

MEETING MINUTES
Office of Economic Development
Economic Development Advisory Board
57 E. 1st Street, Mesa, AZ 85201
Lower Level Council Chambers

Date: March 1, 2022 Time: 7:30 a.m.

MEMBERS PRESENT

Rich Adams, Vice Chair
Brian Campbell
Deb Duvall
Christopher Nickerson
Dominic Perry
Brad Wilson

EX-OFFICIO

Mayor Giles (Excused)
Chris Brady (Excused)
Sally Harrison
Jim Kasselman, Chair
Natascha Ovando-Karadsheh
Jeff Pitcher
Jennifer Zonneveld

STAFF PRESENT

William Jabjiniak
Chris Molnar
Maribeth Smith
Lori Collins
Jaye O'Donnell
Kelley Keffer

MEMBERS ABSENT

Matt Likens (Excused)

GUESTS

The EDAB meeting was conducted in-person and via virtual platform with options for public participation.

1. Chair's Call to Order

Chair Kasselman called the March 1, 2022, meeting of the Economic Development Advisory Board to order at 7:30 a.m.

2. Items from Citizens Present - None

3. Approval of Minutes from February 1, 2022, Meeting

Chair Kasselman called for a motion to approve the minutes from the February 1, 2022, meeting. Brian Campbell moved to approve the minutes as presented; seconded by Brad Wilson.

Upon tabulation of votes, it showed:

AYES – Adams, Campbell, Duvall, Nickerson, Perry, Wilson

NAYS – None

Chair Kasselman declared the motion carried by unanimous vote.

4. Hear a presentation on Mesa's Retail Corridors

Lori Collins, deputy economic development director, thanked the Board for the opportunity to speak with them about an effort we intend to launch in a few weeks. Mesa's Office of Economic Development has historically focused its efforts on attracting and growing base industry jobs, however, as Bill will tell you, Mesa residents want to know what restaurants are coming to their area. We can talk about millions in capital investment and thousands of great jobs, but inevitably someone wants to know if a specific grocer or restaurant is coming to the neighborhood.

Our key objectives will be to attract new investment and guide the narrative. Retail market specifics were shared. In the 20 years I've been working in economic development, retail has changed a lot and the pace of that change seems to be accelerating each year. In both Chandler and Phoenix, we had a person devoted to that sector, and we learned the following: site selection is highly formulaic when looking at specific areas, traffic count, size, parking, demographics; many transactions are driven by brokers; and momentum delivers the unique users. How can our office, with limited staff resources, make the biggest impact? We got very targeted, and it's not aimed at consumers. This initiative is aimed at those who help to guide decisions for new retail and restaurant locations, brokers. Additionally, we are able to gain insight to this rapidly changing retail world through our connections with them. We've identified specific retail corridors with distinct neighborhood personality, spaced throughout Mesa. Areas with current retail building availability or vacant land sites with near-term potential for development.

We've developed a highly visual GIS map-based story page to be housed on our web site that will tell and show the unique character of each corridor and link through to more in-depth demographics, traffic counts and important information like employers in the area so restaurants especially know there is a good balance of daytime customers as well. A mockup of the retail webpage was shared.

Our future steps will include an inventory of key sites for new center development opportunities, and we will work with Planning to implement a strategy focused on revitalizing aging, irrelevant retail centers.

Brian Campbell thanked Lori for the wonderful presentation. This strategy is desperately needed. We need to help leaders understand that we are becoming landlocked and why our vacancy rates and infill rates are higher in comparison. We need to be able to explain why brokers analysis is missing the whole picture. We're next to a national forest, explain why half the circle is missing and how this actually appeals to high level spenders. What is the timeline, who do we need to engage, and implement?

Lori Collins stated the first item is an inventory deep dive and comparison, which will take time. The click through webpage piece completes the overall picture that fills in the story of east Mesa - employment growth, disposable income, high end houses. Secondly, collateral is at the designer now, something the broker can share with clients. The next few weeks we'll be live on the webpage.

Bill Jabjiniak mentioned that last night's city council update on budget and projections predicted a downturn. Our city is built on sales tax and adding quality jobs to keep shoppers here rather than outside Mesa. Our objective is to continue that side of the growth, we're setting records at sales tax currently due to pandemic retail. We were able to prove that retail and a hotel is profitable on Longbow Parkway.

Natascha Ovando-Karadsheh recommended a monthly retail report with metrics, similar to the industrial report we previously received, as a reminder of our goal to increase quality retail. Include what's happening in each district, vacancy rate, inventory comparison. If we can get on the same page with City Council, we could advocate to increase your budget to support your work in this area. If we continue to be sales tax driven, we need to focus on retail, many of our dollars are spent in other cities.

Rich Adams thanked Lori for her presentation. He was thinking about the word tapestry and how it paints a picture. Lori talked about always wanting to put our best foot forward, but we have some challenging neighborhoods and deteriorating centers. No one wants to locate in those centers, how do we make it more attractive for some to come into those areas?

Deb Duval mentioned downtown Mesa and in previous years there have been a number of activities, but events were sponsored. There needs to be more opportunities to serve young people and families. While there is residential building in downtown, where will they shop for groceries, sit around and interact. How do we promote those new businesses that have come to downtown?

Sally Harrison mentioned that the Chamber doesn't have a monthly publication, but the Downtown Mesa Association is a key partner and recently launched a new website. I think the residential piece will bring changes.

Dominic Perry mentioned that he works in industrial and office, and retail is a very different. Demographics are circle based reflecting their base customers. Lori's focus is correct, have a conversation with brokers, expand the back story they take to their customers. East Mesa's circle is difficult with the state forest adjacent while Eastmark has the numbers and employment base.

Jim Kasselmann thanked Lori and touched on Natascha's comment that what gets measured, gets acted on.

5. Hear a presentation on Mesa Business Builder Small Business Initiative

Kelley Keffer, project manager with the Office of Economic Development (OED) thanked the Board for the opportunity to present and provide context on Mesa's Small Business Assistance programs and services. While you are all familiar with OED's mission and our lines of service, today we are highlighting entrepreneurship and our small business programs. For many years, the OED has had several existing programs to support small businesses and entrepreneurs. Over the years we have enhanced our offerings with new and useful tools. For example, every year, we publish the Mesa Business Resource Guide, we offer Size Up Mesa – a Market Analysis Tool for businesses to evaluate how they can be more competitive, and Site Search Mesa for business looking for location assistance. All are easy to access online and are provided free to businesses.

Mesa OED also provides cooperative marketing programs and promotions like our Business Export Assistance Program and Mesa Business Connection, as well as our Retention and Expansion program.

The City provides workshops, workspaces like ThinkSpot, and office and lab space at LaunchPoint and Arizona Laboratories for Security and Defense Research. In addition to these resources, we have added even more to assist small businesses in the city and have given a name to the overarching program - Mesa Business Builder. This is the brand we want to associate with our programs.

Mesa Business Builder encompasses MesaBusinessBuilder.com, the Mesa Business Builder Small Business Technical Assistance Program, Mesa HUUB, LaunchPoint, special entrepreneurship and small business events that are held periodically and usually grouped with US Small Business Week, or Global Entrepreneurship week or something similar, and the upcoming Mesa Small Business Lab Studios @ City Center that Jaye will speak more about shortly.

Today, I'm going to focus on the programs that are front and center for OED in terms of impact and intensity. MesaBusinessBuilder.com is our one-stop resource catalog of information, organizations, topics, and links for businesses that are currently operating in Mesa or that want to do business in Mesa to help them find the assistance they are looking for regarding specific items such as licensing, permitting, locating, financial assistance, business consulting and so on.

It is also home to the application for the Mesa Business Builder Small Business Technical Assistance Program application. The tech assist program is another tool for our small business community that provides paid professional consulting for Mesa companies that are in a commercial or residential location in the city, are for profit, are typically “micro-sized” with less than five employees (they may be main street types, mom & pop shops, small restaurants, prof. & medical service providers, and similar operations). Secondary targets are businesses with less than 25 employees (FTE) that need assistance to modernize, update marketing, and become more competitive in today’s business climate.

The mission of the technical assistance program is to provide assistance to Mesa small businesses with the goal of building business competency, increasing competitiveness, and promoting resiliency. The Mesa Business Builder Small Business Technical Assistance program is the result of the efforts that were extended during COVID-19 Mesa CARES effort the City put forth to provide much needed financial and business operations assistance during an unexpected pandemic. Most small businesses were not prepared to weather the storm and pivot their operations rapidly in response. The results achieved during Mesa CARES in outreach and assistance to our small businesses led the City to want to continue providing professional consulting to our small business community to help them become more resilient and sustainable for the future of Mesa’s local economy as it is known that small businesses employ approximately 47% of the workforce and are tremendous contributors to the local economic base.

To deliver the one-on-one consulting services, we have contracted with five local vendors to provide professional advising: Local First Arizona, the Mesa Chamber of Commerce; CO+HOOTS; Prestamos; and the East Valley Chamber of Commerce. To date we have assigned more than \$196,000 of technical assistance to the 90 approved businesses, including the creation or refresh of 19 websites.

Of all of the areas of consulting, including business and strategic planning, operations, finance, information technology, by far the most requested assistance was social/digital media marketing. We will be working with service providers to create new content to add to the 120+ webinars on Mesa HUUB, our goal this year is to add only new content that is not already in the Learning Library. Completion of 3 sets of computer skills training classes to bridge the digital divide – basic computer skills, intermediate computer skills and MS Excel. All were delivered in English and Spanish through our agreement with the Mesa Chamber of Commerce and MCC. We have seen 67 enrollees across the three classes. We had a total of 17 businesses complete the sessions of the Basic Skills class and earn a laptop with a one-year subscription to MS 365 Online.

The Mesa HUUB is an online learning and networking platform that provides 24/7 access. The platform expands entrepreneurial resources to all small businesses in Mesa, with a focus on inclusion for under-represented communities in partnership with governments, subject matter experts, and community partners. The Mesa HUUB offers a central point for on-demand, personalized learning experiences for people who want to start, operate, and grow a business. It is specifically branded for Mesa and the enrollment process also captures demographics and company information we need for program analytical purposes and to make informed decisions. Existing webinar categories include marketing, bridging the digital divide, finance and business operations planning, legal services and restaurant specialty services.

Mesa ventured into entrepreneurship in 2013 with LaunchPoint – The Mesa Technology Accelerator. In 2016 LaunchPoint (LP) was relocated into Downtown, at the Mesa Center of Higher Education. This allowed LP to reach a broader base of entrepreneurs and leverage the lab spaces that have proved to help cement LP as a viable space for startups in the City’s Industries of Opportunity including technology, healthcare, education, advanced materials and sciences.

The City recognizes the economic and cultural benefits entrepreneurs bring to communities and Mesa's City Leadership has been championing practical ways to attract and retain them in our in Mesa by investing in initiatives that help entrepreneurs thrive. Today, LaunchPoint is home to 10 companies. It has been exciting to watch the project grow from just a few companies to more than 30 companies that have participated over the course of the last eight years. These companies have resulted in several graduations in the technology, advanced materials, and healthcare arenas.

Jaye O'Donnell, assistant economic development director, stated, I'm sure many of you know that small businesses are still struggling due to the pandemic and there is still a great demand for services and support for small businesses. Even without the pandemic, the Office of Economic Development and our partners worked regularly with start-ups, entrepreneurs and small businesses to help them grow and the ecosystem grow in Mesa.

Just to remind you that we have launched the Mesa Business Builder Technical Assistance Program this year – as the follow-up to the very successful Mesa CARES Technical Assistance Program. This program provides one on one business consulting, group trainings, webinars, computer classes, website development and many other services – and we as the City along with our partners are delivering much of this content virtually. While training or consultation done online has worked well - it is not the same as in-person learning. That is why we are excited to launch The Mesa Small Business Lab.

The Small Business Lab is an answer to many of the challenges that small businesses face – and the lab provides both virtual options for training and in-person assistance. The Mesa small business lab is envisioned to be an active, modern space that provides access to free resources, technology, and planned engagements particularly for those who are underserved. The Small Business Lab is meant to be a premier small business development space that complements and supports the Technical Assistance Program and offers a location to our Partners who are serving those businesses most impacted BY COVID.

This "Phase 2 of the Studios" is a hybrid model that will work well and offers choices for our clients, consultants, and service providers with the end goal of meeting the needs of the small businesses. The space may also be utilized by other organizations to provide workforce training seminars, computer training, and skills development for a wide variety of industries primarily focused on small business needs. Most services provided will be tailored to businesses with less access to credit, substantial declines in sales, and minority-owned entities. Workforce development programs and services for individuals or specific industries can also co-exist here. The space can be used for City Departments like code and safety services to host small business training and education.

It is our Intention is to offer High Tech and High Touch resources, computer lab for beginner and intermediate computer classes. We will need to do additional research to determine what Mesa small businesses want and need today and looking forward.

We believe there is space and demand to offer individual privacy pods for phone calls or interviews – if you are a home-based business or building prototypes in your garage, those settings may not be ideal for interviewing prospective employees or doing a "pitch" to a potential investor; computer / editing bays; green screen for producing YouTube content, commercials, social media content and other programming. ARPA funding will be used to complete the renovation and build out the second floor and lower level of the Downtown Innovation Studios. This infrastructure project will increase momentum for

entrepreneurship in Mesa and enhance the small business ecosystem by creating a physical center for companies to utilize. The Phase 2 project is estimated to be complete in November 2023.

Deb Duval asked how access to the HUUB obtained. Kelley responded that LaunchPoint has a webpage link, or you may contact Kelley directly. Mesa Business Builder participants have access the HUUB and technical assistance program. Businesses must upload a W9 and provide proof of a Mesa business address/location. Kelley stated that in her 16 years of small business experience, she is not aware of another city that is offering this type of assistance and the pandemic brought this forward. 47% of all jobs come from small businesses.

Sally Harrison shared that going through the Mesa CARES Program we learned that although small business was affected by COVID, they also simply struggled with finding specific resources to help them grow as we move out of the pandemic. We appreciate this second opportunity to continue to provide these valuable resources to Mesa's small business community.

Rich Adams appreciated the opportunity to obtain the ASBA membership by applying for a business license early. He stated that he was also not aware of other cities that are offering these services and appreciated the City's leadership in this space. Sally and her Chamber team are a great resource as well as Bill's team, but we need to publicize this program personally.

6. Director's Report

Bill Jabjiniak shared that this Thursday Council will hold their annual strategic session to chart goals and review what has been accomplished. Our office is also hosting a workforce webinar for employers at 9:00 am Thursday. We'll forward webinar details to the Board. Our office has also released a survey to gather information on Mesa employers' hiring needs, where we can assist, and where they are struggling specifically.

Dexcom generously supported the Mesa College Promise Program with a \$10,000 donation – thank you Jim and Dexcom.

Thank you to those that were able to attend the Mayor's State of the City. Sally, thank you for producing a fantastic event! The 80-foot screen is quite impressive. The following night at the Mesa Has Heart event, Rich Adams and Marc Garcia presented Sally the Mike Whalen Spirit of Community Service Award.

Later this year our office will move to the old Visit Mesa building on Center Street after a renovation.

7. Other Business

- Next EDAB Meeting – April 5, 2022
- Mr. Campbell asked that we get a report from the financial team at the City. Ms. Ovando-Karadsheh asked for an update from Planning. Bill suggested scheduling Planning after the new Director is chosen.

8. Adjournment

Chair Kassermann called for a motion to adjourn. A motion was made to adjourn the meeting at 9:01 a.m. by Dominic Perry, seconded by Deb Duvall.

Upon tabulation of votes, it showed:

AYES – Adams, Campbell, Duvall, Nickerson, Perry, Wilson

NAYS – None

Chair Kassermann declared the motion carried by unanimous vote.

Submitted By:



William J. Jabiniak
Economic Development Department Director