



ENTERPRISE ZONE COMMISSION

July 14, 2011

The Enterprise Zone Commission of the City of Mesa met in the lower level meeting room of the Council Chambers, 57 East 1st Street, on July 14, 2011 at 5:00 p.m.

MEMBERS PRESENT	MEMBERS ABSENT	STAFF PRESENT
Mayor Scott Smith Alex Finter Christopher Glover Dina Higgins Dennis Kavanaugh, Chairman Dave Richins Scott Somers	None	Christopher Brady Debbie Spinner Linda Crocker

Chairman Kavanaugh reported that there has been significant activity this year within the Enterprise Zone however, this will be the last meeting of the Enterprise Zone Commission, due to changes in State law. He advised that staff will be making a recommendation that the Enterprise Zone Commission be dissolved.

1. Hear a presentation, discuss and authorize the submission of the FY 10/11 Annual Report and make a recommendation on dissolving the Enterprise Zone Commission.

Economic Development Project Manager Shea Joachim displayed a PowerPoint presentation (**See Attachment 1**) and said that the Enterprise Zone was established in 2005 and covers approximately 7 square miles in the western portion of the City. He advised that the Commission will be asked to authorize the submission of the City of Mesa Enterprise Zone Annual Report for the FY 2010/11 to the Arizona Commerce Authority, as well as discuss and take action on recent legislative changes to Arizona's Enterprise Zone Program. (See Pages 2 & 3 of Attachment 1)

Mr. Joachim advised that the Annual Report is one of the statutory requirements of the program. He said the report showcases some of the progress that has been made towards program goals and highlights some of the business investment activity inside the zone. He reported that there has been significant activity this year and noted the relocation of Crescent Crown Distributing and PCT International to the Enterprise Zone.

Mr. Joachim reported that in February, Governor Brewer signed into law what was called the Arizona Competitiveness Package which changes the economic development landscape in Arizona. He noted that HB2001 is summarized in Exhibit 5 of the packet that was provided to the Commission. He explained that the bill replaces the Enterprise Zone with the Quality Jobs Tax Credit Program. He advised that the Competitiveness Package is available to businesses Statewide whereas, the Enterprise Zone benefits were only available to businesses within the Enterprise Zone. In addition, he said that the Enterprise Zone included a property tax reclassification benefit for eligible businesses and the Competitiveness Package does not provide a similar program.

Mr. Joachim advised that the Enterprise Zone expired as of July 1, 2011. He said that businesses that were participating in the program or were certified eligible for the program prior to July 1, will be able to continue to take advantage of the benefits of the Enterprise Zone as it existed previously. He stated that staff has reached out to each of the participating businesses, as well as those that were certified eligible by the Commerce Authority prior to July 1, to inform them of the change and make sure they are aware of what it will mean going forward. In addition, he said because the duties of the Enterprise Zone Commission have been replaced the Commission has also been relieved of their responsibilities.

Mr. Joachim stated that staff recommends that the Mesa Enterprise Zone Commission authorize the submission of the City of Mesa Enterprise Zone Annual Report for the FY10/11 to the Arizona Commerce Authority and that a recommendation be made to the City Council that the Mesa Enterprise Zone Commission be dissolved. (See Page 6 of Attachment 1)

In response to a question from Commission Woman Higgins, Mr. Joachim explained that it would be the responsibility of the Arizona Commerce Authority to track the success of the Competitiveness Package in the same way the progress of the Enterprise Zone is tracked.

Responding to a question from Commission Member Richins, Mr. Joachim explained that businesses that are currently under the Enterprise Zone benefits can apply for the new Quality Jobs Tax Credits. He said that it is unlikely that an Enterprise Zone business would pursue the Quality Jobs Tax Credits due to the requirements being more stringent. He advised that businesses that are currently under the Enterprise Zone are required to report every year and provide information directly to the Arizona Commerce Authority. He stated that the Arizona Commerce Authority will continue to provide a report of activities within the Enterprise Zone after the expiration of the program. He added that if it is the desire of the Council to see how business activity is progressing, a report can be provided to the Council.

Commission Member Richins expressed his desire to at least annually be updated on how the businesses in the Enterprise Zone are progressing.

Chairman Kavanaugh commented that the concept of the Enterprise Zone was to encourage reinvestment in the communities. He said that the new Statewide program may not be as effective in the rural areas since the program does not have boundaries and businesses can locate anywhere in the State.

It was moved by Commission Member Richins, seconded by Commission Member Somers, to recommend that the City of Mesa Annual Report for FY10/11 be accepted and that the Enterprise Zone Commission be dissolved with a caveat that there be a reporting mechanism for the businesses that are participating in the Enterprise Zone program for the next five years.

Carried unanimously.

2. Items from citizens present.

There were no items from citizens present.

3. Adjournment.

Without objection, the Enterprise Zone Commission adjourned at 5:09 p.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Enterprise Zone Commission meeting of the City of Mesa, Arizona, held on the 14th day of July 2011. I further certify that the meeting was duly called and held and that a quorum was present.

LINDA CROCKER, CITY CLERK

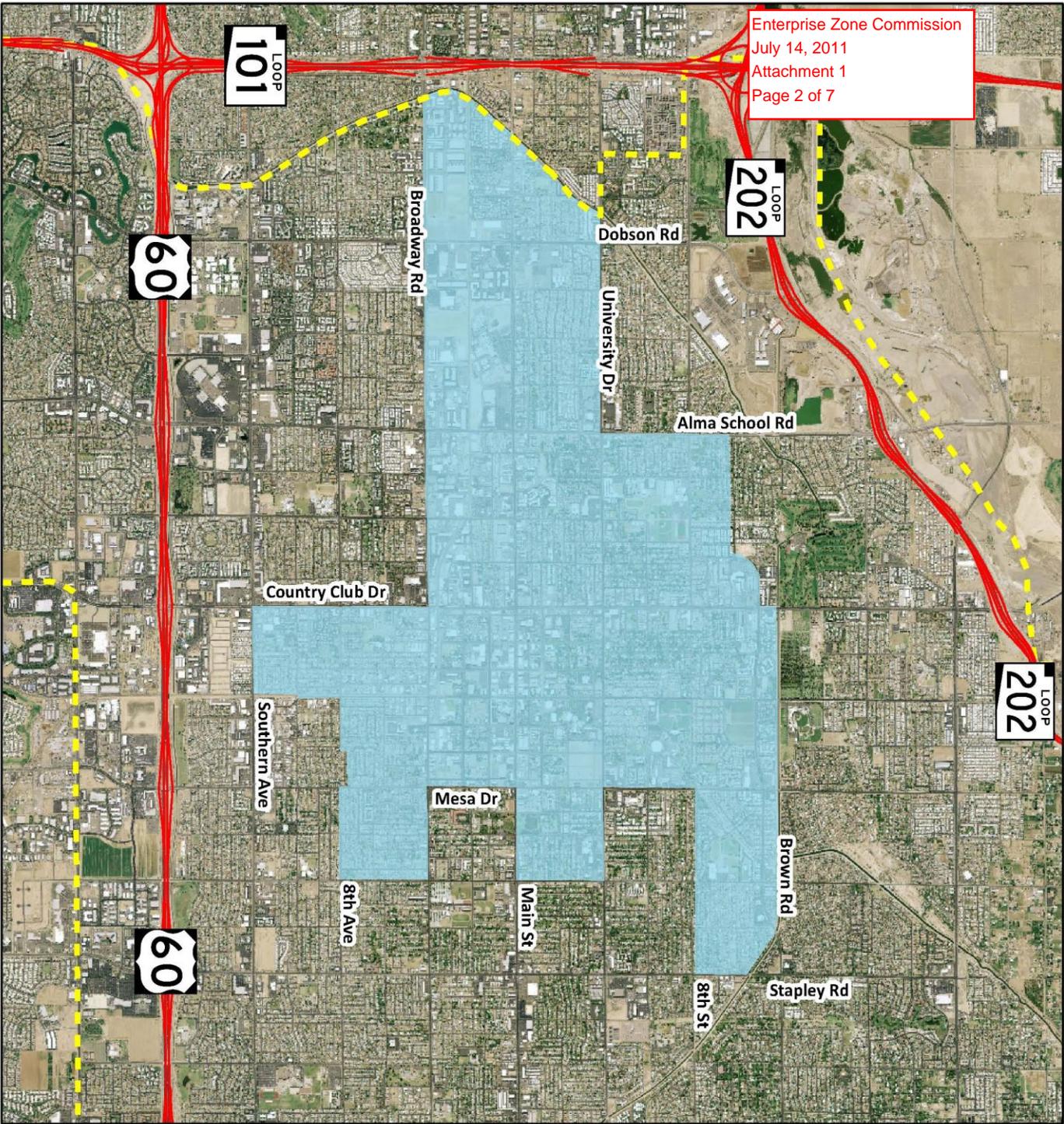
bdw
(attachment – 1)

Mesa Enterprise Zone

A Presentation to the
Mesa Enterprise Zone Commission

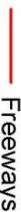
7-14-2011





Mesa Enterprise Zone

Legend

-  Freeways
-  Mesa City Limits
-  Mesa Enterprise Zone



The City of Mesa makes no claims concerning the accuracy of the information provided nor assumes any liability resulting from the use of the information herein.
 Printed by: Office of Economic Development
 Print Date: 6-20-2008





Action Items

- 1) Authorize the submission of the FY10/11 Annual Report to the Arizona Commerce Authority
- 2) Discuss and take action on recent legislative changes to Arizona's Enterprise Zone Program



FY10/11 Annual Report

- Legal requirements
- Progress towards goals
- Recent business investment activity



Legislative Changes

- Arizona Competitiveness Package (HB2001)
- Impact on participating businesses
- Business Outreach – Existing Participants
- Impact on Mesa Enterprise Zone Commission



Staff Recommendations

- 1) The Mesa Enterprise Zone Commission authorize staff to submit the FY10/11 Annual Report to the Arizona Commerce Authority
- 2) The Mesa Enterprise Zone Commission recommend to the Mesa City Council that the Mesa Enterprise Zone Commission be dissolved

Questions?

