vice-chair Adams stated that this topic has always been elevated at the forefront and a constant awareness of economic development is included in all discussions.

#### **6. Healthcare Update**

Ms. Terry Benelli believes a completed report and recommendations will be available at the April meeting. She toured the algae facility at ASU Poly in January as well as held a meeting with Banner to discuss the Simulation Center partnership.

Chair Crockett inquired about the use of algae in healthcare.

Ms. Benelli as well as Ms. Mitzi Montoya reiterated that algae have many uses medicinally including such algae items as a source of antioxidants and supplements in food.

Vice-chair Adams inquired about the amount of space needed to produce algae.

Ms. Montoya responded that much space is needed for its development. The research is focusing on micro sites such as rooftops and developing vertical cultivating sites are considerations being made. Research facilities need greenhouses for algae.

Vice-chair Adams asked whether algae replenishes quickly.

Ms. Montoya stated it is the fastest growing living organism. Studies include development naturally as well as genetic reproduction.

#### **7. Update on AZ Labs**

Mr. Brian Campbell stated the Federal Aviation Administration (FAA) will have an imminent Screening Information Request (SIR) announcement as soon as political issues are resolved. The FAA SIR will ask states to compete for one of six sites the FAA must

designate for the testing and integration of Unmanned Aerial Vehicles (UAVs) technology in domestic airspace. Arizona needs to keep discussions open and demonstrate excitement over this issue with optimism to political as well as media outlets.

As far as the Economic Development Authority (EDA) Conveyance is concerned, Mr. Campbell confirmed that the City is currently under an interim lease. The final decision still lies with the Air Force bureaucracy. As previously discussed, the sequestration and military cuts are affecting and slowing down the process of the conveyance. The terms of the conveyance lease expires at the end of the calendar year.

The AZ Labs are looking to non-military sources to lease space in the interim.

## **8. Director's Report**

Mr. Jabjiniak reintroduced Kelley Keffer as the new Management Assistant in the office. Mr. Alex Finter was elected as Vice-Mayor for the city on Monday, February 4, 2013.

A business round table luncheon is scheduled for February 12, 2013, at Waxie with guest Amy Trethaway. An emphasis on Counts on College and similar topics are slated for discussion. Construction continues on schedule at 225 East Main Street. Occupancy is expected for July with classes beginning in August.

The Mesa Center for Higher Education construction continues on schedule and on budget on West Second Street. Branding is formulating for Mesa Educates U with an app for Apple currently available and an Android version expected in approximately 10 days. Accolades from public officials, as well as the community, have been recognized.

Chair Crockett opened discussions involving the GPEC Board meeting last week. GPEC is targeting California businesses for enticement to move to Arizona. Marketing to businesses around the country is the current challenge. They are also finding the Executives of the California companies have concerns regarding the quality of education in the Arizona schools and are not familiar with the branding of the area.

Mr. Jabjiniak stated that retention of talent work force is necessary. He further reminded the Board that the challenge of negativity toward the K-12 schools is why the Gates Foundation Grant is targeting education. He reiterated his recent visit to Boston surrounding the Education Initiative. Specifically, he noted other cities were astonished at the accomplishments made by Mesa in a short period of time.

Mr. Jabjiniak further indicated that a partnership agreement with ASU Business Accelerator was championed recently by former Vice-Mayor Mr. Scott Somers. This is an opportunity to partner with ASU Poly located next to the lab in an ASU classroom across the street from the airport with a collaboration and innovation focus.

Vice-chair Adams pondered whether or not the accomplishments regarding liberal arts schools would have been the same if the program had been realized ten years ago. He further wondered if there was some magic formula or if everything just fell into place at the right time.

Mr. Jabjiniak believes a different approach of listening to schools, of the city financing the new institutions on its balance sheet with option to grow and the consortium of cooperation between the schools has been the key. He does not believe every city would be willing to take that risk. He pointed out that approximately 27,000 community college students in the area is one of the largest in the country.

Vice-chair Adams stated that the approach was like a business as opposed to a municipality.

Ms. Jo Wilson further opined that Benedictine University was attracted by the enticement of alignment with the Mayor, City Manager and City Council members with similar visions.

Mr. Jabjiniak revealed that the Mayor's Breakfast recently introduced the idea of an Innovation District; namely, the Mayor identified four areas of the city with no specific details but with a priority focus on jobs. He would like to see this Board involved in this idea. A subcommittee could be formed to further investigate options and develop ideas. There are no specific details at this time; however a power and knowledge corridor was mentioned which he believes would tie into Phoenix-Mesa Gateway Airport area. The Fiesta area was mentioned as well as other major assets such as Banner and Mesa Community Colleges.

Chair Crockett inquired whether the Mayor has a broad vision and if he is looking for assistance with implementation.

Mr. Jabjiniak sees this as a broad idea with professional implementation. Discussions ensued regarding volunteers to investigate the matter further. Mr. Jabjiniak offered his staff to look at best practices. There is currently no formal plan but rather a discussion phase at this point.

Mr. Jabjiniak stated Business to Baseball (B2B) is here, starting at the end of the month. Three special days are scheduled; March 7, Education Discover Weekend the 9<sup>th</sup>, and Industry Day the 19<sup>th</sup>. He encouraged EDAB Board to attend as schedules permitted.

## **9. GPEC Update**

Mr. Campbell announced the Metro Business Plan is taking shape between GPEC and Maricopa Association of Governments (MAG). Mayors Smith, Stanton, and Lopez are working cooperatively for science and technology innovation with a focus on resources and encouragement in strategies. Further planning discussions will include creation of a Regional Science and Technology fund. GPEC is assisting with education marketing using Mesa schools in the K-12 systems as the tip of the spear. The high performing schools are the focus. The K-12 system is under-funded by \$2.47 billion according to GPEC research. GPEC has further created white papers comparing Phoenix to other regions such as Austin, Salt Lake City and Denver. When comparing ASU to Austin, ASU's ranking is superior which will be focused on.

Mr. Shope believes an emphasis on the education component should focus on how the state has reduced funding. Mr. Campbell responded that California companies

considering Arizona are doing their own research and noted that other states have a heavier investment in education. Dr. Crow of ASU recently pointed out that \$800 million at Georgia Tech was invested to hire engineering faculty and Arizona has this type of need. The message and mission should focus on excellence and accessible in terms of cost.

Mr. Shope stated that GPEC is leading this effort.

Mr. Jabjiniak inquired about Market Intelligence coming out with the report.

Mr. Campbell responded that due to concerns about the current market which is closely tied to defense, reports are yet to be forthcoming.

The Board discussed the issues regarding the fear of sequestration and budget cuts in the focus on aerospace and defense. Mr. Crockett reiterated the branding issue for Arizona; namely, California companies have told GPEC they do not really know what Phoenix has to offer whereas there is more clarity in well-established communities such as Austin and Denver.

#### **10. Other Business**

Chair Crockett recognized Mr. Lynn Kusy, CEO of Phoenix-Mesa Gateway Airport, who will be retiring in March 2013. The Board congratulated him on his remarkable work and efforts.

Mr. Kusy responded that he has appreciated the City of Mesa's support and assured the Board that he desires to leave the airport better than he found it.

Tuesday, March 5, 2013, will be the next board meeting. Chair Crockett stated the meeting will be held at one of the Banner facilities, yet to be determined.

#### **11. Adjournment**

Chair Crockett adjourned the Board meeting at 9:01 a.m.

Submitted By:



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