

MEETING MINUTES

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

Date: October 7, 2014 Time: 7:30 A.M.

MEMBERS PRESENT

Terry Benelli
Tony Ham
Jeff Pitcher
Steve Shope
Laura Snow
Jo Wilson

EX-OFFICIO

Mayor John Giles
Chris Brady (excused)
Rich Adams (conference)
Brian Campbell
Jeff Crockett (excused)
Sally Harrison

STAFF PRESENT

Bill Jabjiniak
Karen McNulty
Sara Sorensen

MEMBERS ABSENT

James Christensen (excused)
Mitzi Montoya (excused)

GUESTS

1. Chair's Call To Order

Chair Laura Snow called the October 7, 2014, meeting of the Economic Development Advisory Board to order at 7:31 A.M. at the City Council Chambers, Lower Level, 57 E. 1st Street, Mesa, AZ 85201. Rich Adams participated via conference call.

Chair Snow welcomed Terry Benelli back to the board after her term as council member. She also welcomed Mayor John Giles.

2. Items from Citizens Present

No items from citizens present.

3. Approval of Minutes from the August 5, 2014 and September 2, 2014 Board Meetings

Chair Snow called for a motion to approve the minutes from meetings held on August 5, 2014 and September 2, 2014.

MOTION: Jeff Pitcher moved the minutes from the August 5, 2014 and September 2, 2014 be approved as presented.

SECOND: Tony Ham

DECISION: Passed unanimously.

4. Discussion with Mayor on his Vision of Economic Development

Chair Snow welcomed Mayor John Giles to the Economic Development Advisory Board. Mayor Giles greeted everyone. During the election campaign, economic development was his major focus and continues to be his emphasis as mayor. The reasons that bring the Board together are the reasons he ran for mayor. Many issues faced by the community, economic and social and cosmetic, will all be helped most directly by using the resources we have at the city government level, to bring more jobs to Mesa and to improve the economic environment and the employment environment in our city.

The best way to discuss the economy of Mesa is to realize we are not a homogenous community. From Riverview to Gateway and all stops in between you see a diverse community, economically, historically, and in all other ways. Therefore we cannot take a one size fits all approach to economic development in Mesa.

Each part of town needs to be discussed as far as what the assets and needs are and we will need different plans based on the different economic parts of Mesa. We have been doing this in Mesa for a long time.

Gateway is doing great. Certainly we will do all we can from an infrastructure perspective including supporting the bond election in November. Waste water treatment and the water treatment plans are critical for that part of town to continue to develop. We have great people who are very aware of the assets of the area, and he is very optimistic that part of town is going to continue to thrive and do well without an inordinate amount of attention from the Mayor's office but it will, of course, remain a priority.

Other parts of town, however, would benefit from additional attention from the Mayor's office and from the Economic Development Advisory Board. Falcon Field has nearly all of the assets that make Gateway such a special place. Therefore, we need to ask why we have these big tracts of prime real estate that for whatever reason aren't moving at the rate which we would like to see them move. Boeing is such a huge asset and we have so many contractors and economic entities that hover and buzz around Boeing and Falcon Field Airport. We've had some real magnets out there that could be worked and cultivated. We just need to work hard in areas that need help and Falcon would be one of them. Falcon Strategic Visioning Commission has great recommendations and a strategic plan. We need to use and rely on those recommendations. Falcon is certainly a priority.

Riverview also can and should be better than it is right now. It is a great location and is a part of town that has everything in the world going for it. We need to support it, push it and promote it to see Riverview develop as it should.

The same is true for the Fiesta region. We have the assets in place. The infrastructure has been there for 25 years. It was, at one time, the economic capital of Mesa and there is no reason that it cannot be that way again. We need to keep working with both the property owners that are willing to work with us, as well as those that have traditionally been opposed. The recent re-use projects are the future for that area.

He said he is also very excited with the downtown corridor and what the light rail is bringing.

On his whiteboard in the Mayor's office he has a list of WIGs (Wildly Important Goals). There are three items that are current priorities:

1. Downtown restaurants. Downtown Gilbert is an example of what he would like to see in downtown Mesa. The Mayor feels it is hugely important, not only economically, but for Mesa's image to bring nice restaurants to downtown. This is a bit of a personal issue for him, but he feels it would be great for the City.
2. Next is Mesa fiber. Again a somewhat personal crusade, the idea that Mesa is a year or two behind neighboring communities is not something to feel okay about. City management agrees and has been working with utility partners. This is an issue that can be tackled and will bring significant economic benefit. City staff members are putting together a plan on what we can do as a community to make sure that Mesa has a good reputation with regard to this issue. The Elliot Road Technology Corridor is an example of being well situated and we need to be equally well situated in other economic corridors when it comes to fiber.
3. The last WIG item is self-certification. Mesa needs to have the reputation of being very business friendly. We do not want a reputation of having a lot of bureaucracy for new business start-ups. We can rely on professionals, architects and mechanical engineers and others who are well credentialed, insured, bonded and regulated by their professions. We should trust them, rely that their plans are based on their background and experience, but also verify, inspect, and do everything we can to make sure nothing happens that shouldn't happen or nothing unsafe is approved. There are ways to streamline the process, and Mesa could be different from other cities when it comes to this.

Comment – Bill Jabjiniak welcomed the Mayor to attend on a monthly basis. As an ex-officio member of the board, the Mayor has an official seat on this board and Mr. Jabjiniak welcomed him to attend meetings at any time. With the Mayor willing to do what needs to be done to help with issues of economic development,

tourism, small business assistance, etc., it sends a strong message and is being well received by the business community. He thanked the Mayor for his support.

Comment – Rich Adams apologized for not being able to attend the meeting in person. He was impressed with the Mayor's comments and vision for economic development. Working with the Falcon Strategic Visioning Commission and the Planning & Zoning Board, he appreciates that EDAB has been very active and vocal in protecting sites that are key to economic development. He hopes this will be kept at the forefront as the Council, this Board and other entities look at opportunities for Falcon.

The Mayor thanked Rich for his stellar job chairing the Falcon Strategic Visioning Commission. He intends to use the recommendations and plan provided by the Commission. He is committed to protecting the employments areas. 20 years ago when he was on the City Council one of the biggest issues was protecting Gateway from residential encroachment. Gateway was protected 20 years ago and he is committed to protect Falcon the same way.

Question – Steve Shope inquired about limited resources of the Board. He inquired if the Mayor sees any recommendations for re-prioritizing objectives.

Response – The Mayor stated it was not something he was very familiar with and wishes to spend more money on economic development because there is a return back to the City. He does not want this effort to be underfunded.

Comment – Terry Benelli reminded members concerning restaurants for downtown that there is a loan fund that was implemented through CDBG in 2009 that was initially targeted directly at restaurants. It is a great gap piece to help and is available at 3%.

Response – The Mayor stated Sara Sorensen is working on a presentation to pitch to restaurants.

Chair Snow thanked the Mayor for his attendance and reiterated the invitation as an ex-officio member, the Board welcomes his active participation. The Mayor responded he will return when the Mesa Fiber Plan is finalized. He wants the Board to be familiar with it as a selling point to businesses. Laura Snow recognized the efforts of Bill Jabjiniak and his team with the HEAT Initiative and on making great strides in achieving goals of the initiative.

5. Education Initiative Update - Sara Sorensen, Project Manager

Sara Sorensen introduced herself as a Project Manager in the Office of Economic Development. She has spent the last year working closely with Mesa Educates U. She provided an update on schools and their marketing efforts that they have.

- Albright College. Enrollment is currently at 12 students with three new cohort groups starting in January. The original group is graduating in April 2015. They have introduced new programs in Information Systems and Management as well as Gaming and Simulation Development.
- Benedictine University is doing exceedingly well with enrollment which has more than doubled since opening in 2013. They attribute this to making college attainable and affordable. One way is through the Benedictine Promise Award which is a \$10K tuition award offered to freshmen and sophomore students and is applied during the second semester of their senior year. The award encourages students to stay in school and complete their degrees. They have introduced new bachelor programs in accounting and computer science. Their \$10K MBA program is doing exceptionally well. Benedictine has also introduced collegiate sports in men's and women's cross country, golf, tennis and volleyball. They are planning to introduce more sports in the spring.

Bill Jabjiniak commented that having a sports program was a goal for this project and he is pleasantly surprised the goal is being met sooner than expected, that is indicative of the commitment of Benedictine in sharing the vision of downtown.

Sara Sorensen continued with the update.

- Upper Iowa in Mesa Fiesta District. This semester they have 115 students enrolled and are expecting 150 students for spring semester. They currently offer eleven programs and work in partnership with

regional healthcare networks. One of their core programs is the registered nurse to Bachelor of Science in Nursing and they are focusing on developing that program.

- Wilkes University currently has 25 MBA students and 15 Instructional Media students. They recently signed an Articulation Agreement and MOU with Maricopa Community College to offer 2+2 in six programs. The 2+2 programs means a student would complete the first 2 years of their lower level education requirements at the community college and they would then be guaranteed admission into Wilkes to complete their final 2 years. They have also partnered with Mesa Public Schools (MPS) to deliver a course on technology integration. They currently have 15 MPS students enrolled in this program.

Marketing Efforts

The Office of Economic Development (OED) launched the Mesa Educates U Marketing Cooperative Pilot Program. This program allocates funding in support of specific marketing activities for Mesa higher education institutions. The program is designed for eligible schools to receive up to a 50% reimbursement for specific, pre-approved marketing projects with a \$25,000 maximum reimbursement per school. All marketing activities must be co-branded with the Mesa Educates U logo, or verbally state the City of Mesa partnership. Goals of the program are to increase enrollment, raise awareness and promote higher education options to Mesa residents.

A six-month comprehensive digital marketing program through Republic Media is wrapping up with an updated Mesa Educates U website, pay-per-click advertisements and Facebook advertisements. In total those ads resulted in 32 hard leads. Both campaigns also created over half a million total impressions and experienced click-thru rates higher than industry average for education related advertisements.

The OED is continuously working to actively promote the Mesa Educates U scholarship program, a program specifically for Mesa residents. The scholarships range from \$2,500 to \$10,000 and are offered by each participating institution. Marketing includes pop-up banners, posters and brochures in Mesa Public High Schools. There are also ads through the Motor Vehicle Network Ads. Print advertising opportunities are also being explored.

Question – Terry Benelli inquired if there was coordination with Mesa Counts on College.

Response – Sara Sorensen advised she meets monthly with Amy Trethaway, Director of Mesa Counts on College. They work to coordinate whatever efforts they can.

Question – Terry Benelli inquired if there had been results or leads from Mesa Counts on College.

Response – Sara Sorensen replied that one of Amy Trethaway's recent summer programs was aimed toward Mesa Public School juniors that had high potential to attend college, but not the proper support at home. Those students attended summer workshops at the Mesa Center for Higher Education and each of the colleges had an opportunity to speak to the students. The City also coordinated with various college fairs and events around town where they might be able to have a booth.

Comment – Rich Adams made a comment that it sounds like an impressive outreach program. He would suggest that at certain intervals in the future the Board receives an update on the results.

Laura Snow replied Sara Sorensen would be invited to return on a periodic basis for updates.

Brian Campbell commented that workforce development is becoming an important factor in recruiting and retaining businesses. The Education Subcommittee has been looking at creating a workforce development option and would like to coordinate with the OED Education Initiative on this. This seems to be the real driver when talking to companies to relocate. If we could pair assets from marketing perspective with outreach to companies saying we have workforce development pieces we can work with, this would give us bigger return on investment for Mesa Educates U.

Bill Jabjiniak commented that OED does a lot of advocating of workforce. They look at workforce comparison - not only the level of education but also the affordability compared to other markets. That is a big selling point. We have gone from the big public institutions, the largest community college system in the country to

look at all the varieties of education that we have. We have all 3 public institutions active in and around the community.

We have a great community college system and need to look at what we have, including the legacy systems. We have good workforce development and can always improve. Workforce has a very important role.

Chair Snow commented on, not only the workforce development piece and higher education, but also K-12 education. She does not know if the Mayor has formed any opinions as a product of the Mesa Public Schools system. Using the educational system as an attractor, not just for businesses in the area from a workforce development standpoint, but also for attracting executives to reside in the City of Mesa and send their children through the Mesa Public Schools system. It would be a shame to have the businesses locate here, but not also to have the workforce and executives reside here as well.

Mayor Giles stated that the tradition of Mesa was people came to the community, in part, because they were attracted by the school system. As we go out to recruit executives to bring their families to Mesa to reside, that is a hurdle we need to get over. They need to know Mesa is a great place to raise a family. He said he holds Mike Cowan in very high regard. He is a very good K-12 superintendent. In the Mesa schools, we have pockets of excellence and pockets of struggle, that's the reality of Mesa's schools. Our challenge is to support the school system and help those neighborhoods and schools that are struggling. The override election that is coming up is critical to our schools.

Jo Wilson made a couple of observations. First, as Benedictine has recruited new employees who are new to the area, they are going to surrounding communities to live. Mesa still has that image that it is not the place to live. We have to work hard when we bring new companies to Mesa, encouraging their employees to reside in Mesa. Secondly, she commended Bill Jabjiniak on this initiative and the statistics that are part of this initiative. Benedictine is way ahead of its projections at this time. This has been a very successful initiative thanks to Bill and his efforts. Benedictine projects the Mesa campus will be larger than the main campus at some point.

Steve Shope commented we do a poor job of promoting other forms of continuing education, which is a very important part of the workforce in Mesa. Guidance counselors should make students aware of these other opportunities.

Brian Campbell commented on a recent tour of the new facility at Mesa Community College. Their new equipment is state of the art. They have pledged to reach out to our organization to help market aspects from a workforce development standpoint so we can go to companies with our ability to train the workforce they need.

Bill Jabjiniak commented further that it is important to talk about Mesa Community College programs, Maricopa Community College District Programs and also East Valley Institute of Technology (EVIT). We are developing a broad base of an educated workforce that tells the right story to businesses.

6. Committee Updates:

a. Accelerator Subcommittee Update – Steve Shope, Chair

Bill Jabjiniak commented Shea is out on family medical leave and will be out at least through October. Kelley Keffer is stepping in during Shea's absence.

Six new participants have recently been announced in a business academy at LaunchPoint with a few others rolling out soon. The idea to step back to re-tool the program is a great idea and we need to continue to promote ways to use that facility more creatively, more efficiently and we are open to suggestions.

Steven Shope commented on using this opportunity as an education component, especially SBIR is a big part of it and we don't do enough education of that.

b. Healthcare Subcommittee Update – Terry Benelli, Chair

No committee update. Committee has not met recently.

Bill Jabjiniak commented that two staff members were presently attending the AdvaMed conference. The medical device strategy is pushing along. They are talking to a variety of medical related entities. They have a bigger development strategy for Fiesta. We need to get this subcommittee back together again in this quarter and get an update and get everybody on the same track.

c. Higher Education Subcommittee Update – Brian Campbell, Chair

Higher Education Committee did meet last month. The focus has shifted because of the Velocity Program timeline. The Higher Education Committee is trying to re-focus on the workforce development aspects. Some energy opportunities are being watched from an education standpoint. The call went out to our partners asking what the City can do to help as there are many different parts to education portfolio and no one size fits all. Focus on coordination aspect from workforce development standpoint. When we get the GPEC report that issue will come up again. We have the reputation that we don't have the workforce. Even though we have the data to prove our workforce, we have the reputation that we do not. Workforce development and ability to leverage on our education partners are key in recruiting efforts.

d. Marketing/Outreach Subcommittee Update – Sally Harrison, Committee Member

Sally Harrison provided the committee update. They are hoping for two out of five companies for sponsorship for the program. She explained the money will be used to cover expenses of bringing companies in and showing them Mesa and treating them to some special activities while they are here. Some of it could be in-kind, but they are also trying to raise \$25,000 initially. They have been focused on financial contributions and will look at in-kind secondarily.

Bill Jabjiniak commented when bringing site selectors in, instead of sharing them with the region, we are trying to do a dedicated presentation. If a company is part of the program, through cash or in-kind contributions, they then get access to the client or site selectors, thus we can do things that a City budget doesn't allow for.

Mayor Giles gave Marc Garcia a shout out for his recent gathering of event planners looking for a venue with exactly the size of Mesa for conventions and small events. He believes they were very impressed. Also, a few months ago the Mayor was at a meeting for his campaign at Visit Mesa with developers involved with economic development projects along the Phoenix Light Rail. He was shocked at the turnout (approximately 50-60 people) and has invited them all to come to spring training. The Mayor's office is committed to doing exactly this, entertaining people, bringing them into spring training and other venues to sell what we have in Mesa.

Terry Benelli commented that the Sustainable Communities Collaborative group meets today and the first Tuesday of every month. There was a representative from the City that was attending those meetings so the dialogue can keep going on a monthly basis.

e. Business Retention & Expansion Subcommittee Update – Jo Wilson, Chair

The goal was to visit 60 businesses by the 15th of this month. Between City staff and Chamber staff, as of today, visits with 52 businesses have been completed and six additional visits are scheduled for this week. More visits are being scheduled therefore the goal will be reached by the 15th.

Bill Jabjiniak commented the "stretch" goal was 60 businesses in 90 days, they are on target and that's great. They're finding a lot of dialogue and a lot of interest in expansion with a variety of businesses from Falcon and healthcare. People are happy to see us.

Sally Harrison commented a lot of businesses are thrilled to know the City is reaching out to them.

Bill Jabjiniak commented Andrew Clegg has done a great job in orchestrating this program. We'll spend the next couple of months to make sure we follow up on inquiries and questions we have.

Jo Wilson reported that the response has been very positive from companies. One company left saying they just didn't think the City was going to help them anyway, but the majority of them were very excited that the City was actually stepping up and offering something to help them. They will be summarizing the results at the subcommittee meeting and in November's EDAB meeting there will be a report on what has been found so far. It is interesting about the lack of knowledge that the businesses have about what is

available for them as far as grants and funding opportunities. The goal was to focus on aviation, but the committee has moved beyond aviation into other areas and they will continue to do that.

7. Director's Report On:

A. AZ Labs Updates

We continue to push. There have been some new leases executed for small spaces. We are cautiously optimistic. There has been some activity just not enough yet to get too excited.

Brian Campbell commented that an issue of critical importance is the second threat of sequestration. Senator McCain's office has pledged that his number one issue is to stop that second round of sequestration. We have gone through this before and the impact that it has on the entire supply chain can be devastating. Senator McCain has pledged to stop it and our support would also be critical.

B. GPEC Update

GPEC has been very active, traveling to San Francisco to recruit tech companies with outreach to site selectors and some users while in San Francisco. A day trip has been planned with GPEC and the City of Phoenix to talk to data center people who are very interested in the Valley, especially Mesa and Phoenix. The GPEC annual dinner is this Thursday, October 9th. GPEC has been involved with a variety of other projects spread throughout the City. There has been an uptick in GPEC activity and we are anxious to see the trend continue. We do a lot of coordination with GPEC, ACA and the City to stay on top of clients and their demands and changes.

Brian Campbell commented on the GPEC annual dinner. Don Smith, CEO of CopperPoint Mutual Insurance, will be installed as chairman. He is a champion of the East Valley and we can couch this as a positive development. Vice Chair who will succeed to chair is Chris Zaharis, from Empire Southwest, who is a great asset and ally to Mesa.

GPEC noted, with great approval and support, for some of the activities Mesa has been taking. For example, they noted efforts of the Human Relations Advisory Board and their recommendations in leading the way for protecting veterans, disabled and other discriminated groups. GPEC is excited Mesa is stepping up on workforce development and infrastructures including fiber optics and light rail.

C. Marketing & Business Development Activities

Events

On his first official day as mayor, the Mayor attended a ribbon cutting at Bridgestone. It's an international event that continues to draw great interest of a Fortune 500 company. We are very proud to have them here. From there we attended groundbreaking of a new facility for Hacienda Healthcare in Fiesta. The following day we announced 600 new jobs at Waypoint, which is on the back side of Riverview. There is activity in the marketplace, the private sector is aggressive with marketing and outreach, and we are supporting that in any way we can. Developers are stepping up with brokers to market properties. American Traffic Solutions has had a lot of press lately, good and bad. In today's Phoenix Business Journal there is talk about a speculative investment at Phoenix-Mesa Gateway Airport. That's the Airport Authority stepping up saying we believe in the airport and we are willing to work with that developer to put that speculative development in play. We went through first round of Council and are working with Planning on new construction activity of 200,000 square feet, two buildings at Dobson and Broadway. Developers are coming. Investment is active. We were surprised by the GTAT bankruptcy reorganization filing. We really cannot say much as we are waiting for direction from Apple on what is going to happen with the facility.

Currently, 2 staff members are exhibiting, collecting information and making contacts at AdvaMed, a medical device show. We held Global Connect Export Workshop in partnership with the State, ACA and the Town of Gilbert. This was a free workshop that was very well attended. Kim Lofgreen is attending a site selector conference, Roundtable in the Desert, next week. We will also be exhibiting at BioMed

Device conference in November. We are beginning local broker roadshows. This is where we actually take the roadshow to the broker/brokerage community.

Export Tech Boot Camp has been scheduled for October 17, November 14 and December 5. This is a 3-day program to help companies develop an international marketing/export strategy.

The following opportunities maps were handed out to board members: Downtown Investment Map, Fiesta District Investment Map and the Elliot Road Technology Corridor Map. Jo Wilson is chairing the Downtown Visioning Committee and Sara Sorensen is the staff liaison. The committee will discuss the different opportunities and we expect to have a great visionary document and strategic plan to set forward. We have seen a lot of activity at Fiesta and the City is hustling to lay the groundwork before companies come in and other infrastructure improvements are made. MCC and Banner are reaching out to discuss what opportunities exist. A big marketing piece is the Elliot Road Technology Corridor. The idea was to put an overlay in place so the development community can opt-in, and to create flexibility for the development community. Basically, we have taken away the entitlement risk. This is a huge step forward for the development community. The infrastructure is laid out; we have a lot power here with dark fiber and the ability to create redundancy. We have water, sewer, roadways, intersections, and fire stations. We have to be proactive on the marketing piece.

Please check out the Small Business Resource Guide which is an interactive database of information for startup of small businesses. The guide is available on the OED website.

Laura Snow commented on the great report with lots of good things happening.

Comment – Rich Adams commented on development at Gateway and his hopes that maybe some of that could spread to the Falcon area.

Bill Jabjiniak agreed dialogue between the development community and the exiting property owners would be critical. Todd Holzer from Sunbelt recently met with the City and he continues to look at other development not only at Gateway but throughout the City.

8. Other Business:

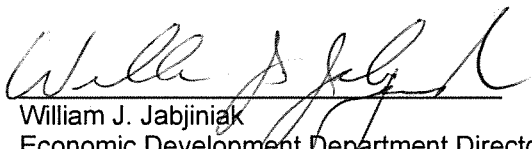
Laura Snow asked for any closing comments of which there were none. She thanked the Mayor for his attendance.

Next EDAB meeting – November 4, 2014.

9. Adjournment:

Chair Snow adjourned the Board meeting at 8:50 A.M.

Submitted By:



William J. Jabjiniak
Economic Development Department Director
(Prepared by Rose Rawcliffe)