

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

**MEETING MINUTES**

**Date:** January 8, 2013

**Time:** 7:30 A.M.

**MEMBERS PRESENT**

Terry Benelli  
Mitzi Montoya  
Jeff Pitcher  
Tony Siebers  
Laura Snow  
Jo Wilson  
Steve Wood

**EX-OFFICIO**

Mayor Scott Smith (excused)  
Chris Brady (excused)  
Brian Campbell  
Jeff Crockett  
Sally Harrison (excused)  
Steve Shope (excused)

**STAFF PRESENT**

Betsy Adams  
Tammy Albright  
Consuelo Alvarado  
Scott Clapp  
Deanna Grogan  
William Jabjiniak  
Kelley Keffer  
Ray Thimesch

**MEMBERS ABSENT**

Rich Adams (excused)  
James Christensen (excused)

**GUESTS**

Roc Arnett  
Cynthia Dunham

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

Chair Jeff Crockett called the January 8, 2013 meeting of the Economic Development Advisory Board to order at 7:33 a.m. at the City Council Chambers, Lower Level, 57 E. 1<sup>st</sup> Street, Mesa, AZ 85201.

**2. Items from Citizens Present**

None.

**3. Approval of Minutes from December 4, 2012, Board Meeting**

Chair Crockett called for a motion to approve the minutes from the meeting held on December 4, 2012.

**MOTION:** Jeff Pitcher moved that the minutes from December 4, 2012 be approved.

**SECOND:** Mitzi Montoya

**DECISION:** Passed unanimously.

**4. Rate and prioritize CDBG Economic Development Projects**

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, Part 1.

**MOTION:** Jo Wilson moved that a motion to convene Public Hearing #1, Part 1 be approved.

**SECOND:** Mitzi Montoya

**DECISION:** Passed unanimously.

Mr. Scott Clapp, Housing and Community Development Department, stated instructions which were required by the Community Development Block Grant (CDBG) to the Economic Development Advisory Board (EDAB) on the rating methodology for the FY 2013-14 application processes. He explained the process of each presenter which allows 3 minutes to give their presentation followed by 3 minutes of questions addressed to the presenter. After the presentation the Board will rate the presenter and application based on the evaluation criteria already established.

The first presentation was provided by Ms. Terry Benelli, Executive Director of the Neighborhood Economic Development Corporation (NEDCO). Ms. Benelli applied for CDBG funding for a Business Development Program in the amount of \$81,500 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. NEDCO's mission is to create jobs and assist businesses in low-income areas of the community. NEDCO typically has twenty (20) to twenty-five (25) business loans on their books at any given time with 95% of those in a low- moderate income area in Mesa.

Ms. Mitzi Montoya inquired if this would be a continuation of their previous funding or new objectives for the future.

Ms. Benelli responded that this is a continuation of their objectives. Loans are typically a 5-year term.

Chair Crockett inquired the amount of the annual operating budget.

Ms. Benelli replied that the annual budget currently is \$349,000 but \$200,000 of the money is designated for a specific project with light rail which is not being applied for through CDBG. So the \$81,500 would be part of the \$149,000 budget.

Mr. Tony Siebers recused himself from the Neighborhood Economic Development Corporation's (NEDCO) ratings due to a spousal loan application acquired in 2012.

Chair Crockett inquired about the demand for the loans in light of the fact that the corporation handles twenty (20) to twenty-five (25) a year.

Ms. Benelli responded that the demand is greater than the supply. The parameters of the program are tight, including the Downtown Mesa Association area, with difficulty noted because of light rail construction. Loans made outside of the downtown area have been more successful.

Chair Crockett inquired about the impact of light rail currently on the program.

Ms. Benelli noted that the reduction of revenue for businesses along the light rail is approximately 40% during construction. The program is doing everything possible to assist those businesses and is working to have no need to extend or redo the loan documentation. Although it has been difficult to qualify those in the light rail area, two (2) businesses purchased buildings so funding is possible because of the collateral of the buildings. These businesses see the potential in the future.

The second presentation was provided by Ms. Cynthia Dunham from the West Mesa CDC. Ms. Dunham applied for CDBG funding for Economic Development Program, requesting \$90,000. They provide staffing for a number of Economic Development Programs such as the Façade-Storefront Improvements Program, Back door Improvements Program, the Micro Enterprise Program, the Community and Economic Development Technical assistance. The target areas for Mesa's activity will include economic development and job creation. The technical assistance for new and existing businesses includes classes, business coaching, informational events, networking opportunities, guidance in marketing and assistance with site location. This project has been successful in improving the business climate of downtown Main Street.

Ms. Montoya asked about the number of jobs created in the recent past.

Ms. Dunham responded that jobs may be created in a current year or the stage may be set to create jobs in the future. The majority of projects for the previous year materialized within the last month of the fiscal year. She mentioned seven (7) jobs with many more anticipated in the future.

Chair Crockett inquired about the boundary lines for west and east Mesa.

Ms. Dunham responded the West Mesa CDC Board of Directors determined the boundaries area as everything to the west of Gilbert Road. She stated their organization is the only community development corporation in the City of Mesa.

Chair Crockett requested the annual budget for West Mesa CDC.

Ms. Dunham replied that the \$90,000 requested is about half of their budget.

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

Mr. Clapp explained the next steps for the process.

1. Funding recommendations will be reviewed by the Community and Cultural Development Committee on January 31, 2013, and February 6, 2013.
2. All Community and Cultural Development Committee funding recommendations will be forwarded to and approved by Council at the City Council Study Session on February 21 and March 7, 2013. All Council approved funding recommendations will be included in the FY 2013/14 Annual Action Plan.
3. A draft copy of the Annual Action Plan will be available for viewing on March 10, 2013 at which point a 30-Day Comment Period begins.
4. Public Hearing #2 will occur on April 4, 2013.
5. 30-Day Public Comment Period ends on April 11, 2013.
6. April 15, 2013, council will approve the FY 2013/14 Annual Action Plan.

7. May 15, 2013 the Annual Action Plan is due to HUD.

Mr. Clapp stated that the evaluations of this Board will have 30% weight with total score combined with staff which will then be used to make further recommendations.

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

**MOTION:** Jo Wilson moved for a motion to adjourn Public Hearing #1, Part 1.

**SECOND:** Jeff Pitcher

**DECISION:** Passed unanimously.

## **5. Director's Report**

Bill Jabjiniak announced Kelley Keffer, the new Management Assistant, started December 17. Her first assignment is to work on the new budget for 2013/2014.

Lisa Davis, Economic Development Specialist, has resigned to be a stay-at-home mom and work with her husband in his home-based business as of January 17, 2013.

The Marketing and Business Development position will be posted Friday, January 11, 2013. The position was formerly held by Jaye O'Donnell, current Deputy Director.

Internal goals for the department include discussions on the Goldwater project continuing before City Council, as well as the Business Accelerator going in front of the City Council in early February.

The Air Force Lab lease is nearing the end of the six (6) month commitment and investments are being made in legal counsel to review documents as well as on-going negotiations with the Air Force.

The Governor's Breakfast is scheduled for January 15, 2013 at the Hilton in Mesa. The Mayor's State-of-the City Breakfast is on January 24 with a Senate Lawn Legislative Luncheon on the same day. The new City Council will be seated January 8 with the public invited.

The offices will be closed for the Martin Luther King, Jr. Holiday on January 21, 2013.

The Chamber Business Roundtable is January 8 and is an on-going monthly event with the Mayor.

Mr. Jabjiniak announced three or four dates are being looked at in March for the Business 2 Baseball (B2B) events. He encouraged the Board members to attend the B2B events as their schedules permit.

## **6. AZLabs Update**

Mr. Brian Campbell stated challenges continue with the Air Force regarding conveyance issues for the AZLabs. The Council in Washington, D.C. has been working diligently

toward a resolution on the conveyance issues. On a positive note, leasing of a non-traditional area, which would be least desirable to defense contractors, was accomplished recently. The Mayor is assisting the AZLabs with an Open House in March that will target federal partners. A tour of the facility as well as activities for families of defense contractors invited to this high-level event are anticipated with the hope of bringing high-security contractors to the area.

#### **7. GPEC Update**

The Z-Corridor strategy is moving forward in China with anticipation toward the April meeting looming. The CA100 Initiative continues to battle challenges of relocating businesses from California to Arizona. Branding efforts are underway to battle social issues such as SB1070 and education in Arizona schools which seem to be of concern to CEO's of these potential businesses.

GPEC supported SRP's decision regarding a large donation to the funding of the Super Bowl 2015 to be held in Phoenix. The SRP Board passed a \$1,000,000 donation to the Super Bowl with only \$24 million more needed in funds to sponsor the Super Bowl.

#### **8. General Plan Update**

This item was tabled to a future meeting.

#### **9. Healthcare Subcommittee Update**

Ms. Benelli stated the subcommittee met prior to the holidays and discussed their vision statement with no final conclusion. Discussions continue around catalyst projects of the Banner SIM Center as well as the MD Anderson Cancer Center. The MD Anderson Cancer Center has announced expansion in Gilbert at Higley and Baseline. Additionally, inquiries into working with Gilbert's economic development for further cooperation between the communities are being explored. The committee anticipates further healthcare facilities and developments to be discussed this spring with the EDAB Board.

#### **10. Other Business**

Tuesday, February 5, 2013, will be the next board meeting.

#### **11. Adjournment**

Chair Crockett adjourned the Board meeting at 8:29 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 Jeanne LaRue)