



ENTERPRISE ZONE COMMISSION

January 20, 2011

The Enterprise Zone Commission of the City of Mesa met in the lower level meeting room of the Council Chambers, 57 East 1st Street, on January 20, 2011 at 7:32 a.m.

MEMBERS PRESENT

Alex Finter
Dina Higgins
Kyle Jones
Dennis Kavanaugh
Dave Richins
Scott Somers

MEMBERS ABSENT

Scott Smith

STAFF PRESENT

Jack Friedline
Debbie Spinner
Linda Crocker

(Commission Member Smith was excused from the entire meeting.)

Commission Member Somers advised that Commission Member Jones would arrive shortly; he arrived at 7:33 a.m.

1-a. Hear a presentation and discuss Mesa's Enterprise Zone.

Chairman Kavanaugh briefly commented that by State law, the Enterprise Zone is required to hold certain meetings throughout the year and receive an update and status report. He stated there has been some significant activity and use by companies working in partnership with the City.

Economic Development Project Manager Shea Joachim displayed a PowerPoint presentation (**See Attachment 1**) and explained that State Statutes require that the Mesa Enterprise Zone hold two public meetings a year and that this meeting will satisfy one of those requirements. He added that the annual report is scheduled to be brought before the Commission in July of this year.

Mr. Joachim advised that there has been significant economic activity in the Enterprise Zone and highlighted three specific projects. He reported that Crescent Crown Distributing has indicated their intent to build a Distributing Facility as well as a Corporate Headquarters in the Mesa Enterprise Zone. He stated that the project will bring 455 new jobs and \$22 million in annual wages to the Enterprise Zone. Mr. Joachim also noted the total capital investment for the project is approximately \$28 million, which includes the construction of a 305,000 square foot

new facility. He added that Crescent Crown Distributing has indicated its intent to pursue the income tax credit benefit with the Mesa Enterprise Zone. He indicated that the income tax credit will be something they will help facilitate with the Arizona Commerce Authority.

Mr. Joachim reported that Alpine Valley Breads has chosen to expand their business in the Mesa Enterprise Zone. He stated that Alpine Valley Breads currently has 90 jobs that will stay in Mesa and will be adding an additional 50 new jobs. Mr. Joachim said the total capital investment for the project is approximately \$3.5 million. He further reported that Alpine Valley Breads will absorb 66,000 square feet of vacant space. He added that Alpine Valley Breads Company received certification as a qualified manufacturing entity and will be illegible for income tax credits as well as a property reclassification.

Mr. Joachim continued with the presentation and advised that PCT International is a new company to Mesa that will create 55 new jobs in the Enterprise Zone. He reported that they will also be going into an existing facility and will absorb 100,000 square feet of vacant space. He further remarked that PCT International has indicated that they intend to receive certification as a qualified manufacturing firm in order to take advantage of the income tax credits.

Mr. Joachim summarized that the total capital investment from these three companies would equal approximately \$38 million, with 560 new jobs created and an estimated \$28 million in annual wages that will be brought to the Enterprise Zone this fiscal year. He further remarked that these were all quality companies with significant investments and said he was pleased that they have chosen to expand their businesses in Mesa.

Chairman Kavanaugh thanked the Economic Development staff for extending the information regarding the Mesa Enterprise Zone to these companies. He noted that he had communicated with individuals from each of the three companies and said they expressed their appreciation to the Economic Development staff.

2. Adjournment.

Without objection, the Enterprise Zone Commission meeting adjourned at 7:35 a.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Enterprise Zone Commission meeting of the City of Mesa, Arizona, held on the 20th day of January 2011. I further certify that the meeting was duly called and held and that a quorum was present.

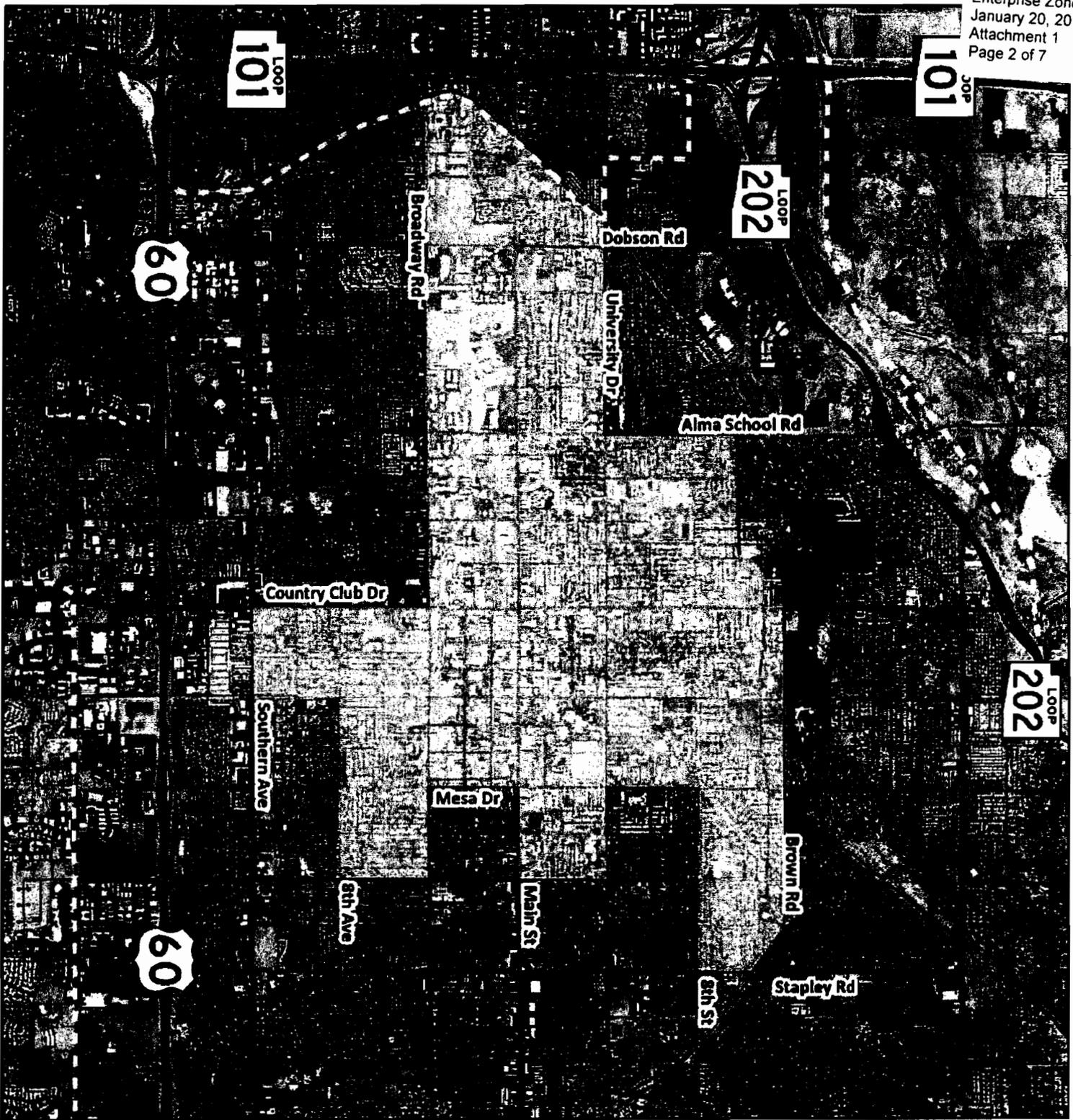
LINDA CROCKER, CITY CLERK

bdw
(attachment -1)

Mesa Enterprise Zone

A Presentation to the
Mesa Enterprise Zone Commission

1-20-2011



Mesa Enterprise Zone

Legend

- Freeways
- Mesa City Limits
- - - Mesa Enterprise Zone



The City of Mesa makes no claims concerning the accuracy of the information provided nor assumes any liability resulting from the use of the information herein.
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Benefits to the City

- Assists with business attraction and retention efforts.
 - Certain Arizona Commerce Authority (ACA) & Greater Phoenix Economic Council (GPEC) prospects prefer sites within an Enterprise Zone.
- Assists in community revitalization efforts.
- Assists in raising the standard of living in Mesa





Requirements of the City

- Staff time
- Conduct at least two meetings per calendar year
- Promote the benefits of the Enterprise Zone
- Annual report to the Arizona Commerce Authority





Benefits to a Qualified Business in the Zone

Income and Premium Tax Credits

Over a 3-year period tax credits may total up to \$3,000 per qualified employee for a maximum of 200 employees in any given tax year.

Property Tax Benefits

These benefits can result in approximately 40-60% overall savings on the business' State property tax bill.





mesa.az

Recent Activity

- Crescent Crown Distributing
- Alpine Valley Breads
- PCT International





Questions?