

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

**Date:** February 3, 2009: **Time:** 7:30 A.M.

MEMBERS PRESENT

Rich Adams  
Christian Alder  
Theresa Carmichael  
Jared Langkilde  
Jim LeCheminant  
Steve Parker

EX-OFFICIO

Mayor Scott Smith (excused)  
Chris Brady  
Brian Campbell  
Jeff Crockett  
Charlie Deaton  
Steve Shope

STAFF PRESENT

Betsy Adams  
William Jabjiniak  
Mike Paredes

MEMBERS ABSENT

Dale Easter (excused)  
Jo Wilson (excused)  
Steve Wood (excused)

GUESTS

Barry Broome  
Mike Rakowsky  
Brian Weymouth

**1. Chair's Call To Order**

Chair Jim LeCheminant called the February 3, 2008 meeting of the Economic Development Advisory Board to order at 7:32 A.M. at the City of Mesa Council Chambers, Lower Level, 57 E. 1st Street, Mesa, Arizona 85201.

**2. Approval of Minutes from December 2, 2008 board meeting.**

Chair LeCheminant called for a motion to approve the minutes from the meeting held on December 2, 2008.

**MOTION:** Jared Langkilde moved that the minutes from December 2, 2008 be approved as written.

**SECOND:** Christian Alder

**DECISION:** Passed unanimously

**3. Items from Citizens Present**

No comments.

**4. GPEC Topics**

Mr. Barry Broome, President and CEO of The Greater Phoenix Economic Council (GPEC) gave an overview of the renewable incentive program for solar investment. There are several incentives important for economic development partners to communicate to people. Every state is going to increase their commitment to state economic development and gearing up to compete for jobs. As the state is facing

unprecedented budget deficits the question comes up as to how to increase state economic development programs and incentives while you have deficits. The answer is to do it with things like renewable tax credits. One of the big parts of income on a project is construction, so the credit works off some of the construction tax income. Over a 10 year period the net new income to the State of Arizona for solar projects on a billion dollar project with this credit will be approximately \$108 million of new income. If Arizona is going to move forward with this economy we are going to have to get aggressive with state economic development programs.

Arizona has the opportunity for quality jobs. The renewable energy industry is one of the few growing sectors in today's economy. The U.S. solar-related investments will increase by \$232B by 2016 and also 276,000 solar-support jobs will be created by 2016.

The current interest in Arizona from renewable industry manufacturers is large, yet there is a small window of opportunity to win these projects. If Arizona continues to lose projects to other states with incentive programs, Arizona will lose its natural competitive edge permanently. The lost projects point to the heavy opportunity cost of not having an economic development incentive program.

The program was developed to encourage qualified manufacturing and headquarter operations in renewable energy industries to relocate or expand in Arizona. After completing a competitive analysis the following are recommended:

1. State income tax credit based on the project's capital investment (capital investment is investment in facilities, equipment, land and infrastructure) and job creation.
2. Real and personal property tax reclassification for qualified projects.

The company must pay an average salary of 125% of the state median wage and cover 80% of the premium for employee healthcare coverage to qualify.

The benefits to Arizona are:

- Provides net new revenue to the state and its communities.
- Promotes high-wage job creation.
- Requires company to provide healthcare coverage for employees.
- Requires clawbacks from companies for non-performance.
- Produces a likely positive budget impact for the state through 2012.
- Positions rural areas to be competitive for high-wage jobs.

Arizona is in a position to dominate in the solar industry which is an opportunity not seen since the semiconductor industry. However, Arizona will not be able to capture any high-wage jobs associated with the industry without a program.

Mr. Broome asked the Board to write letters, emails and make phone calls to their legislators asking them to support a renewable energy program. Also submit letters and opinion editorials in local newspapers to spread the word in support of solar and renewable energy.

MOTION: Jared Langkilde moved for the EDAB Board to support GPEC in their endeavor to promote and expand the renewable solar energy incentive program in Arizona. He moved to be supportive of GPEC's efforts by working through the Chamber of Commerce Alliance, the Mesa Chamber of Commerce and City Council.

SECOND: Rich Adams

DECISION: Passed unanimously

## **5. Directors Report**

Mr. Jabjiniak reported that on January 26, 2009 the City Council approved the Fiesta Design Project. February 12, 2009 is the next Fiesta District Stakeholders meeting.

March 2, 2009 is the B2B (Business to Baseball) event with several sponsors along with the Convention Center and Visitors Bureau and Office of Economic Development. It has been expanded from last year and provides an opportunity to market Mesa and build relationships.

Toby Keith Restaurant will be opening in the next 30 days. This will add 125 jobs and will be a destination opportunity.

Banner Mesa Office Building has opened. The building is a Back Office operation with training center. Approximately 300 jobs to start and will expand up to 1,200 jobs. In May 2009 a Simulation/Training lab will open followed in July 2009 by a Tech Center.

The Mayor's Breakfast is on Friday, February 6, 2009 at 7:30 a.m. at the Hilton. The Mayor plans to speak on Healthcare, Education, Aviation and Tourism (HEAT).

## **6. Project Update on Julio Cesar Chavez**

Mr. Mike Parades introduced Mr. Mike Rakowsky, Vice-President/Partner of Chavez Enterprises and Mr. Brian Weymouth, President of Chavez Enterprises.

Mr. Rakowsky gave a brief history of the proposed restaurant concept. He explained that Julio Cesar Chavez is considered Mexican royalty and throughout his career he has been the champion of the people both in and out of the ring. He is a national icon and treasure to the Mexican people. The hope is to locate in Mesa and to turn the restaurant into an international enterprise of businesses. At this point he turned the briefing over to Mr. Brian Weymouth, President of Chavez Enterprises.

Mr. Weymouth stated that he launched his first celebrity restaurant (Cooperstown) with Rock Star Alice Cooper in December 1998. Now he has created another amazing concept for Mexico's #1 sports celebrity and icon, Julio Cesar Chavez. He has teamed up with partners Dan Wergin, Brian Day O'Conner along with legendary boxing icon Julio Cesar Chavez to create an exciting new concept.

Mr. Weymouth commented that the location of the Julio Cesar Chavez Campeones (Champions) is a 30,000 square foot (former Home Depot store) located at Southern

Avenue and Country Club. It will be an entertainment venue with an authentic Mexican restaurant, arcade games and kid's area, a sports bar and a cultural events center of the greatest icon of all time from Mexico. Campoenes will rival the impact Planet Hollywood or the ESPN Zone created with the American Anglo community.

Julio Cesar Chavez Campoenes will cater to the Hispanic community with quality Mariscos and Carne Asada, a state of the art sports bar, arcade games and a cultural events center to host the best Spanish language artists, boxing matches, quinceaneras, wedding receptions, etc.

This venue will be the first of its kind in the world and will demand more buzz and energy than any other venue before its time. It will feature the following:

- Kids area and arcade games
- Multiple TV monitors and big screens
- Boxing memorabilia
- Authentic Mexican food
- Live and recorded Latin Music
- Sports Celebrity ownership from the greatest Mexican icon of all-time

Grant Woods, former resident of Mesa, is the attorney for the project. The current situation is that they have a lease with contingencies and are waiting on help from the Economic Development office. We need help with plan checks to get this project done with hope of a seven day turn around on the plans once they are submitted. We need assistance from the City with SRP according to our architect. We would like to be on a consent agenda for a liquor license (also ensuring a safe environment for families). Also assistance is needed with the signage variance. Parking slots are 50-75 short and help will be needed for a parking variance.

Mr. Weymouth stated that the sales tax revenue generated is estimated between \$7 –10 million dollars a year for Mesa. The Public Relations advertising is estimated at around \$10 million per year.

Mr. Rich Adams stated the concept is great and is pleased that Mesa is being considered. He voiced several concerns regarding the parking space shortage, also opening up a bar restaurant, entertainment venue and the opposition that another bar/restaurant/nightclub had in trying to come into Mesa. These tend to meet with great neighborhood resistance around Mesa. Then you have the signage issue that possibly will bump into a few walls in the process. He suggested a hearty endorsement from the EDAB Board for this project be communicated to the Planning & Zoning Board along with the City Council.

Mr. Jabjiniak thanked Mr. Weymouth for bringing a destination opportunity to Mesa. The concerns brought up are already being addressed and issues are being worked out.

Mr. Rakowsky stated that the cooperation and help from the Economic Development staff (Mike Paredes in particular) and the City (working closely with Councilmember Dennis Kavanaugh) has been fantastic.

- MOTION:** Rich Adams moved that the Economic Development Advisory Board forward to the Planning & Zoning Board and City Council their hardy endorsement of the Julio Cesar Chavez Campoenes project and encourage them to carry forward with all speed.
- SECOND:** Steve Parker
- DECISION:** Passed unanimously with Teresa Carmichael abstaining from the vote due to security issues and concerns.

**7. Other Business**

Mr. Shope suggested an update on the ASU Polytech Campus status for a future agenda item.

Mr. Langkilde suggested an update on the Gateway Freeway status since the funding by the State was cut.

Mr. Alder suggested an agenda discussion item be a shop Mesa campaign. Gilbert has something similar as a grass roots effort. This would be a discussion on a marketing campaign to encourage people to shop in Mesa so the sales tax revenue stays in Mesa.

Mr. Langkilde requested a follow-up summary of the City Council's reaction to the motions that were made in the EDAB's meeting today. He also would like to hear their thoughts and if any action is going to be taken.

Chair LeCheminant reminded the EDAB members of the next scheduled meeting on March 3, 2009.

**8. Adjournment**

Chair LeCheminant adjourned the meeting at 9:03 a.m.

Submitted By:

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