

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

Date: March 2, 2021 Time: 7:30 a.m.

THE MEETING WAS CONDUCTED VIA VIRTUAL PLATFORM

MEMBERS PRESENT

Jim Kasselman, Chair
Rich Adams, Vice Chair
Brian Campbell
Deb Duvall
Matt Likens
Christopher Nickerson
Natascha Ovando-Karadsheh
Brad Wilson

EX-OFFICIO

Mayor John Giles (Excused)
Chris Brady, City Manager (Excused)
Sally Harrison
Jeffrey Pitcher
Jennifer Zonneveld

STAFF PRESENT

William Jabjiniak
Jaye O'Donnell
Lori Collins
Margaret Robertson
Maribeth Smith
Chris Molnar

MEMBERS ABSENT

Dominic Perry (Excused)

GUESTS PRESENT

Councilmember Mark Freeman
Katie Brown, Council Assistant

1. Chair's Call to Order

Chair Kasselman called the Economic Development Advisory Board meeting to order at 7:32 a.m.

2. Items from Citizens Present – None.

3. Approval of Minutes from the February Board Meeting

Chair Kasselman called for a motion to approve the minutes from the February 2, 2021 meeting.

Rich Adams moved to approve the February 2, 2021 minutes as presented; seconded by Deb Duvall. Upon tabulation of votes, it showed:

AYES – Kasselman, Adams, Campbell, Duvall, Likens, Nickerson, Ovando-Karadsheh, Wilson

NAYS – None

Chair Kasselman declared the motion carried by unanimous vote.

4. Conversation Regarding Economic Development with Councilmember Freeman

Councilmember Mark Freeman provided an update on District 1 developments. On the west side of District 1, the Winter League games are currently being played. The Union building is wrapping up. It is a beautiful building in a great location. Director Jabjiniak advised that they still have one tenant that has downsized to one floor and they are looking for additional tenants. Councilmember Freeman stated there will be more buildings and an additional parking garage as well. Next to the car dealerships is a piece of land that developers have looked at for different types of projects over the last three years. It is currently in discussions regarding mixed-use with commercial and residential living.

At Waypoint, Alma School and Bass Pro Drive, there has been quite a bit of pushback from the neighborhood regarding the fourth office building and parking garage. The developer does have some entitlements and we are looking to find a compromise so that project can move forward. The concern was that the buildings would obstruct the neighbors' views. Currently, there are two three-story buildings. There were possible agreements made 7 or 8 years ago about the height of the fourth building being two-story versus three and a three-story parking garage.

Director Jabjiniak stated the City is a victim of success on that project. When we tried to grow our office market, Waypoint filled and is over 90% occupied. It was sold in late 2019 and was one of the highest per square foot sales in the Valley for an office building at that time. That speaks to the demand as well as the value. When the complex was sold, Lincoln Property Group came in as property manager and now wants to add a fifth building to continue that success, although it needs to add a parking garage. The developer did a good job working with the neighbors to the south by stepping it down a little bit. During Director Jabjiniak's first week on the job with the City of Mesa back in 2007, he attended the groundbreaking for the first two buildings. Now that those are full and they are moving on with another building, there is still a lot of pushback. Any support we can continue to give from an economic development perspective would be appreciated.

Rich Adams was aware of a commercial project at the northwest corner of 44th and Camelback that has been there a long time. He believed it went into the ground six or seven floors, although from the street it looks like a one-story building with an atrium courtyard. He asked if going into the ground was a possibility to compromise with the neighborhood.

Director Jabjiniak stated that is always a great solution, although looking at the dollars and cents, even northwest Mesa is not the same market as 44th and Camelback. The economics of putting a parking garage in the ground is still prohibitive. In order to be profitable, you have to be able to offer a minimum of 5 parking spaces per 1,000 SF, outside of the pandemic. Chair Kasselman deals with parking issues all the time at a somewhat under-parked building at Dobson and Broadway Roads. We need to plan for what is down the road and be able to work with developers, the community, and neighbors. A three-story building is not tall by today's standards. Councilmember Freeman noted that the height of a 3.5-story parking garage is the same as a 3-story office building. A timeline was set and we are willing to give the developer a continuance so that we can make sure all voices are heard.

Riverview has experienced build-out on some of the smaller pads. Raising Cane's and The Revelry are coming to the site. Director Jabjiniak noted that next to Hyatt Place there is an empty site that has been designated as a hotel by Kimco with restrictions. We are finally starting to see some interest in a non-hotel type property. Developing sites with restrictions can be a challenge. Some of those restrictions are starting to time out and hopefully, we will see more development in the Riverview area.

Councilmember Freeman advised that an infill development at the northwest corner of Val Vista and University has been approved for a condo-type project. To the north in the Lehi Crossing area, Blandford homes has pre-submittals in for 110 homes at what used to be the Orange Patch. Along both sides of Val Vista, near Jalapeño Bucks, the property owner is entertaining offers from developers for a neighborhood village concept with office, commercial, mixed-use, condominiums, and townhomes. He also would support a convenience store/gas station in that area. There are about 1200 homes now, and the new developments will bring another 230 homes, with no amenities for gas or groceries. The neighborhood village concept will create something unique.

Brian Campbell thanked Councilmember Freeman for helping to expand the vision for this region. His family owns the acreage north of the 202 at Val Vista. The City has been great to work with integrating a planned use trail system that was approved by voters a year and a half ago. They have brought in a developer from Tokyo that will bring LEED-certified housing technology that does not exist yet in Arizona. It is an exciting project that will be integrated into the trail system with space for food truck events

and farmer's markets. A public community meeting center will be adjacent to the development featuring international-level energy-saving technologies. This will be executive-style housing that will bring in a high level of folks who will support the Falcon Field area so we can keep those executives in Mesa instead of Scottsdale. He appreciated Councilmember Freeman's leadership and vision on that project.

Natascha Ovando-Karadsheh was glad to see exciting things happening in Councilmember Freeman's district. She asked how much longer the Vulcan pit would be in operation and how does that impact development in the area. Watching Agritopia develop has been very cool and she felt this area really has the capacity to be more of that type of development, with Jalapeño Bucks and how everything has organically evolved. It is really a neat concept.

Councilmember Freeman noted a year and a half ago, there was neighborhood pressure about Vulcan and the creation of the asphalt. Vulcan has quit making asphalt and they are running out of aggregate. They anticipate being in production for about 8 more years, then they would have to start back-filling the pit. Their asphalt production has moved to Higley south of the 202. It is better than it has been. Duaine Burden and his wife who own Jalapeño Bucks want to stay in the area and are looking to build a restaurant there. We will also try to incorporate more outdoor patio dining along with his business. At Dobson and Ocotillo in Chandler, there is a village concept with office, a real estate office, ice cream, coffee shop, and pizzeria along with three and four-story apartments for sale or rent. This land can be built into something really unique and incorporate the agricultural concept of the orange trees. He advised the developers to keep as many orange trees as possible or replant them. Some of those trees are 100 years old and cannot be replanted. The developers don't seem to have that vision.

Mr. Campbell stated the Agritopia concept has been behind what a lot of folks are doing. He commended the City for stepping up with money for a public use national recreation trail with spurs off of that. It is not quite an Agritopia concept as it has a lot of commercial with more of an outdoor active lifestyle component. It is like an Agritopia plus with space for public events and amenities to bring the community together. It is inspired by that, although it could be better.

Natascha Ovando-Karadsheh noted that no matter the concept, there is the question of parking. Camelback Mountain always has a major parking problem in the surrounding neighborhoods. It is exciting to see this whole area develop. There is so much traffic around the 202, this is going to be a new stopping point for people coming from the south or west. She commended everyone for the great work.

Councilmember Freeman added that the trail system and parking areas will be unique. The multi-use path system along the canal will wrap around the east side of the development as well as along the south side of the river and tie back into Gilbert Road. He will provide the board members with a map of the trail system. The connectivity will be unsurpassed. If Tyler Farms builds out like it is supposed to, there will be unprecedented views of the mountain with wild horses, cattle, and javelina. The Blandford development on the south side of the freeway will be similar. A lot of great changes are coming. He asked about the piece at Val Vista and Thomas that Kitchell was developing with a company called Kapture, which fell through.

Director Jabjiniak advised that Kapture just announced that they went to Gilbert. The discussion on that site is now focused on a spec building. That is a great site for employment growth in District 1, and it is already zoned and ready to go. Hopefully, Kitchell will get an industrial spec building up in excess of 108,000 SF plus an outdoor storage yard. The unique shape of that lot created some challenges, although being located alongside the highway provides great visibility. There is also an SRP piece there.

Rich Adams is a resident of Councilmember Freeman's district and appreciated his leadership and representation. The Vulcan pit has been the subject of conversations for many years. It has come up in several instances in Planning and Zoning 10 or 15 years ago. If we have 6 or 7 more years of aggregate excavation and then the backfill process, there will be a long period of time before that land is

usable again. Have there been any discussions on what will go there once it is backfilled, or is that question premature?

Councilmember Freeman felt the question was premature. Johnson Strip Materials at Alma School and McClellan is backfilling their pit level by level, compacting as they go to be able to accommodate structures in the future. He felt the same would happen with the Vulcan pit.

Director Jabjiniak asked about development around Riverview Lake near the Cubs stadium. He noted we continue to get a lot of interest.

Councilmember Freeman would endorse development there. It is a beautiful area to build. We had entertained a baseball-type museum about two years ago, which fell through. Rio Salado is a premier address. When the Union is built out, other developers will look to build a smaller version on the existing pads. We just need to have the parking in place for our commitment with the Cubs.

Director Jabjiniak stated parking has been the challenge. He recently got an inquiry about a hotel on one of the pads near the lake. The quality was not substantial and it may be a bit premature with the new hotel just opening. Those are the types of things we will continue to see. There are always inquiries about the big lot in front of the Sheraton. The Cubs have always pushed back at us on the parking. We will need to figure out how to overcome that or it will stay a vacant lot for them to use a month out of the year.

Chair Kasselmann appreciated Councilmember Freeman joining the meeting and providing an update on District 1.

5. Presentation on Mesa CARES Small Business Reemergence Program Results

Jaye O'Donnell, Assistant Economic Development Director, advised that there were three pillars to the small business re-emergence program. The Financial Assistance Grant Program provided over \$4.3 million in financial assistance grants to Mesa small businesses. The other pieces included the Technical Assistance Program, the Local Consumer Marketing Campaign and the Visitor Industry Campaign. Visit Mesa will present at the next EDAB meeting with an update on the Visitor Industry Marketing Campaign.

The Mesa CARES Technical Assistance Program was developed in just weeks and was executed in just over six months. It was only one sliver of the overall Mesa CARES COVID relief funding effort that was executed by hundreds of City staff over many departments. We partnered with 12 local non-profits and over 35 subcontractors to deliver \$1.04 million in technical assistance to more than 250 businesses. We delivered 3,300 hours of one-on-one assistance, which included coaching and analysis in business planning and strategy, finance, marketing, and sales. The focus was on items that businesses told us they needed. We also produced and aired over 70 webinars. Additionally, 94 businesses received \$42,000 worth of PPE, 61 businesses received signage, 27 businesses were reimbursed for the Mesa Al Fresco patio expansions, 25 restaurants participated in bootcamps and customized training, and 13 businesses received rental assistance. A program through Local First Arizona provided commercial kitchen facilities that small businesses could utilize at Fuerza Local Community Kitchen.

Bridging the Digital Divide: A challenge identified early on in the Mesa CARES Small Business Re-emergence Grant Program was a large digital divide. Some business owners didn't even own a computer. The ability to utilize technology to improve their business processes and to build marketing campaigns had never been an option for them. Especially with the pandemic, businesses needed an online presence, online menus and services, and the ability to take orders and schedule appointments. Along with our non-profit partners, we built a program around those needs. Sixty-eight businesses received new or refreshed websites, 47 published virtual tours which improved their position on Google, and 18 businesses were trained in computer literacy, 10 of those in Spanish.

Technical Assistance Program Survey Results: There were 250 clients who received programs and services through Mesa CARES. We received 112 survey responses, 12 of which were in Spanish. It is often difficult to reach these micro businesses that are not on LinkedIn or Twitter. Some are not even on the internet. We really depended on our partners to get the message out. The survey results showed that 88% of participating businesses had less than 5 employees and just over half were minority-owned businesses. More than half of the businesses utilized the one-on-one marketing consulting, and just under half received website support. By mid-December, 43% had taken webinar classes both live and on the HUUB platform and nearly a third utilized business planning consulting. The top industries served were restaurants, childcare, professional services, and healthcare. Regarding the webinars, 77% watched at least one webinar, 32% watched four or more, and 11% watched 10 or more webinars. Those webinars are still open and running on the HUUB platform. By the end of the program, a third of the survey respondents reported that sales stayed the same, 27% saw increases in sales, and 40% are still struggling and need support. Many of the clients came in later to the program and were not able to utilize all of the services. In terms of satisfaction with the program, 92 out of 112 total respondents rated their overall satisfaction as good or excellent, 92% felt the program was helpful, and more than half felt it was very or tremendously helpful. Through training and support through the program, businesses reported they were able to rebrand, maintain their customer base, and keep their employees. Ninety-six percent of participating small businesses plan to continue connecting with the City of Mesa for small business resources and services.

The City of Mesa already offers a lot of small business assistance through online resources, cooperative marketing, workspace, and events. The Mesa Business Resource Guide is published online annually. Size Up Mesa is a free market analysis tool. We offer a Downtown Small Business Attraction Utility rate. LaunchPoint and Think Spot are existing venues for entrepreneurs. Our partnerships with providers like the Chambers of Commerce, SBDC, and others provide support and training.

Three weeks ago, the City of Mesa launched the Mesa Business Builder, an online small business toolbox to generate awareness about the existing programs and services, now packaged under a single band. This will allow us to add or expand existing programs that Council deems important. We can reimagine how to utilize the Mesa HUUB digital platform that was created through the Mesa CARES funding. The HUUB is a 24/7 online learning and networking platform that expands resources to all communities, particularly underrepresented communities, in partnership with government, academia, and community partners. Through the HUUB, we now offer a central point for on-demand immersive and personalized learning for those who want to start and grow their business. This platform provides access for an unlimited number of businesses to register and engage on the HUUB. It is branded specifically for Mesa and captures demographic data and company information we need for analytical purposes and to make informed decisions. This platform was built by CO+HOOTS and the tool won a national award for responding to the pandemic. The cities of Tucson, Phoenix, and Gilbert are also using this tool and several others are looking at it. Community engagement is a very important component of the HUUB. We saw nearly 10,000 visits a month during our peak and 6,000 visits a month in the slower months with an average of 4 times a week. This engagement and the survey responses allowed the city a deeper understanding of the challenges that existed for the businesses so that we could offer more targeted support.

There were so many options from the Technical Assistance Program that we simplified the categories based on what worked well and what served businesses in the most significant way. We also considered our staff resources in Economic Development and what we can accomplish for our business community that will be meaningful. We are looking to continue with the webinars as we own them and generally the content will not lose value. It is critical to add fresh content during the year in collaboration with other City departments to develop 10 or 12 mini on-demand courses on permitting, licensing, signage, procurement, and certifications. We get hundreds, maybe thousands, of inquiries a year on permits and licenses. An online video tutorial would save a lot of one-on-one time walking people through the system. All of that

information does exist in print, although no one is reading them. Even with the grant application, people were not reading the instructions. Partners may hold webinars and publish them on the HUUB site. Should Council decide to provide a number of Technical Assistance workshops, we can use the HUUB management tool for scheduling along with CO+HOOTS and other service providers.

For the 250 Technical Assistance clients, there were up to 12 case managers on the City side assigning hours, tracking, monitoring, and touching base with providers. That element can be done through the HUUB. Specialty programs such as the Restaurant Survival Series, the Al Fresco Patio Reimbursement Program, and Computer Literacy classes should also stay. The mission is to provide assistance to Mesa small businesses with the goals of building business competency, increasing competitiveness, and promoting resiliency. We would target micro businesses, although there would be some overflow into companies with up to 25 employees. For delivering these services and executing the program, the Mesa Office of Economic Development would be in a key position to manage the program. We would conduct an RFP to contract with select partners to perform those high-value high-quality small business support services. There would be a formal application process for the technical assistance hours that would come at a cost to the city, but minimal or no fee to the small businesses. Our deliverables would roll up into the overall Office of Economic Development performance measures related to the number of companies assisted and number of jobs created. Depending on the amount Council would allocate per year, with the HUUB platform and a full-time staff member, we could serve up to 100 businesses over the course of the year.

BOARD QUESTIONS/COMMENTS

Rich Adams commended Mr. Jabjiniak and Jaye O'Donnell for this great program. It shows Mesa's leadership in this area. In his business in the private sector, they try to offer similar types of services and education to their clients not only because it is the right thing to do, but it keeps our clients dependent on us. This will keep businesses in Mesa and will attract businesses to Mesa. He noted over 95% of survey respondents rated the program as good or excellent. He noted in a recent survey his organization conducted with Udall Shumway with over 300 responses, people didn't rate the State of Arizona's response to the pandemic anywhere close to that. For Mesa to get that kind of positive rating from clients served is remarkable.

Deb Duvall felt the presentation and what was offered to small businesses were excellent. She asked what constitutes a business in order to participate in these programs. She noted that 73% of participants in the TAP program had only one or two employees, yet restaurants seemed to be the area of strongest involvement. She asked about the geographical representation of folks who participated. Were there more folks in the Fiesta Mall area or Downtown Mesa or further east? Was there any employment concentration in a geographical area of Mesa that utilized these services?

Ms. O'Donnell stated that Mesa businesses had to provide a W-9 with their business name and address. They can be a home-based business, but still need to provide the W-9 form to qualify for the program. She noted there were a lot of small food truck operators or bakers who participated in the program. Generally, there was a pretty good diversity of industries that participated in the program. The survey was done in December. Many businesses may have had more employees at the beginning of the pandemic, although by December they may have already laid off or let go of employees. She can run a geographic representation after the meeting. We did run a heat map on the 847 Financial Assistance applicants as well as the 525 businesses that were granted funds, which followed the density of where businesses are in Mesa. There were fewer in southeast Mesa as that area is still developing. West Mesa was very heavy and northeast Mesa had a few more businesses than southeast Mesa.

Matt Likens felt it was an impressive array of programs and services for small businesses. He asked how many of these services were offered prior to the pandemic and how many were added as a result of the pandemic and the special efforts by the City. What are other Valley communities doing in regards to

small business assistance? Do they have similar programs or are others trying to emulate what Mesa has done?

Ms. O'Donnell reviewed the services that Mesa has offered over the last several years to Mesa businesses, including the Business Resource Guide, Launch Point, special events such as the Phoenix East Valley E-Week, the Mesa Business Connection Retention and Expansion Program, and the Business Export Assistance Program. The new offerings through the Mesa CARES program include the Technical Assistance Program, one-on-one consulting, website building, virtual tours, PPE, signage, Computer Literacy, Restaurant Survival Series, and the Al Fresco Patio Reimbursement Program. Those are items we think should continue in some fashion and hopefully, Council will support that. The Economic Development Council Committee was very supportive of some sort of program in addition to our current services. Chandler and Gilbert are partnering with the Arizona Community Foundation to use dollars that their councils have allocated to provide financial assistance. Chandler's program is tied to the number of employees and Gilbert's formula is based on revenues before 2020, the number of employees, and revenue lost to calculate the grant reward. We started utilizing the HUUB digital platform right away. CO+HOOTS had the HUUB program in concept, although they finished it based on what Mesa needed. They were then able to take it to market and show the results because of Mesa's program. As companies came into our program and let us know about their needs, we worked with our partners to address those needs. We were pivoting and adapting as this program was rolling out and we should continue to do that.

Ms. O'Donnell reported that the White House recognized the HUUB platform and awarded CO+HOOTS a \$10,000 grant for building that tool in response to the pandemic.

Christopher Nickerson congratulated Ms. O'Donnell and her team on these outstanding programs. In addition to the heat map Dr. Duvall requested, he would like to see an overlay with the value of these services and how much was spent on the different aspects of the program. That will tell us where these services can best be utilized and where we need to focus.

Chair Kasselmann thanked Ms. O'Donnell for her presentation. We have seen how this program has emerged and grown. It has clearly been of benefit to Mesa businesses.

6. Presentation and Discussion on Arizona Supreme Court Decision in Schires v. Carlat

Jeffrey Pitcher, Partner with Stinson, LLP, and Ex-officio Economic Development Advisory Board member, reviewed an Arizona Supreme Court case of three weeks ago that will impact how cities will be able to perform economic development activities without running afoul of the gift clause in the Arizona Constitution. In 2010, the City of Peoria adopted some incentives to help economic development in the city, which included paying money to desirable businesses to relocate as well as reimbursement to property owners for tenant improvements. In 2015, the City of Peoria entered into an agreement with Huntington University and a private property owner with incentives to relocate and develop a campus in an underserved area of the city. The University leased the property from the private property owner, and in return, the University received incentives and the property owner was to receive tenant improvement reimbursement. In addition, the University was to refrain from offering similar programs in other cities for 7 years, they had to participate in economic development activities, as well as meet certain performance thresholds within the first three years.

The \$2.6 million incentive package was challenged by the taxpayers, represented by the Goldwater Institute. The issue was whether this violated the gift clause of the Arizona Constitution. The gift clause states that neither the state, nor any county, or city shall ever give or loan its credit or make a donation or grant, by subsidy or otherwise, to any individual, association, or corporation. The Court's analysis of the purpose of the gift clause was that the evil to be avoided was the depletion of the public treasury or the inflation of public debt by a public entity engaging in non-public enterprises or by giving advantages

to special interests. The Court used a two-prong test to determine whether there was a violation of the gift clause per the case of *Wistuber v. Paradise Valley Unified School District*. The two questions were do the challenged expenditures serve a public purpose and did the public receive sufficient consideration for the expenditure?

Regarding the question of public purpose, the city argued that they tried to diversify the city's economic base and workforce and revitalize an underutilized area of the city. Here, the Court said it was not up to the Court to decide whether this prong was met and deferred to the City, and determined that the city did not unquestionably abuse its discretion in determining the incentives served public purposes. The legislature acknowledged the utility of cities spending money in connection with economic development activities. This held in favor of the city. On the second prong regarding sufficient consideration, the Court looked at whether the give exceeds the get that the government is subsidizing a private venture in violation of the gift clause, or whether the public actually received sufficient consideration for what the city did. The Court determined that there was no bargained-for benefit for the city, and there was no enforceable promise to provide the city with any particular economic impact, such as reduced tuition for Peoria residents or ownership in the campus building. They simply promised to engage in their respective private businesses, education by the University or leasing by the property owner. The Court held that the anticipated economic impact from the University in an underserved area was an indirect benefit, and was irrelevant. The fiscal impact, like tax revenue, was an indirect benefit and irrelevant. Unlike the first prong, the Court owes no deference to the city elected officials. The Court's objective is that no subjective policy decision be made. The Court must identify the fair market value of the benefit provided to the entity. The Court gets to decide from a marketing perspective whether the activity returned enough market value to the city.

This will affect future discussions about government incentives. Now, instead of just the economic benefit, cities have to show under this case that there is some sort of actual tangible market value that the city is going to receive. He had asked whether any pre-existing contracts would be affected, although the Statute of Limitations probably comes into play. In this case, the Supreme Court held that the city violated the gift clause. The city had already doled out the money to Huntington University, but not to the developer. It seems that the developer in that case will get stiffed, although they don't have to get the money back from the University.

Brian Campbell stated there are Statutes of Limitation particularly in government-related cases of six months. There is also a Supreme Court Doctrine that is not statutory, but it is case law, that says the impact of cases coming out of the Supreme Court are prospective only unless they are deemed procedural or something to the administration of the courts, which are retroactive. There are many good arguments that will make it difficult for Goldwater or other taxpayers to challenge deals that have already been done. Anything in the pipeline and anything going forward will be subject to these new rules. Mr. Jabjiniak is going to have his hands full. This is a dramatic case that has been criticized for hampering our ability to compete on a regional, national, and international level. These are the cards we are dealt with, and we will have to work around it.

Director Jabjiniak felt it was important for the Board to understand the challenge that this now creates. We had a deal on the table that would have been to Council last week that we pulled back in an attempt to restructure it. We found some challenges in trying to restructure any local incentive unless it relates to infrastructure. In today's market, things are moving so fast, the developer did not want to wait. The client is still out there. Director Jabjiniak felt we will eventually be successful. This has resulted in a tool being taken off the table that we have utilized successfully. The way we have structured this in the past was really focused on Mesa residents and job creation. Now, there is no appetite to step out in front of this and it will take another court case to get this challenged and discussed at the Supreme Court level. It was a unanimous decision. There are some new challenges in front of us on the attraction side of the business. Our toolbox was not very full to begin with, and it just got a little emptier.

BOARD QUESTIONS/COMMENTS

Brad Wilson asked if there were sanctions against the City of Peoria or a verbal reprimand. What was the penalty? Mr. Pitcher stated it looks like they didn't sanction or require any repayment. He wondered whether this poor developer will be indirectly sanctioned because they were not paid.

Mr. Campbell advised that this was added to the trial court for the remedy phase and these issues will be undertaken. The city and the developer won at the Court of Appeals. There was no injunction. It is an illegal contribution and there will be a damage phase. The remedy part of this type of litigation can sometimes consume even the violation side. Those folks are not out of woods yet in that particular case. Those will be the challenges rolling forward when it goes back to the trial court. He asked if we were reviewing internally every deal in the pipeline to make sure we are not going to run afoul of this.

Director Jabjiniak stated anything going forward has hit the brakes. There is no appetite to get something out there that will immediately get challenged. Going forward, we are taking that tool off the table for now until we can figure out another way.

Mr. Pitcher advised that the Supreme Court did go out of their way to say that the Goldwater Institute got their attorneys' fees out of the case. He felt there will be an incentive to bring more of these cases.

Director Jabjiniak thanked Mr. Pitcher for putting this presentation together on short notice.

Chair Kasselmann felt this was a pertinent topic for Mr. Pitcher to bring to the Board. He appreciated Mr. Campbell's insight.

7. Director's Report

Director William Jabjiniak had previously asked the Board for economic development testimonials and he appreciated the responses. This is a marketing effort that will incorporate the Advisory Board and he thanked the Board members for doing their part.

There are several announcements between now and the end of the fiscal year that he expects to be successful. As we cannot invite members to groundbreaking or press events right now, he asked when we are ready to roll this out, that the Board help through social media to get the message out and tell the story. People across the country are recognizing Mesa, Arizona, in particular. Jaye O'Donnell has done a fantastic job with her program and has been recognized nationally. Going forward, we will receive some additional funding in the next budget to be able to carry out Small Business Assistance programs.

The pipeline is full, and we are pushing the limits of our staff to be able to keep all the projects in the air and moving forward. There are some huge billion-dollar projects and he appreciated the great partnerships with ACA and GPEC.

8. Other Business

The next EDAB meeting will be held on April 6, 2021, 7:30 a.m.

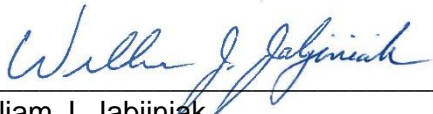
9. Adjournment

Brian Campbell moved to adjourn the meeting; seconded by Deb Duvall. Upon tabulation of votes, it showed:

AYES – Kasselmann, Adams, Campbell, Duvall, Likens, Nickerson, Ovando-Karadsheh, Wilson
NAYS – None

Chair Kasselmann declared the motion carried by unanimous vote and the meeting was adjourned at 8:56 a.m.

Submitted By:



William J. Jabjiniak
Economic Development Department Director