

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

MEETING MINUTES

Date: November 6, 2012 **Time:** 7:30 A.M.

MEMBERS PRESENT

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

EX-OFFICIO

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

STAFF PRESENT

Betsy Adams
Bill Jabjiniak
Shea Joachim
Jodi Sorrell

MEMBERS ABSENT

Steve Wood (excused)

GUESTS

Rob Antoniak
M.B. Finnerty
Howard Steere

1. Chair's Call To Order

Chair Jeff Crockett called the November 6, 2012 meeting of the Economic Development Advisory Board to order at 7:33 a.m. at the City Council Chambers, Lower Level, 57 E. 1st Street, Mesa, AZ 85201.

2. Items from Citizens Present

None.

3. Approval of Minutes from October 2, 2012, Board Meeting

Chair Crockett called for a motion to approve the minutes from the meeting held on October 2, 2012.

MOTION: Rich Adams moved that the minutes from October 2, 2012 be approved.

SECOND: Jo Wilson

DECISION: Passed unanimously.

4. General Plan Update

Vice-chair Rich Adams stated the General Plan Advisory Committee (PAC) met on Wednesday, October 3, 2012. Several issues were discussed with one item dealing specifically with economic development.

The EDAB board members agreed that more jobs need to be the headline. The next meeting is to be held Wednesday, November 7, 2012 with Chair Crockett planning to attend in Vice-chair Adam's stead.

Chair Crockett commented on the suggestion made at the October 2 EDAB meeting that a Subcommittee of EDAB members be formed to provide further assistance and feedback in the General Plan updating. In reviewing the suggestion it has been decided a subcommittee is not warranted at this time.

Mr. Bill Jabjiniak believes Vice-chair Adams is cognizant of the issues so the idea of a subcommittee will be tabled at this juncture.

5. Central Mesa Light Rail Update

Mr. Howard Steere stated that the Valley Metro's light rail will host a public meeting on Wednesday, November 14, 2012. Project schedules and updates will be discussed as well as design plans and construction issues.

Mrs. MB Finnerty reviewed the architectural features and conceptual designs of the various light rail stations. The last presentation given to EDAB showed only 30% of the design completed. The Alma School and Main Street design was developed by artist Daniel Diaz which features a fiberglass canopy in color with a centerpiece of spinning cut glass with shadows passing through at different hues. At Country Club Drive and Main, stamped asphalt is featured as well as at threshold crossings. The OCS (Overhead Contact System) poles will be green, matching poles in the downtown area. At Center and Main blue canopies will be featured with the artwork still in progress. Mesa Drive and Main features a park theme to compliment Pioneer Park and the Mormon Temple grounds. The artwork will tell stories, such as those passed down from parents and grandparents, along entryways with a backyard garden area look. The plan is to collect stories from community groups and depict them in stationary glass books.

Vice-chair Adams inquired whether there would be a representation of Mesa throughout its history.

Mrs. MB Finnerty assured the board that the book panels will reflect Mesa's history. Also at Alma School the artist will incorporate images of historical significance in glass.

Chair Crockett inquired whether the Alma School location will be more elaborate than the others as well as if the budget is the same for each location.

Mrs. Finnerty indicated that the most investment would be to the Center Street station. Additionally, the Center station is of a lower profile but budgets for each station will be the same except for slightly additional at Center where the colors are different for the canopy, concrete, asphalt and intersection.

Chair Crockett inquired about restroom facilities at these stations.

Mr. Steere stated that the challenge for facilities is not just building the structures but maintaining them and therefore none will be built at any of the locations.

Mr. Rob Antoniak provided a construction update for the project, reiterating the public meeting scheduled for November 14. The goal for the end of the first quarter of 2013 will challenge the contractor to move from utility to construction while maintaining access to businesses and homes. A study session on November 8 will focus on design updates, the Center Street Station artwork, signal houses, park and ride as well as TPSS architecture/design and landscaping.

Mr. Jabjiniak questioned about the feedback from local businesses that have disruption due to construction.

Mr. Antoniak indicated currently there is not a great deal of construction at this point so business disruption has been minimal. An Advisory Board made up of local business owners are readying to address future anticipated complaints as construction ramps up. Currently the work hours are designed to disrupt businesses as little as possible.

Mr. Steve Shope inquired about the future expansion of the light rail and whether any investment is anticipated through to North Scottsdale as well as the Mesa line to Gilbert Road.

Mr. Steere specified that 57 miles has been previously approved with lines going toward Paradise Valley. High capacity studies along Scottsdale Road have been investigated; however, over the past four years Scottsdale has not been a member of the Valley Metro and therefore not involved in the process so the political effort is absent at this time.

Ms. Jodi Sorell stated the 2009 City Council approved extending the light rail to Mesa Drive with a desire to go to Gilbert Road, but though currently not in the regional plan, City staff worked to find funding for the Gilbert extension. A feasibility study was started a year ago and was completed in July 2012. An environmental assessment is underway. Work is being done with the community on street configuration and roundabouts are being looked at as an option. Gilbert Road is planned for completion by 2017.

Vice-chair Adams suggested that the streets are walked every 60 days by going into businesses to see how they are doing during construction.

Mr. Steere stated the City of Mesa along with Valley Metro has programs to offer to help offset any issues that might arise. Additionally monthly meetings with the Chamber will coordinate efforts to understand programs and implement them as well as technical evaluation of business challenges because of traffic flow. The goal is to think creatively to position them to be successful.

Chair Crockett reiterated that sensitivity to the needs of the businesses affected by the construction is a priority.

6. Project Updates

Adelante Healthcare was welcomed into the community with a Ribbon Cutting/Grand Opening Friday, November 2. Adelante opened a 40,000 square foot facility close to Sycamore light rail station. It is potentially the first Leed Platinum facility in Mesa with approximately 80 jobs consisting of primarily doctors and dentists and their support teams.

Empire Southwest at Country Club and Baseline is expanding. They hope to become more operationally efficient with the expansion and will relocate jobs from other Empire facilities to Mesa.

Riverview Point office park development, a portion of Riverview, consists of two buildings with approximately 165,000 square feet. The property has changed hands and currently has 65,000 square feet of unused space remaining. The current property owner is investigating the possibility of acquiring adjacent property to continue development as office or flex space. The original plan consisted of five buildings.

Pecos and Mountain Road is home to Fuji Chemicals, TRW Safety Systems and Crumb Rubber Manufacturers (CRM). Bridgestone will invest up to \$70 million in a Research and Development (R&D) facility near Pecos and Mountain Road. Also Bridgestone has purchased a 281 acre farm near Eloy, AZ for growing the guayule shrubs to process and convert the shrub into tire-grade rubber. The shrubs will be shipped to the Mesa research facility and the natural presence of rubber will be extracted. Groundbreaking for the new facility is planned in early 2013 and is expected to be fully operational in early 2014 with job creations for engineers and scientists at this facility. If they are successful, a production facility will follow.

Fuji and CMC Steel are looking to expand their facilities and add jobs. An industrial gas supplier providing items such as oxygen, nitrogen, and argon is also interested in this area which would in turn attract other high-tech employers.

Mr. Shope inquired whether Bridgestone is producing latex or tires.

Mr. Joachim affirmed that the production is pellets that turn to rubber, not the actual product and no plans exist to manufacture rubber products in the area or for expanding the farming beyond the current plan of 281 acres.

7. Update on AZ Labs

Mr. Brian Campbell stated that the fiscal cliff looming over the federal government currently has had a direct impact on the ability of the labs to move forward. This in turn has caused financial strains on the City as well as bearing the burden of waiting on the Federal government. The FAA test site designation has become a victim to the gridlock as well. General John Regni has been meeting with several individuals including Secretary LaHood. Mr. Matt Salmon pledges to be involved also.

Mr. Jabjiniak stated negotiations are ongoing for conveyance (EDC) of the property with an original two year lease that is now in its second year. The process with the Air Force is moving slowly. A conference call regarding the issue is scheduled. A written document will follow after a verbal agreement. The rules and regulations have changed since initial negotiations. The Office of Economic Adjustment (OEA) gave a grant to investigate this process. Mr. Jabjiniak reiterated that money invested in the past year and a half does not go to the final product which is a disappointing turn of events, so the entire project is currently in a holding pattern.

Mr. Campbell commented that the redundant systems including water, power and communications need to be kept in place. The lease activity has been substantial in terms of interest and optimism is high if the Washington gridlock is released.

Mr. Jabjiniak stated that SRP has invested in an up-to-date electrical system that is safe and ready to service AZLab tenants.

8. Director's Report

Baseball update – The concrete and steel are in the ground with horizontal work in progress as well as a new configured lake being created. With a wide range of activity, a contract for vertical construction is encouraging local businesses to participate.

Since ASU and the Cubs have not come to an agreement, development continues around the area and other options are being explored.

Mr. Shope inquired about the impact on the facility since ASU is no longer involved.

Mr. Jabjiniak indicated that a 20-30 million dollar clubhouse will not need to be built and other adjustments are being made as well. The Cubs will use the space exclusively instead of sharing. Mr. Campbell met with ASU last week on this issue. Since ASU still has a need to replace Packard Field, negotiations are not completely out at this juncture.

Announcements - Recently announced, the Barry Goldwater Library, currently a handshake agreement, will be located on First Avenue. Dialog continues over financing since money will need to be raised. The plan is for a 65 foot tall building with three stories.

Frontier Airlines' first flight into Phoenix Mesa Gateway Airport from Denver is scheduled for November 15, 2012.

Mesa city offices are closed for Veteran's Day, Monday, November 12 as well as Thursday, November 22 for Thanksgiving.

9. GPEC Update

Mr. Campbell announced three Initiatives for GPEC are currently scheduled. A trip to Washington D.C. in the spring of 2013 will focus on GPEC initiatives. Secondly, a new China Initiative will focus on China's southern region and leverage existing business

relationships, as well as unique opportunities working with ASU and other business partners. Thirdly, a Maricopa Associations of Governments (MAG) Transportation Policy Committee (TPC) asset study will focus on shipping opportunities. Since Arizona resides between Mexico and California, the question is whether Arizona is taking advantage of the transportation of goods between these two entities. Gateway region is a core hub in this effort. The potential for job creation and economic growth for the local community appears to be lacking: Arizona is assessing the model of Texas and could be missing out on billions of dollars currently.

The board discussed the modes for transportation of this cargo which include rail and truck traffic as well as identifying the raw materials that can be intercepted from Mexico.

Ms. Mitzi Montoya further indicated that a strong connection between Canada, France and Brazil might create an opportunity for Arizona to be a stopping point.

10. Other Business

Tuesday, December 4, 2012, will be the next board meeting.

11. Adjournment

Chair Crockett adjourned the Board meeting at 8:51 a.m.

Submitted By:



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