

Office of Economic Development
Economic Development Advisory Board
MEETING MINUTES

Date: August 3, 2004: 7:03 a.m.

MEMBERS PRESENT

Gary Smith
Debra Duvall
Linda Flick
Vernon Mathern
Patricia Schroeder
Jack Sellers
David Woods
James Zaharis

EX-OFFICIO

Mayor Keno Hawker (excused)
Mike Hutchinson
Charlie Deaton

STAFF PRESENT

Betsy Adams
Sue Cason
Harold Decker
Micah Miranda
Richard Mulligan
Scot Rigby

GUESTS

Roc Arnett
Lois Yates

MEMBERS ABSENT

Raul Cardenas (excused)
Don Evans (excused)
Mike Garcia (excused)

Chair Gary Smith called the August 3, 2004 meeting of the Economic Development Advisory Board to order at 7:03 A.M. in the City of Mesa Plaza Building, 20 East Main Street, Room 170.

Chair Smith called for a motion to approve the minutes from the meeting held June 8, 2004.

MOTION: Vern Mathern moved that minutes from June 8, 2004 be approved.

SECOND: Linda Flick.

DECISION: Passed unanimously.

Chair Smith welcomed new member David Woods.

1. EDAB Chair/Vice-Chair Succession Planning

Chair Smith commented on the process of choosing successors for Chair and Vice-Chair as Chair Smith and Vice-Chair Linda Flick's terms will be over in June 2005.

Chair Smith, with consent of the Board, moved to defer discussion/action of this item until the September 14 meeting.

2. Mesa Enterprise Zone

Enterprise Zone Application Process

Staff member Micah Miranda gave a presentation on the establishment and application process of Arizona Enterprise Zones. Micah briefed the Board on the purpose and history of Enterprise Zones. The goals of an Enterprise Zone are to encourage business location and expansion, quality job creation, and to increase private investment within the zone.

Two primary benefits to businesses that utilize an Enterprise Zone. These two benefits include tax credits for new job creation in the zone by non-retail businesses and primary property tax reclassification for five years for manufacturing businesses investing in the zone.

Staff originally researched the possibility of establishing a zone earlier, but State eligibility requirements were not satisfied in 1999 when last reviewed. However, after the release of the 2000 census, a geographical area was identified based on 2000 census tract demographics, which satisfied all the State requirements. In order to establish an Enterprise Zone, the City must submit a City Council approved application packet no later than October 31, 2004.

Micah Miranda referred to the proposed Enterprise Zone boundaries map in the packet. The proposed Zone covers 7.31 square miles of Mesa with a 21.04 % poverty rate. Census 2000 population for the zone area is 45,000 people. In order for businesses to qualify for Enterprise Zone tax credits, 35% of employees must live in the zone on the date of hire. Enterprise Zones are based on the poverty level and there are no limits as to the number of zones a city can have. Numerous State established criteria must be met in order for the businesses to take advantage of any tax credits in an Enterprise Zone. There are twenty-five active Enterprise Zones in the state.

Micah Miranda outlined the next steps to be taken as:

- A Stakeholders meeting will be held educating potentially impacted agencies.
- Placing four-day public notice advertising a City Council public hearing encouraging citizens to participate.

- Presentation made to the City Council at a study session and Council meeting
- City Council approval for establishing a Enterprise Zone and identifying the City Council as the Enterprise Zone Commission for Mesa
- Submit formal application to the State by the October 31st deadline

MOTION: Vern Mathern moved that EDAB indicate to the City Council, EDAB's support for the establishment of an Enterprise Zone located in West Mesa.

SECOND: Linda Flick.

DECISION: Passed unanimously.

3. Future Focus

Annual Breakfast – Mesa: Building a Talent-Powered Economy

Chair Smith reviewed the current Economic Development staff shortages. The staff member in charge of Retail has chosen to be a stay at home mother, the division's Marketing and Communication Specialist has taken a position with GPEC and the Small Business/Entrepreneurial staff member has accepted a position within the City. While the Annual Breakfast normally takes place in the fall, staff has proposed moving the event to early 2005.

Chair Smith explained he, Vice Chair Linda Flick and Director Dick Mulligan have approached Dr. Louis Olivas, of ASU, with a proposal to undertake a study, done by several graduate students, on Building a Talent-Powered Economy. Dr. Louis Olivas has accepted the contract and will be the speaker at the Annual Breakfast.

Chair Smith encouraged EDAB to read the proposal in the packet.

Director Mulligan briefed the Board about the establishment of an Ad Hoc Committee to assist in the research project. To date, Board members invited to be on the committee are Dr. Debra Duvall, Dr. Jim Zaharis, Dr. Raul Cardenas, along with representatives of Mesa's major businesses. The businesses are to be identified with help from Charlie Deaton of the Chamber of Commerce. Also invited was Phil Austin with the Mesa Association of Hispanic Citizens. The committee is projected to meet once a month to provide feedback to Dr. Olivas and the graduate students working on the project and to review the final draft of the project when completed.

Chair Smith acknowledged the consent of the EDAB Board for the Annual Breakfast to be moved to sometime in late winter or early spring, possibly February or March.

4. Director's Report

Chair Smith explained that in making up the agenda it was thought that it would be beneficial to give a review of some of the projects that were going on around the City and also to kick off the new fiscal year. One of the significant tasks Economic Development will be engaged in relates to development incentives.

Director Mulligan provided a briefing to EDAB on some of the division's major projects.

City Owned Real Estate

Dobson Road/Loop 202

This area entails the Hurley Property. There is still dialogue between the city and developer to bring about a quality retail project. As of this time there are no new updates. Tempe is trying to get their retail project in first.

Falcon Field Airport – Request for Proposals (14-acre parcel)

They are down to two finalists. There are proposed changes to be made related to the reshaping of the lease to meet the needs of clients. In the next few weeks, some additional proposals for aviation space along with office, hanger and retail are coming up.

Recker Road/Loop 202 (25-acre parcel)

The City owns approximately 25 acres on the north side of the 202 by Recker Road. We have gone to City Council and asked by which method they would like to dispose of this property. They have directed staff to use a developer/broker to move this property. The acreage is listed with Grubb & Ellis to represent the city. Broker Brent Moser has been actively involved with the proposal to get the acreage into play with the timing of the opening of the freeway.

Education Cluster

ASU Polytechnic/WGA Research Group

WGA has taken the lead to bring together the stakeholders for meetings to explore, enhance, and shape the future possibilities at WGA. WGA representatives want to look at how to take advantage of what they have and how to move future development forward.

MCC Downtown Campus – Memorandum of Understanding

Director Mulligan referred to the MOU in the EDAB packet and encouraged the Board members to read through and become familiar with the MOU. The MOU outlines the perimeter of how the City can partner with MCC to create the downtown campus. The MOU is non-binding at this point and will go to the City Council sometime the week of August 9th.

Marketing

Community Profile/Employment Center Profiles

Economic Development is using the same company as the last time, but with updated information and photos. The profiles will be available in preparation of the Annual Breakfast.

Mesa Association of Hispanic Citizens

Director Mulligan referred to the letter in the Board packet from the MAHC. The MAHC has asked for some assistance from the City and Economic Development staff to get several items of concern into motion. Before giving an answer to their requests, our office will need to do some homework and will bring it back to EDAB for recommendations. The MAHC is involved with:

1. Small Business Center - A Minority Business Center is opening at 145 N. Centennial Way in September 2004.
2. Small Business Symposium – In November 2004 MAHC will sponsor its first annual Small Business Symposium.
3. Minority Female and Disadvantaged Business Procurement Program – MAHC wants to suggest to the Commission that Mesa establish such a program and conduct a disparity study.
4. Community Reinvestment Act Compliance – MAHC to initiate discussion with banks regarding compliance with the Community Reinvestment Act.
5. Promotion of Staff Diversity – Concern of a lack of diversity with staff. A more culturally and linguistically diverse staff is suggested.

Richard Mulligan has been invited to serve as a panelist during the Economic Development Track of the group's Latino Town Hall. The Latino Town Hall is being held on October 9, 2004 at Mesa Community College.

Performance Metrics

Richard Mulligan thanked Charlie Deaton, Patricia Schroeder and Lois Yates for all their work on the Performance Metrics. The work group has met twice and will meet one more time to finalize everything. The Performance Metrics final report will be brought back to the Board at a later meeting in the fall.

Chair Smith referred back to the Orientation Handbook at the members' tables and opened up to the Action Plan section of the Handbook for discussion. Mr. Smith explained that the Action Plan is a living document and that the Board's agendas come out of the Action Plan. The Action Plan establishes what needs to be accomplished in the new fiscal year. Some topics will be revisited and some new topics will be taken up.

5. Staff Reports

Chair Smith encouraged EDAB members to read the information in the packet.

- Development Advisory Forum: July 14, 2004

Vice-Chair Linda Flick was unable to attend.

- GPEC Executive Committee/Board Meetings: July 15, 2004
- Monthly Report: June 2004

Chair Smith encouraged EDAB members to look at the monthly report.

6. Other Business: Public and Board Comments

Chair Smith encouraged EDAB members to review the information provided in the agenda packet.

Chair Smith announced that Mesa Business Speaks has reestablished their meetings. On July 22, Mr. Paul Ringer, from GPEC, was the second speaker. Chair Smith encouraged future participation.

Charlie Deaton reported that the Mesa Business Speaks has not been well attended and it is to be determined if it will continue. He will keep the Board informed. Also, the Chamber would like to have a retreat in the fall. A date has yet to be decided.

City Manager Mike Hutchinson provided clarification regarding the WGA campus, airport and surrounding area. The City Council is anxious and hopeful for the downtown MCC College Campus to go forward. There are funding issues to overcome. The MOU will go before the City Council the week of August 9.

Roc Arnett reported that the East Valley Partnership is trying to make folks aware of the planning that is going on at WGA in education and aviation. In addition, there was positive feedback on the LPGA event, especially after the event was moved to Gold Canyon.

Chair Smith reviewed and encouraged the Board members to review and read all of the EDAB Operational Handbook. Chair Smith particularly encouraged members to read the EDAB Charter of the City Code – Title 2 with regard to the Powers and Duties.

Lois Yates explained that the Falcon Field Alliance is designed to enhance the Falcon Field area. The Alliance is actively working with the Falcon Field and Economic Development staffs. The Alliance wants Falcon Field to become a Class A business and employment area.

Chair Smith acknowledged that all the City's efforts are collaborative efforts in all areas.

Jack Sellers reminded that the East Valley Partnership Forum was coming up on November 16 with an emphasis on Biotechnology. The main speaker will be Elliott Pollack giving the "State of the Economy." September 9th at 7:30 a.m. is the greater Phoenix Chamber of Commerce's OUTLOOK 2005: Economic Forecast.

Chair Smith suggested that EDAB re-interview the City Council members this coming year, as there are new council members and new EDAB members.

Vice-Chair Linda Flick suggested that EDAB go back and meet with the City Council and see where we are in relation to what the City Council expects of EDAB.

Jim Zaharis encouraged board members to take part in a VIP Tour of Mesa.

David Woods commented that the community image is important. Gateways to Mesa are not always appealing and would hope that would be another topic for a Board meeting.

Patricia Schroeder reported on the Mesa 2025: Financing the Future Citizens Committee and that their next meeting will be August 11. Up until now, the committee members have been given information, briefings, tours, etc., but have not had an opportunity to talk. Now they will get to talk and ask questions.

Chair Smith reminded and encouraged board members to remember to sign up for the upcoming City Council Meetings and Study Sessions.

It was noted that the next EDAB meeting would be held September 14, 2004.

7. **Adjournment**

There being no further business, Chair Smith adjourned the meeting at 8:37 A.M.

Submitted By:

Richard K. Mulligan, CEcD
Economic Development Director