

ECONOMIC DEVELOPMENT COMMITTEE

May 29, 2014

The Economic Development Committee of the City of Mesa met in the lower level meeting room of the Council Chambers, 57 East 1st Street, on May 29, 2014 at 8:45 a.m.

COMMITTEE PRESENT

Scott Somers, Chairman
Terry Benelli

COMMITTEE ABSENT

Dave Richins

STAFF PRESENT

Bill Jabjiniak
Margaret Robertson

Chairman Somers excused Committeemember Richins from the entire meeting.

1. Items from citizens present.

There were no items from citizens present.

2-a. Hear a presentation, discuss and make a recommendation for the next steps for the Mesa Technology Corridor.

Economic Development Department Director Bill Jabjiniak introduced Planning Director John Wesley, who was prepared to make a presentation regarding the Mesa Technology Corridor.

Mr. Wesley displayed a document titled "Mesa Technology Corridor – Light Industrial Planned Area Development (LI PAD) Rezoning Application Narrative." **(See Attachment 1)** He reported that the Elliot Road corridor would provide the City a great opportunity to expand the development of technology businesses, such as Apple. He stated that staff has received significant interest from that group of employers.

Mr. Wesley explained that staff would propose that the Council adopt an LI zoning district with a PAD overlay, which would be similar to the existing Form-Based Code in downtown Mesa. He commented that not only would the overlay allow the City to expedite the entitlement process to attract high technology industries to Mesa, but also establish site planning design guidelines to ensure compliance with the General Plan and the Mesa Gateway Strategic Development Plan.

Mr. Wesley highlighted various LI zoning district land uses that would be restricted within the area covered by the PAD overlay. (See Pages 8 and 9 of Attachment 1) He pointed out that such restrictions would ensure that the development of the corridor is consistent with the City's goal of establishing this section of Elliot Road as a technology corridor.

Responding to a question from Committeemember Benelli, Mr. Wesley clarified that the proposed boundary of the Elliott Road corridor would encompass the north side of Elliot Road, between Hawes and Signal Butte Roads.

Mr. Wesley also provided a short synopsis of the Development Standards and Guidelines for the proposed PAD overlay. (See Page 9 of Attachment 1) He noted that currently, the LI zoning district has a maximum height level of 40 feet and stated that staff would propose to increase that level to 150 feet. He explained that this would allow the development of multi-story office buildings and other industrial uses that have high-ceiling requirements. He added that the proposed modification would be consistent with the maximum height limits that DMB has allowed for development opportunities on its property across the street.

Mr. Wesley further commented that staff expressed concern regarding the manner in which the increased height would impact the homeowners to the north. He said that the City intends to conduct public hearings in order to solicit the neighbors' input in this regard. He also noted that an existing power line easement provides a buffer between the homes and the land to be rezoned.

Mr. Wesley, in addition, displayed a series of photographs illustrating the type of buildings that staff envisions being developed along the corridor. (See Pages 10 through 13 of Attachment 1)

Mr. Wesley highlighted the ongoing process as follows: the Council would approve the LI zoning with the PAD overlay; that such zoning would "float" over the existing zoning on the property; that an existing property owner could continue to develop with the current zoning in place or request the LI PAD zoning; that if a developer was interested in using the LI PAD zoning, the City would grant the zoning automatically with the submission of the necessary paperwork; that the property owner would not be required to go through the public hearing process and could move directly to site plan review and obtain building permits; that a development agreement would be prepared and approved by Council, which would limit the uses on the property; and that residential uses are not permitted in the LI zoning district.

In response to a question from Committeemember Benelli, Mr. Wesley clarified that he would anticipate that the approval process would take approximately four to five months to complete. He explained that because staff would not be reviewing a specific site plan, the process could possibly move along more quickly. He reiterated that it would be imperative to conduct public outreach and suggested that late summer, when school is once again in session, would be an appropriate time to do so.

Mr. Jabjiniak stressed the fact that the proposal would "cut" entitlement risk, which is a major concern of developers. He also remarked that since the zoning approval process would be more of an administrative act, all of the required steps would be completed upfront.

It was moved by Committeemember Benelli, seconded by Chairman Somers, that this item be forwarded on to the full Council for further discussion and consideration.

Chairman Somers declared the motion carried unanimously by those present.

Chairman Somers thanked staff for the presentation.

2-b. Hear a presentation and discuss an update on LAUNCHPOINT, Mesa's Technology Accelerator.

Senior Economic Development Project Manager Shea Joachim displayed a PowerPoint presentation (**See Attachment 2**) and discussed LAUNCHPOINT, the Mesa Technology Accelerator, which had its grand opening on December 18, 2013.

Mr. Joachim reported that the mission of LAUNCHPOINT is to stimulate the establishment and growth of small technology-based companies and other growth-oriented businesses in the East Valley. He explained that "technology-based" includes, among other things, software development, green technology and educational technology. He noted that LAUNCHPOINT's programming is focused on Stage 2 and Stage 3 companies, which are likely pre-revenue, but most probably in an advanced stage of research and development. He also stated that LAUNCHPOINT was created as a partnership between the City of Mesa and Arizona State University (ASU). He added that the top level success metric for the Accelerator is job creation.

Mr. Joachim displayed a map illustrating the physical location of LAUNCHPOINT. (See Page 3 of Attachment 2)

Mr. Joachim pointed out that entrepreneurs of Stage 2 and Stage 3 companies often face the challenge of expanding their team, overcoming growth challenges and doing so in an efficient and affordable manner. He said that in an effort to address such concerns, LAUNCHPOINT offers an onsite package, at a cost of \$850/month, which includes not only traditional incubator services, but also 100 hours of professional consulting services in a variety of areas. (See Page 4 of Attachment 2)

Mr. Joachim, in addition, reviewed a series of marketing activities that the Economic Development Department has participated in to promote LAUNCHPOINT. (See Page 5 of Attachment 2) He also displayed a diagram illustrating staff's marketing results thus far (See Page 6 of Attachment 2) and clarified that one revision to the document would be the addition of a fifth application.

Mr. Joachim reported that with respect to the above-referenced marketing diagram, staff has been concerned with the conversion of leads into actual applications for the program. He stated that two common "turn-down responses" he has received from entrepreneurs consist of not being able to afford the services offered at LAUNCHPOINT or the facility is too far away from the central Phoenix/Tempe area. He advised that staff continues to explore ways in which to overcome such challenges.

Responding to a series of questions from Chairman Somers, Mr. Joachim clarified that many of the other incubators in the Phoenix area charge for their services. He stated that entrepreneurs are often comfortable launching their business in the comfort of their garage or home and utilizing free resources such as the Small Business Development Corporation (SBDC).

Mr. Joachim provided a short synopsis of the programs currently offered at LAUNCHPOINT to assist business entrepreneurs as follows:

- Rapid Startup School – A 12-module program that meets every Thursday from 6:00 p.m. to 7:00 p.m. ASU has created the curriculum and invites practitioners to make presentations to the attendees. Individuals can select which classes they want to attend and those who complete all 12 modules receive a non-accredited certificate issued by ASU.
- Alexandria Network – A collaboration network that is based in libraries. LAUNCHPOINT is working to partner with THINKSpot, which is located at Mesa's Red Mountain Library, to co-promote both sites to entrepreneurs.
- Grant Proposal with the U.S. Department of Energy – ASU is seeking to expand its "furnace model" (i.e., technology transfer model), which is a nine-month program. As companies "come out" of the furnace model, they would transfer their technology from a national lab, participate in ASU's program and hopefully make a "soft landing" at LAUNCHPOINT.
- Dr. Mitzi Montoya, ASU's new Vice President of Entrepreneurship and Innovation Group, is responsible for all internal and external work related to entrepreneurship.

Mr. Joachim remarked that since LAUNCHPOINT's grand opening, he was now aware of the facility's challenges, as well as potential opportunities. He stated that LAUNCHPOINT will continue to develop partnerships with ASU and highlighted some of the programs that the university offers. (See Page 8 of Attachment 2)

Mr. Joachim further commented that he and Dr. Montoya met recently to discuss ways in which LAUNCHPOINT could create programming that would complement existing programs at ASU. He stated that this would ensure that the entrepreneurs would take "logical steps" as they move forward in the process of building their businesses.

Mr. Joachim indicated that he was not suggesting that the LAUNCHPOINT services be free. He noted, however, that certain programming "tweaks" might eventually bring more clients to the facility.

Chairman Somers inquired regarding the possibility of the City and ASU landing a major tenant to office out of the LAUNCHPOINT site. He said that he was aware of other accelerators that have used major tenants to attract clients.

Mr. Joachim verified that corporate entrepreneurship is, in his opinion, an "untapped opportunity." He acknowledged that staff has yet to actively explore that option, but concurred that it would be something worth pursuing.

Chairman Somers commented that bringing in at least one major tenant to LAUNCHPOINT would draw the attention of technology businesses and potentially eliminate an entrepreneur's response that it was too far to drive to Mesa.

Committeemember Benelli indicated that staff was moving in the right direction regarding their efforts to promote educational opportunities for the entrepreneurs at LAUNCHPOINT. She stated that such efforts would assist those individuals in recognizing the importance of networking for the betterment of their businesses.

In response to a question from Committeemember Benelli, Mr. Joachim clarified that he was actively involved in the Arizona Incubator Association, which is comprised of incubator managers for various incubators throughout the Valley. He stated that the group conducts monthly conference calls and holds quarterly meetings.

Committeemember Benelli commented that the Small Business Provider Network holds quarterly meetings and suggested that Mr. Joachim attend those meetings to market LAUNCHPOINT.

Economic Development Department Director Bill Jabjiniak expressed appreciation to Mr. Joachim for his efforts and hard work with respect to the opening of LAUNCHPOINT, marketing the facility and conferring with Dr. Montoya. He stated that over the next six months, staff's challenge will be to determine the ongoing evolution of LAUNCHPOINT.

Chairman Somers thanked Mr. Joachim for the presentation and said that he looked forward to future updates regarding LAUNCHPOINT.

2-c. Hear a presentation by GPEC to discuss Mesa's business opportunities and challenges.

Barry Broome, President and Chief Executive Officer of the Greater Phoenix Economic Council (GPEC), displayed a PowerPoint presentation (**See Attachment 3**) and provided an extensive overview of the organization's business-recruitment efforts.

Mr. Broome reported that GPEC is a regional model in which public and private members collaborate to promote the Greater Phoenix area as a great place to grow a business. He explained that the organization is supported by Maricopa County, 23 cities and towns and an estimated 182 private-sector businesses.

Mr. Broome highlighted some of the services provided by GPEC (See Page 2 of Attachment 3) including, but not limited to, operational cost analysis, regional economic labor market data and connectivity to key resources.

Mr. Broome remarked that in FY 2013, GPEC assisted 32 companies in their expansions or relocations, which equated to nearly 7,000 jobs, \$456 million in capital investment and 4.2 million square feet of consumed space. He also noted that GPEC was recently named a top 10 U.S. Economic Development Group for 2013 and No. 1 in the Mountain West Region for facilities and expansion by Site Selection magazine.

Mr. Broome, in addition, offered a detailed analysis of GPEC's strategic initiatives. (See Page 4 of Attachment 3) He cited, for instance, that an estimated 25% to 30% of GPEC's business is done in California. He explained that California 50, which was primarily a cold calling program, resulted in 41 out of 50 targeted California companies coming to Arizona to evaluate the Greater Phoenix market, of which six will be relocating to the area.

Mr. Broome further reported that GPEC has also focused on a corporate Real Estate Investment Trust (REIT) program in order to identify areas for investment. He commented that the ability to build, have infrastructure in place and possibly even construct more buildings is a topic that GPEC hopes to address with the national capital markets.

Discussion ensued relative to the fact that most of GPEC's clients are looking for existing buildings in which to relocate as opposed to build-to-suits; and the importance of GPEC's communities addressing their infrastructure planning.

In response to a question from Committeemember Benelli, Mr. Broome clarified that GPEC's efforts in California generally focus on information communication technology, healthcare, energy and academic technology, all of which are in alignment with Mesa's H.E.A.T. initiative. He commented that GPEC is also expanding its focus on "high end life style companies," such as Dunn-Edwards Paints, in addition to the financial services market.

Mr. Broome also discussed GPEC's international marketing strategy, which includes Canada and China as major markets, as well as re-targeting Germany and western Europe. He pointed out that GPEC would like to re-target the advanced manufacturing sector in Germany and said that Mesa would be competitive for those types of opportunities.

Mr. Broome displayed a chart illustrating GPEC's current business development goals to date (See Page 5 of Attachment 3). He also highlighted a map reflecting GPEC's locates between 2012 and 2014 (See Page 6 of Attachment 3), as well as charts demonstrating GPEC assisted locates between July 1, 2013 and April 30, 2014. (See Pages 7 and 8 of Attachment 3) He pointed out that on a sub-regional basis, the East Valley is very comparable to Austin, Texas and includes two airports, a highly skilled workforce with respect to engineering and technology and multiple universities. He added that the East Valley has a shared workforce, with Mesa residents working at Intel in Chandler, for example, and Chandler residents working at Apple in Mesa.

Mr. Broome further spoke regarding business development trends as it relates to office, industrial, and back office/high tech. (See Pages 9, 10 and 11 respectively of Attachment 3) He commented that with respect to office and industrial spaces, a significant percentage of the prospective companies are requesting existing buildings and noted that recruiting capital to invest in these types of buildings will be very important in the future.

Responding to a question from Chairman Somers, Mr. Broome clarified that the Phoenix area "is short" on existing buildings and tends to have less buildings than other markets across the country. He explained that the area absorbs land and buildings at a rate that is higher than in other markets.

Mr. Broome, in addition, provided an overview of GPEC's prospects, prospects by region and prospects by industry. (See Pages 12, 13 and 14 respectively of Attachment 3)

Mr. Broome also discussed a chart titled "Mesa's Investment in GPEC – Five Year Trend on Revenue Return." (See Page 15 of Attachment 3) He pointed out that Mesa's investment has resulted in, among other things, 847 new jobs and \$1.56 billion in capital investment. He noted that the return on investment (5-year trend since FY 09) equates to \$36 of direct revenue for every \$1 invested. He added that \$165.7 million in new consumer spending was generated by new Mesa jobs and employed Mesa residents.

Additional discussion ensued relative to the Global Cities Initiative, a joint project of Brookings Institute and JPMorgan Chase to help leaders in U.S. metropolitan areas reorient their economies toward greater engagement in world markets; that on May 13th, Brookings Metropolitan Policy Program and JPMorgan Chase hosted a forum, "Global Cities Phoenix:

Building and Sustaining a Competitive Region,” and that the region has begun to address the challenges and the possibilities of globalization through its metropolitan business plan and civic partnership, Velocity: Transforming the Greater Phoenix Economy, which advances a set of core strategies to reposition the region as a center of global innovation and trade.

Chairman Somers commented that as the Velocity initiative moves forward, he would suggest that staff update Mesa’s H.E.A.T. initiative, with a focus on Mesa’s strengths. He said that such an update would ensure that Mesa remains competitive in the market.

Mr. Broome, in addition, offered a series of comments relative to the following topics: that there is the potential for smaller data centers locating to Mesa; that such facilities are infrastructure for high-performing employers and generate significant tax revenues; that it would be appropriate for City staff to consider how to optimize Mesa’s electric utility; that he would recommend the City invest upfront in infrastructure improvements at large-scale sites that are available for development; that smaller-scale sites, such as Falcon Field, could be “put in play” as supply chains; and that he envisions Elliot Road as the next major corridor for high technology industries.

Chairman Somers thanked Mr. Broome for the informative presentation.

3. Adjournment.

Without objection, the Economic Development Committee meeting adjourned at 10:10 a.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the meeting of the Economic Development Committee of the City of Mesa, Arizona, held on the 29th day of May, 2014. I further certify that the meeting was duly called and held and that a quorum was present.

DEE ANN MICKELSEN, CITY CLERK

MESA TECHNOLOGY CORRIDOR

Light Industrial Planned Area Development (LI PAD) Rezoning Application Narrative

SUBMITTED TO:
CITY OF MESA PLANNING DIVISION
Mesa, Arizona

Table of Contents

1.	Purpose of Request.....	3
2.	Description of Proposal.....	3
3.	Goals and Policies/Approaches of the General Plan.....	3
4.	Goals and Policies of the Mesa Gateway Strategic Development Plan.....	5
5.	Justification for Modifications to Regulations and Standards.....	6
6.	Relationship with properties within 500'.....	7
7.	Location and Accessibility.....	7
8.	Utilities and Service.....	8
9.	Ownership and Control.....	8
10.	Timing of Development.....	9
11.	Citizen Participation.....	9

Exhibits

- A. Zoning Exhibit
- B. Economic Development Memo
- C. GPEC Letter
- D. Ownership Map

Purpose of Request

The purpose of the LI PAD request for the Mesa Technology Corridor includes the following:

- 1) Expedite the entitlements process to attract high technology industries to Mesa
- 2) Establish site planning design guidelines to ensure compliance with the City of Mesa General Plan and Mesa Gateway Strategic Development Plan

The area included in the Mesa Technology Corridor has been planned for employment related uses for over 20 years. The installation of high capacity utilities along Mesa, as well as the recent acquisition of the former First Solar facility by the Apple Corporation, indicates the need and desire for “shovel ready” development. The city’s initiation of this rezoning case is a direct effort to rezone the corridor to Light Industrial so that prospective high tech employers can move directly into the more abbreviated site planning process and build their needed facilities. This will bring high quality jobs to Mesa and support the goals of the 2025 Mesa General Plan as well as the Mesa Gateway Strategic Development Plan (MGSDP).

Description of Proposal

The Light Industrial zoning district conforms with the property’s General Plan Land Use designation of Business Park. The proposed Planned Area Development overlay includes the adoption of design principles as well as an additional building height allowance to create the desired technology corridor while protecting the adjacent residential neighborhood. Use restrictions are proposed through a separate Development Agreement to ensure the area is retained for high tech industry development.

Location and Accessibility

The Mesa Technology Corridor is located in southeast Mesa and is highly accessible by freeways and airports. Elliot Road is an arterial, as is its north/south bisectors Signal Butte, Crismon, Ellsworth, and Hawes Roads. Elliot Road has an interchange with the Loop 202 providing the

property with ease of access to I-10, I-17, and Highway 60. The corridor is just minutes from Phx-Mesa Gateway Airport and approximately 40 minutes from Phoenix Sky Harbor Airport.

Goals and Policies/Approaches of the General Plan

Per the City of Mesa 2025 General Plan, Mesa will have sustainable economic centers located at various “hubs” throughout the City. These hubs will emphasize quality, high-paying jobs. The employment sector will offer higher than average wage scales and excellent employment security. The intent is to develop a healthy economy that will operate at the cutting edge of technology.

One of these economic hubs is planned for the southeast portion of the planning area in the vicinity of Phoenix-Mesa Gateway Airport. Originally, this location was referred to as the Gateway Sub-Area or the Santan Urban Economic Hub. The area is well situated to provide a large international trade center supported by the Phoenix-Mesa Gateway Airport. It is envisioned to become a second urban center of the City, with a mixture of residential, commercial, employment, recreational, and public uses. The Mesa Technology Corridor is located within this sub area.

The intent of this sub area is to provide an employment center that maximizes the benefit of the nearby airpark while providing jobs for the large amount of residential development in the area.

The purpose of the Land Use Element of the Mesa 2025 General Plan is to guide future growth and development in the City. The basic vision of the Mesa 2025 General Plan is “to provide for a prosperous and economically balanced community, to address the need for future housing and employment opportunities, and to support Mesa as a sustainable community in the 21st century.”

Within the General Plan there are several goals, objectives and policies established to provide this basic vision. The goals and related objectives and policies applicable to this request are as follows:

Goal LU-1: Develop a land use pattern throughout the City that creates orderly municipal growth, achieves compatibility with surrounding communities and is consistent with the General Plan.

Objective LU-1.1: Create the most advantageous economic and environmental balance of build-out land uses based on community and regional characteristics.

Policy LU-1.1a: Continue to evaluate the appropriate mix of land uses to achieve the desired mix of residential, employment, and public uses.

Objective LU-1.2: Encourage urban growth in a planned, orderly manner with high quality development and sustainable urban development patterns.

Policy LU-1.2b Update the planning-related ordinances and programs to implement the General Plan and to encourage creative and innovative design in constructing subdivisions that promote both sustainability and a sense of

community.

Goal EPC-1: Promote a high level of environmental quality with a safe, healthy, and enjoyable environment for Mesa residents.

Objective EPC-1.2: Integrate air quality planning with the land use and transportation planning process.

Policy EPC-1.2f: Promote land use patterns that decrease automobile travel between home and the workplace.

The current land use designation on the majority of the property is Business Park. This is described as:

“...areas where professional and medical office parks, research and development opportunities, light manufacturing, data and information processing centers are integrated in a campus setting with ancillary restaurants, retail and other supportive establishments. Appropriate locations offer direct principal arterial and arterial road access, connections to potable water and sanitary sewer, and proximity to public safety services. Business Park areas should extensively buffer light Industrial uses from other less intense employment or high-density residential uses. Business Park areas are located on, and with direct access to principal arterial and arterial streets, rail facilities, and airports.”

The Mesa Technology Corridor conforms with the Business Park concept and is proposed to be a campus like setting of high tech industries that will be walkable with an integrated platform of ancillary land uses that support the primary employment related land uses.

Mesa Gateway Strategic Development Plan

The MGSDP was developed with the intent of recognizing the opportunities related to the Phoenix-Mesa Gateway Airport and the implementation of a vision that capitalizes on this asset. The primary goals were to create a solid employment base for the City of Mesa while allowing for a mix of land uses in close proximity to one another for the purpose of long-term economic stability. The plan further defines specific districts and outlines their “Focus”, desired “Form”, “Goals, Standards, Block Character, and Design”. The Mesa Technology Corridor is located within the “Mixed Use Community District” which is described as follows:

The Mesa corridor from Hawes to Signal Butte is part of both the Inner Loop (west of the 202) and Mixed Use Community (east of the Loop 202) Districts of the MGSDP. Given the proximity to Gateway Airport and the designated flight corridor for planes leaving the airport, this corridor has been envisioned to be developed with a variety of industrial, business park, and commercial uses.

The MGSDP identifies several goals that support its ultimate vision. The proposed LI PAD rezoning complies with and facilitates these goals by providing the underlying entitlement for the employment uses. The most relevant goal to this request is Goal 2 related to job creation:

GOAL 2: Create a regional employment center with a mix of jobs, emphasizing the attraction of at least 100,000 high-wage, high value jobs

Relationship to Surrounding Properties Within 500'

This area of southeast Mesa features a well-established urban development pattern of primarily single-family residential development. However, significant commercial and employment use related development is expected to develop in the immediate vicinity of the Mesa Technology Corridor.

NORTH:

The northern boundary of the corridor is generally bound by low to medium single-residence development. Development within the corridor will need to be appropriately buffered by generous landscape setbacks that should encourage off-street circulation between land uses and developments.

EAST:

Signal Butte Road establishes the eastern boundary of the corridor. An LDS church is located within the corridor with frontage on Signal Butte Road. Beyond Signal Butte Road, a utility substation and vacant land borders this request.

SOUTH:

Elliot Road establishes the southern boundary of the corridor. Non-residential, employment related uses are expected west of the Apple facility at the southwest corner of Elliot and Signal Butte Roads.

WEST:

Hawes Road establishes the western boundary of this request. Beyond Hawes, the property is designated Regional Commercial and Mixed Use/Employment and is likely to develop with commercial uses that will both serve the corridor as well as surrounding residential developments and provide for more employment opportunities.

Utilities & Services

The Mesa Technology Corridor benefits from a unique combination of significant utility infrastructure improvements to support high tech industries. They are summarized as follows:

Water	City of Mesa – SRP Water District
Sewer	City of Mesa

Electricity	SRP – large power capacity near
Gas	Southwest Gas – high pressure available
Telephone	Century Link
Cable Television	Cox Communications
Fire	City of Mesa
Police	City of Mesa
Solid Waste	City of Mesa

Electrical Power Capacity: Close proximity for SRP’s 500 kV transmission line and Browning receiving station. This will benefit companies needing large amounts of redundant, dedicated power (20MW or more). SRP power is also more affordable than comparable utility providers in the Southwest.

Robust Dark Fiber Network: SRP owns redundant dark fiber networks that are installed along Elliot Road to provide significant network connectivity for businesses located along the corridor.

Natural Gas: Southwest Gas owns a high-pressure natural gas line running along Elliot Road.

Water: City of Mesa and SRP’s Water District provide significant capacity for users that may have large water needs.

Sewer: There is significant wastewater capacity in the area with an existing 24” sewer line located in both Elliot and Ellsworth Roads and an additional water treatment facility planned for Signal Butte and Elliot Roads.

Ownership & Control

There are multiple parcels under separate ownership within the corridor. The intent of the rezoning is to provide an “opt in” Light Industrial zoning district for these owners in an effort to attract development. Each owner that chooses to participate will need to formally “opt in” to the zoning case. Otherwise, each owner will need to file an independent rezoning case as a precursor to development.

Timing of Development

The intent of this rezoning application is to establish the underlying zoning to facilitate investment and development of high tech industries within the Mesa Technology Corridor. The recent acquisition of the First Solar facility by the Apple Corporation immediately south of this site indicates that high tech industry is interested in southeast Mesa and their ability to mobilize their business in the most expeditious manner is very important to their business needs. The transportation, utility, and human resources are available in the immediate area to support this development.

Citizen Participation

As part of this application, a Citizen Participation Plan will be prepared that outlines the extent of neighborhood outreach to involve the community in this project's process. A neighborhood notification letter and meeting(s) will be required as part of this rezoning process. Once the zoning case is processed and participating owners have "opted in", development will only need to apply for site plan and Design Review to wrap up related entitlements before plan review for permits. Citizen participation will be re-engaged as part of the site planning and Design Review processes.

Mesa Technology Corridor Development Standards

All standards and requirements of the Mesa Zoning Ordinance shall be followed with development of property subject to this overlay district except as modified by the provisions below.

Land Use

The goal of this PAD is to establish this section of Elliot Road as a technology corridor. Therefore, to accomplish this goal, application of this zoning case will emphasize development of technology related employment uses, limit retail uses to those that are compatible with and complimentary to the establishment and development of this corridor, and not allow those uses not consistent with this goal.

Use Restrictions

The following uses permitted in the LI district are not allowed within the area covered by this PAD. These use restrictions are also contained in the associated Development Agreement.

- Correctional Transitional Housing Facilities
- Clubs and lodges
- Cultural institutions
- Day Care Centers as a stand-alone use, allowed as a component of a service to on-site business and industry
- Places of worship
- Schools, public or private
- Animal sales and services
- Towing and impound
- Building materials and services
- Commercial Recreation
- Farmer's Markets

- Funeral Parlors
- Medical Marijuana Dispensaries
- Medical Marijuana Cultivation Facilities
- Commercial Parking
- Plant nurseries and garden centers
- Large format retail sales
- Swap meets and flea markets
- Tattoo and body piercing parlors
- Handicraft/custom manufacturing
- Recycling facilities
- Warehouse and storage
- Airport land use classifications
- Transportation Facilities
- Outdoor storage
- Outdoor entertainment or activities
- Outdoor display

Development Standards and Guidelines

The proposed Planned Area Development overlay provides development guidelines for the site planning process that will implement the vision of the Mesa Gateway Strategic Development Plan, allow for and encourage the development of a technology corridor, and protect the adjacent residential neighborhoods to the north from incompatible activities.

Modification to LI Development Standards

All development standards of Table 11-7-3 apply as contained in the Mesa Zoning Ordinance, except the allowed maximum height is increased to 150'.

Development Guidelines

In addition to the Building Form Standards contained in Section 11-7-3 A of the Zoning Ordinance, the following guidelines will be used to implement the MGSDP and guide the design and develop property within this corridor:

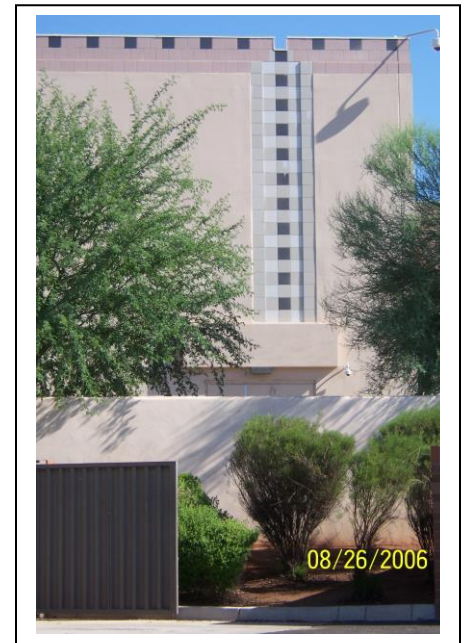
Design

The MGSDP provides numerous photographic exhibits that indicate the development form of the employment based, mixed-use environments desired for this area. Images from all of the sub-districts of the MGSDP that are appropriate for a technology corridor can be used as examples for the design standard appropriate for this location. Following are a few of those images along with a few others. Site plan applications should make a concerted effort to achieve the level of development intensity, integration of uses, and quality of architecture depicted.

Development Processing

Through the approval and application of the Mesa Technology Corridor PAD, no further public hearings will be required for development of this property. Prior to obtaining approval of a

building permit a site plan must be approved by the Planning Director and elevations and landscape design must be approved through the design review process.



Mesa Technology Corridor

Economic Development
May 29, 2014
Attachment 1
Page 11 of 13



Mesa Technology Corridor

Economic Development
May 29, 2014
Attachment 1
Page 12 of 13



Mesa Technology Corridor

Economic Development
May 29, 2014
Attachment 1
Page 13 of 13



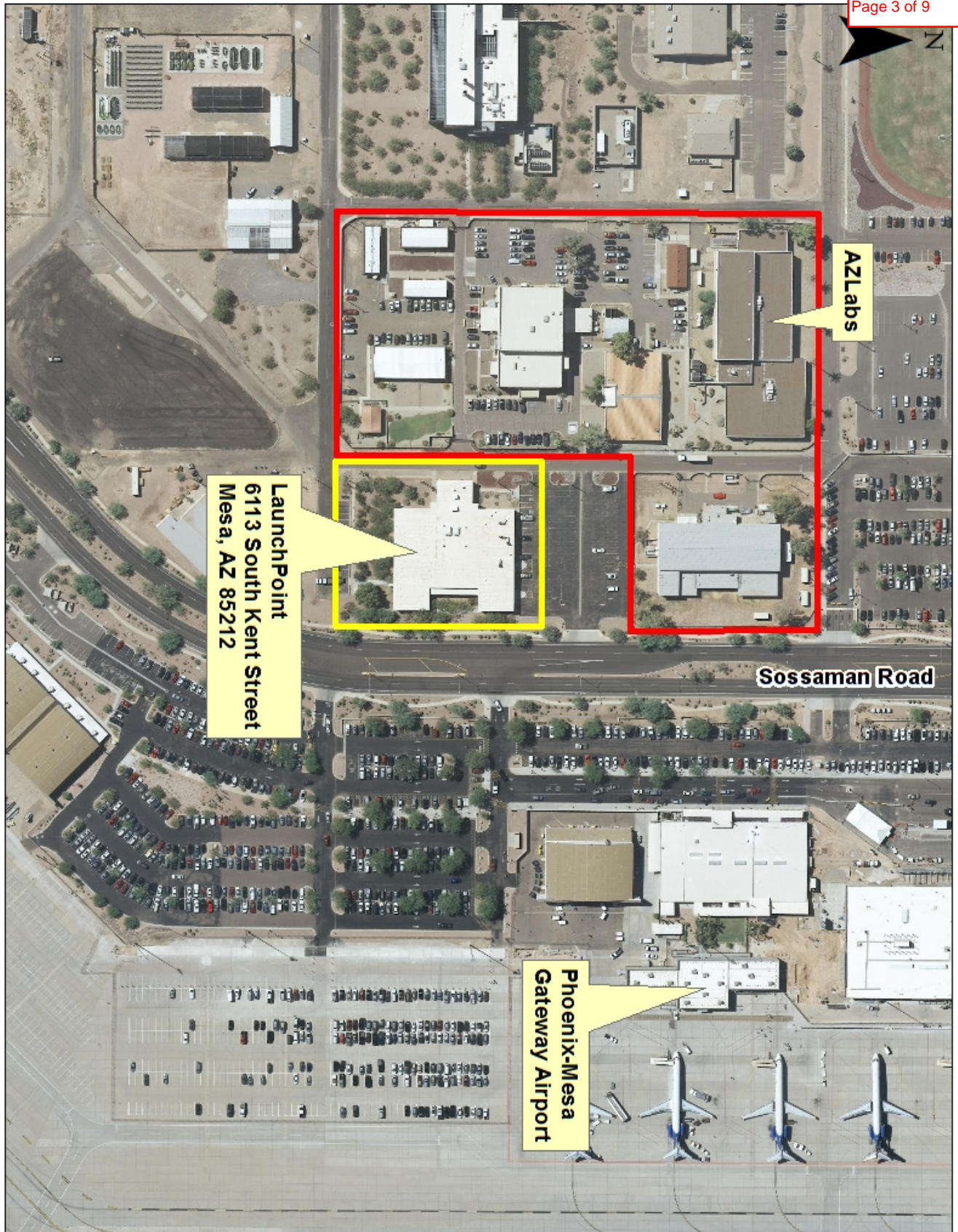


Economic Development Council Committee

5/29/2014

Background

- The mission of LAUNCHPOINT, the Mesa Technology Accelerator, is to stimulate the establishment and growth of small technology based companies and other growth oriented businesses in the Phoenix East Valley.
- “Accelerator” versus “Incubator”
- Partnership with Arizona State University
- JOB CREATION!
- Grand Opening – December 18, 2013



Value Proposition

Traditional Incubator Services

- Private Office Space
- Phone & Internet Services
- Meeting/Conference Room Space
- Mail Service
- Printer/Copier/Fax Machine
- Mentorship Network
- Coordination With Public & Private Partners
- Connection with ASU Programs & Students
- Networking

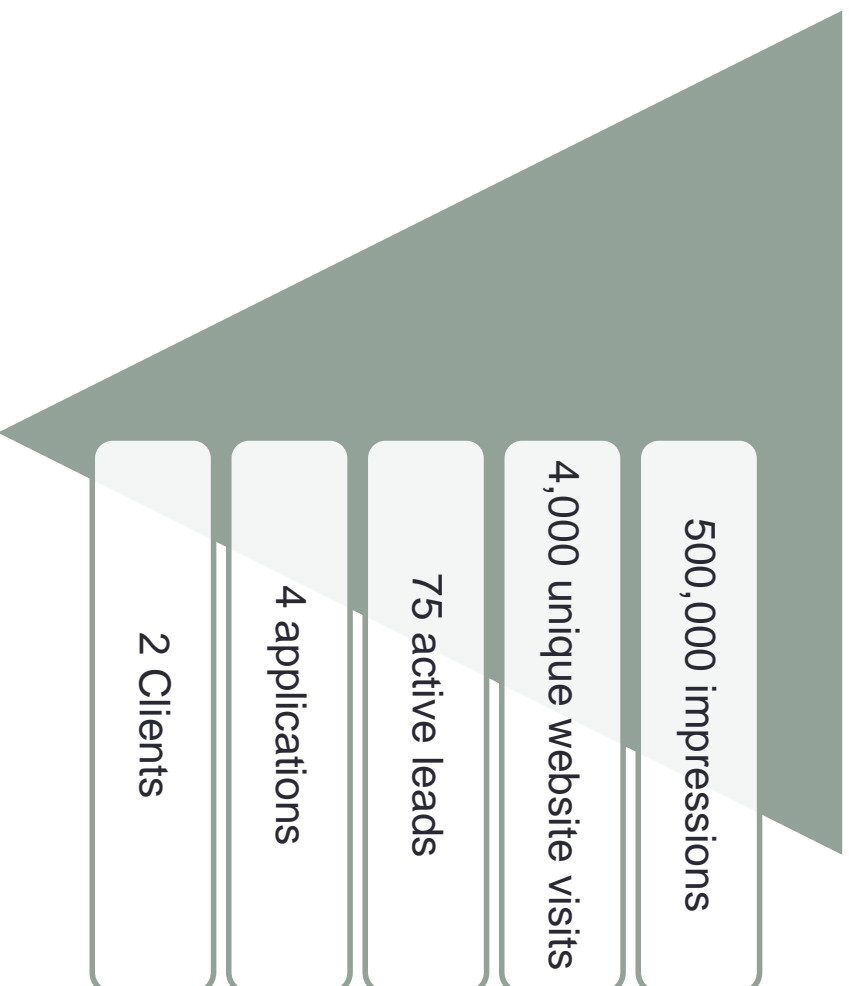
LaunchPoint Added Value

- Professional Consulting
 - *General Business*
 - *Marketing*
 - *Financial Reporting*
 - *Human Resources*
 - *Information Technology*
 - *Financing & Loan Packaging*

Marketing Activities

- Events & Expos
 - ACA Innovation Challenge - Resource Forum (January 30)
 - Gilbert Chamber of Commerce (February 28)
 - Venture Madness (March 5-7)
 - ICON14 (April 23-25)
 - Arizona Small Business Association (May 7)
- Awareness Campaign(s)
 - Business Journal – Afternoon Edition
 - AZTechBeat Sponsorship
 - Pay-Per-Click Campaign
 - AZ Republic & Mesa Tribune Coverage
- Entrepreneurship Development
 - Rapid Startup School

Marketing Results



ASU Partnership Development

- Rapid Startup School
 - 12 module program, every Thursday from 6PM to 7PM
- Alexandria Network & ThinkSpot
- Grant Proposals
 - Department of Energy
 - National Science Foundation
- Dr. Mitzi Montoya
 - New Vice President of Entrepreneurship & Innovation Group

Looking Forward

- Continue to Develop Partnership with ASU
 - Edson Program
 - Furnace
 - Rapid Startup School
 - Alexandria Network
 - Students & Faculty
- Drive Activity and Awareness thru Entrepreneurship Development Opportunities.
- Re-evaluate the LaunchPoint Fee-For-Service Model

Questions



Shea Joachim

Senior Project Manager – Strategic Initiatives

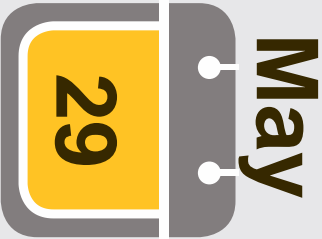
480-644-3562 (phone)

Shea.Joachim@mesaaz.gov

www.mesaaccelerator.com

Greater Phoenix Economic Council

Barry Broome
President & CEO



Renewable
Energy



Biomedical/
Personalized
Medicine



Advanced
Business
Services



Manufacturing
& Logistics



Mission
Critical



Aerospace
& Aviation



Emerging
Tech

MEMBER COMMUNITIES

MARICOPA COUNTY
APACHE JUNCTION
AVONDALE
BUCKEYE
CASA GRANDE

CAVE CREEK
CHANDLER
EL MIRAGE
FOUNTAIN HILLS
GILA BEND

GILBERT
GLENDALE
GOODYEAR
MARICOPA
MESA

PEORIA
PHOENIX
QUEEN CREEK
SCOTTSDALE
SURPRISE

TEMPE
TOLLESON
WICKENBURG
YOUNGTOWN



Who We Are: Greater Phoenix Economic Council

- A true regional model where public and private members collaborate to promote Greater Phoenix as a great place to grow business
- Supported by Maricopa County, 23 cities and towns, and more than 170 private-sector businesses
- The catalyst that strengthens the region's economic base, ensuring it is both diversified and competitive

GPEC Services

- | | |
|--|---------------------------------|
| • Operational Cost Analysis MetroComp Analysis | • Economic Impact Analysis |
| • Regional Economic Labor Market Data | • GIS Site-Selection |
| • HR Employment Assistance | • Connectivity to Key Resources |



GPEC Delivers Results

- GPEC broke records for third consecutive year in FY13
 - Assisted 32 companies in their expansions or relocations, representing 6,954 jobs, \$456 million in capital investment and 4.2 million SF of consumed space
 - Earned an unprecedented 1.04 billion media impressions
- Recently named a top 10 U.S. Economic Development Group for 2013 and #1 in the Mountain West region for facilities and expansions by *Site Selection* magazine
- GPEC awarded Gold award in February 2014 issue of *Business Facilities* for “Deal of the Year”, an award recognizing Apple as the best project landed in any U.S. market
- GPEC ranked No. 2 economic development organization in the country by Denver-based Atlas Advertising



Strategic Initiatives


- **Leverage opportunity in California – California 100** campaign built off of Prop 30
- **Broaden Site-Selector Approach – Continue** engaging the top 100 site selectors and convene Broker Roundtable to deepen local broker engagement
- **Market Intelligence – Expand** from A&D analysis to ICT and the Corporate 50 program
- **Corporate REIT Program – Identify** areas for investment
- **Community Partnership Program– assess** the infrastructure and strategic needs
- **Bolster International – develop** international strategy with markets like Shanghai

NOW OFFERING THE FIRST 50 QUALIFIED CALIFORNIA-BASED CEOs
a complimentary trip to Greater Phoenix

CALIFORNIA 50

RESPOND BY NOV. 16, 2012

Visit www.gpec.org/california50 for details
Low Taxes. Low Operating Costs.
24-hour Permitting & Inspections Available.



The Greater Phoenix Economic Council is a public-private partnership seeking and targeting companies in business expansion and relocation. Since 2008, the Council has been successful in securing over \$1.5 billion in new investment and creating over 10,000 jobs. The Council's mission is to attract, retain and help develop new business. The Greater Phoenix Economic Council is a 501(c)(3) non-profit organization.



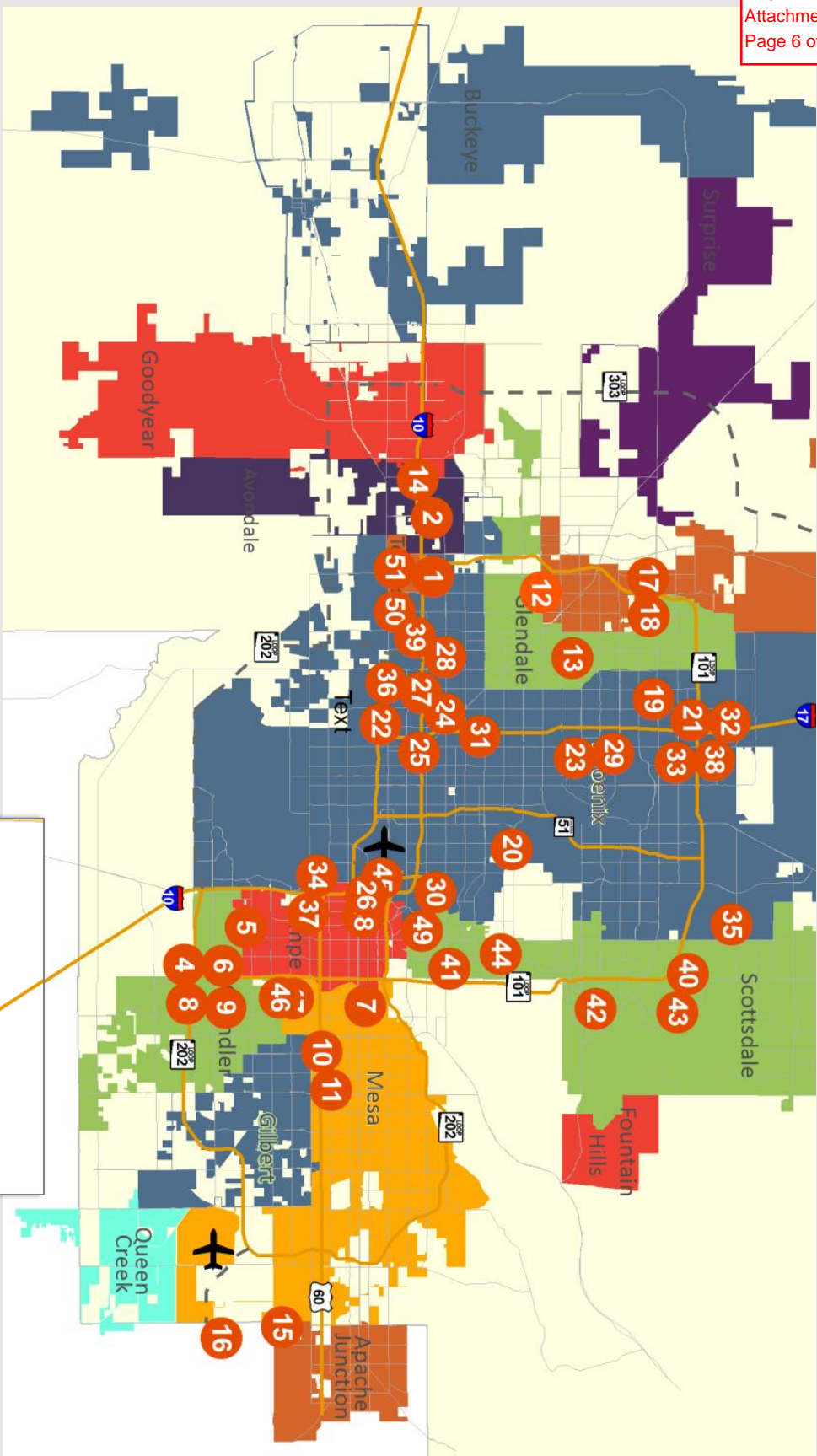
Business Development Update

Progress Toward Goals (as of April 2014)

Business Attraction Metrics	Annual Contract Goal	Actual YTD	Goal YTD	% of Goal YTD	YTD Status	Compared to This Time Last Year
Targeted Opportunities						
Payroll Generated (M)	\$194.3	\$132.8	\$161.9	82%	-	↓
Average High Wage Salary	\$50,792	\$52,615	\$50,792	104%	+	↓
Number of Jobs	4,597	2,955	3,831	77%	-	↓
Number of High-Wage Jobs	2,407	1,745	2,006	87%	-	↓
Emerging Technology Assists	8	7	6.7	105%	+	=
Qualified Prospects	206	185	172	108%	+	↑
International Prospects	37	27	30.8	88%	-	↑
Image and Awareness						
Total Reach of Editorial Placement	222,000,000	982,288,329	185,000,000	531%	+	↑



SPCC Locates 2012 – 2014



Business Development Update

IPC Assisted Locates (July 1, 2013 – April 30, 2014)

Company	Industry	Jobs	Cap Invest (\$M)	Facility (SF)	Locate Date	City
Stealth Software	High Tech/Electronics	55	2.0	15,000	Jul-13	Phoenix
Alliance United Group	Advanced Business Services	65	4.0	50,000	Aug-13	Phoenix
Progrexion	Business Services	550	0.5	60,000	Aug-13	Phoenix
Delta Management	Business Services	120	0.2	10,500	Sep-13	Phoenix
Dover/Heil	Standard Manufacturing	80	2.5	200,000	Sep-13	Phoenix
Project Crane	Transportation/Distribution	15	20.0	110,000	Sep-13	Tolleson
GEPACK	Plastics/Adv Composites	15	5.5	35,000	Sep-13	Peoria
Serfas	Advanced Business Services	20	3.0	30,000	Sep-13	Phoenix
Accolade	Advanced Business Services	450	6.0	60,000	Oct-13	Scottsdale



Business Development Update

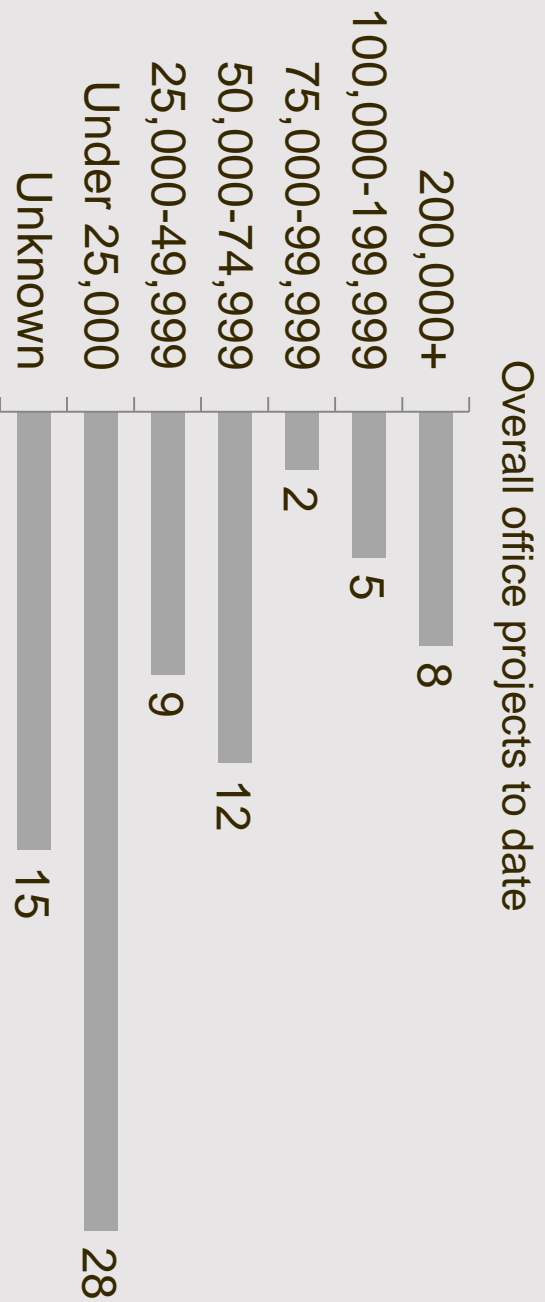
SP-PEC Assisted Locates (July 1, 2013 – April 30, 2014)

Company	Industry	Jobs	Cap Invest (\$M)	Facility (SF)	Locate Date	City
Apple (GT Technologies)	High Tech/Electronics	700	1,500.0	1,300,000	Nov-13	Mesa
Zivelo	Advanced Business Services	65	0.5	15,000	Nov-13	Scottsdale
San Mar Corporation	Transportation/Distribution	150	51.65	200,000	Nov-13	Avondale
Imagine One	Standard Manufacturing	25	1.5	27,533	Nov-13	Goodyear
Curtiss Wright	Aerospace	19	6.9	83,825	Nov-13	Gilbert
LeClerc Foods	Food, Fiber & Nat Products	55	30.0	165,000	Dec-13	Phoenix
Stonegate Mortgage	Advanced Business Services	101	2.3	12,000	Dec-13	Scottsdale
Shutterfly	Standard Manufacturing	75	50.0	200,000	Feb-14	Tempe
LearnVest	Business Services	30	1.0	53,000	Feb-14	Scottsdale
Arizona Nutritional Supplements	Food, Fiber, and Natural Products	200	8.4	126,740	Mar-14	Chandler
Prosper.com	Software	40	2.0	18,000	Mar-14	Phoenix
Cobalt Medical Development	Advanced Business Services	125	17.0	50,000	Apr-14	Surprise
Total		2,955	1,714.0	3,118,565		



Business Development Trends – Office

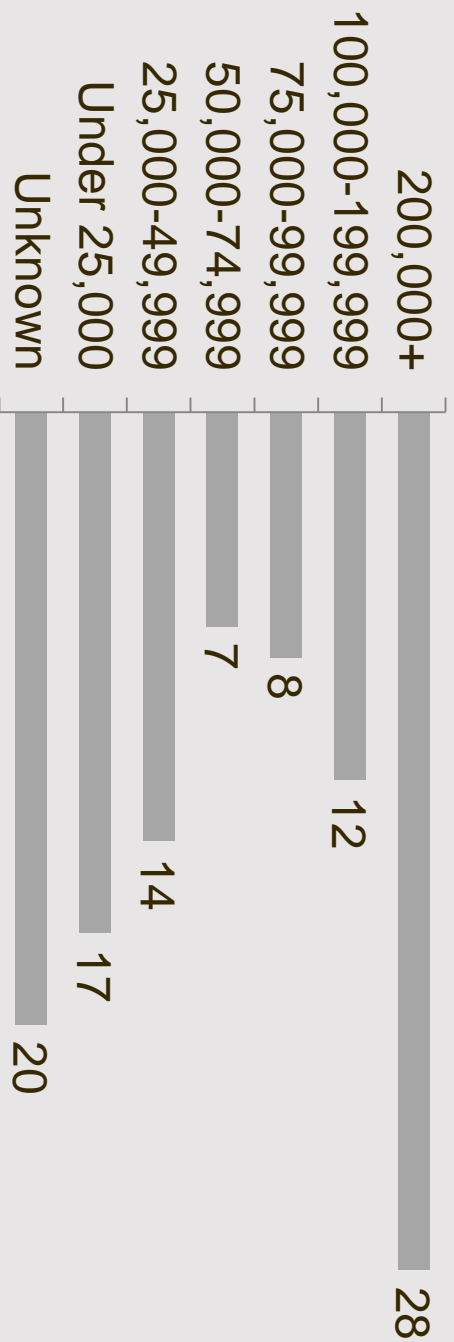
- 93% of prospects are requesting existing buildings
 - Up from 3 year average of 85%
- Office prospects are up 6% over last year



Business Development Update – Industrial

- 88% of prospects are requesting existing buildings
- 26% are requesting existing buildings over 200,000 square feet
- Industrial prospects are up 17.9% over last year

Overall industrial projects to date



Business Development – Back Office/High Tech Trends

- Corporate Campuses
 - National trend of consolidations of back office operations
 - State Farm, Wells Fargo, Waste Management
- Increased back office demand
 - Advanced IT and tech centers vs. entry level call centers
- Educated labor and readily available infrastructure
 - Major employment centers drawing high levels of prospect interest
 - East Valley: Price Road Corridor, Elliot/Ellsworth Corridor, ASU Research Park

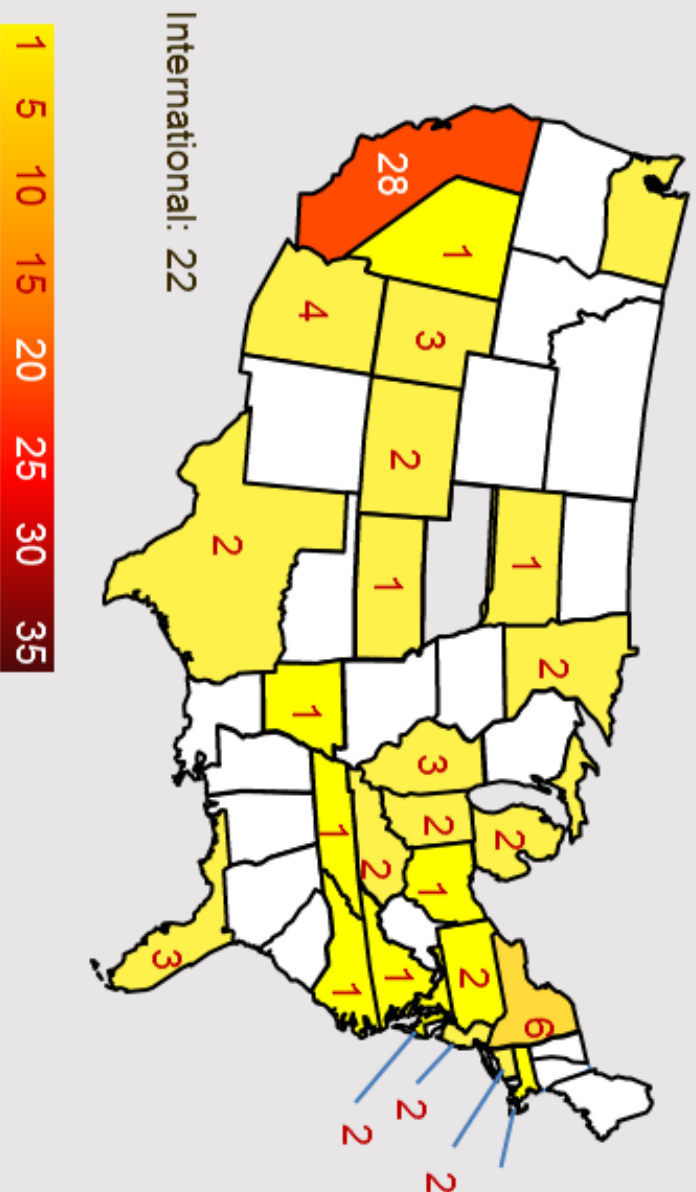


Prospects Overview

CURRENT PROSPECT ACTIVITY	TOTAL
Current Active Prospects	278
FY14 Prospects	185
Capital Investment Potential	\$24.0 B
Job Potential	36,932
Square Footage Potential	31,420,065

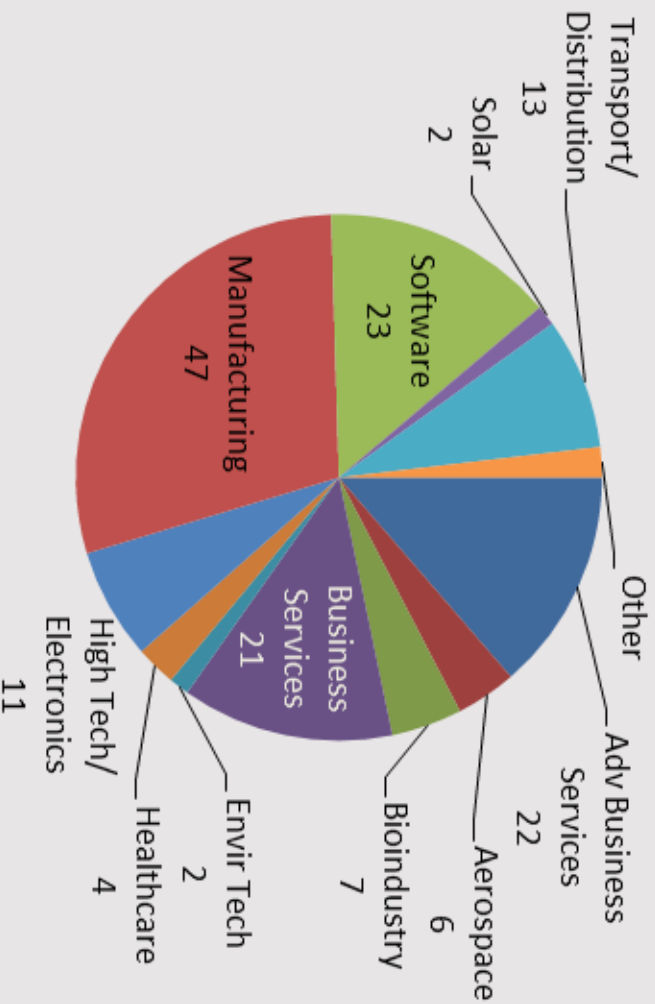
Prospects by Region

- 17% of prospects California
- 22 international prospects: 6 from Canada, 5 from Europe, 3 are India, 2 from China, 4 from Australia, and one each from Israel and Japan



Prospects by Industry

- 47 manufacturing prospects in FY14, up from 41 in FY13
- 23 software prospects in FY14; 6 in FY13
- 13 distribution prospects in FY14; up from 6 in FY13



Mesa Investment in GPEC Five Year Trend on Revenue Return

36:1

Mesa Investment

- FY14 funding: \$198,001

ADOA 2013 Population

Driven Results (5-yr trend since FY09)

- 847 new jobs
- \$1.56 billion in capital investment
- \$41.2 million in new payroll
- 1.43 million SF in new and existing industrial office and distribution space absorbed
- 2,388 additional jobs region-wide for Mesa residents¹

ROI (5-yr trend since FY09)

- \$36 of direct revenue for every \$1 invested²
- \$47 of total revenue for every \$1 invested³
- \$165.7 million in new consumer spending generated by new Mesa jobs and employed Mesa residents¹.
- An additional \$105.0 million created by multiplier effects results in \$270.7 million in total consumer spending
- \$29.2 million in new Mesa direct revenues¹ (boosted to \$37.9 million when including related multiplier effects of \$8.7 million

¹Revenue estimates are from the Greater Phoenix Consensus Impact Model. In 1999, GPEC and our members developed the region's first-ever consensus-based revenue and economic impact model. Based on nationally accepted multiplier data provided by IMPLAN, the model is customized to calculate economic and revenue benefits for GPEC's members and the State of Arizona.

²Includes property, sales and utility taxes, as well as state-shared and other local revenues.

³Includes direct revenues plus those generated by related supplier and consumer jobs.



Questions?

Thank you!

602.256.7700 | www.gpec.org



@GPEC



/GPEC4JOBS



/gpecgreaterphoenix



Greater Phoenix Economic Council (Groups)