

**Office of Economic Development
Economic Development Advisory Board
MEETING MINUTES**

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

MEMBERS PRESENT

Rich Adams
Terry Benelli
Steve Parker
Jeff Pitcher
Tony Siebers
Jo Wilson
Steve Wood

EX-OFFICIO

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

STAFF PRESENT

Betsy Adams
Tammy Albright
Scott Clapp
Deanna Grogan
William Jabjiniak
Ray Thimesch
Melissa Woodall

MEMBERS ABSENT

Mitzi Montoya (excused)

GUESTS

Cynthia Dunham

1. Chair's Call To Order

Chair Jeff Crockett called the February 7, 2012 meeting of the Economic Development Advisory Board to order at 7:34 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 January 3, 2012 board meeting.

Chair Crockett called for a motion to approve the minutes from the meeting held on January 3, 2012.

MOTION: Jo Wilson moved that the minutes from January 3, 2012 be approved with a minor correction.

SECOND: Tony Siebers

DECISION: Passed unanimously.

4. Rate and prioritize CDBG Economic Development Projects

Mr. Scott Clapp, Housing and Revitalization Division, stated instructions was required by the community Development Block Grant (CDBG) to the Economic Development Advisory Board (EDAB) on the rating methodology for the FY 2012-13 application processes; and to review the process for the reduction of funds. He explained the process of each presenter would be allowed 4 minutes to give their presentation followed by 4 minutes of questions addressed to the presenter. After the presentation the Board will be rating the presenter and application based on the evaluation criteria already established. The criteria evaluation will be gone over in a few moments.

Ms. Terry Benelli recused herself from the ratings due to submission of an application for anticipated funding for Neighborhood Economic Development Corporation (NEDCO).

Chair Crockett called for a motion to convene Public Hearing #1, Part3.

- MOTION:** Steve Parker moved that a motion to convene Public Hearing #1, Part 3 be approved.
SECOND: Steve Wood
DECISION: Passed unanimously.

The CDBG Block Grant Program Funding anticipated for FY 2012-13 is \$3,176,330; HOME Investment Partnerships Program (HOME) amount anticipated is \$943,082; Emergency Solutions Grant (ESG) Program anticipated amount is \$268,926 (plus a balance of prior Year Funds of \$84,847) for a total anticipated of \$353,773 for the City of Mesa.

Mr. Clapp explained all housing related applications have been rated by staff and the Housing Advisory Board (HAB). All economic development related applications have been rated by staff. The Economic Development Advisory Board (EDAB) will rate the economic development applications on a brief oral presentation given by the person submitting the application based on the following:

Criteria for evaluation by EDAB include:

1. Clear and concise description of the program goals and impacts.
2. Clear and concise description of target audience.
3. Clear and concise description of why the project is needed.
4. Project meets the funding priorities of the City as identified in the City's Consolidate Plan and Council's Strategic Initiatives.
5. Presentation met the guidelines and questions from the panel were answered sufficiently.

After the presentations the Board will be rating the presentations with the ratings accounting for 30% of a projects total score.

The first presentation was given by Ms. Melissa Woodall, Downtown Project Manager. The City of Mesa requested CDBG funding of \$115,000 to include salary, ERE, and sundry expenses for the Downtown Project Manager position.

Ms. Woodall explained the positions purpose is to create jobs, wealth, redevelop/infill vacant stores/areas, work with the downtown property owners/businesses. Coordinated overall efforts to enhance and attract more businesses into the downtown area have expanded the marketing of downtown in ways never thought possible.

Chair Crockett commented the Downtown Project Manager's position has proven to be an important CDBG funded position and even more so with light rail construction starting in 2012.

Mr. Tony Siebers recused himself from both of the Neighborhood Economic Development Corporation's (NEDCO) ratings due to a spousal loan application.

The second presentation was provided by Ms. Terry Benelli, Executive Director of NEDCO. Ms. Benelli applied for CDBG funding for a Business Development Program. A total of \$81,500 is requested by NEDCO to provide Business Planning and Loan Preparation Assistance. Agency expenses include a portion of program staffing, marketing and data management for lending and monitoring of loans for the Executive Director.

Vice-Chair Rich Adams thought the position request needed to be continued as there were numerous successes.

Mr. Steve Wood inquired as to how many attend the monthly Business Assistance informational meetings partnered by NEDCO and the Mesa Chamber of Commerce.

Ms. Benelli responded that at the January meeting fifty-seven small business owners were present filling the Chamber.

Mr. Steve Shope inquired the percentage of failed loans.

Ms. Benelli responded the risk rate was an average of three percent.

Chair Crockett inquired what an average loan amount might be.

Ms. Benelli commented that an average loan amount was anywhere from \$5,000 to \$22,000.

Ms. Benelli commented restaurants were the hardest for loan approvals as they do not qualify for any grants. More restaurants were needed in the downtown area to complement and enhance the Mesa Art Center's success.

The third presentation was also given by Ms. Benelli requesting CDBG funding in the anticipated amount of \$300,000 for the Light Rail Business Assistance Program.

Ms. Benelli explained NEDCO is currently working with 282 businesses out of 464 businesses along the light rail extension. There are approximately 15 consultants providing technical assistance to emerging or struggling small business within the light rail extension's targeted area. The consultants charge \$90 per hour for providing the technical assistance.

Mr. Wood inquired if a request for CDBG funding would be applied for next year.

Ms. Benelli commented that until the construction and start-up of the light rail extension was completed that funds would be requested for each year until at least 2016 or a year beyond depending upon the business needs at that time.

The fourth presentation was given by Ms. Cynthia Dunham, Executive Director of West Mesa Community Development Corporation (WMCDC).

Ms. Dunham explained the WMCDC works and encourages improved civic participation for the betterment of Mesa. The application was submitted for the Economic Development Program in the amount of \$90,000. This amount provides staffing for a number of Economic Development Programs such as: the Facade/Storefront

Improvements Program, Back Door Improvements Program, The Micro Enterprise and Small Business Incubator Program, the Community and Economic Development Technical Assistance Program, Crime Free and Neighborhood Safety Program, and Community Compliance Program.

WMCDC assisted with building improvements such as signage along Main Street; Micro Enterprise and Small Business Incubator Program assisted with the creation of 12 jobs; and the Community and Economic Development Technical Assistance assisted with the creation of 58 jobs compared to 24 the previous year. This has more than doubled over the 10/11 year.

Upon conclusion of the presentation and rating by the Board, Tammy Albright, Housing and Community Development Department Director, quickly gave an approximate scoring of the application presentations for Economic Development. The ratings are as follows based on a score out of 15 points:

1. City of Mesa, Economic Development Department, Downtown Project Manager – 12.56 score
2. NEDCO, Business Development Program – 13.75 score
3. NEDCO, Light Rail Business Assistance Program – 13.63 score
4. West Mesa community Development Corporation – 12.11 score

Public comments were encouraged; however; there were no public comments.

Mr. Clapp explained the next steps for the process. The next steps are as follows:

1. Funding recommendations will be reviewed by the Community and Cultural Development Committee on February 23 and March 1 immediately following Council Study Sessions at 7:30 a.m. in the lower level council chambers.
2. All Community and cultural Development Committee funding recommendations will be forwarded to and approved by Council at the City council Study Session on March 19, 2012 at 4:30 p.m. in the lower level council chambers. All Council approved funding recommendations will be included in the FY 2012/13 Annual Action Plan.
3. A draft copy of the Annual Action Plan will be available for viewing on March 29, 2012 at which point a 30-Day Comment Period begins.
4. Public Hearing #2 will occur on April 5, 2012 at 5:30 p.m. in Room 170 of the Mesa City Plaza Building.
5. 30-Day Public Comment Period ends on April 30, 2012
6. May 7, 2012 council will approve the FY 2012/13 Annual Action Plan.
7. May 15, 2012, FY 2012/13 Annual Action Plan due to HUD.

Vice-Chair Adams suggested a presentation and full report on the results of the funding.

Ms. Albright proposed a presentation of the funding results for September as results would not be forthcoming from HUD until August.

Chair Crockett called for a motion to adjourn Public Hearing #1, Part 3.

MOTION: Jo Wilson moved that a motion to adjourn Public Hearing #1,
Part 3 be approved.
SECOND: Vice-Chair Adams
DECISION: Unanimous

5. Director's Report

Mr. Jabjiniak announced the retirement of Shelly Allen as of February 3, 2012. He also commented on the transfer out of Economic Development by Patrick Murphy. Mr. Murphy was recognized for his management and organizational skills and promotion into the Solid Waste Department. The position for Economic Development Specialist is currently advertised until filled.

Mr. Jabjiniak stated that the Cubs are still working through their project. Trees will be boxed and crated in preparation of being moved, with work starting in March. Official groundbreaking still has not been determined but possibly sometime this summer. The A's are interested in utilizing in Hohokam Stadium and have signed an exclusive agreement to negotiate thru May 2012. The A's are going to be assessing the facilities through Spring Training.

Crescent Crown is holding a Grand Opening on February 16 at 11:00 a.m. followed by a tour of the new facility. Board members are encouraged to attend and invitations will be sent to the Board.

He encouraged the Board to attend the Mayor's Downtown Summit scheduled for Tuesday, March 6, 2012. Registration starts at 8:00 a.m., with breakfast at 8:30 and the program at 9:00 a.m. The Summit will be followed with a bus tour of the Downtown area culminating at Hohokam Stadium for a Cubs baseball game.

Mr. Jabjiniak stated that the Higher Education and Healthcare Subcommittees met during the month of January. Benedictine announced in early January they will be the first university coming to Mesa. Benedictine will occupy the whole building at 225 E. Main Street and are already expanding their program plans. Architects are selected and the first Phase has a goal of 1,500 students. Several other colleges are in the process of investigating Mesa.

Chair Crockett commented he had attended a reception held by Benedictine and how excited they are to be coming to Mesa.

Mr. Jabjiniak invited Chair Steve Wood of the Higher Education Subcommittee to report on the meeting held in January.

Mr. Wood commented on the overwhelming response of other colleges interested in coming to Mesa. The Higher Education Initiative has been a huge success with kudos to the Economic Development staff for the leadership in this endeavor.

Mr. Steve Shope commented the Education Initiative has been a huge success and the news media helped greatly to spread the word nationally.

6. AZLabs Update

Mr. Jabjiniak stated progress is still being made with the AZLabs. A variety of programs are being conducted and progressing rather rapidly. Mr. Murphy will be involved in a limited fashion through the EDC completion. The EDC is 95% completed.

Mr. Jabjiniak stated the EDC objective is to have the property conveyed from the Air Force to the City of Mesa. The first draft of the Conveyance application arrived January 2, 2012 and has started to be reviewed by staff, and then will be reviewed by the Mesa Redevelopment Authority (MRA) Executive Board also known as the AZLabs Board.

The deadline for the application submittal to the Department of Defense is the end of March 2012.

7. GPEC Update

Chair Crockett reported GPEC's Board of Director's met in January with a presentation from the nationally known Brookings Institute. The Brookings Institute report stated that Arizona was in the top 200 nationally for job growth and Phoenix was in the top 20. Arizona is positioned to do well for sustainable jobs, but on the bottom of the list for exports; however, the Institute felt Arizona was headed in the right direction.

Mr. Steve Shope commented Arizona only exported outside the state but there were no worldwide exports. He is active in support of other initiatives to benefit the state and area in conjunction with The Brookings Institute, and actively helping develop an Incubator/Accelerator. He also felt that GPEC was doing a good job and heading in the right direction.

8. Other Business

Vice-Chair Adams requested the status of the Gaylord project.

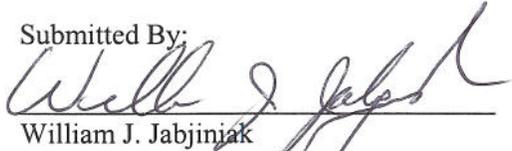
Mr. Jabjiniak commented that the project was on hold due to the down turn in the market and unexpected financial expenditures at other Gaylord resorts. It is still on the radar and they provide quality updates.

Chair Crockett canceled the March 6, 2012 EDAB meeting and encouraged the Board to attend the Mayor's Downtown Summit event in place of the Board meeting. He then reminded EDAB members the next scheduled meeting is on April 3, 2012, 57 E. 1st Street, City Council Chambers, Lower Level, Mesa, AZ 85201.

9. Adjournment

Chair Crockett adjourned the Board meeting at 9:04 a.m.

Submitted By:

A handwritten signature in black ink, appearing to read "William J. Jabjiniak", written over a horizontal line.

William J. Jabjiniak
Economic Development Department Director
(Prepared by Betsy Adams)