

MEETING MINUTES

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

Date: May 5, 2015 Time: 7:30 A.M.

MEMBERS PRESENT

Terry Benelli
James Christensen
Natascha Ovando-Karadsheh
Dominic Perry
Jeff Pitcher
Steve Shope
Robert Stanger
Jo Wilson

EX-OFFICIO

Mayor John Giles (excused)
Chris Brady (excused)
Brian Campbell
Jeff Crockett
Sally Harrison

STAFF PRESENT

Bill Jabjiniak
Lori Gary
Karen McNulty

MEMBERS ABSENT

Rich Adams (excused)
Laura Snow (excused)

GUESTS

Councilmember Kevin Thompson
Angela Creedon, Associate Vice President, Community & Municipal Relations, Arizona State University
John Creer, Assistant Vice President for Real Estate Development, Arizona State University

1. Chair's Call To Order

Mr. Campbell called the May 5, 2015 meeting of the Economic Development Advisory Board to order at 7:32 A.M. at the City Council Chambers, Lower Level, 57 E. 1st Street, Mesa, AZ 85201. Due to Chair Snow's absence, Mr. Campbell chaired this meeting.

2. Items from Citizens Present

None.

3. Approval of Minutes from the April 7, 2015 Board Meeting

Mr. Campbell called for a motion to approve the minutes from the meeting held on April 7, 2015.

MOTION: Mr. Pitcher made a motion to approve the minutes.

SECOND: Ms. Wilson

DECISION: Passed unanimously

4. Discussion and Update of Arizona State University (ASU) Polytechnic Campus

Angela Creedon, Associate Vice President, Community & Municipal Relations, Arizona State University (ASU) presented an update on the ASU Polytechnic Campus and its economic impact.

- **Economic impact of ASU graduates in Arizona:**

- Roughly 207,000 ASU graduates worked in Arizona in 2012, earning an estimated \$11.4 billion. They directly contributed an estimated \$819 million in state taxes.
- A two percentage point increase in the share of university graduates in the workplace would equal an estimated \$1.2 billion gain in income and an additional \$87 million in state tax payments.

Speaking specifically about the Poly campus:

- **ASU Polytechnic campus growth -**
 - Poly campus opened in 1996 with 700 students
 - Currently 11,000 students commute to Poly campus programs
 - Approximately 5,000 students attend Poly campus
 - 500 freshmen living on campus
 - 1,000 students living in residence halls at Poly
 - Goal for fall: 630 freshman
 - 2018: second residence hall will open (≈ 400 beds)
 - Goal: 20,000 students at Poly
 - LDS Institute Dedication
 - Preliminary long-term plans for South Desert Village discussion for Research Park
- **New programs being offered at the Polytechnic campus:**
 - Political Science, approved for fall 2015
 - Math, approved for fall 2016
 - Physics, proposed to launch in fall 2016
 - Organizational Leadership, tentative fall 2015
 - General Studies, fall 2015
 - Liberal Studies, tentatively fall 2015
 - Other degrees are planned—some in collaboration with Fulton Schools of Engineering
- **College of Letters and Sciences - recent highlights:**
 - New applied biological sciences major tracks in pre-veterinary medicine, sustainable horticulture, natural resource ecology
 - Technical communication BA, MS and certificates, online and onsite
 - Center for Writing and Recording Family History community outreach
 - Superstition Review online magazine produced by creative writing and web design students
 - New senior scholar in U.S. Civil War and Reconstruction history, new assistant professors in microbial ecology

ASU Poly Real Estate

John Creer, Assistant Vice President for Real Estate Development, Arizona State University, shared with the Board the future of the development for the campus. The main piece of property at ASU Poly is the south 300 acres which are undeveloped. Mr. Creer shared plans and drawings for this area. 50 to 100 acres will have to be set aside to allow for open spaces and will be negotiated with the state and tribes. The property has issues that are manageable but time consuming - archeological, environmental, infrastructure and market considerations. A research park will be developed which will provide opportunities to market directly for the attraction of companies that want to be adjacent to the university. Discussions are also taking place with the airport.

The master plan will probably start in about a year and will be done mainly in the form of what can and can't be developed based on studies, and then matched against the market and absorption. This will be a two to three story business park; engineering/applied science related. The goal is to partner with companies where ASU students can utilize these companies for both internships and for jobs in the future. Within three to four months an infrastructure study will be done and then followed by a market study. This will be a one and a half to two year process. Mr. Creer requested ideas from the Board on companies they feel would be interested and noted the time line could be accelerated if a project develops.

Responses to the Board inquires:

- Regarding student attractions - within the 300 acres there will be some commercial pockets to attract students, the market will drive and impact these projects.
- Campus proper has restrictions; some areas have had restrictions lifted.
- Complementary type development as opposed to competitive type development.

Councilmember Thompson noted he is happy the ASU Poly campus is in Mesa. He is looking forward to the research park and feels it will do a lot for District 6, citizens and students, and is looking forward to working with ASU.

Mr. Jabjiniak noted staff is working and involved in the project and infrastructure. The key, and challenge, is to find the right vision for this site.

5. Mesa Town Center Redevelopment Plan Progress Report

Lori Gary, Project Manager, gave an overview to the Board on the history of the current Town Center Redevelopment Area and Central Business District boundaries, with emphasis on the Mesa Town Center Redevelopment Plan including the activity areas within the Plan. She also updated the Board on the major accomplishments in all the areas of the plan.

Several projects and accomplishments were highlighted such as Light Rail (transportation), Desert Eagle Brewing Company (structural renovation), Sprinkler Cost Assistance Program (structural renovation), the former Mesa Tribune building (structural renovation/private development) and the former Sunkist / Mesa Citrus Growers building (incorporated high-tech manufacturing, structural renovation and private development). Benedictine University was formerly the South Side Hospital (structural renovation and public development) and the former City Municipal Court is now a multi-tenant higher education facility (structural renovation and public development). Other updates on Mesa Town Center Redevelopment Plan accomplishments in public development, private development, or residential conservation activity areas include the Mesa Arts Center, Pioneer Park, Infrastructure upgrade in alleyways, i.d.e.a Museum, Save the Family Headquarters, Encore on First, One Macdonald Office Building, and Escobedo at Verde Vista.

Progress reported on the business assistance, promotions, and maintenance activity area included Neighborhood Economic Development Corporation's (NEDCO) business technical assistance program which was funded by the City, the energy rebates, and Downtown Mesa Association's and Mesa Art Center's downtown special events. The final activity area for which a progress reported was given was the information, communication, and public relations activity area. Examples of progress made in this activity area included the two downtown summits, downtown brochures, the Office of Economic Development's quarterly newsletters, and broker roadshows.

Mr. Jabjiniak noted the current plan is 15 years old and is an on-going plan; however, it is time to carefully rewrite, think about expanding the redevelopment area and think about which areas can benefit. Mr. Jabjiniak discussed and explained the importance of the financing, resources and programs available and emphasized one of the few economic development tools in the State of Arizona - the government property lease excise tax (GPLET). This offers an eight year primary property tax abatement only if the property is in a redevelopment area and in a central business district. Mr. Jabjiniak expressed the need to drive resources not only to downtown Mesa, but also to the Fiesta District and build on the momentum.

In response to Ms. Wilson's inquiry, the east and west light rail expansion is being discussed.

6. Director's Report

- GPEC Update:
 - Four representatives will be in Washington to represent the region; Rich Adams is one of the representatives who will be in attendance.
 - John Krueger has accepted a position in Sacramento, leaving a vacant position for Business Attraction.

- There are a lot of projects; numbers are up; however, the average wage of those projects are coming down. A lot of back office and call center projects.
- The Velocity Program is in the process of being transitioned to a group that can take it and run with it.
- Marketing & Business Development Activities:
 - Site Selection Magazine has an Arizona focused article forthcoming. The Editor and Chief visited Mesa, interviewed Mayor Giles and Mr. Jabjiniak and was given a tour of the City.
 - April was very active with site selector tours.
 - East Valley Partnership Economic Diversity Summit has received good feedback and opportunities for Mesa and the East Valley. Mr. Campbell noted there was discussion of water issues and advised it should be stressed, driven and promoted that our water structure is in much better shape than some of our competitors.
 - Construction Reporter was intrigued by Mesa and how we get a lot accomplished without a lot of deep pockets.
 - The last broker road show took place and was good dialog. Mr. Jabjiniak advised it is time to think about the next fiscal year broker shows, how they can be improved upon and enhance engagement with the broker community.
 - The budget is forthcoming, Economic Development is in good shape, and most of the cuts have been on the economic investment side versus the general fund. No layoffs in the Economic Development Department.
 - Mr. Christensen suggested Mesa should try to attract community banks. Mr. Jabjiniak advised Mr. Christensen to pass on contact information to the Economic Development Department.

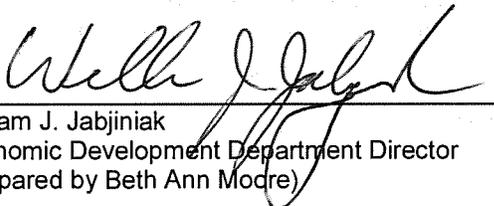
7. Other Business

Mr. Campbell stated the next EDAB meeting will be held on June 2, 2015.

8. Adjournment

Mr. Campbell adjourned the board meeting at 8:56 A.M.

Submitted By:



William J. Jabjiniak
Economic Development Department Director
(Prepared by Beth Ann Modre)