

Office of Economic Development
Economic Development Advisory Board
MEETING MINUTES

Date: October 23, 2006: 7:30 A.M.

MEMBERS PRESENT

Mike Garcia
Brian Campbell
Dale Easter
Jim LeCheminant
Vern Mathern
Patricia Schroeder
Steve Shope

EX-OFFICIO

Mayor Keno Hawker (excused)
Chris Brady
Charlie Deaton
Jack Sellers

STAFF PRESENT

Betsy Adams
Shelly Allen
Scott Butler
Sue Cason
Harold Decker
Debbi Dollar
Teri Killgore
Scot Rigby
Hector Tapia
John Wesley

GUESTS

Mary Baldwin
Andrew Cohn
Susan Demitt
Vince DiBella
Lynn Kusy
Bob McNichols
Mark Metzger

MEMBERS ABSENT

Raul Cardenas (excused)
Ted Wendel (excused)

1. Chair's Call To Order

Chair Mike Garcia called the October 23, 2006 meeting of the Economic Development Advisory Board to order at 7:30 A.M. in the Mesa City Plaza Room 170.

2. Discuss and Take Action on Possible Reconsideration of Previous Action Taken Regarding the General Plan Amendment GPAMajor06-01

Chair Garcia explained the reason behind the specially called meeting. At the October 3, 2006 meeting the Board heard presentations of the proposal for Williams Gateway Airport and the south end of the GM Proving Ground as proposed by owner Mr. Bill Levine. Since the October 3 meeting, the Board has received more information. With the additional information provided, this led Chair Garcia to believe that the Board

needed to take another look at the request. The Board is not a formal hearing body, but is strictly an advisory board to the City Council. The Board's job is to provide recommendations that will encourage the growth of existing businesses, the addition of high wage positions, and the attraction of new businesses to Mesa.

Chair Garcia commented that there are a few options the Board can consider. One is to go ahead and hear the information and essentially do nothing, which leaves the original position in tact. The Board could reverse the original position and take no stand. Or, the Board could take another stand that says that they don't necessarily agree with the Plan Amendment, as it currently exists. He reminded the Board that if no action is taken then our existing position would stand. After hearing the information to be presented a motion would have to be made to alter the current standing.

Chair Garcia introduced Ms. Mary Baldwin and Mr. Mark Metzger from Boeing to give Boeing's input on how this Major General Plan Amendment would impact their operations.

Mr. Metzger explained and handed out a noise contour map. The original work Boeing did at the request of the City, WGA and GM was to try to find a way or place where housing could be incorporated on some of the GM property. The desire to place some housing there was understood. At that time they had their noise people run an Ah-64D Apache Noise Contour lines/study map for where the noise impact would be in that area. The noise footprint is close and realistic to what most small, light airplanes and helicopters would do on a traffic pattern, which includes up to our twin-engine turbo prop aircraft. There is a great deal of training that goes on. Boeing has a reset facility that they chose to put at WGA with 280 employees. The reset program takes aircraft that has returned from Iraq or Afghanistan and resets them. They take the Apaches apart, clean them, and repair them. It is a large operation and they send one airplane every two days back to the field filled with helicopters.

Mr. Metzger explained that if you go twenty years down the road and WGA becomes a reliever airport you would have the same make-up of traffic here as they do in Chicago's O'Hare and Midway Airports. There will be a mix of commercial, freight, training and business traffic. The flight path is not going to change, because there isn't any other place to fly. WGA is always going to have big airplanes taking off primarily to the northwest then making a hard right turn and climbing to 4,000 feet to accommodate Sky Harbor's traffic patterns. The way in and out becomes very, very critical.

Vice Chair Brian Campbell expressed his appreciation to Boeing for taking time with him to explain and answer questions. He shared his concern on what the plan is for dealing with noise complaints, five, ten or twenty years out.

Mr. Metzger responded that, what is done today for noise complaints will bear the fruit of complaints 20 years from now. If we are successful at WGA today, the noise footprint should be the same, whether or not it is shifted a little to the southwest and will be accurate for air traffic in the traffic pattern. What kind of aircraft are at WGA remains to be seen, but that noise footprint is going to remain valid far out into the future.

Mr. Charlie Deaton commented that one of the things that has to be taken in to consideration is the impact on attraction efforts. Companies, whether they make noise or

not, are going to look at the best site for their industry and they know there is already some sort of noise complaint available for them if they move in there. How are we going to have them take a look at us? He believes that whether we are talking aircraft or talking high tech industry, it would already have contaminated the area by having housing in too close to the properties.

Mr. Jack Sellers commented that he has been involved with this process for a long time and appreciates the input we received from the experts. A lot of testimony went into developing the General Plan. It was recognized when the Plan was being formed and the goal was to allow the airport to survive and prosper regardless of getting some noise complaints. We get complaints at the airport now. Aircraft are being built quieter, but that is going to be offset by the fact that the activity level is going to increase drastically. We just need to make sure that whatever we do protects the viability of the airport, because the airport is the economic engine for the East Valley. There has to be some kind of compromise.

City Manager, Chris Brady commented that he has operated airports where they have been there twenty or thirty years before residential decided to come in and then had to deal with complaints. The volume of complaints grows as neighborhoods and organizations grow. Now all of a sudden the quality of life is being affected. It does create a political problem. You end up working with the FAA and spending hundreds of thousands of dollars for noise insulation. It is a challenge that if you have the opportunity to protect the future, to mitigate it now, working with the property owners that want it to be successful, that is important. Mesa has a huge deficit of employment center land available for development. If you want to fight for jobs, you have to have a place for them to go.

Mr. Steve Shope commented that having worked with noise a lot in his career, a noise issue could be presented depending on which side of the argument you are on, just like statistics. You can make an argument based on the density of noise, statistical properties of noise and so forth. The noise contours from the Airport Master Plan, the Apache contours and having lived at Williams Gateway for four years, the Apache certainly is not the noisiest aircraft out there. We are making important decisions based on these contours. It is important that we have clear understandable noise contour levels and descriptions of what they mean, because just having contour levels by themselves without having the attributes associated with how they were generated is very important. At this point he doesn't feel that he has a clear understanding.

Mr. Metzger explained the process of the FAA average noise contour plan. What is presented today is the planning information that was provided earlier that led to the compromise with housing on the GM property. It was for a light aircraft flying in a traffic pattern and where his noise footprint goes for a single event. It takes 4-5 minutes to make a noise footprint. Every 4-5 minutes there would be a 65dBA or louder aircraft, depending on if you were closer into the noise pulse that would go over a home. They also did a contour for the big aircraft with the craft taking off to the north, doing a right turn and climbing to 4,000 feet for the 65dBA noise footprint.

Mr. Lynn Kusy commented that the community has an opportunity to accomplish two things. One is to preserve the land for jobs. We have an opportunity to accomplish that and, secondly, to protect the General Plan as it has been adopted.

Mr. Sellers stated that he participated in the noise compatibility study to update the General Plan. There was a tremendous amount of time, effort and information that went into the study. He does not feel that the Board has had enough information in an hour or two of meetings to make an informed decision or recommendation that would suggest overturning the General Plan.

Mr. Andrew Cohn noted that they have met with Boeing, Mr. Kusy and the staff of the City. There are a few issues that are very important from an economic driver's standpoint. Currently the property is not in the City, but in Pinal County. Their effort is to maximize the economic drivers for this property for Mesa. The residential plans for south of the freeway have been removed. It was also his understanding that when the noise studies were done the freeway wasn't even contemplated. At this current time, it is yet unknown whether this freeway bypass road is going to be elevated or depressed to have any understanding of what the noise is for freeways. He suggested that there will probably be more noise issues created by freeways than there are potentially by the airport. Their goal was to go ahead and integrate the current General Plan that has residential, which gives us the opportunity to build residential and try to create a consistent theme north of the freeway. All of the employers and, the brokerage community they have talked to, all want a live, work, and play type of atmosphere. The employers of the world don't want their people commuting. They want them to be able to walk, bike or have very short commutes to their employment base. They will create a revenue base for the City of Mesa with a Desert Ridge style shopping center, so that we can bring everyone up from the Johnson Ranch area and be an amenity to the airport. A key point for this proposal is that Mr. Levine is the owner. Mr. Levine is a long time member of this community and is a face that everybody can deal with on an ongoing basis who recognizes that the airport is the driver for everyone. They will do nothing to impact the growth and potential of this airport, as that would be foolish.

Ms. Susan Demitt shared several points. The initial discussion, regarding the General Plan Amendment was focused around the residential component and the potential for noise complaints. In her opinion that was a narrow view of what the Board should be looking at. This is a significant piece of property that plays a very important role in Mesa's stated goal to make this an economic engine for this part of the Valley and that this General Plan Amendment is a starting point. It does a lot of things to support the City's goals. The Urban Core that is planned with this project, in relationship with the airport, is absolutely vital to create the type of employment and the job numbers that were cited for up to 28,000 jobs based on the study they had done. Another thing that this plan does is the design considers both the airport and the future freeway corridor in mind. The freeway corridor will bisect the middle of the property and in some sense created the natural barrier between what's happening at the airport and what's happening on the other side. This is why the residential component is on the other side of the freeway and falls outside the 65dBA, and is vital for the employment center to succeed.

Mr. Brady reminded the EDAB Board that they must be advocates and certainly work with applicants. There is a major freeway proposing to come through, although 2016 seems like a long ways away, the money is out there to try to accelerate it. The position of the Board has to be on the conservative side of preserving the job creation of the area.

Chair Garcia reiterated the position of the Board is not to be land planners, zoning case hearers, etc. We need to look at attracting and maintaining businesses in our city. As Mr. Brady points out, we have a considerable deficit in terms of employment to resident ratio versus the county as an average. We need to take the advocacy position of what we are going to do to maintain businesses that we have and attract new businesses. We can help change the impression that Mesa is not a business friendly atmosphere and be the advocate in creating a better business friendly image.

Mr. Vern Mathern voiced his concern in relation to this issue and that the action in the previous meeting was premature prior to knowing what the staff study said. Now that they know, he personally feels that the staff points that were made were very valid. He is in support of keeping the land use plan as it is. This Amendment doesn't impinge on that, but it would adversely affect that plan with its changes and adjustments that have already been made and discussed. He would like to hear from staff.

Planning Director, John Wesley explained Planning & Zoning's position. One issue staff has looked at in considering this proposed change, is the southern portion of this proposal being changed from light industrial uses. Light industrial carries with it a certain type of development we would expect to see in terms of industrial manufacturing and warehousing type facilities that go well with the airport. This use goes well with the proposed logistic center further to the south and with the type of traffic we would see on Ellsworth Road to access the freeway. The proposal is to change the southern portion of that to a business park. A business park designation carries with it certain types of development that would occur in more of a campus like setting or an office research type setting. A mixed-use employment carries with it, again, more of those types of things, but also allows more commercial type uses. On the southern end where there is the biggest impact from the noise footprint of the airplanes we feel that industrial designation is more in keeping with the type of employment appropriate for the area. We have concerns with losing the light industrial type uses to a business park type use. If we lose the industrial use, there are no other places in the city these can be located.

The current project proposal does talk about the potential for residential uses to be added into the Urban Core. It is not part of the proposal today, but it has been part of the discussion from the very beginning.

The next concern is to increase the amount of residential that is right next to the freeway. Buffers would have to be added, thus using more land. The way the proposal is right now the staff feels that the Urban Core should be placed on the other side of the freeway and that will create a natural barrier between industrial and residential. The intersection will become a very busy intersection with a lot of truck traffic coming through to get on and off the freeway making it dangerous and a great deal of congestion by having too intense of an Urban Core located south of the freeway.

Mr. Jim LeCheminant commented that he saw and still sees flexibility, and as long as it doesn't impede what Boeing does and the Airport, etc., he sees no problem with the proposal.

Mr. Sellers responded that he sees a lot of things in their plan that are very intriguing. The Board has to be sure that what they are proposing is not in anyway detrimental to the General Plan and that it doesn't take away the opportunity for the economic growth that

is needed in that area. He is not sure he is to the point of saying that he would be in support of it as yet.

Vice Chair Campbell commented that in order to control the future we need the jurisdictional ability to work with the land. Right now it is in Pinal County. Things can go different ways, but at least this gives us the ability through the leverage generated by the General Plan Amendment to affect the changes that would be consistent and answer all the questions you have identified. He sees this as an intriguing opportunity for them as a Board to send a signal through the community about how seriously they treat this, but also how welcome and appreciated those efforts are as they come to the City. He thinks the proposal is consistent with what the Board and the City want to achieve.

Mr. Wesley commented that the General Plan currently shows Ray and Ellsworth Roads as an area for office and retail, with mixed-use residential area behind. He wasn't here for this General Plan development, but it would appear that it was previously envisioned that Ray and Ellsworth Roads would be the start of the Urban Core.

Interim Economic Development Director, Teri Killgore referred to the information in the packet. She urged the Board to look at the amount of land and to look at it realistically. The Board should not look at these 1800 acres and say this is our universe. They need to look at the jobs to housing ratio. There is a significant amount of housing in the southeast Mesa area and this is our chance, from an economic development perspective, to have an impact on the amount of employment that happens there. The GM land is the last large area of land remaining in the southeast for creating jobs. The proposal does have some positive elements, but once it is passed, it isn't something the City can come back to the owner and negotiate on. The reality of the market is that this property can be sold and the City would be held accountable to the General Plan Amendment. This is not just an insignificant decision and it does have weight in how Mesa develops as a City in the future and the City's future employment strategies.

Mr. Wesley stated that the deadline had been missed for any changes this year. They can come back with a change request next year and follow the proper process.

Mr. Harold Decker commented that several of the companies that are thinking of relocating to Mesa from California shared their concern that their land would be 1 to 1 ½ miles away from residential. One company is an aviation company with 170 jobs and they wanted to be near the airport, but away from residential.

Chair Garcia reminded the Board that they had already taken a position in support of the General Plan Amendment. To do nothing leaves that action in tact and to do anything else would require a motion accordingly.

Mr. Sellers restated that there are a lot of good things with the plan submitted, but his biggest concern is that the plan submitted does not reflect the issues heard today. Whether or not the Board feels comfortable in supporting it, on that basis, raises some concern that if the General Plan Amendment was defeated by the City Council, that the company might chose to abandon negotiating with the City and go some other way. There are elements that are worthwhile in the Plan. We are not that far away from having something that he would be comfortable with. He'd like to see some way to keep the

dialog going, but he still has a major concern with saying that they should support this request as it stands and has been submitted.

Vice Chair Campbell stated that he wanted the record to stand with no further action taken. He liked the message that the Board was sending to the community that the Board would listen and be open to dialog from all involved.

Ms. Pat Schroeder stated her concern and was in agreement with Mr. Sellers. She questioned what power the Board had and if P&Z is able to continue to negotiate to make the kinds of changes that are required.

Mr. Wesley stated that there is a process with certain deadlines for changes to be made. In the past there have been changes requested that don't allow the proper 60-day review process needed to review or give the City Council enough time to evaluate the changes. The City Council has adopted the procedure that establishes what type of changes, etc. can be made and in this year's process we are past those deadlines. Technically no changes can be made. City Council could decide to make an exception to that rule or to change the rule all together as they hear the case. But as of right now no changes can be made to the request.

Mr. Sellers stated that he is an ex-officio member and cannot make a motion or vote, but he does want to be on record stating they were close to something that he could support. He does not feel they are there yet and could not support the General Plan Amendment as submitted.

Ms. Killgore commented that the Board could state stipulations on their approval or support. There are many things very agreeable in the Plan, but there were things that were questionable.

Deputy City Manager, Debbi Dollar had several suggestions that would help the Board to move forward. What the Board did last time was unusual. They cast a vote on a land use case and what they have done in the past was weigh in with some input or a recommendation in the form of a letter to the City Council that would be included in the packet. Because the Board has an interest in this, but also some concerns, the alternative might be for the staff to draft a letter that articulates some of the dialog that occurred here this morning. The letter would illustrate the things that are thought to be positive about this plan and the things that need to go on record that need to continue to be looked at. This could be used in lieu of a formal yes or no vote.

Vice Chair Campbell voiced his concerns about the open meeting law. He would like to have the letter drafted and be subjected to an open public meeting and discussion. By adopting that process, especially given the interest that has been expressed here, the power of crafting that letter could skew the view either one way or the other dramatically. There needs to be another public meeting as they have already had two public notice meetings, this one being the third one. He thinks that is a creative approach, but he would only feel comfortable with publishing that letter prior to our adoption. What they did last time was noticed by the public, was on the record and was moved forward in a public manner as was announced. He would like to consult the City Attorney before moving forward.

Mr. Brady commented that it would still be possible to have an open public meeting to discuss the draft letter, make any changes or recommendations to the City Council before everything goes to City Council on December 4th.

Ms. Schroeder stated that she was not comfortable with going ahead with the action taken at the last Board meeting. She is concerned about the increased amount of residential. She has seen this before where proposals came before this Board and they increased the residential and then they wanted to increase it some more because they couldn't get the rest of the land sold. She wanted to take a firm position that the employment generated uses of the land be firmly enforced. She would like to see the residential moved away from the freeway so there is opportunity to use that land for other employment and revenue generation.

Mr. Dale Easter has some concerns. While he liked some commercial development like the Desert Ridge Center, he is concerned, because he cannot envision how the change from industrial use to a business park use would affect the area long term.

MOTION: Steve Shope moved to recommend that the City Council consider a request for an immediate or timely re-submittal of the General Plan Amendment to incorporate staffs concerns so that the applicant does not have to wait until next year. By this it is meant that the EDAB Board is asking City Council to waive the Council's rule or policy and not the Arizona State law requirements.

SECOND: Dale Easter and Vern Mathern.

DECISION: Unanimous.

Mr. Wesley recommended that the City Attorney's office answer the question and ask them specifically about the Arizona law and how much can they change it at this point. The Planning & Zoning Staff feel that this is a substantial change, and encourage the City Attorney to determine the answers to the questions.

MOTION: Vern Mathern moved to reconsider the vote from the first meeting.

SECOND: Steve Shope.

DECISION: Passed. 5 in favor
2 opposed

Ms. Schroeder explained that in the past it was the Boards policy not to take an action the first time around. It is hard to get a good picture of something as large as this in just one presentation to the Board. She recommended that the Board continue that policy in the future.

Vice Chair Campbell disagreed with the policy suggestion. A great deal of time, education and discussion had gone into this issue in two prior meetings and not just the one prior meeting. He has a great deal of faith in staff and the committee to move with dispatch as it faces us. He would like to be on record to say that the policy would do more harm than good if they do not have the ability to move as quickly as they can.

Mr. Shope suggested that it be changed to a guideline instead of a policy.

MOTION: Steve Shope moved that a letter be sent outlining the pros and cons to the City Council.

SECOND: Mr. Dale Easter.

DECISION: Unanimous.

Ms. Killgore suggested e-mailing any points that the Board specifically wanted to make to her. A future meeting would be scheduled to review the letter with the Board and collect public comment.

3. Other Business

Chair Garcia called for another special meeting to review the above-mentioned letter before the next regularly scheduled EDAB Meeting. A date, time and place will be determined and everyone notified.

Next regular EDAB Meeting will be December 5, 2006.

4. Comments from the Board and Public

Mr. Cohn requested a record of this meeting.

5. Adjournment

Chair Garcia adjourned the meeting at 9:44 A.M.

Submitted By:

Teri Killgore, Interim Economic Development Director
(Prepared by Betsy Adams)