

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

MEETING MINUTES

Date: August 7, 2012 **Time:** 7:30 A.M.

MEMBERS PRESENT

Terry Benelli
James Christensen
Jeff Pitcher
Laura Snow
Jo Wilson
Steve Wood

EX-OFFICIO

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

STAFF PRESENT

Betsy Adams
Donna Bronski
Lori Gary
Jaye O'Donnell
Thomas Webb

MEMBERS ABSENT

Rich Adams (excused)
Mitzi Montoya (excused)
Tony Siebers (excused)

GUESTS

Marc Garcia

1. Chair's Call To Order

Chair Jeff Crockett called the August 7, 2012 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.

2. Introduction of new EDAB Board members

The Board welcomed new members Laura Snow of Banner Health and James Christensen from Gateway Bank.

3. Items from Citizens Present

None.

4. Approval of Minutes from June 5, 2012, Board Meeting

Chair Crockett called for a motion to approve the minutes from the meeting held on June 5, 2012.

MOTION: Jo Wilson moved that the minutes from June 5, 2012 be approved.
SECOND: Steve Wood
DECISION: Passed unanimously.

5. Announce Promotions and Introduction of New Staff

Chair Crockett recognized the promotion of Jaye O'Donnell to Economic Development Deputy Director. In addition, Lori Gary was welcomed as the new Downtown Project Manager and Thomas Webb as a new Economic Development Project Manager. Scot Rigby was also promoted to Senior Project Manager.

6. Healthcare Initiative Update

Terry Benelli stated Phase I of the Healthcare Market Feasibility Study was completed in 2010 with an emphasis being on Downtown Mesa. The Healthcare Subcommittee met in July with ESI Consultants to revise and expand potential opportunities for future growth.

The next step for Phase 2 is to develop a comprehensive healthcare and life sciences/biotech business recruitment plan for stimulating economic growth.

The consultant will clarify how Mesa may benefit from the growth and expansion of Banner M.D. Cancer Center; what the opportunity around Banner's Simulation Center is for medical training; and how Mesa may benefit from leveraging and partnering with GPEC in developing a personalized medicine and recruitment strategy; fostering a relationship with Mayo Clinic's aeronautical medical research team and other related partners to support the development of the AZ Labs space; supporting the potential growth of Cardon Children's Hospital along with IASIS Mountain Vista Medical Center, AZ Regional Medical Center and other Mesa assets. In addition, the consultant will also identify additional opportunities to develop and diversify the bioscience industry along with opportunities for synergy that may exist within the City of Mesa's HEAT Initiative.

Jo Wilson inquired about the possibility of the committee presenting to other foundations or industry leaders.

Terry Benelli responded that this would be valuable and encouraged mirroring efforts that were made on the higher education front.

Jaye O'Donnell further indicated that one of the approaches is to first develop a white paper and summarize the feasibility study then present it to industry leaders and City Council to obtain their feedback.

7. Update of AZ Labs

Brian Campbell stated that current focus is on three areas. First, the physical asset of the lab is significant; namely, millions of dollars have been invested in infrastructure, improve redundant power capacity, and physical capacity improvements. The Air Force maintenance was lacking on the property, and the city has brought the facilities up to customer standards.

The subject of conveyance is ongoing during the current interim lease; however, the Air Force believes the current approach is the appropriate direction. The conveyance will be completed shortly.

Secondly, an Unmanned Aerospace Vehicle (UAV) designation by the Federal Aviation Administration (FAA) for test range technology in air space is currently in the application phase. Every member of the congressional delegation for Arizona has signed a letter of support. A Request for Proposal (RFP) from the FAA will soon be completed outlining the criteria and further application process.

Chair Crockett asked about the timing of the FAA application.

Brian Campbell stated originally the FAA application was to be completed in July but moved to mid-August for completion. When completed, after having gone through the proper channels and approvals, a late September/early October date is anticipated. Then a timeframe of 180 days is given to complete the process.

Chair Crockett further inquired how the board could assist in this process.

Brian Campbell suggested and encouraged the Board to draft a letter of recommendation similar to the congressional one submitted, and signed by all the Board in support of the FAA approving Mesa as a UAV designation.

Thirdly, an announcement by Dr. William Harris, Science Foundation Arizona President and CEO, is anticipated regarding a research consortium that will support this effort. Institutions such as Alion, ASU and UofA are supportive of the research and will endeavor to push it forward. Support for the UAV initiative in Mesa and the East Valley would bring unique opportunities to the area.

Steve Wood inquired about other competition for a UAV site designation.

Brian Campbell believes these are geographically well-distributed. Of note, Alaska and North Dakota have training and UAV assets. Virginia and Maryland have announced a joint venture. Florida has space and sea-based applications. The major competition for Arizona in the southwest U.S., for border security issues, is California, New Mexico and Texas. New Mexico has already been named a Center of Excellence and the FAA usually does not give a state more than one Center of Excellence designation. Texas' greatest strength is proximity to the ocean. However, AZ Labs brings a model application and the nearness of the California coast as well as proximity to Nevada, Utah, New Mexico and Mexico makes Arizona an excellent choice.

Steve Shope further questioned what would happen if an agreement could not be reached with the Air Force.

Brian Campbell stated that he would be quite surprised if the Air Force doesn't agree since they are using Arizona as a model for handling their BRAC bases. The Air Force looks to Arizona as a success. Grant money has been disbursed to Mesa for this potential agreement. A public benefit conveyance, with restrictions from an economic standpoint, is available to keep the labs intact if the Air Force does not cooperate.

Chair Crockett questioned whether it is feasible to be up and running in the 180 days specified in the agreement.

Brian Campbell stated that the application will ask the Air Force to designate all ranges of operation of the air space for UAV's and to be able to connect with other corridors from the Gateway area. Then a Network Operations Center (NOC) would be set up as well as a research center to take flight data with virtual constructive data and report back to the FAA.

Chair Crockett asked if this would be set up at Mesa Gateway.

Brian Campbell replied the process with partners is being defined and will be presented to the state and FAA.

Chair Crockett requested that Jaye O'Donnell draft a resolution to be presented next month that would mirror the one submitted by Congressional delegates of Arizona for the RFP to name Arizona as a test range.

8. Director's Report

Jaye O'Donnell welcomed the newest EDAB members. She thanked those already on the Board for their service also.

She further supplied that Frontier Airlines announced their additional service to the Phoenix-Mesa Gateway Airport. Frontier Airlines will begin service to Denver, CO in February 2013. She shared this was one of Scot Rigby's projects. Frontier Airlines' addition opens up new opportunities for Mesa.

Another university announcement is scheduled for August or September. July 11 the Cubs Stadium broke ground. September 3 the offices will be closed for Labor Day.

Regarding the Higher Education update, the staff has noted that the universities have requested a forum whereby these institutions could have discussions with one another regarding partnership opportunities with one another and the city as well as brainstorm items such as student recruitment. In response a Higher Education Round Table and Conference Expo has been scheduled for September 20-22 with a combination of elements to be included. Dr. Crow of ASU is hosting a reception Thursday night, September 20, followed by the business meetings on Friday morning. A luncheon with the mayor and city council will be included for the new institutions. The Expo will invite students, parents and faculty as well as the public. Details are being finalized and an exact location is yet to be determined. The Expo is hoping to utilize the Mesa Arts Center.

Chair Crockett inquired what parts of the Expo would welcome representation from the Board.

Jaye O'Donnell stated the reception on Thursday the 20 at 5:30 pm would be a appropriate to attend and the meetings on Friday but especially the Expo at 3:30 pm which rolls into a reception at approximately 4:30 Friday afternoon.

Terry Benelli inquired about the opportunity for reaching other school districts in other Arizona communities.

Jaye O'Donnell responded that a small amount of advertising has been done and the desire is there to work with superintendents in other districts.

Terry Benelli stated she has some connections with superintendents in Tucson and Northern Arizona and is willing to assist with possible opportunities to reach these areas.

Steve Shope inquired what if any capital improvements are scheduled for Phoenix-Mesa Gateway Airport now that there are three airlines.

Chair Crockett stated that the completion of the expansion of two more gates for a total of ten gates is scheduled for this fall. Frontier is initially implementing one flight a day to Denver with growth expected thereafter.

9. GPEC Update

Brian Campbell stated Mr. Bill Jabjiniak was elected the Vice Chair of all GPEC directors, which takes policies and initiatives and translates them into real economic work. Furthermore, it is anticipated that he will become Chair in the future and is a significant recognition of the East Valley's efforts.

Don Smith will be assuming the Vice Chair role on the executive board.

Mr. Jabjiniak has also been spearheading aerospace supply chain meetings regarding budget cuts as a result of sequestration built into the budget deal a year ago. No deal has been recognized yet which is of concern to Mayor Smith. Arizona is fifth on dependence of these kinds of jobs. Phoenix Mayor Stanton is to address this issue which is starting to bear fruit with rumors of an impending deal. AZ Labs is hurt by the lack of funding at this time because of the prospective budget cuts.

GPEC sent a letter to the US Department of Commerce on solar tariffs to support domestic as well as Chinese supplies to Arizona. Feedback from manufacturers has gotten the attention of Washington, D.C.

10. Other Business

The Board welcomed the new staff members in attendance and invited them to share briefly their background and experience.

Thomas Webb came from the City of Phoenix's community of Economic Development. With a smaller staff in Mesa, he welcomes the opportunity to participate more in the department. Prior to Phoenix, Mr. Webb was a native of Kansas.

Lori Gary's economic development career began in Illinois. After Illinois, she was in Tennessee then came to Arizona. In Arizona she ran an economic development organization in the Casa Grande region, then Town of Buckeye and finally in Fountain Hills.

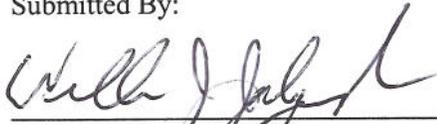
Chair Crockett recognized and welcomed Mr. Marc Garcia. Mr. Garcia is the new Director of the Convention and Visitors Bureau (CVB).

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

11. Adjournment

Chair Crockett adjourned the Board meeting at 8:18 a.m.

Submitted By:



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