

Office of Economic Development
Economic Development Advisory Board
MEETING MINUTES

Date: March 2, 2004 Time: 7:00 a.m.

MEMBERS PRESENT

Gary Smith
Debra Duvall
Mike Elliott
Linda Flick
Mike Garcia
Vern Mathern
Pat Schroeder
Jack Sellers

EX-OFFICIO

Mayor Keno Hawker (excused)
Mike Hutchinson

GUESTS

Charlie Deaton
Teresa Brice-Heames
Doug Himmelberger
Bob McNichols
Lois Yates

STAFF PRESENT

Betsy Adams
Tammy Albright
Wayne Balmer
Sue Cason
Harold Decker
Micah Miranda
Dick Mulligan
Emily Stowe
Tom Reyes

MEMBERS ABSENT

Raul Cardenas (excused)
Don Evans
Jim Zaharis

Chair Gary Smith called the March 2, 2004 meeting of the Economic Development Advisory Board to order at 7:00 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 on February 3, 2004.

MOTION: Mike Hutchinson moved that minutes from February 3, 2004 be approved.

SECOND: Vernon Mathern.

DECISION: Passed unanimously.

Chair Smith asked the group to review the EDAB Public Policy Statement expressing opposition to Propositions 104 and 105 that will appear on the ballot for the March 9 Primary Election. He explained that copies had been sent to the *Arizona Republic* and *East Valley Tribune* and assisted in generating at least one newspaper article.

Mike Elliott commented that City Attorney Debbie Spinner had rendered an opinion that Proposition 105 is unconstitutional and suggested that her viewpoint be referenced in future editions of the public policy statement. Chair Smith indicated he would take the issue into consideration, although he had not been provided with any background information supporting that particular argument.

1. Freeway Landmark Monuments and Special Events

Chair Smith recapped the previous meeting's discussions on Freeway Landmark Monuments and Special Events, noting that EDAB members were asked to drive along the regional freeway system to evaluate current usage of freeway signage. Having conducted this type of "windshield survey", several EDAB members expressed a deeper appreciation for the complex balance between the community's aesthetic appearance, retail marketing and the community's competitive position. Nonetheless, a general consensus was reached to support the Ordinance that defines a Freeway Landmark Monument and establishes an approval process via a Council Use Permit; a draft of the *Freeway Landmark Monument Guidelines*; and a Resolution adopting the Guidelines.

MOTION: Linda Flick moved that EDAB support the Ordinance that defines a Freeway Landmark Monument and establishes an approval process via a Council Use Permit; a draft of the Freeway Landmark Monument Guidelines; and a Resolution adopting the Guidelines, as recommended by City staff.

SECOND: Vern Mathern.

DECISION: Passed unanimously.

2. State/Regional Economic Development Update

Economic Development Director Richard Mulligan provided a status report on key economic development activities from the previous month:

Governor's Technology Summit

Governor Napolitano discussed recommendations outlined by the Council on Innovation and Technology in the areas of technology commercialization, capital formation and technology business infrastructure as requisites for shoring up the state's foundation necessary to build a knowledge-based economy. She also focused on key legislative bills designed to further this agenda, including:

SB 1315 - Small Business Opportunity Program

This bill will expand early stage investment in Arizona small businesses. Assisting small businesses as they grow, particularly those creating high-wage jobs, is critical to Arizona's economic growth.

This program creates a tax credit to encourage investments in early-stage small businesses and "angel" funds. The Arizona Capital Investment Board will certify qualified businesses and funds for this program. Eligible investments will qualify for a 30% tax credit spread over three years, or 35% for investments in bioscience or rural Arizona companies. The program is capped at \$20 million over five years.

SB 1328 – Arizona Investment Fund

This bill will create a private sector pool of capital—up to \$50 million directly, and leveraging another \$250 million—to grow Arizona's high-wage technology sectors. No direct state funds are required.

Access to capital is a major barrier to achieving Arizona's knowledge-based future. These bills will help overcome this barrier. Other states have addressed these issues, and Arizona firms are now at a competitive disadvantage in bringing new technologies to market.

A mock magazine cover was also unveiled for *TechConnect*, a quarterly publication which aims to uncover the most insightful stories about the people, companies, technologies and ideas that are transforming Arizona's future. The premier issue includes a focus article entitled "Catalyst for Connectivity – How the city of Mesa makes good on its promise of citywide speed", a result of the Office of Economic Development's editorial marketing efforts to promote the installation of a 36-mile fiber-optic conduit loop in east Mesa.

Approximately 500 attendees attended the event on Tuesday, February 10 at the Downtown Phoenix Hyatt.

Building A Competitive Regional Community

A white paper has been prepared outlining a project proposed for the Maricopa Association of Governments FY2005 MAG Unified Work Program, entitled *Building a Competitive Regional Community*.

This project would prepare planning information (for member agencies to use) that would result in reduced cross-region commuter trips, thus maximizing the regional transportation system adopted in the Regional Transportation Plan. The goal of the project is the long-term development of sub-regions in Metro Phoenix that are as self-sufficient as possible, in terms of economic development, housing and commuter-oriented transportation.

The planning information is unique, in that it links economic development of member agency job centers with the housing that is affordable by occupations employed in those job centers, and with commuter-oriented transportation planning linking residential areas to job centers. This would be new planning information, and MAG staff has worked with the Greater Phoenix Economic Council to ensure there is no duplication of effort.

GPEC 2004 Economic Summit

The full results of the groundbreaking IBM Global Marketing Project commissioned by the Greater Phoenix Economic Council was unveiled to GPEC stakeholders at the group's 2004 Economic Summit on Wednesday, February 11 at the Arizona Biltmore in Phoenix.

GPEC employed IBM Global Location Strategies to evaluate how well the region stacks up in 10 different industry sub-sectors against 10 metropolitan peer regions from the corporate site selection point of view. The goal of the study was not so much to examine why companies come to the region, but rather to answer why they do not.

Specifically, the study looked at Greater Phoenix's relative strengths and weaknesses in 10 niche sub-sectors within the aerospace, high technology/ software, life sciences and business services industries and compared the region against competitive regions such as Los Angeles, Dallas, Denver and Raleigh. Gaining the perspective of the typical site selection professional was valuable to GPEC, because site selection experts have become increasingly instrumental to companies when making relocation or expansion decisions.

Relative strengths and weaknesses varied by industry, but there were some frequently repeated themes regarding cost and quality factors. Common strengths about the Greater Phoenix area included a quality business environment, the presence of a major international airport, and the competitive costs of real estate and labor. Weaknesses that cropped up more than once included tight labor markets in some specialized fields as well as a limited presence of some industries in targeted clusters.

The day after the 2004 Economic Summit and discussion of the IBM study, GPEC conducted a private training session with its economic development community partners on how to utilize the IBM information for marketing.

3. Future Focus

EDAB members were provided with a copy of a presentation prepared by Mesa Public Schools entitled “Biotechnology: Concepts and Technology”, which outlines plans for creating a biotechnology program for district high school students.

Debra Duvall elaborated on future plans for the program and received complements for Mesa Public Schools’ leadership role in helping to prepare a skilled workforce. She noted that private sector partners were still being sought, stating The Boeing Company has already made a commitment of support. Further collaboration with Mesa Community College’s biotechnology curriculum is anticipated.

4. City Structure for Economic Development

Chair Smith drew attention to several organizational charts outlining the structure of economic development-related agencies in the City of Mesa (EDAB, Office of Economic Development, Office of Project Manager – Williams Gateway AREA, Office of Redevelopment/Historic Preservation).

He then asked for comments about proposed revisions to the City Code (Title 2, Chapter 21) that deals with Creation of the Economic Development Advisory Board, Membership, Powers and Duties.

Membership issues revolve around the status of Mayor/Council appointees and ex-officio members in terms of making motions and voting. City Manager Mike Hutchinson explained how the City Charter requires appointees to be full-time residents of the City of Mesa. Proposed revisions were intended to offer a more accurate depiction of the advisory board’s make-up relative to members, GPEC representatives and a desire to create an ex-officio position for the President and Chief Executive Officer of the Mesa Chamber of Commerce.

Considerable discussion ensued about EDAB’s role in providing advice and counsel to City staff on a variety of operational management issues, including operational planning and budget preparation as well as operational oversight. Staff indicated that further revisions would be made to better reflect these responsibilities and brought back for review at next month’s meeting. A final draft will then be prepared in ordinance form for consideration by the City Council.

5. Staff Reports

Chair Smith encouraged EDAB members to review the staff reports provided in the agenda packet, which included:

- Development Advisory Forum
Agenda/Minutes – February 11, 2004

- GPEC Board of Directors Executive Committee Meeting
Agenda -February 19, 2004; Minutes – January 15, 2004
- Office of Economic Development Monthly Report
January, 2004

Richard Mulligan commented that several high-wage projects closed during the months of December/January, which helped to increase the year-to-date average salary performance indicator. Image-Building/Public Relations performance indicators continue to exceed expectations for the current fiscal year. He also noted that a more detailed report on business development activities would be made at next month's meeting.

Emily Stowe reported that the *Fiesta Mall "Super-Regional Retail District"* report will be presented to EDAB on April 6. At the request of the City Manager, she also provided an update on recent retail recruitment activities.

Micah Miranda provided a brief status report on the GIS/real estate web application efforts and Mesa Enterprise Zone application.

Harold Decker reported on several large-scale business projects that are being discussed with clients. Indications are that economic conditions are improving and will result in new corporate locates in the near-term.

Tom Reyes provided a brief status report on the Governor's Advantage Award Ceremony held on February 19, 2004. Governor Napolitano joined the Arizona Department of Commerce in honoring 28 companies and economic development partners statewide that have contributed to the creation of new jobs in the first half of Fiscal Year 2004. Three Mesa companies were recognized in the ceremony. Those companies were Silver State Helicopter, a flight training school that expanded to Williams Gateway Airport from Las Vegas; Air Evac, a medical services company, also located at Williams Gateway Airport; and Cambridge Air Filter, a company that designs and manufactures air filtration systems.

Tammy Albright, who co-chaired the City's Infill Development Strategy group and provided staff support for the Community Housing Task Force, reported that both groups were nearing completion of their assigned tasks. She will continue to assist with efforts to establish the Nuestro Neighborhood Opportunity Zone and work with businesses impacted by oncoming construction of the Valley Metro Light Rail Transit System.

Jack Sellers made several comments about participating in the GPEC FBR Open Executour and shared feedback received from site selection consultants (i.e. inadequacy of using job training grants as incentives).

6. Other Business: Public and Board Comments

EDAB members received a meeting notice for “A Business Coalition Summit” being held on March 5 at the Downtown Phoenix Hyatt. The theme for this event is *The Business Coalition & Our Economic Future*.

Scheduled speakers include among others: Bill Post, Chairman, Pinnacle West Capital Corporation; Rick Weddle, CEO, Greater Phoenix Economic Council; and Jerry Colangelo, CEO Phoenix Suns & Arizona Diamondbacks. Panel members will include among others: Jeff Trent, CEO, T-GEN; Michael Crow, President, Arizona State University; Don Budinger, Chairman & Founding Director, Rodel Foundations; Steve Lynn, Vice President, Tucson Electric Power.

Chair Smith encouraged those advisory board members that can to attend.

Chair Smith encouraged EDAB members to sign up to attend City Council/Study Session meetings.

Mike Hutchinson announced that the Chicago Cubs, coming off a playoff year, have sold more than 180,000 tickets and crowds could total 186,000 at Hohokam Stadium by end of the 2004 Cactus League season. The economic impact on the City of Mesa is significant.

Vice Chair Flick stated she was glad to see that performance indicators are improving and that Mesa’s business climate is improving.

Charlie Deaton commented that the Chamber’s legislative committee meets each Monday and makes available legislative reports. The Mesa Chamber of Commerce is an active member of the East Valley Chambers of Commerce Coalition.

Bob McNichols reported on comments made to the City Council about perceived discrepancies in the use of stipulations relative to privately-owned property and City-owned parcels being sold for private development. He encouraged City staff and local elected officials to take a look at this issue.

Doug Himmelberger commented that it was fascinating to watch the collective decision-making process of municipal government, and expressed fascination with EDAB deliberations.

It was noted that the next EDAB meeting will be held on April 6, 2004.

7. Adjournment

There being no further business, Chair Smith adjourned the meeting at 8:55 A.M.

Submitted By:

Richard K. Mulligan, CEcD
Economic Development Director