



FALCON STRATEGIC VISIONING COMMISSION MINUTES

June 4, 2014

The Falcon Strategic Visioning Commission of the City of Mesa met in the lower level meeting room of the Council Chambers, 57 East 1st Street, on June 4, 2014 at 7:34 a.m.

BOARD PRESENT

Rich Adams, Chairman
Gerald Blomquist
Mike Haenel
Tannis McBean
Rosa Roy
Otto Shill

BOARD ABSENT

Craig Kitchen

STAFF PRESENT

Debbie Spinner
Dee Ann Mickelsen
Scot Rigby

Chairman Adams excused Commission Member Kitchen from the entire meeting.

1. Chair's Call to Order.

Chairman Adams called the meeting to order at 7:34 a.m.

Commission Member McBean introduced herself and highlighted her professional background.

2. Approval of minutes from the May 13, 2014 meeting.

It was moved by Commission Member Haenel, seconded by Commission Member Roy, that the minutes from the May 13, 2014 Falcon Strategic Visioning Commission meeting be approved.

Chairman Adams declared the motion carried unanimously by those present.

3. Hear a presentation on GPEC's Business Attraction Strategy for the Falcon Field Economic Activity Area.

Senior Economic Development Project Manager Scot Rigby introduced Brad Smidt, Senior Vice President, Business Development, with the Greater Phoenix Economic Council (GPEC), who was prepared to address the Commission.

Mr. Smidt thanked the Commission for the opportunity to provide a brief overview of GPEC's initiatives and how they relate to the Falcon Field Economic Activity Area. He displayed a

PowerPoint presentation (**See Attachment 1**) and reported that GPEC is a regional economic development authority that is supported by Maricopa County, 23 cities and towns and more than 170 private-sector businesses. He explained that GPEC works with prospects throughout the United States and internationally to highlight business opportunities in the Greater Phoenix region.

Mr. Smidt discussed various services that are offered by GPEC (See Page 2 of Attachment 1), such as operational cost analysis, regional economic labor market data, and economic impact analysis. He stated that not only was GPEC recently named a top 10 Economic Development Group for 2013, but it also received the Gold Award in the February 2014 issue of *Business Facilities* for "Deal of the Year," which recognized Apple as the best project landed in any U.S. market.

Mr. Smidt, in addition, reviewed GPEC's strategic initiatives (See Page 4 of Attachment 1), including California 50, a program that offers California CEOs "an inside look" at the Greater Phoenix market. He noted that GPEC also works with broker consultants, site location consultants, and develops international strategies with markets such as China and Canada.

Responding to a question from Chairman Adams, Mr. Smidt clarified that when GPEC receives requests for information from site consultants seeking a particular building site, in some cases, an appropriate option to meet their needs may not be available. He noted, however, that since metro Phoenix has a wide variety of land sites and availability, those requests can generally be met.

Mr. Smidt further discussed GPEC's progress toward meeting business development goals as of April 2014. (See Page 5 of Attachment 1) He indicated that the prospects have increased since last year, but noted that employment numbers have decreased.

Mr. Smidt displayed a map of GPEC Locates between 2012 and 2014. (See Page 6 of Attachment 1) He pointed out that with respect to the Falcon Field area, prospective clients look for freeway accessibility when making site selections. He said that many of the companies that GPEC works with tend to locate near I-17, the U.S. 60, I-10, and the Loop 202/Price Road corridor. He added that he would anticipate that this trend will continue as more sites and facilities become available in the outlying submarkets.

Mr. Smidt also summarized the business development trends for office sites. (See Page 9 of Attachment 1) He noted that 93% of GPEC's prospects are requesting existing buildings, which is up from a three-year average of 85%. He commented that with respect to business development trends for industrial sites, 88% of the prospects are requesting existing buildings, with 26% seeking facilities that are at least 200,000 square feet in size. (See Page 10 of Attachment 1)

Mr. Smidt reported that with regard to business development trends for back office/high tech, companies such as State Farm, Wells Fargo and Waste Management are interested in consolidating their national footprints into larger facilities. He stated, in addition, that there is a significant demand for advanced IT and tech centers in the Phoenix area. He added that major employment centers are drawing high levels of prospect interest, especially the Price Road corridor, the Elliot/Ellsworth corridor and the Arizona State University (ASU) Research Park.

Mr. Smidt offered a brief overview of GPEC's current prospect activity, as well as the prospects by region and by industry. (See Pages 12, 13 and 14 respectively of Attachment 1)

In response to a question from Commission Member Haenel relative to GPEC's perception of the Falcon Field area, Mr. Smidt commented that in his opinion, the problem could be the lack of existing buildings. He explained that the lack of buildings has been a difficult position for many cities to be in, including Mesa. He further remarked that he was unaware of any negative perceptions of the Falcon Field area and pointed out that it has great freeway access and available land sites. He stated that another possible consideration might be the size of the parcels. He advised that many of GPEC's build-to-suit clients are looking for 50 to 100 acres or more in terms of size ranges and said that he was unsure whether the parcels in the Falcon Field area meet that demand.

Responding to a question from Commission Member Blomquist, Mr. Smidt stated that he would estimate that the employment increase year over year for metro Phoenix would be in the 3% to 5% range. He stated that GPEC's job counts would be in the area of 5,000 to 7,000.

Commission Member Blomquist commented that most of the job formation in the area is organic and created internally. He stated that while there is the need to bring new employers to the area, it is also important to entice existing companies to locate to the Falcon Field area. He noted that although GPEC may generate 10% to 15% of the job formation, what the Commission should focus on, in addition to GPEC's efforts, is the other 85%.

Commission Member Blomquist further remarked that existing buildings and known employment centers are the key to a successful economic activity area and said that Falcon Field has neither. He suggested that part of what the Commission should be discussing, in addition to input from GPEC, is what is necessary in order to create an identity within the Falcon Field area market, after which national markets will consider the area.

Mr. Smidt concurred with Commission Member Blomquist's comments. He explained that GPEC is "one piece of the puzzle" and targets companies that are new to the Phoenix area. He also made the suggestion that the City raise the visibility of the Falcon Field area with the local brokers, developers and local companies that are considering expanding their operations.

Commission Member Roy remarked that in the last two to three years, she has seen many vacant buildings in the Falcon Field area. She inquired when was the last time that a report was prepared that addressed the issue of vacant and available buildings in the area.

Mr. Smidt responded that GPEC would partner with the City's Economic Development Department to conduct an inventory of the properties and determine whether they meet the requirements of GPEC's clients.

Mr. Rigby concurred with Mr. Smidt's comments. He stressed the importance of City staff, GPEC and the brokerage community "getting the word out" about the existing buildings in the Falcon Field area. He stated that certain structures might require some rehabilitation in order to meet the needs of prospective clients.

Chairman Adams questioned that if the word has not gotten out and the buildings have existed for a period of time, what would be the "missing piece" in the equation.

Mr. Rigby responded that as part of staff's evaluation, it will be important for them to drive the site to assess what buildings are available.

Commission Member Shill reminded everyone that the Commission has yet to define the boundaries of the Falcon Field Economic Activity Area.

Commission Member Haenel, in response to Commission Member Roy's earlier question, noted that the supply of vacant buildings in the Falcon Field market is smaller, with the sizes ranging between 10,000 square feet to 30,000 square feet. He advised that the majority of GPEC's prospects are seeking sites that are 50,000 square feet or more, as well as larger land requirements.

Commission Member Blomquist commented that in his opinion, there is no image for the Falcon Field area. He stated that sooner or later, the Commission must address that issue and establish goals with respect to how that can be achieved. He further questioned whether this was just a neighborhood area around Falcon Field and suggested that perhaps the Commission should be considering the transportation corridor and an employment base around "what just happens to be an airport."

Chairman Adams concurred with Commission Member Shill's comment that the Commission has yet to define the Falcon Field Economic Activity Area and suggested that it was time to do so.

Chairman Adams thanked Mr. Smidt for his presentation.

4. Hear a presentation on methods of improving the Falcon Field Economic Activity Area market awareness within the real estate brokerage industry.

Mr. Rigby introduced Andy Markham, Executive Managing Director with Cassidy Turley, who was prepared to address the Commission.

Commission Member Haenel stated that he wanted to disclose that for the past 15 years, he and Mr. Markham have been business partners at Cassidy Turley.

City Attorney Debbie Spinner noted that she spoke with Commission Member Haenel yesterday with respect to his business relationship with Mr. Markham. She explained that in her legal opinion, Commission Member Haenel does not have a conflict of interest. She stated that if any of the Commission Members have business or personal interests in the Falcon Field area, she would encourage them to advise her of such, after which time she will determine whether it would be appropriate for them to declare a conflict of interest.

Chairman Adams thanked Commission Member Haenel for his disclosure and stated that the Commission was comfortable with his participation in the upcoming presentation and discussion.

Mr. Markham displayed a PowerPoint presentation (**See Attachment 2**) and reported that he works as an industrial broker with Cassidy Turley, with a focus on the East Valley, Sky Harbor and the West Valley. He stated that he has extensive experience working in Mesa, extending from the Gateway area up to Falcon Field.

Mr. Markham highlighted the strengths and challenges associated with the Falcon Field submarket. (See Page 1 of Attachment 2) He noted that the challenges for the area include a lack of awareness, trade radius restrictions and land pricing.

Responding to a question from Chairman Adams, Mr. Markham clarified that in order for someone to take a development risk to come to a tertiary market, such as the Falcon Field area, it would be necessary to discount the land prices.

Mr. Markham noted that Falcon Field has been well perceived as an owner-user market. He stated that with its proximity to the Mesa Groves and Las Sendas, which have higher demographics, people want to live within a short distance of where they work.

Commission Member Shill commented that one of the difficulties for Mesa, in general, has been that for years it has been a bedroom community, with more rooftops than perhaps it ought to have as compared to employment. He noted that although people like to live close to where they work, part of the Commission's role is to encourage more places to work as opposed to more places to live.

Commission Member Blomquist concurred and stated that Mesa has not made the effort to demonstrate that it was an employment center. He noted that it was not the rooftops, but the direction that Planning staff needs to take in order to encourage the right type of jobs.

Mr. Markham displayed an aerial map of the Falcon Field Employment Corridor, which includes Longbow Industrial Park, Falcon Industrial Park, Dover Industrial Park and Mesa Commerce Center. (See Page 2 of Attachment 2) He also highlighted a map of Chandler's Price Corridor Submarket, which illustrates the Mixed Use, Office, Retail and Light Industrial uses. (See Page 3 of Attachment 2)

Discussion ensued relative to potential efforts to promote the vision for the Falcon Field area, including broker roadshows; the placement of articles regarding the area in national publications; advertisements in the *BREW* (Business Real Estate Weekly of Arizona); and attend Falcon Field Airport monthly meetings to encourage revitalization of the area.

Commission Member Shill suggested that the Commission expand the vision for the Falcon Field area and "tell a different story" about northeast Mesa than what has been told before. He stated that there may be redevelopment opportunities within a more expanded Falcon Field area and added that "just focusing on the airport fence," in his opinion, is a mistake.

Commission Member McBean stated that she agreed with the concept of expanding the vision for Falcon Field. She stated that an important part of the visioning process is that the City can jump quickly to campaigns with maps and tenants and things such as that. She noted, however, that it was also important to take a step back and think about the value proposition in alignment of the submarket to the larger markets.

Chairman Adams remarked that in his opinion, this is not a process of reinventing the wheel and suggested that the Commission and staff look to other success stories, such as the Research Triangle Park in the Raleigh-Durham area. He stated that there are some starting points that the Commission can "get their hands on" fairly easily and then incorporate the group's work as well.

He added that it was imperative that no one lose sight of the fact that the Commission must define the Falcon Field Economic Activity Area, which encompasses more than just an airfield.

Additional discussion ensued relative to a tertiary market and the importance of the local brokers being made aware of the available parcels in the Falcon Field area.

Commission Member Shill suggested that the Commission's next meeting focus on defining the Falcon Field Economic Activity Area. He also stated that it would be helpful for the Commission to have some data that compares other areas, such as Raleigh-Durham, in an effort to identify the components of a successful area.

Commission Member Blomquist commented that there are smaller parcels in the Falcon Field area that could easily accommodate employers and generate jobs "if we can get the package right."

Commission Member Shill further indicated that it was important to recognize and support large and small long-time employers in the Falcon Field area. He remarked that it might also be an option to consider high-end recreational facilities in the area which, given the demographics in northeast Mesa, would provide a reason for people to visit the area.

Chairman Adams thanked Mr. Markham for his presentation. He also concurred with Commission Member Shill's suggestion that the Commission define the Falcon Field Economic Activity Area at its next meeting.

5. Discuss and make a recommendation identifying types of industry appropriate for the Falcon Field Economic Activity Area.

Mr. Rigby displayed a PowerPoint presentation (**See Attachment 3**), and discussed Mesa's H.E.A.T. Initiative, which was implemented several years ago. He explained that the City's economic development priorities are guided by the following targeted industries: Healthcare, Education, Aerospace, and Tourism/Technology (H.E.A.T.). He also reviewed a document illustrating various sub-clusters of businesses in the Falcon Field area. (See Page 2 of Attachment 3) He added that he was seeking the Commission's input with respect to other targeted industries that might fit well in the area.

Responding to a question from Chairman Adams, Mr. Rigby clarified that it would be the prerogative of the Commission to decide what types of industries in the Falcon Field area it would like to see, as well as those that might not be appropriate.

Chairman Adams remarked that he would look to the City's Economic Development Department, as well as GPEC, to advise the Commission with respect to what industries would not be appropriate.

Commission Member Haenel commented that he would like staff and GPEC's input with respect to what type of business or businesses would be "the game changers" for the Falcon Field area.

Commission Member Blomquist stated that a key component in this discussion should be pursuing the support of established employers in the Falcon Field area to bring businesses that they work with into the area.

Commission Member Shill cautioned that there are large employers located at the airport that are very concerned about this situation and do not want to be harmed. He noted, in addition, that there are long-time businesses located in and around the airport that the City should continue to support. He also concurred with the comment that the Commission needs to decide what it wants, but at the same time, determine “what fits” and balance those two criteria as it establishes the boundaries for the area.

Commission Member McBean stated that when the Commission reviews various industries, it would be helpful to have some adjudication criteria (i.e., an opportunity, strategic, something someone else has done) that it can benchmark against.

Chairman Adams inquired if any framework exists that the Commission is speaking of upon which the members can start building this document, taking into account the input that has been provided today.

Mr. Rigby stated that staff can come back at the next meeting and make recommendations where they believe there are strengths in certain targeted industries that have an opportunity. He noted that studies were done five to ten years ago with respect to Falcon Field that identify certain industries that could be effective for the area and suggested that many of those industries would still be current today. He further commented that staff could also provide data generated in the past three to five years and update the lists to include current businesses that were not initially reported.

Commission Member Roy suggested that the City invite the current employers to come to a Commission meeting and give a short presentation regarding their businesses, customers and potential customers. She stated that would provide the Commission a better understanding of the types of businesses that might be appropriate for the area.

Economic Development Department Director Bill Jabjiniak addressed the Commission and responded that the Department’s business retention expansion efforts have been active for several years. He stated that staff has gathered additional data and partnered with the Mesa Chamber of Commerce to expand such efforts and solicit input from a variety of different businesses. He added that he would anticipate that the expanded efforts would commence within the next 30 days.

Discussion ensued relative to specific data that would be important for the Commission to consider with respect to defining the boundaries of the Falcon Field Economic Activity Area, including the following: hearing from the business owners in the area; a listing of the available parcels for new construction, infill and redevelopment; reviewing information from the Raleigh-Durham area to learn how that community became successful in this regard; that a major component in determining the boundaries will be the transportation corridor; that at the next Commission meeting, staff will make a recommendation with respect to the proposed boundaries, which will serve as a starting point for the Commission’s discussion and consideration; and that staff will also make a recommendation with respect to the types of industries that the City desires to attract and pursue, as well as those that would not be appropriate for the area.

6. Discuss and make a recommendation regarding the creation of a Planned Area Development Overlay for the Falcon Field Economic Activity Area.

Mr. Rigby displayed a document titled “Light Industrial Planned Area Development (LI PAD) Rezoning Application Narrative” (**See Attachment 4**), which was provided to the Commission Members. He stated that the document illustrates staff’s proposal to establish an expedited and flexible zoning process in the Mesa Technology Corridor that will assist high technology industries.

Planning Director John Wesley addressed the Commission and introduced Senior Planner Tom Ellsworth, who was present in the audience. He reported that he has heard many comments today with respect to improving employment and economic development opportunities in the Falcon Field area. He explained that it was important to keep in mind the land use designation in the General Plan versus the zoning on the ground as it relates to their perception and development capabilities and opportunities.

Mr. Wesley displayed a map illustrating the current zoning designations in the Falcon Field area (**See Attachment 5**) and noted that once an area is zoned, the zoning “trumps” the General Plan. He stated that much of the land in the Falcon Field area is zoned Industrial. He explained that the Mesa Zoning Ordinance allows less intense uses, such as Retail, Office or Commercial, to occur in the Industrial zones. He pointed out that the Falcon Field area already has flexibility in the Industrial zones, although it might not be perceived that way. He added that there may be restrictions with respect to the building forms and types.

Mr. Wesley remarked that with respect to the Mesa Technology Corridor, staff is in the process of preparing an LI PAD overlay for the purpose of attracting high technology industries to the area; that the City Council will conduct a public hearing process and adopt the zoning for the area, but not actually apply it to the land; that the property owners can continue to use the existing zoning or apply for different zoning; and that property owners who wish to “opt in” would sign a form and the zoning would be applied to their property.

Responding to a question from Chairman Adams, Mr. Wesley clarified that once the zoning is in place, the public hearing process is completed. He stated that the remaining steps for the property owner would be to apply for the site plan and complete the design review process, all of which can be accomplished administratively. He noted that the timeframe would be compressed to a few months.

Mr. Wesley indicated that with respect to the Falcon Field area, staff could utilize a similar zoning overlay approach as the Mesa Technology Corridor. He stated that he could envision a variety of uses that would be compatible not only with residential neighborhoods, but also near Boeing. He noted that it might be somewhat of a challenge to create a PAD that would encompass all of the various uses and added that it might be necessary to do so in a series of steps working with the different property owners.

In response to comments from Commission Member Haenel, Mr. Rigby clarified that multiple PAD overlays could be created for specific types of corridors within an employment area.

Commission Member Blomquist recommended that the Commission consider a transportation corridor that includes both sides of the Loop 202 between Dobson and Brown Roads.

Commission Member Shill stated that Commission Member Blomquist's recommendation was consistent with the Mesa Chamber of Commerce's suggestion to expand the area.

Mr. Rigby suggested that the Commission's recommendation to the City Council read as follows: To recommend to the City Council to direct staff to explore as many opportunities as possible to create a PAD along transportation corridors within whatever the boundaries of the Falcon Field Economic Activity Area may be.

Chairman Adams stated that it was the consensus of the Commission to move forward with the above-referenced recommendation. He also commented that Commission Member Blomquist has expressed his opinion with respect to the boundaries of the transportation corridor and remarked that there may be other views as well. He added that the Commission will continue to discuss the boundaries at its next meeting.

Commission Member Blomquist requested that staff provide the Commission aerial maps of the transportation corridor which encompasses the area he previously outlined.

Chairman Adams clarified that the Commission was not making a formal recommendation to the City Council at this time, but merely giving direction to staff to provide additional information at future meetings.

Mr. Wesley suggested that from his perspective as it relates to zoning, it might be appropriate if staff receives more general direction in terms of considering the best ways in which to utilize the zoning tools that the City has in order to facilitate economic development in the Falcon Field area. He explained that although the PAD overlay might be the City's primary tool, there may be others that would also be effective. He added that he would not want to limit the Commission's options to just the overlay.

Commission Member Shill commented that staff knows enough to come back and participate actively in future meetings. He stated that perhaps the Commission's "final product" might be a set of recommendations.

Chairman Adams thanked staff for the presentation.

7. Chair's Report.

- Mesa General Plan 2040 Committee

Mr. Wesley reported that at the June 16, 2014 Regular Council Meeting, the public hearing will be conducted for the Mesa General Plan, after which time the Council will take action on the matter. He stated that at the July 1, 2014 Regular Council Meeting, the Council will approve the language for the measure, which will be included on the November 4, 2014 General Election ballot.

8. Other Business.

- Next Meeting

Chairman Adams stated that the next meeting of the Falcon Strategic Visioning Commission will be held on Wednesday, June 11, 2014 at 7:30 a.m.

9. Adjournment.

Without objection, the Falcon Strategic Visioning Commission meeting adjourned at 9:31 a.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Falcon Strategic Visioning Commission meeting of the City of Mesa, Arizona, held on the 4th day of June, 2014. I further certify that the meeting was duly called and held and that a quorum was present.

DEE ANN MICKELSEN, CITY CLERK

abg/pag
(attachments 1 – 5)

Greater Phoenix Economic Council

May
29
2014

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 importing to Arizona the highest quality jobs and investment. Since 2008, GPEC has been instrumental in securing over 200,000 new jobs and \$10 billion in investment in the Phoenix area. GPEC is a 501(c)(3) non-profit organization. For more information, visit www.gpec.org or call 602.462.1000.

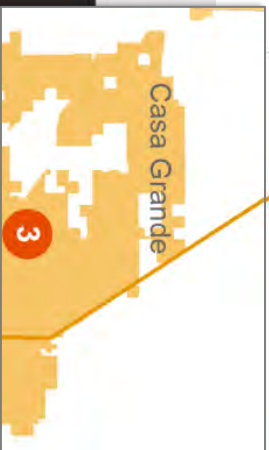
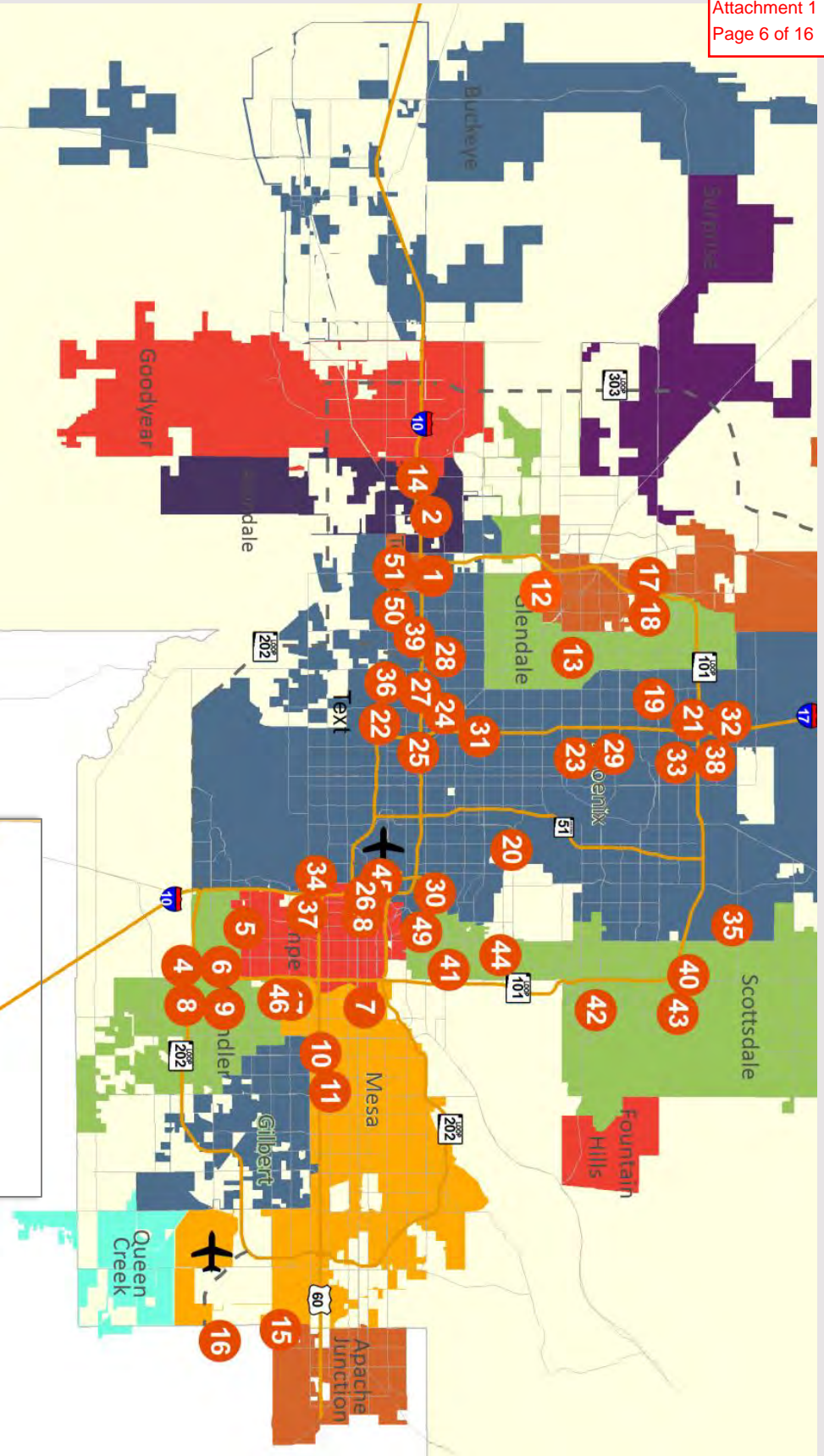


Business Development Update Progress Toward Goals (as of April 2014)

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%	+	↑



SPEC Locates 2012 – 2014



Business Development Update

SPEC 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

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

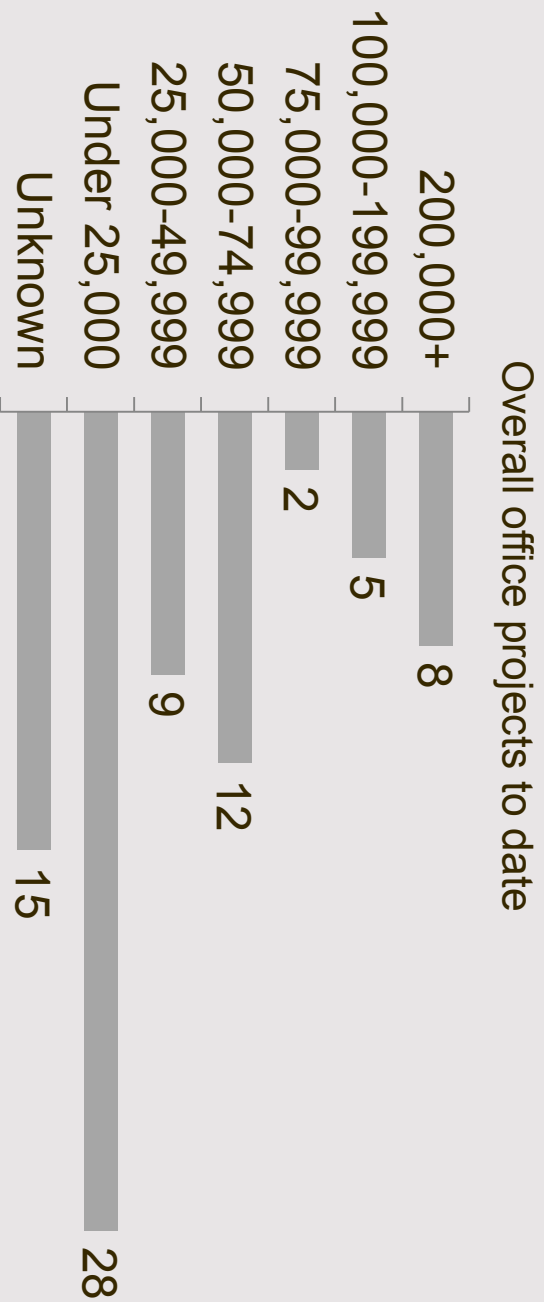
Company	Industry	Jobs	Cap Invest (\$M)	Facility (SF)	Locate Date	City
Apple (GT Technologies)	High Tech/Electronics	700	1,500.0	1,300,000	Nov-13	Mesa
Zivelo	Advanced Business Services	65	0.5	15,000	Nov-13	Scottsdale
San Mar Corporation	Transportation/Distribution	150	51.65	200,000	Nov-13	Avondale
Imagine 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

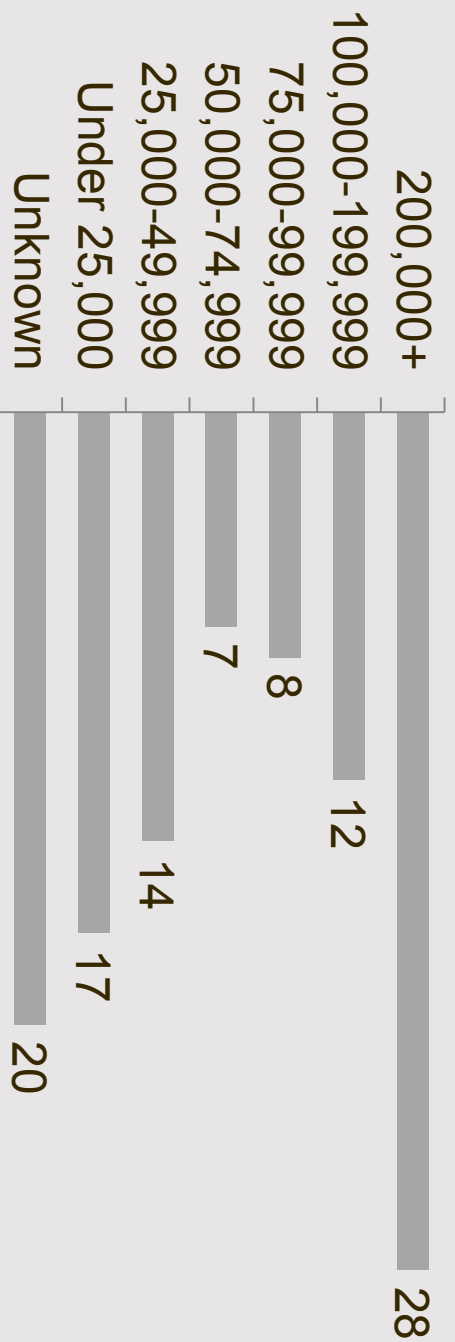
- Up from 3 year average of 85%
- Office prospects are up 6% over last year



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



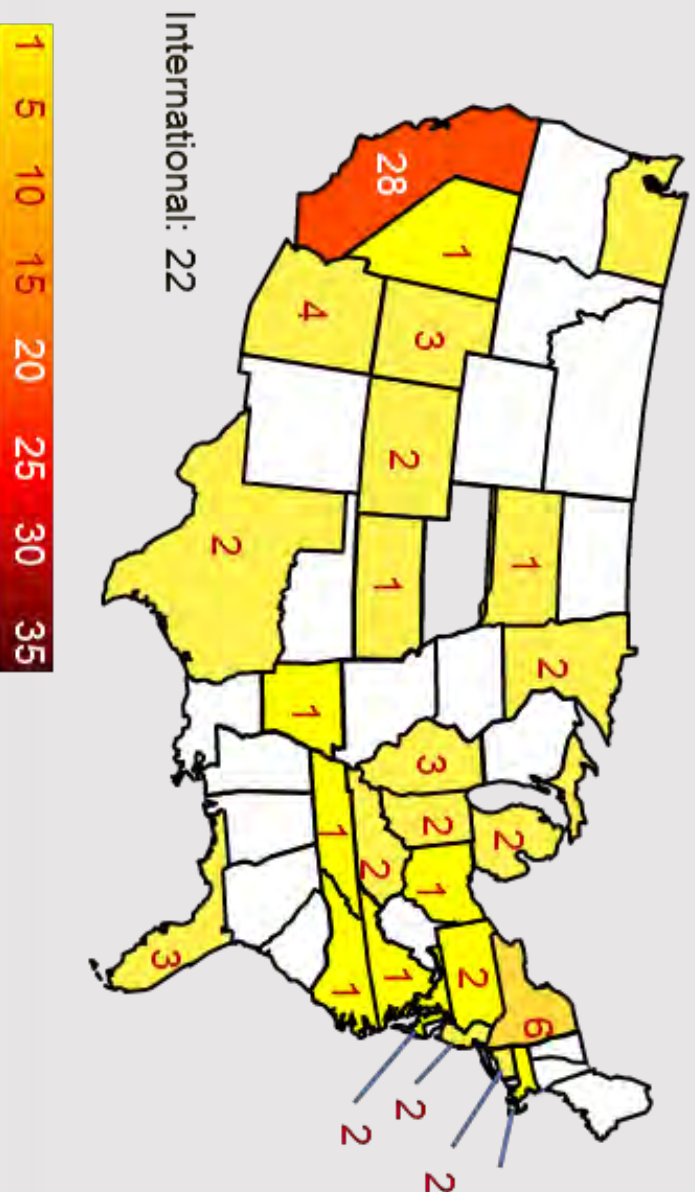
Prospects Overview

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

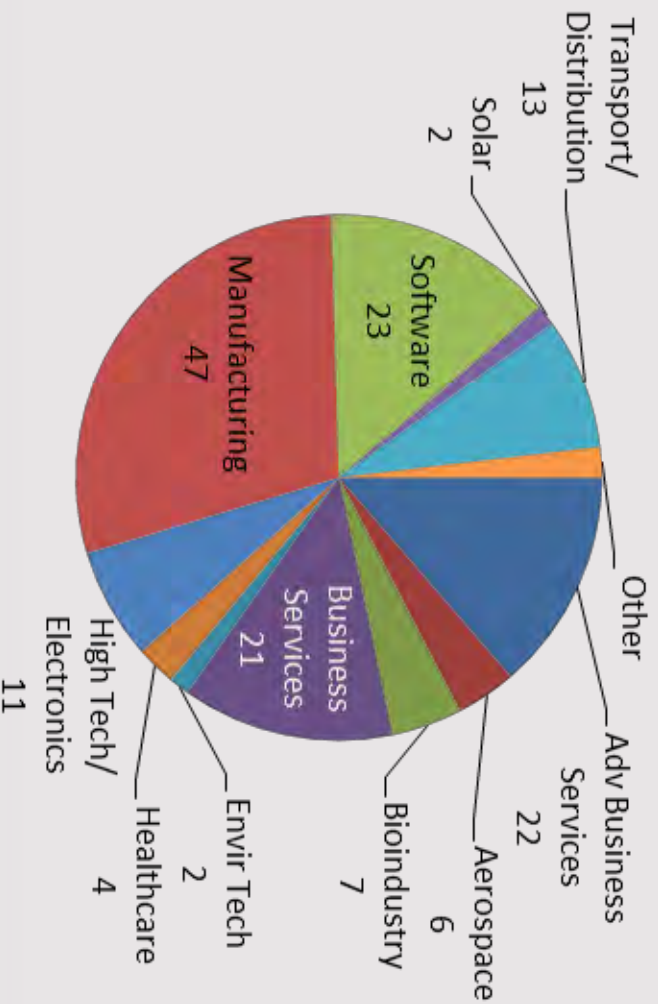
17% of prospects California

- 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)

Falcon Field Submarket

Strengths

- Corporate Users / Neighbors (Boeing, MD Helicopters)
- Freeway Access
- Airport Drives Traffic & Activity
- Mesa is a Progressive Municipality

Challenges

- Lack of Awareness
- Trade Radius Restrictions
- Land Pricing

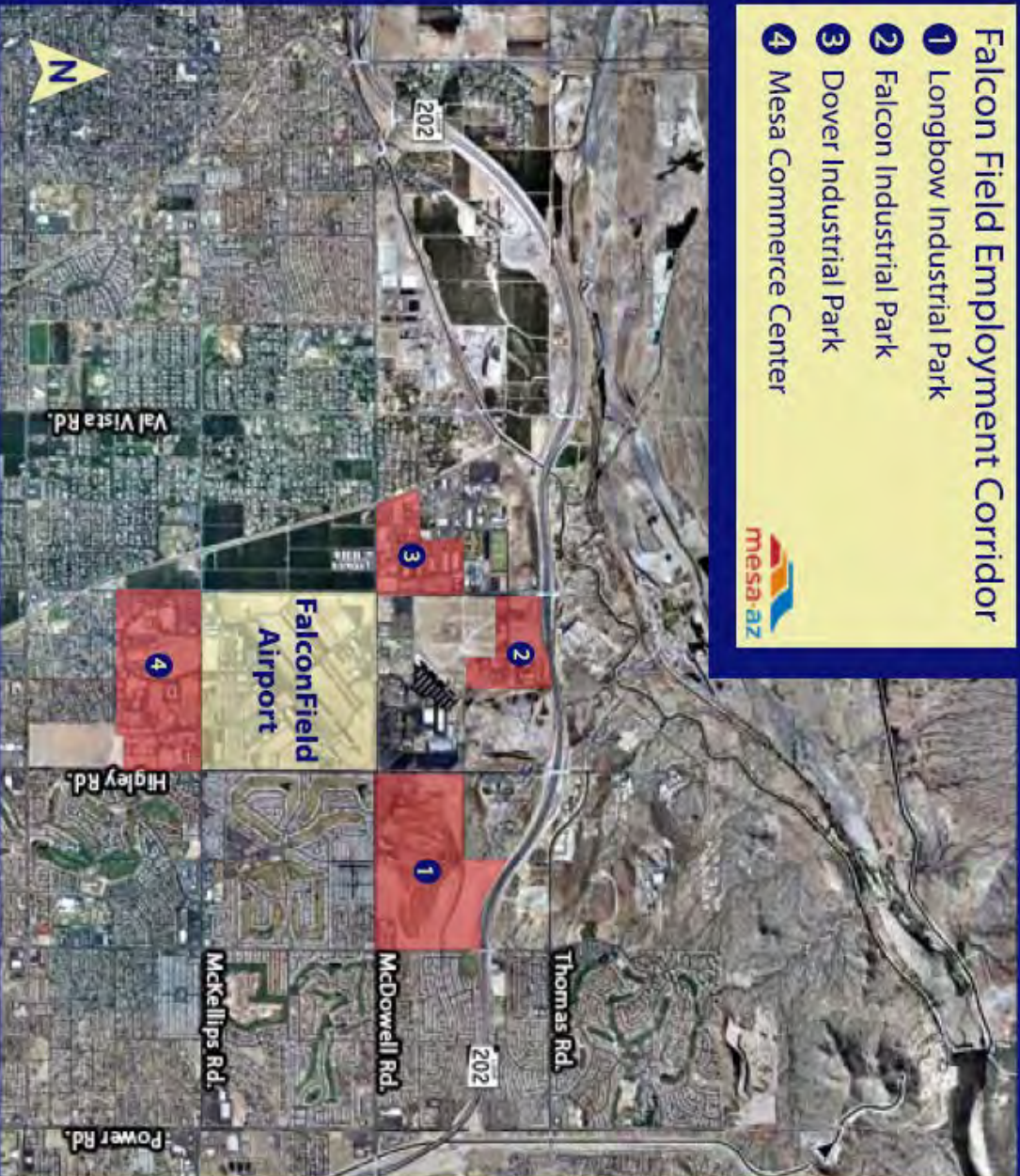
Suggestions

- Create Broker / Developer Awareness
- Copy Chandler Price Road / Airport
- Copy Phoenix Mesa Gateway (Apple, Grand Canyon, Eastmark, ASU)

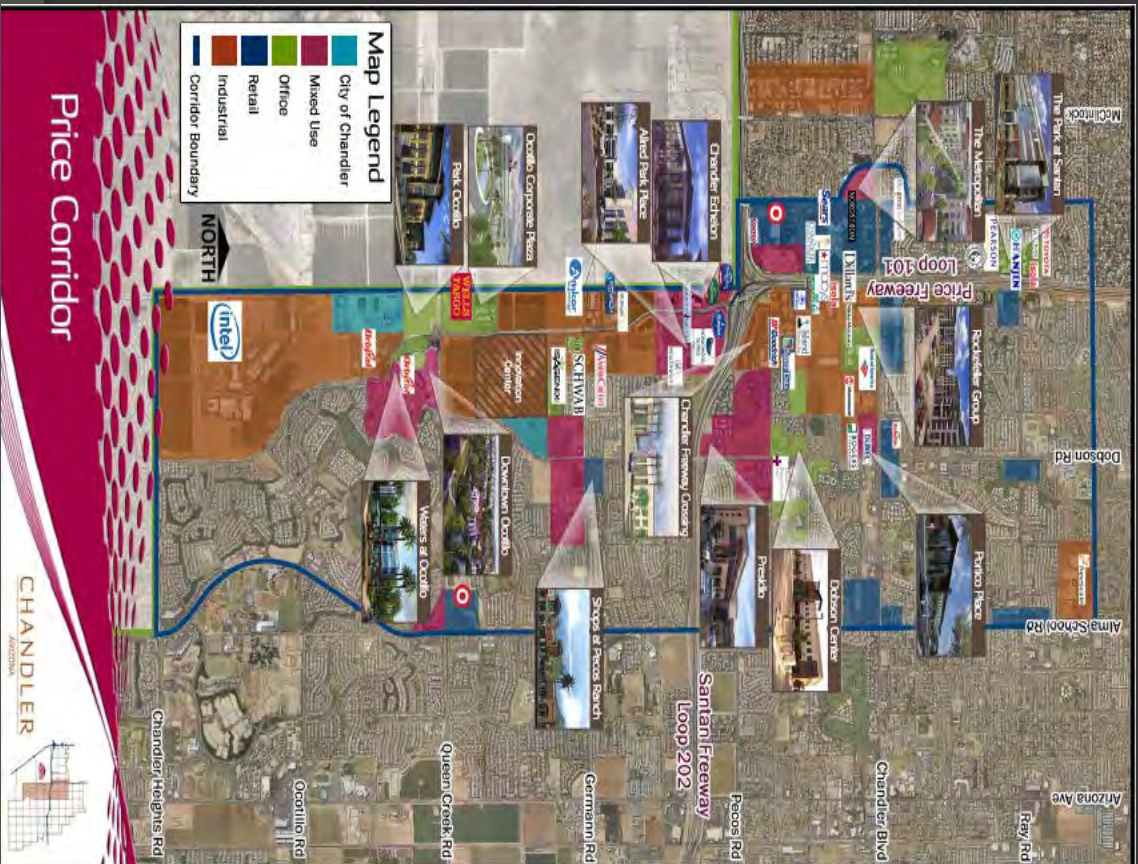
Falcon Field Submarket

Falcon Field Employment Corridor

- 1 Longbow Industrial Park
- 2 Falcon Industrial Park
- 3 Dover Industrial Park
- 4 Mesa Commerce Center



Price Corridor Submarket



Chandler Airport Submarket





Mesa **H.E.A.T.** Initiative

Mesa's Economic development priorities are guided by
Mesa's targeted industries
of opportunity:

- **H**ealthcare
- **E**ducation
- **A**erospace
- **T**ourism /
Technology

Count of		Subcluster
Subcluster		
Construction	63	
Consumer Svcs	21	
Advanced Business Svcs	19	
Transportation & Logistics	16	
Retail	15	
Distribution	14	
Business Support Svcs	11	
Financial	11	
Aerospace	8	
Government	8	
Durable Consumer Goods Manufacturing	6	
Health Care	5	
Metal Production Technology and Machinery Manufacturing	5	
Hospitality, Tourism, & Recreation	4	
Mining & Oil Extraction	4	
Waste Management	4	
Plastics & Non-Metallic Manufacturing	3	
Real Estate	3	
Chemical Products Manufacturing	2	
Education	2	
Information Technology Manufacturing & Development	2	
Media, Publishing & Entertainment	2	
Semi-Conductor Manufacturing	2	
Social, Advocacy & Religious Services	2	
Textile Manufacturing	2	
Automotive Manufacturing	1	
Electrical Equipment & Component Manufacturing	1	
Primary Metal Manufacturing	1	
Telecommunications	1	

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

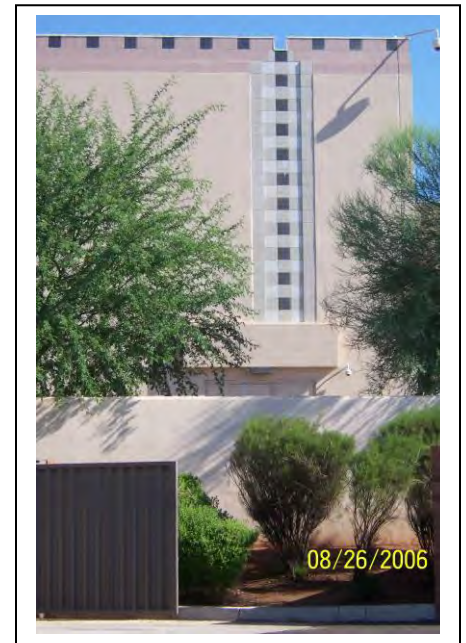
The MGSDP provides numerous photographic exhibits that indicate the development form of the employment based, mixed-use environments desired for this area. Images from all of the sub-districts of the MGSDP that are appropriate for a technology corridor can be used as examples for the design standard 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

Mesa Technology Corridor

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



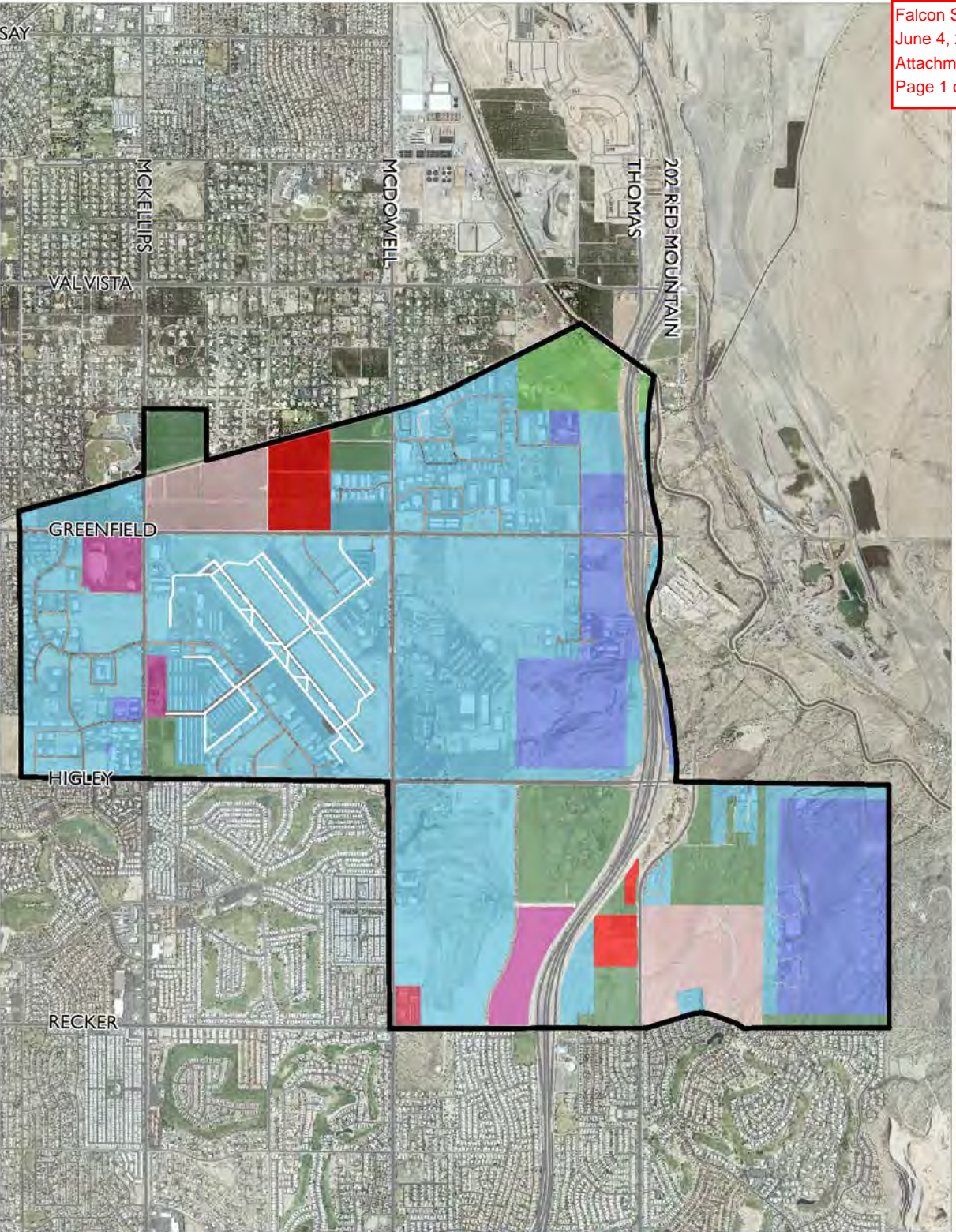
Mesa Technology Corridor



Mesa Technology Corridor



Falcon Field



Falcon Field
 Current Zoning

Legend

- Falcon Field Area
- Agriculture
- General Industrial
- Light Industrial
- Limited Commercial
- General Commercial
- Planned Employment Park
- Public and Semi-Public
- Residential Multiple District 2
- Residential Multiple District 3
- Residential Multiple District 4
- Residential Single District 7
- Residential Single District 35
- Residential Single District 43
- Residential Single District 90
- Street Centerline