

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

Date: November 2, 2010: **Time:** 7:30 A.M.

MEMBERS PRESENT

Christian Alder
Terry Benelli
Jim LeCheminant
Steve Parker
Jeff Pitcher
Jo Wilson
Steve Wood

EX-OFFICIO

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

STAFF PRESENT

Betsy Adams
Shelly Allen
Lisa Davis
Jennifer Graves
William Jabjiniak
Shea Joachim
Jaye O'Donnell
Ray Villa

MEMBERS ABSENT

Rich Adams (excused)
Jared Langkilde (excused)

GUESTS

Cynthia Dunham
Mark Engle
David Short
Lois Yates

1. Chair's Call To Order

Chair Jeff Crockett called the November 2, 2010 meeting of the Economic Development Advisory Board to order at 7:33 A.M. at the City of Mesa Council Chambers, Lower Level, 57 E. 1st Street, Mesa, AZ 85201.

2. Items from Citizens Present

None

3. Approval of Minutes from October 5, 2010 board meeting.

Chair Crockett called for a motion to approve the minutes from the meeting held on October 5, 2010.

MOTION: Christian Alder moved that the minutes from October 5, 2010 be approved as written.

SECOND: Steve Wood

DECISION: Passed unanimously.

4. Update on CLIP Grant

Ms. Shelly Allen explained that the City of Mesa was one (1) of seven (7) cities that applied for the Bill and Melinda Gates Foundation for the Communities Learning in Partnership (CLIP) grant, which is led by the National League of Cities' Institute for

Youth, Education and Families. Upon completion of a year long comprehensive submittal and evaluation process, the City of Mesa was one (1) of four (4) cities selected and awarded a \$3 million dollar grant. The four (4) cities selected are Mesa, New York City, San Francisco and Riverside, CA. Mesa's commitment to the goals of the grant includes education of the underserved students' ages 16-26 years old. The initiative is now called Mesa Counts on College because Mesa relies on a post-secondary education completion to be a goal for elementary school students, to educate young adults, to build an educated community and to achieve economic success and sustainability.

Mrs. Lisa Davis commented that a cross-site visit to Louisville, Kentucky was taken the week of October 25th. The visit was hosted by the Gates Foundation and National League of Cities. The goal of the trip was to meet with the other three (3) cities selected, get an idea of the other proposals, exchange information and ideas to further our implementation strategies. It was noted by the other cities present that Mesa's proposal was strong with the workforce connection. Other cities had not placed such an emphasis in this area.

Ms. Allen stated that the next steps include meeting with the Board of Directors, Tuesday, November 2, 2010. The Board consists of Chris Brady, City Manager, Dr. Shouan Pan, Mesa Community College President and Dr. Michael Cowan, Mesa Public Schools Superintendent. Others present will be members of the Communications, Workforce Development, Policies and Practices, Data, and Sustainability Partners and Youth Development teams.

The Board of Directors will discuss and give direction for the Executive Director position description and posting. Ms. Allen is the Acting Executive Director until a permanent Director can be hired.

Mr. Steve Wood inquired as to the sustainability of the position after the three (3) years and \$3 million grant was gone.

Ms. Allen responded that Chris Brady, Dr. Cowan and Dr. Pan were committed to carrying on the positions once the three (3) year grant was completed.

Mrs. Jo Wilson thanked the City of Mesa and Ms. Shelly Allen for providing the leadership given in receiving the CLIP grant and continued work involved.

Chair Crockett thanked Ms. Allen and Mrs. Davis and several other members of the EDAB Board that have been dedicated to the advancement of education. He also commented that the EDAB Board is very supportive of Mesa Counts on College endeavors.

5. Report on Local Redevelopment Agency (LRA)

Mr. Patrick Murphy explained that the Notice of Interest (NOI's) were due on October 12th with only one (1) NOI being received. The one (1) NOI was submitted by ASU in partnership with Alion Science and Technology. The consultant is reviewing this NOI including comparing it to the criteria for the Vision and Goals that were approved by the LRA.

He explained that the timing is critical for the AFRL process in regards to the Security Clearance involved. Without a Security Clearance the usage would be considered Class C, but with the Security Clearance the usage is considered Class A. An interim lease agreement with the Air Force is being negotiated that is acceptable to both parties for the AFRL with the intent to ensure the security clearance at the facility remains intact throughout the disposal process.

The next steps in the process are to meet with the LRA Subcommittee for them to provide guidance in helping draft the Redevelopment Plan and Homeless Submission Report; meet with the City Council LRA Board on Thursday, November 18th; and then a public meeting to be held on Thursday, December 16, 2010 to review/discuss the Draft Redevelopment Plan and Homeless Submission Report.

Mr. Brian Campbell commented that Mr. Murphy is the Gatekeeper of the whole Base Realignment and Closure (BRAC) process and is responsible to keep the timeline and process strictly on track. He commended Mr. Murphy and staff for the excellent work and guidance provided in keeping everything moving smoothly and on time. The timing of the process is critical for the closure of the base in regards to the Security Clearance involved. Without the existing security clearance it will be extremely difficult to locate tenants for the buildings.

Chair Crockett commended Mr. Murphy for his excellent work in providing tracking of the process and the deadlines being met and for the other staffs support. Mr. Murphy is a guardian of this facility because he is very much aware of the value and importance of the property and to maintain the Security Clearance for the City of Mesa.

6. Review and discuss all CDBG 2011/2012 Funding Requests regarding Economic Development

Mr. William Jabjiniak explained that for the current fiscal year, the City of Mesa received \$3.7 million of CDBG funding. It is anticipated the City will receive the same amount in FY 2011/2012. Economic Development related projects total approximately \$1.8 million in CDBG funds. The EDAB Board has been asked by the City Council to review and comment on the funding priority of the CDBG Economic Development applications based on the City Councils adopted five (5) Strategic Initiatives as follows: Economic Development; Quality of Life; Community Engagement; Financial Stability; and Regional Leadership. The Board has a valuable opportunity to provide input to the City Council.

Mr. Ray Villa, Director of Neighborhood Services, reiterated the request by City Council to provide prioritization of the CDBG funding requests for Economic Development projects.

Chair Crockett suggested that the representative from each of the Economic Development applications come forward one at a time to answer questions that the Board may have regarding the applications.

Mr. Shea Joachim reviewed the applications for 51-55 E. Main Street; 225 E. Main Street, the Downtown Project Manager position; and the Sprinkler Cost Assistance Program.

Mr. Campbell wanted to know the difference between 51-55 E. Main Street and 225 E. Main Street.

Mr. Joachim responded that both properties were owned by the City and have been vacant for a number of years and need work done for marketing purposes. The property at 51-55 E. Main Street needs improvements to market for the possibility of attracting restaurants. The property at 225 E. Main Street is vacant and is in need of major work in order to attract possible office use for high paying jobs. With the extension of the Light Rail in mind these properties will become prime properties for businesses along the Light Rail route.

Mr. Steve Wood inquired if there were potential users in mind and where the income generated from these properties would go.

Mr. Joachim responded that he was not sure of what restrictions, if any, there would be on the income generated by these properties. Typically the funds are placed in the general fund, but this may be looked at as program income. Also there have been multiple inquiries over several months from a variety of different users, most of which are restaurant or entertainment type of uses.

Mr. Steve Shope commented if the City of Mesa going to be in the property management business or is that going to be contracted out to a property manager. It does not make good economic sense to manage these properties internally.

Mr. Jabjiniak commented that the money requested from the CDBG funds would not be available until the 2011/2012 fiscal year beginning in July.

Chair Crockett asked if the Sprinkler Cost Assistance Program money is available now.

Mr. Joachim responded that the Sprinkler Cost Assistance Program funding of \$100,000 was requested and received for the FY 2010/2011. The program was written as a matching grant or dollar for dollar match capped at \$10,000. An application is currently being processed. In the near future another seven (7) applications are hoping to request funding to aid in the updating of their sprinkler systems.

Mr. Christian Alder inquired who determines what businesses receive the Sprinkler Cost Assistance Program funds.

Mr. Joachim responded that the application specifies the downtown area for the Sprinkler Cost Assistance Program.

Chair Crockett commented that the Economic Development Position is critical for assisting the downtown efforts and a lower priority being the Sprinkler Cost Assistance Program.

Mrs. Terry Benelli, EDAB Board member and Executive Director for NEDCO, reviewed the applications for NEDCO- Economic Development Plan; NEDCO-Light Rail Business Assistance Program; and the NEDCO Business Development Program.

She explained that 600 businesses will be affected by the Light Rail Transit (LRT) construction. It is important to line things up for the start of the construction to help the business that will be affected and struggling during the construction phase. Committees have been formed and met with the suggestion for NEDCO to administer the loans for the LRT Business Assistance Program. The Program was modeled after the Phoenix LRT Business Assistance Program. She explained that the number one (1) priority for businesses to survive is having enough operating expenses to survive the construction phase.

Mr. Campbell expressed the importance and value of the relationship with NEDCO along with the Public/Private partnerships.

Mrs. Lois Yates commented that the most critical part of receiving funding is to provide help early to businesses for survival in order to avoid the businesses failing.

Mrs. Cynthia Dunham, Executive Director for West Mesa CDC, provided information on the application for the CDBG funding requests for the West Mesa CDC – Economic Development Program. The CDBG provides loans or grants to businesses in need of assistance for such things as refreshing facades, landscaping, aid in construction needs during the LRT extension, signage and to assistance businesses in educating customers to use the backdoor entrances (which usually are the main entrances) off of the parking lots and not parking in front.

Mr. Campbell inquired if the businesses using the funds are using them to assist in temporary or permanent improvements.

Mrs. Dunham responded that most all the improvements are permanent. Most of the businesses have the main entrance in the rear parking lots, but for those that do not have the main entrance in the rear; the LRT construction time is a perfect time for them to permanently reconfigure their entrances to the rear parking lot.

She explained the importance of CDBG to assist businesses in sprucing up their appearances and enhance the appearance of the whole surrounding area.

Mr. Mark Engel, Small Business Development Center Director, explained their request for CDBG funds help to provide counseling, technical assistance, and training programs to minority and women-owned businesses within the City of Mesa. It has been shown that if assistance is provided early to the minority and women-owned businesses the chances of being successful are greater. Currently there are seventeen (17) businesses requiring help now in the LRT area. Being pro-active now in providing assistance will further enhance these businesses to succeed during the LRT construction phase.

He stressed that the SBDC is a national program with Mesa targeting minority/women-owned businesses.

Mr. Shope commented that it seemed the filtering of minority businesses was too narrow and that all small businesses should have the opportunity to be helped.

After hearing the presentations, and prior reviewing of the CDBG 2011/2012 funding requests regarding Economic Development, Chair Crockett opened the discussion to the Board members.

Mr. Campbell suggested that the application requests be structured into sections A, B and C for prioritization and then numbered in order of the priority.

After several minutes of discussion it was unanimously agreed upon the order of prioritization and a motion made as follows:

MOTION: Mrs. Jo Wilson moved that the CDBG 2011/2012 Funding Request for Economic Development be accepted as prioritized as A, B and C priority sections.

Priority A

1. City of Mesa Downtown Project Manager
2. 51-55 E. Main Street, Improvements
3. NEDCO – Business Development Program
4. NEDCO – Light Rail Business Assistance Program
5. 225 E. Main Street, Tenant Improvements

Priority B

1. West Mesa CDC – Economic Development Program
2. Maricopa Community College District Small Business Development Center (M³SBDC) – Mesa Minority/Micro Small Business Development Center

Priority C

1. City of Mesa Economic Development – Sprinkler Cost Assistance Program
2. NEDCO – The Business Development Revolving Loan Fund

SECOND: Mr. Steve Wood

DECISION: Passed unanimously

7. Directors Report

Mr. Jabjiniak commented that the results of the November 2 Election should be known by the end of the day. The benefits that the State and Mesa receive from the Cubs remaining in Arizona are tremendous.

There are numerous moving parts and the Board will be kept informed.

Mr. Jabjiniak welcomed and introduced Jennifer Graves as the new Economic Development Specialist. Jennifer came from the City of Scottsdale. He also encouraged the Board to review the new collateral brochures for Healthcare; Education; Aviation; and Tourism (H.E.A.T.).

The extension of Gateway Airport Terminal will be having its Grand Opening on November 9th. Also on Tuesday, November 9th East Valley Partnership will host a forum presented by Cox Communications called “Arizona Prepares”. The event is to be held at the SanTan Elegante Conference and Reception Center in Gilbert, AZ.

The Mesa Chamber of Commerce, in cooperation with The Commemorative Air Force Museum and the East Valley Aviation & Aerospace Alliance are hosting “Aviation

Fascination” at the Commemorative Air Force Museum on Tuesday, November 16th. An R.S.V.P is required.

8. GPEC Update

Mr. Brian Campbell commented that the GPEC Annual Dinner held on Thursday, October 7, 2010 was a great success.

He commented that GPEC will be working with the legislature to help guide endeavors in revising the Enterprise Zone policy for the State.

9. Other Business

Mr. Jabjiniak welcomed and introduced David Short as the new Executive Director for the Downtown Mesa Association.

Chair Crockett reminded the EDAB members of the next scheduled meeting on December 7, 2010 to be held at the City of Mesa Council Chambers, Lower level, 57 E. 1st Street, Mesa, AZ 85201.

10. Adjournment

Chair Crockett adjourned the meeting at 9:20 a.m.

Submitted By:

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