



## ECONOMIC DEVELOPMENT ADVISORY BOARD MINUTES

March 5, 2024

The Economic Development Advisory Board of the City of Mesa met in the board room at 120 North Center Street, on March 5, 2024, at 7:30 a.m.

### BOARDMEMBERS PRESENT

Rich Adams  
Richard Blake  
Michelle Genereux – Vice Chairperson  
Charles Gregory  
Amanda Kay  
Laura Snow

### BOARDMEMBERS ABSENT

Brian Campbell (Excused)  
Kathleen “KJ” Jolivette (Excused)

### STAFF PRESENT

Jaye O’Donnell  
Maribeth Smith  
Jack Vincent

### EX-OFFICIO MEMBERS PRESENT

Sonny Cave  
Sally Harrison  
Natascha Ovando-Karadsheh  
Jennifer Zonneveld – Chairperson

### EX-OFFICIO MEMBERS ABSENT

Mayor Giles (Excused)  
Chris Brady (Excused)  
Ed Carr (Excused)

### GUESTS

Chris Camacho

(\*Participated in the meeting through the use of video conference equipment)

### 1. Chair’s Call to Order.

Board Chair Jennifer Zonneveld called the March 5, 2024, meeting of the Economic Development Advisory Board to order at 7:34 a.m.

### 2. Items from Citizens Present.

There were no items from citizens present.

### 3. Approval of Minutes from February 12, 2024, Meeting.

It was moved by Board Vice Chair Michelle Genereux, seconded by Board Member Rich Adams, that the minutes from the February 12, 2024, Economic Development Advisory Board meeting be approved.

Upon tabulation of votes, it showed:

AYES – Adams-Blake-Genereux-Gregory-Kay-Snow

NAYS – None

ABSENT – Campbell-Jolivette

Carried unanimously.

4. Introduction of new board member.

The Board welcomed new member Richard “Rick” Blake, Senior Supply Chain Director with Virgin Galactic. Mr. Blake’s career spans 30 years in the aerospace industry, 19 of those years with Boeing in Everett, Washington. Virgin Galactic will be assembling next-generation Delta class spaceships at the soon to be completed final assembly manufacturing facility at Phoenix-Mesa Gateway Airport.

5. Hear a presentation and discuss an economic snapshot and business development update from the Greater Phoenix Economic Council.

Greater Phoenix Economic Council President and CEO Chris Camacho discussed the current state and future trends of the Metro Phoenix economy. He highlighted the region's strong performance, including its position as the top in the US for industrial square footage, with 13% growth in industrial space. However, he also noted potential challenges, such as lost revenues due to tax cuts. Despite these issues, Mr. Camacho remained optimistic about the region's potential for job growth and economic expansion.

Mr. Camacho discussed the drivers of growth in various sectors including industrial support areas, healthcare, and manufacturing. He highlighted the shift in employment from construction to manufacturing jobs and touched on the challenges of inflation, especially in the housing market, and the impact of office-based recruitment on the local job market.

Mr. Camacho discussed several key issues affecting the real estate market, including the challenges of converting older buildings for modern use and the growing consumer debt, which could impact consumer spending and procurement. He also highlighted the issue of housing affordability, noting that the cost of a median-priced home is now out of reach for 20-30% of residents. Additionally, he pointed out a growing opposition to new development and density in certain communities, which is becoming a significant challenge for developers. Finally, Mr. Camacho compared the Phoenix area to other competing cities in terms of affordability and noted that this data could be useful for future discussions.

Mr. Camacho shared the challenges and opportunities related to energy production and manufacturing in the United States. He highlighted the need for more natural gas infrastructure to support the grid and the challenges of obtaining approval for such projects. He also shared updates on business development, and touched on the TSMC project, its challenges, and its potential impact on the region. Mr. Camacho also discussed the shift in office to industrial demand due to the COVID-19 pandemic and the potential for this trend to reverse.

Arizona's attractive business environment, including its right-to-work status, low corporate income tax, and weighted sales factor were highlighted as well as the state's performance-based programs, which ensure a return on investment, and its incentives for advanced manufacturers. The growth of data centers, which generate significant tax revenue, was also discussed, along with the challenges they pose due to their high energy consumption. Finally, upcoming projects and potential issues, such as the possibility of a shift to serious non-attainment designation under the Clean Air Act revisions, were mentioned.

Mr. Camacho emphasized the significance of Proposition 479 for regional economic growth and infrastructure development and noted that the business community needs to actively advocate for its approval. He stressed the importance of having adequate infrastructure and utilities to attract businesses

and eliminate potential risks for site selection and praised Mesa's efforts in this area, urging continued investment and progress.

Mr. Camacho shared the success of GPEC's tech hub program, a competitive grant initiative aimed at fostering growth and innovation in the healthcare sector. He also emphasized the need for a bolder, \$100 million innovation strategy across multiple sectors, utilizing federal funds.

Mr. Camacho highlighted the importance of increasing GPEC's international marketing efforts and leveraging the state's existing foreign offices.

Board Member Sonny Cave inquired about the growth potential in existing and new countries, to which Mr. Camacho responded that the main focus would be on strong foreign direct investment trends in Western Europe, Asia, and potentially Mexico.

In response to a question by Board Member Rick Blake regarding the region's affordability, Mr. Camacho clarified that while GPEC will contribute to the conversation, it would not take the lead in addressing the affordable housing problem as several organizations are focused on that issue.

Chair Zonneveld thanked Mr. Camacho for his time and presentation.

#### 6. Economic Development Director updates.

Economic Development Director Jaye O'Donnell recognized Mr. Camacho's contributions to the region and highlighted the importance of the partnership between the City and GPEC. Ms. O'Donnell shared that the Japanese-owned Pentagon Technologies Group announced 300 new jobs at its new \$50 million facility at Ellsworth and Warner Roads. Pentagon Technologies is part of the semiconductor supply chain and provides cleaning services for manufacturing machine parts that are components of the wafer process line.

Ms. O'Donnell also highlighted recent events including Business 2 Baseball and ULI Trends Day. She shared updates on staff positions including the hiring of a marketing communication specialist and interviews for her former position.

#### 7. Introduction of new business to be discussed at a future meeting.

Following a conversation about the importance of having a clear vision for future growth and the perception of Mesa within the brokerage community, Board Member Adams requested the board discuss the formation of a subcommittee focused on retail recruitment at the next meeting.

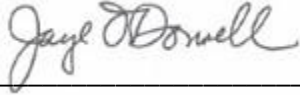
8. Other Business.

The next Economic Development Advisory Board meeting is scheduled for April 2, 2024.

9. Adjournment.

Without objection, the Economic Development Advisory Board meeting adjourned at 9:02 a.m.

Submitted by:



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Jaye O'Donnell  
Economic Development Director