

Office of Economic Development
Economic Development Advisory Board
MEETING MINUTES

Date: September 14, 2004: 7:03 a.m.

MEMBERS PRESENT

Gary Smith
Raul Cardenas
Michael Garcia
Vernon Mathern
Patricia Schroeder
David Woods
James Zaharis

EX-OFFICIO

Mayor Keno Hawker (excused)
Mike Hutchinson
Charlie Deaton
Debra Duvall
Jack Sellers

STAFF PRESENT

Betsy Adams
Sue Cason
Harold Decker
Richard Mulligan
Scot Rigby

GUESTS

Bob Brinton
Marty DeRito
Vince DeBella
Teresa Brice-Heames
Blake Hertzog
Knox Kimberly
Bob McNichols

Kevin Myles
Julie Rice
Bob Saemisch
Mark Stanton
David Udall
Jennifer Urquhart
Lois Yates

MEMBERS ABSENT

Don Evans (excused)
Linda Flick (excused)

Chair Gary Smith called the September 14, 2004 meeting of the Economic Development Advisory Board to order at 7:03 A.M. in the City of Mesa Plaza Building, 20 East Main Street, Room 170.

Chair Smith called for a motion to approve the minutes from the meeting held August 3, 2004.

MOTION: Ms. Debra Duvall moved that minutes from August 3, 2004 be approved.

SECOND: Mr. Vernon Mathern.

DECISION: Passed unanimously.

1. EDAB Chair/Vice-Chair Succession Planning

Chair Smith commented that this item was deferred from last month's meeting. It was suggested from last month's meeting that more members be present to discuss

and elect successors. Chair Smith commented on the process of choosing successors for Chair and Vice-Chair. Chair Smith's and Vice-Chair Linda Flick's terms will be over June 2005.

Chair Smith explained that it would be advisable to replace at least one of them now or to establish a chair and vice-chair elect for next year so there would be some overlap/orientation. Chair Smith opened the topic up for discussion with successors to be determined.

Ms. Debra Duvall commented that with Chair Smith and Vice-Chair Linda Flick leaving the board it would make sense to have two people readying themselves for the leadership roles. Ms. Debra Duvall recommended that a chair and vice-chair elect be established and for the elected to take part in leadership/mentoring training.

MOTION: Mr. Vern Mathern moved that Ms. Patricia Schroeder be elected as Chair-elect and Mr. Michael Garcia as Vice-Chair elect to understudy the current Chair and Vice-Chair.

SECOND: Mr. Raul Cardenas.

DECISION: Passed unanimously.

2. Riverview at Dobson

Kimco Development/DeRito Partners

Chair Smith introduced Mr. David Udall, representing attorney for Kimco Development/De Rito Partners. Mr. Udall gave a brief review of the project that was brought before EDAB several months ago. Previously at this site, a shopping center project was presented several months ago, which resulted in criticism from the city and residents wanting a higher quality project than the one proposed. Kimco Development/DeRito Partner came away from that process recognizing that the community wants a destination, something new, something exciting with entertainment and restaurants. Consequently, the developers are here before EDAB to present a new proposed destination development that has received tentative agreement with the City Council.

A development agreement, in principal, has been accorded that would provide a Bass Pro Shops as one of the anchor tenants. This will be the first entry into Arizona for a Bass Pro Shops. The second anchor will include a major national, cinema company called Cinemark. Cinemark will open with 16 screens at the site and would like to break ground in January 2005, with an opening of the cinemas in the summer of 2005. The fast tract goal of being opened by summer 2005 is Cinemark's goal of having one year to become the established movie theater complex in this region of the community.

Neighborhood Outreach: The first neighborhood meeting has been held and was well attended with over 100 people. The second neighborhood meeting will be held September 14 at 6:00 p.m.

Mr. Udall turned the rest of the presentation over to project architects Mr. Bob Saemisch and Mr. Vince Dibella, along with Mr. Marty DeRito.

Mr. Saemisch and Mr. DeRito continued with the presentation, explaining that the design is well laid out with a focus on creating pedestrian walkways, seats, shade trees, palm trees and plenty of other shade, plus a signature water feature. This project, in their mind, will be a real turning point for Mesa by providing a definitive destination attraction.

The Bass Pro Shops will be the lead tenant with a 175,000-200,000 square foot store. Bass Pro Shops store is planning a two-story building with a major entryway. The project overall, has the potential for creating 3,500 jobs including the auto park. That does not include the employment center. It's estimated that Riverview at Dobson development will generate approximately \$300,000,000 in sales tax revenue over a 30-year period. The auto park is estimated to generate \$100,000,000 in sales tax revenue and the remaining \$200,000,000 in sales tax revenue will come from the rest of the development. All buildings will have four sides to enter and a variety of restaurants with both inside and outside dining.

In response to a Board member's question, Mr. Saemisch explained that the deal makers and breakers would be zoning, a development agreement and the ability to move the process quickly.

Mr. DeRito did indicate that they would be in charge of the open spaces within the development. Mr. DeRito also explained that tenants couldn't be secured until there is a definitive opening date for the project. He stated that the auto park would have new dealers, not presently in Mesa, which will result in new tax revenue money coming into Mesa.

Mr. Harold Decker has been working with three developers relating to the identified employment center parcel. Mr. Bob Brinton, of the Convention and Visitors Bureau, would like 4 acres set aside for a hotel. The Bass Pro Shops will attract people from all over and will necessitate a stay-over for a majority of people. The Bass Pro Shops is a tourist attraction alone.

City Manager Mike Hutchinson referred to the handout sheet related to a proposed incentive package totaling \$42,000,000. Additionally, Mr. Hutchinson relayed that auto dealers will be leaving arterial street locations for freeway frontage locations in the near future as mandated by the car dealers' headquarters. It's not a matter if the dealers will be leaving the arterial streets, but when they will be leaving. Mesa is trying to keep the dealers from leaving Mesa and looking ahead to prepare areas for them to move to.

Chair Smith commended Kimco Development/ De Rito Partners and the Architects for bringing such a first class project to Mesa.

MOTION: Mr. James Zaharis moved and recommended that EDAB indicate to the City Council, EDAB's strong support and recommend expeditious processing through the City for the Riverview at Dobson project.

SECOND: Mr. Michael Garcia.

DECISION: Passed unanimously.

3. General Election Ballot Issues

Triadvocates, LLC

Chair Smith welcomed and introduced Ms. Julie Rice and Mr. Knox Kimberly from Triadvocates, LLC. Chair Smith referred to the handout materials and suggested that the materials be reviewed, as well as followed, in conjunction with the presentation for further understanding of the ballot propositions. The meeting was turned over to Ms. Rice and Mr. Kimberly for their presentation.

A summary of several key Propositions follows:

Proposition 100 – State Lands

Authorizes Arizona State Land Department to exchange State Trust Land for other public land(s) of similar value if in the best interest of the State and the exchange conserves open space or assists in preservation of military airports.

Proposition 102 – Public Department Revenue and Taxation (University Technology Transfer)

Amends State Constitution to allow State universities to license or transfer interests in technology or intellectual property they have created or acquired in exchange for interests and securities in a company or corporation.

***Chair Smith asked that the minutes reflect, and are bolded for clarification purposes, that on the ballot for Proposition 102 it is titled as Public Department Revenue and Taxation (University Technology Transfer).**

Proposition 200 – Protect Arizona Now

Amends A.R.S. to require proof of citizenship for voting. Also requires local and state governments to verify applicant's identity, immigration status and eligibility for

benefits that are not federally mandated. Violations of federal immigration law must be reported to federal immigration authorities.

Proposition 400 – Maricopa County Transportation Tax Extension

Approval authorizes extension of twenty-year half-cent Maricopa County excise tax for the further expansion of regional transportation network.

Proposition 401 – Maricopa Community Colleges Bond

Authorizes MCCD to issue and sell \$951,359,000 in G.O. bonds. These funds would be used for capital projects.

After discussion, it was agreed upon that several Propositions are important public policy structure issues and are issues supportive of economic development.

MOTION: Mr. Jim Zaharis moved that EDAB recommend support of Propositions 100, 102, 400 and 401. EDAB supports these Propositions as important issues relating to the quality of infrastructure in the state. EDAB opposes Proposition 200 on the belief that it has confusing, unintended consequences that could harm the citizens and the economy of the state.

SECOND: Mr. Raul Cardenas.

DECISION: Passed unanimously.

4. Future Focus

Vibrant Culture – Thriving Economy

Chair Smith encouraged board members to read through the booklet handed out on the Vibrant Culture – Thriving Economy: Arts, Culture and Prosperity in Arizona's Valley of the Sun. This booklet was prepared for the Maricopa Regional Arts and Culture Task Force in May 2004.

Mr. Richard Mulligan explained that on page iv of the booklet it tells of the Task Force recommendations, of which former Vice Mayor Dennis Kavanaugh was on and was a strong supporter.

The recommendation: Create a regional arts and culture partnership.

The Task Force believes that establishing a private, nonprofit organization is a critical first step to achieving the mission and vision of creating a regional partnership. The partnership will:

- Advocate for support of the arts and culture in the Valley
- Promote arts and culture, and position it in the Valley's economic priorities

- Build political and business support for the arts and culture
- Develop public and private sector funding for arts and culture
- Create partnerships and collaborations in arts and culture

Recommendation: Implement Strategies and actions to achieve the mission and vision.

In the booklet on page iv are listed the Task Force's strategies and actions. Page v is about moving forward with the Task Force and establishes a work plan with three phases.

Within two to three years:

1. Initial organizing activities
2. Implement the agenda

Within five years:

3. Fully funded, fully supported arts and culture

5. Staff Reports

Chair Smith encouraged EDAB members to read the information in the packet.

- Development Advisory Forum: August 11, 2004
- Monthly Report: July 2004

Chair Smith encouraged EDAB members to look at the monthly report. He commented on the good beginning of the fiscal year.

6. Other Business: Public and Board Comments

Chair Smith encouraged EDAB members to review the information provided in the agenda packet.

Ms. Debra Duvall suggested that letters of support be sent to the group or groups and media that support Propositions that EDAB is also in support. Also, letters should be sent to the groups that are in support of Proposition 200, explaining EDAB's position of nonsupport.

Chair Smith agreed to write and submit the letters to the proper groups. He will also work closely with Knox Kimberly and Julie Rice to reach the proper people.

MOTION: David Woods moved that the letters of support and nonsupport of the Propositions be sent to the media.

SECOND: Mike Garcia.

DECISION: Passed unanimously.

Chair Smith suggested that the agenda next month include the first and second response to a complaint from the Marble Slab Creamery regarding the problems with the permitting issues.

Patricia Schroeder commented on the Financing the Future Citizens Committee. The Committee found out that there was a lot of diversity among the Finance Committee members. Some members are becoming concerned about political agendas that are sitting under the surface. In addition, articles in the newspaper about the need for billions of dollars for streets were overblown, and the Committee hasn't discussed or hasn't taken a position on this item. The Committee has not even agreed that the recommended figure is a legitimate number. Ms. Schroeder commented that the City Transportation Division heavily lobbied the Finance Committee and that they had a solution, identifying a dedicated source of revenue. This has not been discussed or agreed to, but something Transportation proposed to the Committee.

Mr. Jack Sellers commented that GPEC had a Leadership Retreat, September 10. The purpose was to establish a long-range economic plan for the region. It was well attended and well represented by people from Mesa. One of the most significant things that is now happening, in the formation of a long-range plan, is recognition that we are now competing on a broader, world-wide basis rather than just the off-springs of the San Diegos. The long-range plan is intended to take a different outlook with the purpose of making our region more competitive internationally.

Mr. Vernon Mathern also commented on attending the GPEC Leadership Retreat on September 10. He expressed that he came away with a very favorable impression with what GPEC does. Mr. Mathern had an in-depth conversation with Dr. Ron King with T-Gen (Translational Genomics Research Institute). They talked about what T-Gen is doing in Phoenix. Mr. Mathern commented on a presentation at Mesa Community College a few months back about how many high school teachers are very enthusiastic and excited about teaching Bio-Sciences here in Mesa, and also how the community college is linked in with ASU, etc. A company in the Bay area called Bio-Rad Laboratories would be a choice company to locate on the Hurley property. Dr. King thought Mesa had an opportunity to invite them as a possible company interested in expanding. Mr. Mathern expressed interest in pursuing the company to come to Mesa.

Ms. Debra Duvall commented that Bio-Rad Laboratories is a major company that Mesa Public Schools does business with. It would save MPS a lot of money in shipping if they were located in Mesa.

Chair Smith appreciated and thanked the Board members for their insightful thoughts and input in the meeting and topics.

Chair Smith reminded and encouraged board members to remember to sign up for the upcoming City Council Meetings and Study Sessions.

It was noted that the next EDAB meeting would be held October 5, 2004.

7. **Adjournment**

There being no further business, Chair Smith adjourned the meeting at 9:07 A.M.

Submitted By:

Richard K. Mulligan, CEcD
Economic Development Director