

# COUNCIL MINUTES

September 26, 2000

The City Council of the City of Mesa met in a joint breakfast meeting with staff from the Motorola Semiconductor Products Sector (SPS) at Motorola, 2200 West Broadway Road, Mesa Executive Office Building, Executive Conference Room, on September 26, 2000 at 8:00 a.m.

## COUNCIL PRESENT

Keno Hawker  
Jim Davidson  
Bill Jaffa  
Dennis Kavanaugh  
Pat Pomeroy  
Claudia Whalen

## STAFF PRESENT

Mike Hutchinson  
Tom Remes  
Barbara Jones

## MOTOROLA STAFF PRESENT

Mark Bare  
Peggy Felice  
Jeff Martin  
Joan Herzog  
John Snyder  
Greg Vargo  
Anne Wendell

## COUNCIL ABSENT

Mike Whalen

Mayor Hawker excused Councilmember Whalen from the meeting.

### 1. Welcome and Introductions.

Motorola Site Director Jeff Martin welcomed everyone to the meeting and requested that those in attendance introduce themselves.

### 2. Overview of Motorola Corporate.

Mr. Martin utilized overhead illustrations to provide information relative to Motorola's long history in the electronic industry and outlined the products developed and marketed from 1930 to the present. Mr. Martin noted the progression in products from automotive radios to batteries, from TV's to pagers, from micro-processors to portable cell phones, from two-way radios (a popular consumer product in the U.S.) and two-way pagers with email and paging capabilities to satellite communications.

Mr. Martin proceeded to discuss the revenue generated in 1999, which totaled \$30.9 billion with a ten-year compound average growth rate of 12.3%, dollars. Mr. Martin noted that the company employs 130,000 employees around the world. Mr. Martin displayed an organizational chart which reflected the Chairman of the Board, Chief Executive Officers and Officers who provide regional global leadership.

Mr. Martin commented on the fact that Motorola has in excess of 1,100 locations in 45 countries. Mr. Martin mentioned that there are 70 manufacturing facilities in 17 countries and that Motorola was one of the first companies to conduct business in Japan in the 1970's. Mr. Martin indicated that Motorola has an enormous investment in China,

which was based on the development of a trusting relationship between the two entities. Mr. Martin clearly indicated from the graph that the majority of Motorola's sales are derived from outside of the United States - Europe 21%, China 10%, Asia-Pacific 10%, Japan 7%, Latin America 8% and the rest of the world at 7%.

Mr. Martin displayed Motorola's product lines and the techniques utilized by Motorola to keep up with advanced technology and commented on the ongoing challenge of meeting the consumer's demands and providing products quickly and inexpensively.

### 3. Overview of Mesa Semiconductor Products Sector (SPS).

Mr. Martin reported that Motorola arrived in Arizona in 1949 and employs more than 16,000 employees in the Valley. Mr. Martin added that Motorola is one of the largest private employers in Arizona aside from Honeywell and Allied Signal. Mr. Martin outlined the Motorola businesses in Arizona which includes, 3 locations for Semi-Conductor Product Sectors (SPS) in Mesa, Chandler, and Tempe; an Integrated Information Solutions Sector in Scottsdale; Motorola Computer Group in Tempe; the Corporate Labs at ASU Research Park; the Global Telecommunication Solutions Sector in Chandler and Tempe and the Commercial, Government and Industrial Solution Sector in Phoenix. Mr. Martin pointed out that the economic impact is over \$5 billion annually.

Mr. Martin emphasized that Mesa is one of the older sites for semiconductors and that the products from this location serve a significant amount of Motorola's market places. Mr. Martin reported that a market still exists for 25-year-old technology and stated that Motorola is a single source for that technology.

Mr. Martin pointed out that the Mesa site encompasses 75 acres and is a major manufacturing location for semiconductors. Mr. Martin stated the employment base at the site is 3,100 and commented on Motorola's sensitivity to its neighbors which encompasses both commercial and residential properties. Mr. Martin reported that the Mesa site is the largest SPS site in Arizona and that Motorola expended \$2.3 million in property taxes this year and \$1,500,000 in local City sales taxes.

Mesa Site Service Manager John Snyder gave a brief overview of the construction projects in progress at the Mesa site. Mr. Snyder indicated that renovations to the Mesa Auditorium were completed last year and the dining area of the cafeteria has been remodeled with the remaining service area to be completed in December. Mr. Snyder announced that the costs of these projects will total approximately \$4.5 million. Mr. Snyder commented on a multi-year project which involves improvements to the office areas, including the replacement of carpets, and the purchase of office furniture and equipment. Mr. Snyder pointed out that funds in the amount of \$800,000 have been expended this year on this project and the process will continue until all remaining offices are renovated. Mr. Snyder spoke of plans to construct an exercise facility which includes locker rooms. Mr. Snyder noted various other improvements to the outside courtyard areas.

Environmental Health and Safety Section Manager Peggy Felice advised those present that Motorola is pursuing Environmental and Safety certification by the end of this year and noted that the process, required an audit and the completion of an environmental systems program.

In response to a question posed by Councilmember Davidson relative to the relationship between Motorola's Environmental Health and Safety Division and the Mesa Fire Department, Ms. Felice indicated that a positive working relationship exists and the Fire Department continues to provide annual safety drills with Motorola.

### 4. Update on Motorola Community Relations.

Civic and Strategic Programs Manager Greg Vargo provided statistics relative to the company's degree of involvement in the community. Mr. Vargo pointed out that 1999 donations to the City of Mesa amounted to \$14,300.00, and emphasized the importance that Motorola places on education.

Councilmember Jaffa indicated that at a recent meeting with AT&T it was decided that a future meeting with large employers and the City of Mesa should be conducted to develop a partnership for the purpose of determining methods to increase workforces. Councilmember Jaffa invited Motorola to participate in this process and Mr. Vargo responded favorably to the invitation.

Councilmember Jaffa additionally requested input from Motorola relative to Mesa's redevelopment efforts in West Mesa since Motorola is in a similar position with its redevelopment endeavors. Mr. Vargo stated that he welcomes the opportunity to participate.

Mr. Vargo spoke of Motorola's close working relationship with the Chamber of Commerce and reported that donations were provided to the Chamber in the amount of \$6,065 in 1999 and \$8,915 has been dedicated for 2000. Mr. Vargo commented that additional contributions to other Mesa organizations totaled \$14,700.

#### 5. Update on Partnerships between Motorola and City of Mesa.

Motorola Site Director Jeff Martin discussed the involvement with the City during Motorola's construction period relative to building codes and permits. Mesa Site Service Manager John Snyder noted that the plan review process was extensive and lasted approximately 4 to 6 weeks. Mr. Snyder indicated Motorola's desire to have the timeframe reduced to 3 weeks. Mr. Snyder informed those present that Motorola has recently increased its engineering staff to ensure a thorough review of plans prior to submittal to the City of Mesa. Mr. Snyder noted that he has several suggestions that may assist in streamlining the process.

City Manager Mike Hutchinson commented that the City of Mesa has increased its administrative staff and that the additional personnel will ensure this issue is addressed as a priority.

At the request of Mr. Martin, Mr. Vargo relayed Motorola's concern regarding the cost of utilities. Mr. Vargo reported the enormous impact on Motorola when utility rates are increased. Mr. Vargo pointed out that Motorola is a heavy user of gas, water, and sewer services. Mr. Vargo inquired as to whether other methods to fund the needs of the City of Mesa could be implemented. Mr. Vargo indicated that Motorola's profit margins do not provide flexibility to accommodate unexpected utility increases.

Mr. Hutchinson stated that he will direct staff to meet with the appropriate Motorola personnel to provide data relative to this issue and commented that in the near future the Council will be addressing all impact fees and invited participation once again by Motorola's State Government Relations Representative Mark Bare.

Mr. Martin commented on the positive service levels the City provides to Motorola and reiterated the fact that energy costs are alarming and the market place continues to be volatile.

Mayor Hawker mentioned that Mesa is currently doing an update to its General Plan, Parks and Recreation and an Economic Development Update to formulate into one Master Plan Update. Mayor Hawker informed those present that consultants have been hired and the City has \$3 million for this study appropriated. Mayor Hawker stated that meetings will be held throughout the community to determine the lifestyle that Mesa citizens would like to achieve in the future. Mayor Hawker stated the importance of Motorola employees' input during this outreach process.

#### 6. Tour Facility.

At 9:25 a.m., Site Director Jeff Martin invited the Mesa City Council and staff to tour the facilities.

7. Adjournment.

Without objection the meeting and tour adjourned at approximately 9:55 a.m.

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KENO HAWKER, MAYOR

ATTEST:

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BARBARA JONES, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Joint Meeting with the Motorola Semiconductor Products Sector held on the 26<sup>th</sup> day of September, 2000. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this \_\_\_\_ day of \_\_\_\_\_ 2000

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BARBARA JONES, CITY CLERK