

ECONOMIC DEVELOPMENT ADVISORY BOARD MINUTES

August 6, 2024

The Economic Development Advisory Board of the City of Mesa met in the board room at 120 North Center Street, on August 6, 2024, at 7:30 a.m.

BOARDMEMBERS PRESENT

Richard Blake
Mark Drayna*
Kurt D. Ferstl
Michelle Genereux
Charles Gregory
Amanda Kay
Frank Sanders
Laura Snow

BOARDMEMBERS ABSENT

STAFF PRESENT

Jaye O'Donnell
Maria Laughner
Maribeth Smith
Jack Vincent

EX-OFFICIO MEMBERS PRESENT

Chris Brady
Sonny Cave*
Sally Harrison
Natascha Ovando-Karadsheh
Jennifer Zonneveld

EX-OFFICIO MEMBERS ABSENT

Mayor Giles (Excused)
Ed Carr (Excused)

GUESTS

(*Participated in the meeting via video conference equipment)

1. Chair's Call to Order.

Chair Jennifer Zonneveld called the August 6, 2024, meeting of the Economic Development Advisory Board to order at 7:30 a.m.

2. Items from Citizens Present.

There were no items from citizens present.

3. Introduction of new members.

Chair Zonneveld welcomed two new board members. Mark Drayna, Senior Engineering and Operations Manager with FUJIFILM Electronic Materials has lived in Mesa since 2001. Frank Sanders, Corporate Vice President, Global Supply Chain, with Intel Corporation has lived in Mesa for 12 years.

4. Approval of minutes from June 4, 2024, Economic Development Advisory Board meeting.

It was moved by Board Member Laura Snow, seconded by Board Member Amanda Kay, that the minutes from the June 4, 2024, Economic Development Advisory Board meeting be approved.

Upon tabulation of votes, it showed:

AYES – Blake-Drayna-Ferstl-Genereux-Gregory-Kay-Sanders-Snow

NAYS – None

ABSENT – None

Carried unanimously.

5. Economic Development Advisory Board Retreat kick off and vision.

Board Chair Zonneveld welcomed City Manager Chris Brady. On behalf of Mayor Giles, Mr. Brady thanked the board members for listening, discussing, and sharing their thoughts and ideas on how we best serve this community. He shared that the city prides itself on pivoting when there are changes in the economy. Mr. Brady thanked the board members for their service.

Chair Zonneveld outlined the Board's retreat objectives, including a level set for existing and new board members. The Board's focus is to be a resource to City leadership by supporting the City's mission and strengthening the Office of Economic Development's program of work. We intend to accomplish this by utilizing the Board's diverse experiences to have honest, productive discussions on issues that will enhance the economy and quality of life for Mesa residents.

6. Hear a presentation on Open Meeting Law and discuss.

The Board welcomed Mesa's Assistant City Attorney Jack Vincent. He discussed the Arizona Open Meeting Law and Mesa's meeting procedures. He clarified that while the city has not officially adopted Robert's Rules of Parliamentary Procedure, each board's chairperson has the authority to run meetings for efficiency and public involvement. Mr. Vincent emphasized the importance of transparency in public meetings, the structure of the board, and the process for agenda items. Potential legal issues surrounding serial meetings, social events, and social media use by board members were highlighted, and he encouraged the board to reach out with any questions or concerns.

7. Break.

The Advisory Board decided to continue the meeting without a break.

8. Hear a presentation and discuss the Office of Economic Development's FY24 accomplishments and FY25 program of work.

Economic Development Director Jaye O'Donnell thanked the Board for the opportunity to share what the Office of Economic Development does and how we can better engage with you and count on your support. For example, during Mesa's higher education recruitment initiative many members of the Advisory Board participated during site visits with 12 colleges and universities sharing the benefits of doing business in Mesa.

Director O'Donnell and Deputy Economic Development Director Maira Laughner presented the Office of Economic Development's FY24 accomplishments and the FY25 program of work. The presentation highlighted the department's vision that Mesa will be regarded as a premier location for companies and investors seeing an innovative, dynamic city to enhance their competitiveness. The department's mission is to enhance Mesa's economy by promoting a culture of quality, supporting the creation of higher wage jobs, promoting direct investment, and increasing the prosperity of our residents. Strategic goals include job creation, a strong entrepreneurship ecosystem, making Mesa known nationally as a premier business

location by generating positive media coverage, and building a resilient community by attracting and developing high quality labor. The department's lines of service include business attraction, retention and expansion, entrepreneurship and small business development, redevelopment and revitalization, and workforce development and talent attraction. Targeting opportunities in established and emerging sectors include health care/biotechnology/medical device, education, aerospace/aviation/defense, technology/semiconductors/electric vehicles/batteries, and tourism.

Director O'Donnell and Deputy Director Laughner reviewed FY24 key performance indicators including jobs created and retained, average annual wage, capital investment, business square footage, companies attracted, expanded, or retained, and prospect site visits/tours. Goals were exceeded in all categories except average annual wage where the goal was \$62,000, versus an actual of \$61,700. Business attraction successes were shared by industry, number of jobs, and square footage with manufacturing being the highest percentage throughout. The Directors also discussed the distribution of jobs by industry, the need to diversify Mesa's economy, and the correlation between data and average wages for new and retained jobs.

Board Member Ovando-Karadsheh commented that Gilbert and Chandler's annual wage is close to \$85,000 and that wages drive retail. Mesa has a larger population, but a lower average wage.

Board Member Sonny Cave inquired if targeting specific industries could increase Mesa's average wage, Deputy Director Laughner replied that climate tech and aerospace sectors offer higher average wages.

Board Member Laura Snow inquired if data was available for remote workers choosing to live in Mesa. She asked if remote work was worthy of an attraction strategy (i.e., lifestyle) since it is a nationwide trend. Deputy Director Laughner replied that the average wage is based on where the business is located.

Board Member Kurt Ferstl asked what the ideal average wage would be to attract the amenities that entice high wage earners. Director O'Donnell shared that education attainment rate is an influencer of higher income. Mesa is focusing efforts on this deficit with the Mesa College Promise program, the Mesa Public Schools internship program, and the Education and Workforce Roundtable.

Several board members shared that employees relocating to the area often chose to live in surrounding communities due to education related reasons. They inquired about plans to increase educational outcomes to more closely match surrounding communities and suggested that educational institutions should come together to develop a strategy for attracting and training a higher-caliber workforce. Director O'Donnell appreciated the Board's dialogue since education is a passion of hers. The City of Mesa Education and Workforce Roundtable meets quarterly and brings key individuals together. She suggested further conversations at a future meeting.

Director O'Donnell discussed the success and future plans of the Mesa Business Builder (MBB) program. The program, which is staffed by the Office of Education and Workforce Development, has seen significant growth and impact, with 165 businesses served through one-on-one business advising and over \$349,000 in direct services provided last fiscal year. The program also partners with various organizations to provide training and education to small businesses. Ms. O'Donnell also mentioned the opening of a new 17,000 square foot event and technology space, Mesa Business Builder @ The Studios, last May. The FY25 plan is

to continue providing small business assistance and outreach, enhance Mesa Educates U, and grow the MBB podcast series targeting small businesses.

Chair Zonneveld inquired how the Office of Economic Development gauges the value of the services provided to the business community.

Director O'Donnell replied that a client survey is provided at the end of the program year. The business owner is asked to rate the program and share if they experienced an increase in sales or hired additional employees. Our office also monitors Mesa business licenses and sales tax revenue for indications of growth.

Mesa's Office of Economic Development is effectively using various channels for business outreach and promotion. On LinkedIn, they achieved high engagement rates by targeting the right audience. Their email newsletter has seen a 16% increase in subscribers over FY23. They have garnered significant earned media coverage, especially for notable companies. While paid advertising impressions are lower, the click-through rate exceeds industry average. The Office of Economic Development has received national recognition and was reaccredited as an Accredited Economic Development Organization (AEDO) by the International Economic Development Council. The business retention and expansion program engages employers to understand trends and address concerns. Workforce development continues to be a focus and Job Connect Mesa aims to connect local talent with businesses. Additionally, the department has launched a retail attraction strategy to enhance relationships with developers and market Mesa as a retail destination, specifically targeting higher-end restaurants and hospitality establishments.

Deputy Director Laughner shared a timeline of the Office of Economic Development's retail strategy. Objectives for FY25 include actively recruiting retail to Mesa, developing/enhancing relationships with retailers, brokers, and developers, and marketing Mesa as a retail destination. More details will be shared once the retail study has been presented to City Council.

Board Member Rick Blake inquired about attracting higher end restaurants.

Deputy Director Laughner replied that the primary goal in the retail strategy is to attract higher end retail and restaurants. The Office of Economic Development is actively working with The Retail Coach to engage in that recruitment.

The Director's discussed the department's plan for FY25, and emphasized the importance of industry focus, targeted marketing campaigns, attendance at specific trade shows, workforce development, strategic redevelopment, and capitalizing on Foreign Direct Investment in Mesa.

Board Member Ovando-Karadsheh inquired if Visit Mesa will more actively promote Mesa rather than the region.

Director O'Donnell shared that contract negotiations are ongoing with Visit Mesa and the City.

9. Hear a presentation and discuss the Economic Development Advisory Board survey highlights and upcoming meeting topics or tours.

Director O'Donnell shared the Board survey results to gauge interest in upcoming meeting topics. A recap of suggested meeting topics included industry deeper dives in climate tech, semiconductor/supply chain, retail and medical device manufacturing; hot topics such as, Mesa's Balanced Housing Plan, the Office of Economic Development's marketing and business development plan, workforce/talent recruitment, redevelopment/revitalization, business retention and expansion, water, the General Plan, public transportation/connectivity, aerospace/defense/aviation, electric vehicles and supply chain, digital/AI; and tours of Mesa manufacturers, Phoenix-Mesa Gateway Airport, and Falcon Field Airport.

As a result of the Board's discussion, it was suggested to add branding, the ASU Polytechnic Innovation District, and sustainability to the list of topics. Additionally, members suggested shorter presentations allowing for more time for Board discussion and proposing guidelines for presenters to better engage with the Board.

Board Member Ovando-Karadsheh reiterated Mr. Brady's comment about a shifting economy and the need to look ahead 5 – 10 years to evaluate how we adjust for a downturn. She referenced the Board's previous focus on Mesa's lack of speculative development available to entice prospects and how that has changed in recent years.

10. Schedule of meetings.

The next Economic Development Advisory Board meeting is scheduled for September 3, 2024.

13. Adjournment.

Without objection, the Economic Development Advisory Board meeting adjourned at 9:31 a.m.

Submitted by:



Jaye O'Donnell
Economic Development Director