

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

MEETING MINUTES

Date: September 4, 2012 **Time:** 7:30 A.M.

MEMBERS PRESENT

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

EX-OFFICIO

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

STAFF PRESENT

Betsy Adams
Bill Jabjiniak

MEMBERS ABSENT

Jo Wilson (excused)

GUESTS

Roc Arnett
Caryn Sanchez

1. Chair's Call To Order

Chair Jeff Crockett called the September 4, 2012 meeting of the Economic Development Advisory Board to order at 7:36 a.m. at the Department of Transportation, 300 East 6th Street, Mesa, AZ 85201.

2. Items from Citizens Present

None.

3. Approval of Minutes from August 7, 2012, Board Meeting

Chair Crockett called for a motion to approve the minutes from the meeting held on August 7, 2012.

MOTION: Terry Benelli moved that the minutes from August 7, 2012 be approved.

SECOND: Steve Wood

DECISION: Passed unanimously.

4. Education Update

Mr. William Jabjiniak stated the Mesa Counts on College Workforce Development Summit is scheduled for September 18, 2012, to be held at the Phoenix Mesa Hilton. Mr. Tony Siebers and Ms. Jo Wilson are heading up the efforts on this summit. The focus of the summit will be on healthcare in the "Learn to Earn" model.

Mr. Siebers interjected that the project extended out of the Bill and Melinda Gates Foundation Grant obtained by the city and designed to assist/encourage underprivileged youth to attend college and attack labor mismatch issues that cities are experiencing in

the current economy. The Learn to Earn Initiative is modeled after the City of Denver and other cities that essentially bring commerce together with education to provide internships between businesses and schools.

September 19 Benedictine University will sponsor a VIP Reception at their new office located at 51 E. Main Street. Then on the morning of September 20, Benedictine University will be hosting a Ribbon Cutting Ceremony and Open House also held at 51 E. Main Street.

On September 20 Dr. Crowe and ASU are hosting a VIP Reception for the presidents and representatives from new and existing colleges and universities. Additionally, an anticipated announcement in September of a fifth higher education institution has yet to be determined.

September 21 is the Mesa Higher Education Roundtable, Conference and Expo. Events of the morning are designed for the new and established college and university personnel followed by a lunch with the City Council, Mayor and college presidents. The morning event will be held at the Phoenix Marriott Mesa. In the afternoon a Higher Education Conference and Expo will be held at the Mesa Arts Center, Piper Theater. The EDAB Board is encouraged to attend the Higher Education Summit on the 18 and the Higher Education Conference and Expo at the Mesa Arts Center on the 21.

Lastly on September 22, a tour of ASU Poly, and golf available for those interested. Dr. Crowe will host the college and university presidents in his suite for a networking event and football game.

5. Update on AZLabs

Mr. Brian Campbell announced that the Board met last week with significant updates on several projects. Most significantly, the Marketing Initiative or Branding of the Labs has faced challenges because of budgeting constraints, particularly with sequestration. Many contractors and defense clients have been unable to commit with the current uncertainty.

Mr. Jabjiniak led a team along with Mr. Dane Mullenix to Las Vegas for the Unmanned Aerial Systems (UAS) Show in August. The AZLabs was successfully represented and was received with a warm reception in the industry. The federal government has changed the format/requirements for certifying labs going forward; however, AZLabs was grandfathered under former regulations, making it one of the few available lab spaces with a Security clearance.

Mayor Greg Stanton, City of Phoenix, with the U.S. Council of Mayor's Initiative, is leading from Arizona and working with Congress to solve the sequestration issue. Mayor Stanton has lobbied against the draconian cuts called for in the sequester. Support from Senator McCain's office as well as General John Regni has provided additional information to move forward. General Regni is leading the Arizona Congress Authorities Initiative of the Federal Aviation Authority (FAA) for designating Arizona a statewide test site, one of six national test sites for integrating Unmanned Aerial Vehicles (UAV) technology into national airspace. A letter has been drafted to address this issue.

Mr. Jabjiniak commented that the Unmanned Aerial Systems Show was well attended with defense budget cuts of the greatest concern. He reviewed that \$2.3 million a year is spent on the lab with no return revenue at this time. A Historically Underutilized Building (HUB) zone designation will assist with this effort.

Mr. Steve Shope announced that he has been named the Program Director for the Arizona Test Range Complex. He will lead the effort to submit proposals to the FAA and gather resources of the state. He will be working temporarily for the Arizona Commerce Authority (ACA) through the proposal stage to obtain the designation for Arizona as one of the federal test range sites. The complex will consist of three test ranges: southeastern test range around Benson, Yuma Proving Grounds, as well as the Prescott area. He will be working with the FAA as well as NASA for the national airspace. Competition consists of approximately 35 states vying for the six test range certifications.

Chair Crockett inquired about sequestration concerns and effects on Arizona if allowed to happen.

Mr. Campbell replied that the design was to frighten Congress to make a decision but at this time, no one is able to solve the issue. This will cost Arizona thousands of jobs if sequestration goes into effect.

Dr. Shope stated that many who could/would be laid off will not come back to the state which could/would affect this economy for decades.

Mr. Campbell responded that Phoenix is talking to the entire delegation regarding changes that are needed immediately and that contingency plans must be made. Some type of decision is expected in October. GPEC realizes that cuts will be made and are attempting to make these in an intelligent way.

Mr. Campbell reminded the Board that the city made an investment in AZLabs so they are committed to make this work. The conveyance is on schedule and the city is still in negotiations with the Air Force.

6. Discussion on progress of the General Plan Update

Mr. Rich Adams states that the committee will be meeting in the next few days so he will have something more to report in October. The process is an 18-month process.

Mr. Jabjiniak stated that the economic development section will probably be rewritten. He further interjected that this process should occur every 10 years and it is now 12 years, since the personnel needed were not available two years ago when an update was due.

7. Director's Report

Mr. Jabjiniak shared there are currently no major updates for the Cubs Baseball at this time. Groundbreaking and work have begun. The agreement with ASU is not complete

at this time and the Cubs are committed to this project. The A's are still negotiating with the Sports and Tourism Authority. Hunt Construction set up a contractor event for two hours at Bass Pro Shop which was well-attended, with 140 contractors registered during that timeframe. The emphasis is on utilization of local contractors. Completion is anticipated at the close of 2013 with opening anticipated for 2014 Spring Training. For every 1,000 seats in the stadium, a month's worth of time is anticipated. A Chicago institution restaurant, Portillo's, has announced two locations in the valley, North Scottsdale and Tempe Marketplace.

Chair Crockett stated that the entertainment complex in Scottsdale on the Salt River Pima Reservation land are proceeding with plans to include an aquarium, a butterfly pavilion and other businesses.

Mr. Jabjiniak stated that the area around the Cubs ballpark is being worked on as a 12-month destination that can draw consumers throughout the year. He compared it to the Riverview area that is not well-attended throughout the year. Toby Keith's is one positive draw but the area appears inaccessible with the current construction.

Thursday, September 6 is the East Valley Partnership/SRP Annual Forum at Tempe Mission Palms at 3:30 p.m.

The Chamber of Commerce moved to 40 North Center Street, Suite 104 in the Jackson White Building.

The GPEC annual dinner is Thursday, October 18th at 5:30 p.m. at the Arizona Biltmore. Please RSVP to Betsy Adams if you are interested in attending.

Mr. Roc Arnett commented that last Friday he was in a meeting with the Convention and Visitors Bureau's new director regarding the Riverview area. He stated the Hyatt at that location is one of the highest used hotels in the valley percentage-wise. The office next door is beginning to fill so there is more activity in the area.

Mr. Jabjiniak stated the target at this point is on jobs, not retail, including such companies as Bridgestone and those high-value types of jobs. Bridgestone came together with GPEC's assistance, identified the space, and are looking at research jobs. They are growing a product in Ely. The approximate number of jobs at the outset is 40 with an average salary of \$75,000. Bridgestone, a company from Tokyo, Japan, is growing a green version of rubber used to replace rubber in a process. Bridgestone wants to keep this process secret, partner with GPEC and work with ASU Poly.

Mr. Shope inquired whether Bridgestone could grow to a large industry for Arizona.

Mr. Campbell stated that this is a possibility.

Ms. Montoya stated ASU already has research connections with biofuels.

8. GPEC Update

Brian Campbell stated the GPEC Annual Dinner on October 18 will reveal the leadership transition of the Board of Directors. Mr. Jim Lundy will become the new Chair. He is

the CEO of Alliance Bank. Mr. Don Smith from Tempe, head of the State Compensation Fund, will be the Vice Chair and will become the eventual chair. GPEC's focus on the East Valley is significant at the Board level. Last week, Mr. Lundy and Mr. Chris Camacho were at the Phoenix Hilton- Mesa and presented to the East Valley Aviation Aerospace Alliance, discussing sequestration efforts and challenges.

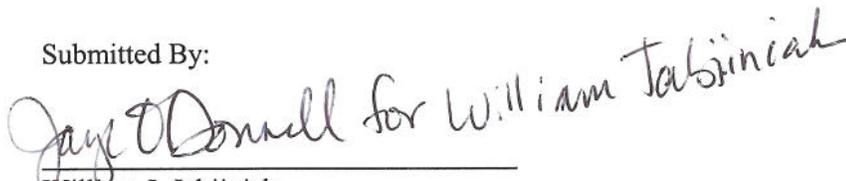
9. Other Business

Tuesday, October 2, 2012, will be the next board meeting.

10. Adjournment

Chair Crockett adjourned the Board meeting at 8:29 a.m.

Submitted By:



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