

Office of Economic Development
Economic Development Advisory Board
MEETING MINUTES

Date: November 6, 2007: 7:00 A.M.

MEMBERS PRESENT

Brian Campbell, Chair
Jim LeCheminant, Vice Chair
Christian Alder
Theresa Carmichael
Vern Mathern
Steven Shope

EX-OFFICIO

Mayor Keno Hawker (excused)
Chris Brady (excused)
Jack Sellers
Charlie Deaton

STAFF PRESENT

Shelly Allen
Scott J. Butler
Sue Cason
William Jabjiniak
Shea Joachim
Patrick Murphy
Scot Rigby
Katrina Rogers
Brent Stoddard

MEMBERS ABSENT

Dale Easter (excused)
Ted Wendel (unexcused)
Steve Wood (excused)

GUESTS

Roc Arnett

1. Chair's Call To Order

Chair Brian Campbell called the November 6, 2007 meeting of the Economic Development Advisory Board to order at 7:03 A.M. at the City of Mesa Council Chambers, Lower Level, 57 E. 1st Street, Mesa, Arizona 85201.

2. Approval of Minutes of the September 4, 2007 Meeting

Chair Campbell called for a motion to approve the minutes from the meeting held on September 4, 2007.

MOTION: Vern Mathern moved that the minutes from September 4, 2007 be approved as written.

SECOND: Jim LeCheminant

DECISION: Passed unanimously

3. Introduction of the new Board Member

Chair Brian Campbell welcomed new Board Member, Theresa Carmichael, and asked that she give a brief introduction of herself.

Ms. Carmichael stated that she owns an accounting business in downtown Mesa. Ms. Carmichael has served on the Downtown Development Committee in the past, and is glad to be a member of the Economic Development Advisory Board.

4. Introduction of the new Economic Development Director

Chair Campbell welcomed the new Economic Development Department Director, William Jabjiniak, and asked that he give a brief statement to the Board.

Mr. Jabjiniak said that he was glad to be in Mesa as the new Economic Development Department Director and is looking forward to meeting with each member of the Board. In the few weeks since his arrival, he has asked staff to operate in other areas not within their particular expertise for cross training purposes, interact with people in the community to become visible and proactive, and then challenged staff to develop some basic strategies to help implement economic growth within the City.

5. Hear a presentation and discuss the Superstition Vistas Update

Mr. Roc Arnett, President and CEO of East Valley Partnership, gave a brief overview of the Superstition Vistas Project located in Pinal County. The project was named as a demonstration project for the future and spans over a fifty-year (50) horizon. Superstition Vistas will become a global model for a sustainable community.

The Morrison Institute did a study of the Superstition Vistas three (3) years ago and stated that, "Seldom in the history of the U.S. has there been a chance to envision the future of one piece of property this large, this strategic, and this close to a major metropolitan region. Never has any such opportunity been coupled with public ownership and public education benefiting from the proceeds of development."

The Superstition Vistas is two hundred and seventy-five (275) square miles in area and the State Department is the single landowner. The size of the project is equivalent to the combined area of Tempe, Mesa, Chandler and Gilbert, and is expected to exceed one million of residential population.

A Superstition Vistas Steering Committee has been formed and is collaborating with the Arizona State Land Department. The mission statement is to; "Create vibrant communities with a sense of place anchored by community values establishing Arizona as a leader in sustainable development." The Committee has eighteen (18) to twenty-four (24) months to develop community values, scenarios and vision. The budget is \$1.8 million to \$2.0 million dollars divided as follows: ¼ private, ¼ counties and cities, ¼ foundations and ¼ quasi-governmental. The members of the steering committee are from several entities; Arizona State Land Department, Governors Growth Cabinet, Pinal County, Maricopa County, Apache Junction, Florence, Mesa, Queen Creek, Resolution Copper Company, SRP, Sonoran Institute, Valley Partnership, East Valley Partnership and Historical Involvement from CAP and ASU.

The Superstition Vistas Structure consists of a Senior Project Consultant, Robert Grow of Robert Grow Consulting. Mr. Grow is a nationally recognized experienced senior consultant providing direction and supervision to create and guide the planning and

visioning process. The Project Facilitator will be East Valley Partnership in collaboration with Pinal Partnership for the overall coordination of all activities related to the project. The Superstition Vistas Director, Jack Tevlin, a consultant for East Valley Partnership, will manage the local project operations. Mr. Tevlin has strong project management skills, stakeholder relation experience, and strong writing and communication skills with a commitment of two (2) to five (5) years or possibly longer on the project.

The prime objective of the visioning process is to create an ongoing process to provide key decision makers and the public with a full range of clear, well-analyzed options and choices for the future of Superstition Vistas. The process has four phases.

- I. Preparation
- II. Scenario Development
- III. Analyze, Evaluate and Augment
- IV. Develop Vision based on Values and Scenarios

Mr. Arnett stated that the study encompasses several issues and outcomes for the area. One issue includes a transportation/transit plan in all directions to reduce traffic and driving time. Another is an environmental issue to reduce air pollution, flooding, and best water and energy uses. Also, land use issues, such as housing opportunities and open space. Mr. Arnett said that the railroad corridor is also part of the study concerning economic development opportunities for job creation. The study will also determine how to protect the air space around Phoenix-Mesa Gateway Airport.

Mr. Steven Shope asked what type of government entity would be established for the Superstition Vistas?

Mr. Arnett replied that it would be easier to incorporate the whole area in the beginning, establishing a mayor and council, then as the area grows to place it in the hands of the residents.

6. Hear a presentation and discuss the Legislative Update

Mr. Scott Butler, Government Relations Director for the City of Mesa, gave a presentation of the 2008 Legislative Preview. There are major concerns facing the State of Arizona in 2008. Arizona is facing a \$600 to \$800 million dollar projected budget deficit due to decreased tax revenue. Mr. Butler stated that election year politics come into play with the legislation being fairly evenly divided at this time, but could dramatically change with the election.

The possible threats facing the City of Mesa in 2008 are State Shared Revenue, the State Aviation Fund and economic development tools. Mesa receives fifteen percent (15%) of all State tax revenue collected each year. Mr. Butler explained that the \$727 million dollars of State shared revenue is a “hold harmless” guarantee. The amount received in 2008 could be less than the estimated \$727 million dollars due to a decrease in collected State taxes. The State Aviation Fund is used by Mesa to fund projects at Phoenix-Mesa Gateway Airport such as ASU Polytechnic hangar and building infrastructure. One of the economic development tools is to use sales tax revenue incentives. Many of the State legislators do not like the use of sales tax incentives and are trying to eliminate cities and towns from using them to entice development. However, economic development tools need to be expanded to help develop Phoenix-Mesa Gateway Airport and the surrounding

areas. Mr. Butler explained one tool used by the cities is called a Government Property Lease Excise Tax (GPLET). GPLET is a reduced property tax rate that can be utilized when the City owns the land then leases the land back to the business. Mr. Butler feels that this economic development tool needs to be maintained.

Mr. Butler spoke about the legislative initiative called Highway Project Advancement Notes (HPANs). The program was authorized in 2000 in response to City of Mesa's request. It was utilized by Mesa to accelerate the building of Loop 202 (Red Mountain Freeway) from Country Club Drive to Gilbert Road. The program prevents cities from having more than \$100 million dollars in HPANs at any one time. The \$100 million dollar cap is outdated, and the goal is to have the legislature increase the amount to \$300 million dollars since the estimates to build Loop 303 are now \$75 million dollars per mile.

Mr. Jack Sellers asked if there are plans for a high-speed transit link between Sky Harbor Airport and Phoenix-Mesa Gateway Airport.

Mr. Butler replied that there could be legislation for a statewide transportation tax to help with some of the transportation issues such as commuter and light rail. Maricopa Association of Governments (MAG) is conducting a study to make a recommendation to the legislation.

Mr. Shope stated that the terminal at Phoenix-Mesa Gateway Airport will become obsolete by the time Superstition Vistas is in full swing.

Mr. Butler commented that the population at Superstition Vistas will generate more uses for Phoenix-Mesa Gateway Airport which will in turn pay for the increase costs to build better facilities and infrastructure.

7. Hear an update on the southwest corner of University & Mesa Drives

Ms. Shelly Allen gave a brief update on the southwest corner of University and Mesa Drives. In March, 2007 the City Council directed staff to solicit a broker to market the property. Phoenix Commercial Advisors were hired to market the property nationally and internationally. The City received four letters of intent. The four developers are, Concord Eastridge, The Athena Group, Crosswinds National and CDK Partners. In September, 2007 the City Council asked for best and final offers. The City is seeking a quality mixed-use development with components of residential, retail, office type uses and education. Components of the Mesa Community College (MCC) campus will be part of this development.

Mr. Jim LeCheminant asked how many acres were involved in the parcel of land.

Ms. Allen responded that there are 20 acres and with the addition of MCC there is 25 acres.

Chair Campbell asked that the Economic Development Advisory Board develop a partnership with the Downtown Development Committee concerning this property.

8. Director's Report

Mr. Jabjiniak stated that Mesa has submitted an inventory of sites to the GPEC Shovel Ready Program for marketing purposes. This program was designed to assist communities and developers in identifying existing land sites that meet certain basic criteria. Mesa is also setting up a new program called the Mesa Economic Development Action Team (MEDAT) to help streamline the permitting process for new development coming to Mesa if the property is ready. This team will have a representative from several different departments involved with site development and permit processes.

Mr. Jabjiniak has asked staff member, Mike Paredes, to develop a Business Retention and Expansion Program. This program is a tool to help existing businesses to expand and create new job growth. Along with the program, business visitations will be implemented to help facilitate a business friendly atmosphere. Chair Campbell commented that he would like the Business Retention and Expansion Program presented at the December 2007 EDAB meeting for adoption.

Chair Campbell stated that he would like to have DMB Associates, Inc. come to the next Economic Development Advisory Board meeting on December 4, 2007 to present the latest plan for the new Mesa Gateway Area formerly known as the General Motors Proving Ground.

Mr. Jabjiniak stated that the updated West Main Street Area Plan will be presented to the Economic Development Advisory Board on December 4, 2007 by the City of Mesa Planning Department.

9. Other Business

Mr. Jabjiniak asked the Board members if they would be opposed to changing the meeting time to 8:00 a.m. on the same date as usually scheduled. Some members of the Board responded that 8:00 a.m. would not work for them as they have their own businesses and that time would be too late. The Board was asked to please e-mail their preferences to Mr. Jabjiniak. The next EDAB meeting is tentatively set for 7:00 a.m. on December 4, 2007.

10. Items from Citizens Present

There were no comments.

11. Adjournment

Chair Campbell adjourned the meeting at 8:30 A.M.

Submitted By:

William J. Jabjiniak
Economic Development Department Director
(Prepared by Sue Cason)