

MEETING MINUTES

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

Date: February 7, 2017 Time: 7:30 A.M.

MEMBERS PRESENT

Natascha Ovando-Karadsheh, Vice Chair
Terry Benelli
James Christensen
Deb Duvall
Dominic Perry
Scott Rudy
Laura Snow

EX-OFFICIO

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

STAFF PRESENT

Bill Jabjiniak
Michele Freed
Kelley Keffer
David Packard

MEMBERS ABSENT

Jeff Pitcher, Chairman
Matt Likens

GUESTS PRESENT

Jeremy Whittaker, Councilmember
Dr. Sally Downey, E.V.I.T.

1. Chair's Call To Order

Vice Chair Natascha Ovando-Karadsheh called the Economic Development Advisory Board (EDAB) meeting to order at 7:34 a.m. She welcomed Councilmember Jeremy Whittaker and Scott Rudy, the newest member of EDAB.

2. Items from Citizens Present

None.

3. Approval of Minutes from the January 3, 2017 Board Meeting

Vice Chair Ovando-Karadsheh called for a motion to approve the minutes from the January 3, 2017 meeting.

MOTION: Terry Benelli

SECOND: Dominic Perry

DECISION: Passed Unanimously

4. Welcome to EDAB – Scott Rudy

Vice Chair Ovando-Karadsheh welcomed Scott Rudy to EDAB. She asked him to provide a brief introduction to the other Board members.

Scott Rudy introduced himself and shared that he has worked with Boeing for almost 20 years. He shared that he was originally from Ohio, but his wife wanted to leave the snow behind, so they moved to Arizona in 1997. Since relocating to Arizona, they briefly lived in St. Louis from 2002-2005, before moving back to Mesa in 2005. He revealed that his educational background was in Computer Science. He stated that he is married and has two grown children. He said his son works in Fountain Hills and his daughter is in Seattle, where she also works for Boeing. He pointed out that Boeing works on Apache Helicopters in Mesa and his current job is to work on Little Bird Helicopters, which are used by Special Operations Forces around the world.

5. Discussion of Economic Development with Councilmember Jeremy Whittaker

Vice Chair Ovando-Karadsheh welcomed Councilmember Jeremy Whittaker to EDAB. She invited each of the Board members to provide a brief introduction for the benefit of Councilmember Whittaker. One by one, the individual Board members introduced themselves to Councilmember Whittaker, followed by introductions from the non-voting members of EDAB. Vice Chair Ovando-Karadsheh then asked Councilmember Whittaker to introduce himself to the Board.

Councilmember Whittaker told EDAB that he had recently been elected to the City of Mesa City Council. He said his background had been business his entire life. He stated that he had graduated from Marcos de Niza in Tempe, where he started his first business, which was a computer repair business. He shared that he has since moved on to Enterprise Level Consulting. To give the Board an idea of what that means, he shared a recent project he had worked on, which was the Exchange email infrastructure for the Town of Gilbert, for both their police force and fire department. He mentioned that he currently has four employees and he has just recently relocated his office to be within Mesa's District 2 on Val Vista and Southern, in the old Desert Schools bank building. He said he has less time to drive now that he is on the Council, so he relocated his office to Mesa from Phoenix, so he won't have a daily commute. He stated that he specializes in IT Consulting for small- to medium-sized businesses. He also shared that he recently started a new business called J2 Network Solutions, where they are focusing on structure cabling, which is the low voltage infrastructure of commercial buildings when they do new build-outs. J2 Network Solutions provides audio/video and fiber support, as well as security systems. He pointed out that he did take one class in computer repair at EVIT when he was in high school.

Director Jabjiniak stated that it was great to have Councilmember Whittaker at today's meeting. He said that this was intended to create open dialogue and provide an opportunity to engage with the Board members. He said that EDAB would like to know what his interests are from an economic development standpoint. Director Jabjiniak indicated that the Advisory Board was here to help Staff and City Council get a feel for what is going on in the community, offer suggestions, and be used as a sounding board. He told Councilmember Whittaker that he could expect to see a lot of interaction because the Board was not afraid to ask questions. He mentioned that Councilmember Whittaker had toured Falcon Field with EDAB.

Comment: Brian Campbell pointed out that Councilmember Whittaker is the incoming Chair of the Economic Development subcommittee of the City Council. He asked what vision Councilmember Whittaker had for the City of Mesa.

Response: Councilmember Whittaker noted that he had worked closely with some of the Phoenix organizations like Yes PHX. He stated that he didn't know if the Board was familiar with the concept of the co-working space. He said he is a huge fan of entrepreneurship. He believes that with technology the way that it exists today, it is starting to give small businesses the opportunity to succeed without large capital investment costs. He reiterated that he feels very strongly about entrepreneurship. He shared that he thought the City should begin to organize co-working spaces in Mesa and that they should be extremely supportive, from a City perspective of organizing these entrepreneurial events, so that they can start pulling these entrepreneurs from locations like Phoenix, over to Mesa. He stated that he wasn't 100% certain today, how they would get to that point, but said it was a vision of his. He also pointed out that he was committed to vocational-based training which he believes will continue to be in high demand. He noted that, in his experience, he acquired a skill that he could charge a high dollar amount for, and then he combined that with entrepreneurship, which gave him the ability to succeed in the workplace. He shared that he realized that his experience is his main point of reference, but he thinks this model works and he thinks, if they keep pushing this in Mesa, it can work in Mesa. In summary, he said he would like to see more of the co-working spaces move over to Mesa. He thinks they need to have these spaces to spur this type of entrepreneurial community.

Comment/Question: Brian Campbell said he would love to hear Councilmember Whittaker's thoughts on how to get some of these start-up companies through the transition to the next level, from the initial start-up in the co-working space to launching the business to the next level. He stated that there seems to be a gap between these two steps. He asked what were some of the major challenges Councilmember Whittaker experienced as he moved from the co-working space to the next level. He also asked how they might fill that gap, whether it would be through workforce or helping with some of the issues.

Answer: Councilmember Whittaker pointed out that he didn't have all the answers, but he noted there is a community and a culture that is developed in the co-working space. He mentioned that Startup PHX week is coming up at the end of February. He shared that this type of event allows the angel investors to come and see the entrepreneurs and see their ideas. He said when you bring the community together, it will start bridging these gaps. He said he didn't believe it was the City's responsibility to solve these issues, but what the City could do, was to create an environment that is conducive, so that these people can come together.

Comment: Brian Campbell mentioned that one of the challenges they face is finding angel investors and startup or venture capital. He noted that Arizona is well behind their peers in this area. He indicated that this could be an area where Mesa could distinguish itself if they could fill the gap. He sees this gap as one of their major stumbling blocks as they try to push this forward.

Response: Councilmember Whittaker said they need to do everything they can, going forward, to say that Mesa is the entrepreneurship mecca of Arizona. He stated that he wouldn't want to use the overused phrase "the next Silicon Valley," but he believes California is too expensive and he really believes that this provides a unique opportunity for Mesa. He desires to be an ambassador that will go to California and suggest that people bring their business to Arizona, because there are plenty of opportunities in Mesa. He pointed out that Mesa has labor, growth, and other great things, but they just need to capitalize on those areas of strength. He mentioned that, while the lack of capital can be a problem, when people go to some of these Yes PHX events, these investors are there, you just have to find them. He pointed out that typically, these investors don't advertise that they have money and they want to invest, but they are there. He said that Yes PHX had just done an event in Puerto Penasco where they took a

group of entrepreneurs to build houses in impoverished areas of Mexico. He noted that the networking that takes place at these types of events often brings angel investors and entrepreneurs together as they work side by side on a project. He said if Mesa could start pulling some of these types of events together, they could create this sense of community, which could only make Mesa stronger.

6. EVIT Update

Vice Chair Natascha Ovando-Karadsheh invited Dr. Sally Downey from EVIT to begin her presentation.

Dr. Sally Downey began her presentation by stating that it was a pleasure to be in attendance with so many friends and acquaintances present. She said she was pleased to hear that EVIT had a successful former student in Councilmember Whittaker. She also noted that Rich Adams' son had gotten his start at EVIT and is now an extraordinary Chef. She stated that one of the hardest things EVIT has had to overcome in the last 17 years, was moving from the vo-tech (where those kids go) to the new career tech model, that is now the model for the entire nation. She said that she had retired from her previous position after 30 years when the EVIT opportunity became available. She decided to bring the best practices that she knew worked for her students when she was in Oklahoma, and those practices that she knew were good economic development issues, and do her best to take on the challenge of EVIT. She mentioned that she has had the great support of a board and a community that has allowed EVIT to transition to this new and successful model. She revealed that EVIT hosts thousands of visitors a year from all over the country. However, she noted that the citizens living nearby in Mesa, still have the mindset that EVIT is still the old EVIT. She asked Councilmember Whittaker to help change this perception in the Mesa community. She shared a couple of EVIT's slogans: One of them is "Every Scholar needs a skill." She indicated that, even though 2 out of 3 of their students go on to college, many times students don't have the luxury of going to college all four years, so it is nice to have a skill to fall back on. In this way, if they are going to college and can't continue straight through and have to take a break before they can finish, these students can still make a living and pay taxes during the time they are away from college. She said it also made it possible to finish college without having an unbelievable debt load. As an example, she mentioned their CNA program. She shared that the students in this program graduate from high school with a CNA license, and they can easily go and pursue their RN degree or continue on to Medical School. She shared their second slogan "We can turn passion into paychecks." She shared that if they can find what a young person wants to do, all they need to do is to turn the student loose and get out of their way to follow their passion. She mentioned that it is important that these young people have a good environment and a good instructor. With EVIT's current model, the students become involved in their learning. She noted that this is why quality career and technical education works, because if a student is engaged in their learning, they will succeed. She pointed out that most people are pretty good at things they like to do, so if a student is engaged in what they like to do, they will succeed. She said this is why they have a 98% graduation rate at EVIT, while the local high school graduation rate is only 75%. Dr. Downey pointed out that at EVIT, the students are engaged in their learning and they are engaged in the outcomes and their program works.

Dr. Downey observed that there were probably a couple of people on EDAB that had never been to EVIT, so she shared a video that would help explain what EVIT was all about. Dr. Downey noted that all the programs at EVIT are market driven. She mentioned that they try to stay as closely aligned as they can to where the jobs are. She indicated that if they had a

strategic plan, it would be that every student that comes to their school and spends a half a day, would leave with value added. She identified the ways this value is added. First, they offer dual enrollment, so many students leave with 18 hours of college credit. Secondly, they offer different business and industry certifications. Some of these certifications are: the AWS Welding Certification, the ASE Automotive Certification, or the license earned by aestheticians, skin care, cosmetology, or practical nursing. She stated that the students leave EVIT with something that allows them to get a job and then to go on to higher education. She pointed out, that in order to be successful, it is very important that they have the right students in the right seats in the program. Dr. Downey said this program could not be successful if it was a dumping ground or a place to warehouse kids that don't have the needed ability. She indicated that there are two things they have to have in place for a student to be successful: the student has to have the ability to benefit and they have to have the desire to be involved in the particular program. She said these are the two very important additives to their success. Dr. Downey revealed that this means they have to have students in the classroom, that even if they have a disability, that disability won't impair their learning. She shared an example of a student with brittle bone syndrome that was successful in their radio broadcasting program. She mentioned that she had paired this student up with Shaq, when he visited EVIT. Although this young man had a handicap, he had no problem talking on the radio, so the handicap didn't impair the outcome of his success in the program. She revealed that appropriate placement and ability to benefit were very important criterion for being placed in their program. She shared that one of the strengths of their program was that, as positive outcomes started coming out of the program, business and industry started taking notice. She pointed out that these partnerships are one of EVIT's biggest strengths. She mentioned Adelante Health Clinic which is right next to EVIT. She indicated the location of the clinic was directly across from where they have EVIT's health programs, so their students take turns rotating at the clinic. This clinic covers dental, pediatric, and pharmaceutical work. She indicated that EVIT students walk right across the parking lot and do an internship at Adelante. She further shared that the VA had approached EVIT and offered to give them \$ 1.5 million to put in an SPD (Sterilization Processing Distribution) program. She noted that this was about four years ago when the VA had a problem with MRSA and other infectious diseases that come about in the hospital. She stated that EVIT put in an SPD training program with the funding from the VA. They now train the students and when they come out of the program, they have a certification in Sterilization Processing Distribution. She also revealed that every one of these students are hired immediately. She revealed that the VA also uses their facility to train their people from all over the country. She said it is this type of partnership that makes their program so strong. She shared another partnership they have recently developed with Landings Credit Union. She also pointed out that Landings had opened a credit union on the EVIT campus which allows students that want to pursue a career in a financial area, the opportunity to work in an actual credit union. She noted that they also have many trade programs such as automotive, plumbing, and welding. She revealed that their automotive program has placed more kids in jobs in local dealerships than any school in the country for several years running. She stated that EVIT's students leave the automotive program with eight ASE certifications, allowing them to be immediately employable. She briefly discussed how the automotive program worked, noting the pipeline they have developed for students to get jobs at several valley auto dealerships.

Dr. Downey further shared that when guests come and tour EVIT, they always note how engaged the students are in their learning. She mentioned that this isn't by chance, it is because the students have found something they love. She said they were on the cover of Time Magazine back in May of 2012 in an article titled, "Learning That Works" because they have had such great outcomes. She shared that EVIT is funded by a local tax. She shared the

location of the different campuses, noting that they are opening up their fourth campus in Fountain Hills next August. She noted that they operate with a \$12 million budget. She said they are also funded through their satellite programs which are at the home schools, which are CTE (Career and Technical Ed). She said they flow \$25 million back to their sending districts that offer satellite programs. She stated that although these are run by the high school district, they help fund them through being a part of JTED (Joint Technical Education District). She shared that she thinks this program is a pretty good deal because it puts kids to work, makes sure they become taxpayers and not tax drainers, and she feels the program has done a good job of helping provide economic growth in the East Valley, as well as giving young people a start in finding their passion. She shared that the majority of EVIT's students were kinesthetic learners. She informed the Board that this type of learning is hands-on and means they like to do things like tinker and take things apart and put them back together. She shared a video showcasing students benefiting from kinesthetic learning. Dr. Downey finished her presentation and offered to answer any questions the board might have.

Comment: Rich Adams acknowledged that he was a huge fan of EVIT. He shared that his son has now worked in the culinary field for 10 years and he has had the opportunity to work with many people and many of these people have in excess of \$50,000 in student debt. He pointed out that his son has no debt because he went through EVIT. He thinks that one of the most important benefits of EVIT is that they provide quality education with zero student debt. He reiterated that he is a huge fan of EVIT and he thanked Dr. Downey for being there. He then excused himself from the meeting as he had another engagement.

Comment: Deb Duvall expressed her appreciation to Dr. Downey for the leadership she has given to EVIT. She noted the important role that EVIT plays in the community. She said EVIT has been in existence for almost two decades. She mentioned that she remembered a time when she was employed by Mesa Public Schools and she held an administrative meeting, in which she pointed out to all the principals and district office staff, that EVIT was a feather in the East Valley education cap. She shared that at the time, it was the first JTED, noting that the JTED is the way in which EVIT is funded. She pointed out that the legislation for the JTED's was written by the staff at Mesa Schools. She revealed that the reason they wrote the legislation was to provide students a high quality career and technical education program that could not be replicated at each of Mesa's high schools. The whole idea was to provide young people the opportunity to stay on their home campus for 9th and 10th grade and take some of the more basic skills and coursework in that particular field, then transfer to EVIT for 11th and 12th grade for a more technical, high quality program that would lead to certification. She said that Sally Downey had done that in spades, creating an environment in our own community that is quality, but noting that she has also impacted what has happened in Arizona at the other JTED's. Ms. Duvall revealed that since the opening of EVIT, there are now 10 JTED's across Arizona. She reminded the Board that EVIT is still the feather in the cap of JTED. She thanked Dr. Downey for her contributions to education in Arizona.

Comment/Question: Brian Campbell thanked Dr. Downey for her work with EVIT and other boards she is involved with. He briefly discussed business relocates and the way in which they were often bound by strict confidentiality rules with these relocates. He said there comes a time when they have these relocates out for visits, and these companies are looking for workforce development. He pointed out that this is the area they are competing in and against their peers across the country. He asked if there was a way to work with EVIT to create a tactical advantage by demonstrating to a relocate, that the skills that their business needs to fill, could

be met using EVIT programs. He mentioned that this would have to be done in a confidential, expedited setting, but he asked Dr. Downey if she had any ideas on what this could look like.

Answer: Dr. Downey said she couldn't address the confidentiality piece, but she could definitely address the other portion. She shared that they are currently working with Central Arizona College to develop a training program to train their students in welding and other areas. She mentioned her experience in Oklahoma, in which they had 30 EVIT-type schools which she referred to as a system of delivery. She said in Oklahoma, they had high school programs and adult programs. She indicated that EVIT also has some adult programs that they offer in the evenings. In Oklahoma, the program she was involved in was always very market driven, so if the local area needed welders, they would develop a program of training for that specific need.

Comment/Question: Brian Campbell walked her through what this would look like. He shared that GPEC would generate the business prospect. He used a medical device manufacturer that was interested in relocating as his example. He said GPEC would invite different municipalities to respond to this potential relocate and indicated that this process works on a very tight timeframe. He stated that this requires a level of specificity and it would be wonderful if the City Council could build into their response, that EVIT could tailor a program to meet some of these medical device system needs. He stated that this would be an expedited and confidential process. He asked Dr. Downey if this was something that EVIT could do.

Answer: Dr. Downey answered affirmatively. She noted that this would be business and industry specific, and that EVIT had done this type of partnering several times. She pointed out that because EVIT is not a system (there are now 10 other JTED's), people don't regularly look to them to offer this type of industry specific partnering, but she stated that they are very capable of providing this type of partnering. She said EVIT works a little differently, than the system of schools she previously worked with in Oklahoma, because they are not a system of schools, and for so long, have only offered high school programs. She said because of this, people don't often think of coming to EVIT with this type of request, but she reiterated that they were very able to meet this type of request.

Comment: Brian Campbell stated that he would like to volunteer Dr. Downey as the point person when they identify any of these unique circumstances, where this would be something they could offer to potential relocates.

Response: Dr. Downey said she would welcome the challenge and opportunity.

Comment: Director Jabjiniak mentioned a recent potential relocate that had requested workforce availability of commercial drivers. He revealed that they are seeing more and more of these need specific workforce availability requests. He indicated that they promote EVIT, the Maricopa Community College system, ASU and Benedictine. He said that each client has different needs and shared a recent example of Dexcom. He discussed some of the future aerospace opportunities.

Comment: Brian Campbell said that previously, GoDaddy had been considering relocating, because they couldn't fill their programming needs as a region. He shared that this is the type of situation they are often faced with and it would be wonderful if EVIT could fulfill some of these needs.

Dr. Downey finished her presentation by sharing a story about a successful former student who was involved in their aviation program at their east campus, and has parlayed his time at EVIT into a very lucrative and successful career.

6. Director's Update

Bill Jabjiniak began by noting that Spring Training season was almost upon them. He asked Sally Harrison to provide a quick recap of a very successful "State of the City" that had taken place last week. Ms. Harrison mentioned that the previous year they had 519 attendees and this year they had 640 attendees, so there was a definite increase in attendees, as well as an increase in sponsors. She indicated that a lot of businesses reached out and asked to be involved this year. Director Jabjiniak said that currently there is a lot of momentum in the marketplace. He told the Board he is seeing projects right and left, noting that the food processing sector has recently found Mesa. He mentioned that Councilmember Whittaker would be meeting with a client later that morning, that is in the last throes of decision making, and it would represent a great capital investment, with just under 100 jobs, lots of automation and advanced manufacturing.

Director Jabjiniak updated EDAB regarding LaunchPoint. He reminded the Board of LaunchPoint's move from ASU Poly to Downtown at the Mesa Center for Higher Education. He shared that the move had taken place about eight months ago and they are currently at 11 companies. He acknowledged that Kelley Keffer had done a fantastic job leading that initiative. He shared that access was key in the success of LaunchPoint in Downtown. Prior to this, access had been a barrier to people in the southeast corner of the City and making the move to Downtown has really made a difference. He said they had just taken a call from someone in the Bay area needing wet lab space. He noted that they have that space and that the investment into LaunchPoint is really starting to pay off. He also noted that Ms. Keffer would be working on a Strategic Plan and that the Board would likely see the Strategic Plan presented no later than June. He said they are really seeking to develop the entrepreneurship field and the tech field in particular.

Director Jabjiniak stated that he has often shared with EDAB that they have lacked economic development tools across the state. He said to compete domestically and internationally, it can be really difficult. He stated that when companies come in, it isn't just a relationship, but everything goes into a spreadsheet. When it comes down to dollars and cents, it comes down to a very competitive discussion. He reminded EDAB that they have had one tool in GPLET (Government Property Lease Excise Tax), but that they hadn't been able to use it a lot. He noted that previously, GPLET was restricted to Downtown, but now GPLET can be used in Downtown, as well as other areas, noting that City Council had recently established the Southwest Redevelopment Area. He said the GPLET legislation is currently under assault at the state level. He asked Brian Campbell to provide a little more information.

Brian Campbell said that the bill would have gutted GPLET if it got to the Committee of the Whole at the legislature on Thursday. He indicated that this is a voice vote that allows a bill to go to the floor for a record vote. He revealed that they were fortunate to get the sponsor to pull the bill, so it didn't go to full Committee of the Whole. He said the bill is currently in limbo right now. He mentioned that they may be calling on members of the Board to act on an individual basis, to add their voice to the growing chorus of the business community asking the legislature not to do this. He stated that Arizona already suffers from not having traditional economic development tools, so taking away the last one they do have, would not be a good idea. He believes the message is getting through, but if it surfaces again, they will be reaching out to individuals to express their concerns. He said the last word he had heard, was that the bill would stall.

Director Jabjiniak revealed that a lot of the groups they work with were rallying to speak out against this as well. He said that they wish to use GPLET as a revitalization tool in an effort to reposition the west side of the City going forward. He shared that they had a simple filing in the federal register that had to do with Apple's use of the Foreign Trade Zone. With the Apple name and Mesa together, it created 1.9 billion impressions. He pointed out that this meant that readers could have seen the Apple name and the City of Mesa name in the same paragraph. He noted that they hadn't done anything out of the ordinary, but that Apple, in addition to their servers, would be assembling server boxes. He said those are eligible for importing because they will be sending them back out into their own Apple facilities. He said having the Foreign Trade Zone will be an economic benefit.

Director Jabjiniak mentioned that they are seeing a lot of interest in the Falcon Field Tech Center and indicated that they have had a lot of media inquiries. He reminded EDAB that they are still going through an environmental assessment for the FAA. He also pointed out that the zoning case was coming along. He shared that there are four projects looking for large square footages. He noted that his current inventory exists of one office product with 150,000 square feet. He indicated that requests were coming in at 150,000, 175,000 to 200,000 plus square feet and he doesn't have that property available. He said they are positioning Fiesta Mall to be able to handle those kind of needs. The old Macy's building is 160,000 square feet and the Best Buy and Dick's Sporting Goods are 100,000 square feet. When a client wants a 150,000 square feet, Waypoint at Riverview is the only property that is ready to go. He revealed that they are missing inventory in this category. He said from the Industrial Spec perspective, he is still seeing needs for big floor plates and high ceiling heights. He stated that the older spaces they have are being looked at and passed by, giving an example of the tower building near Fiesta.

Director Jabjiniak told the members of EDAB, that they would be participating in California broker road shows in April and May, saying that they are trying to "cherry pick" out of California as much as they can in a variety of sectors. He mentioned that there were a couple of additional GPEC sales missions, one to San Diego in April and one to Chicago in June. He also mentioned an opportunity to go to D.C. in which they will represent the entire valley. He then discussed Business 2 Baseball. He shared that Broker's and Developer's Day would be held on February 28th at the Cubs versus Angels game at Sloan Park. He said Industry Day would be held March 3rd at the A's versus Giants game at Hohokam Stadium. Director Jabjiniak further shared that they would be hosting six days of Business Retention and Expansion visits at the A's games in their suite. This is an opportunity for existing businesses to come out to a game as part of their BR&E efforts. He reminded the Board that 80% of growth comes from the existing business community. Lastly, Director Jabjiniak shared that they would be undertaking a brand refresh in the Office of Economic Development, indicating that this should help keep their material up-to-date in an ever-changing market.

Question: Vice Chair Ovando-Karadsheh asked about the World Series trophy and when it would be arriving.

Answer: Director Jabjiniak said the World Series trophy would be here on February 24, from 12:00 to 4:00 p.m. at an event at Sloan Park. He acknowledged that this will be a great promotional opportunity.

Comment: Brian Campbell stated that GPEC is experiencing one of its busiest and fullest pipelines in a very long time. He said he realizes resources are tight, but that there exists a critical window of opportunity for taking advantage of the pipeline that GPEC has worked so

hard to create to help better position Mesa. He noted that it was important to give Bill and his team the resources they need to succeed.

Response: Director Jabjiniak said they find themselves competing within the state and across the country and they have to continue to find ways to separate themselves from the competition. He stated that they are currently in budget preparation mode. He revealed that he is calculating a 5% budget cut, as are all of the other departments across the City.

Comment: Brian Campbell shared that if they can attain any one of the deals in the GPEC pipeline, it would more than make up for the loss of a 5% budget cut in the community.

Question: Terry Benelli reminded Director Jabjiniak that when the Board was touring Falcon Field, she had asked for an update on the Strategic Plan. She also asked if it was possible to get an update on the Mesa Counts on College. She told Director Jabjiniak that it didn't have to be a formal update, but just a spreadsheet that would provide statistics on the program would be helpful.

Answer: Director Jabjiniak asked Michele Freed to add the Falcon Field Strategic Plan to the agenda for the March meeting. He stated that it was definitely time for the annual update. He said he would also look into getting an informal update for Mesa Counts on College.

Question: Councilmember Whittaker asked how the Office of Economic Development was taking advantage of the fact that the Cubs had won the World Series.

Answer: Director Jabjiniak acknowledged that they do a lot with the Cubs. He said they continue to use those facilities to help promote, both existing and new businesses that might choose to come in. He noted that the Cubs have been good partners for the City of Mesa. He shared that the Cubs have opened up their list of friends/sponsors and they have tried to do some outreach to them directly. He shared that they continue to benefit from the relationships they have in a very relaxed setting. He pointed out that having the trophy here will be a very important marketing opportunity. He indicated that they are seeing a lot of interest in and around the Cubs Stadium for development. He said one of the challenges there, is that they always have to provide 2500 parking spaces for the Cubs, so they have to keep this in mind as they look at developers coming in. They desire to have a Class "A" project locate there and they are also encouraging additional hotel room growth. He revealed that there is money available in the hotel sector. He pointed out that they have tried to steer traffic back into Mesa, but that public safety must be kept in mind and sometimes you have to turn right out of the stadium which takes you towards Tempe Marketplace instead of into Mesa. He shared that the other side of the equation was that they need the kind of businesses that people want to go to, noting that they are trying to promote that environment, but they need the private sector involved to make it work.

Question: Councilmember Whittaker said when he looks at what they've developed in Old Town Scottsdale, he wondered if Mesa has actually gone to some of these businesses to ask them about the opportunities to locate in Mesa.

Answer: Director Jabjiniak mentioned that in Downtown, they have engaged some of those large scale restaurateurs with recognizable brand names. Thus far, nothing has worked out for a variety of reasons. He indicated that in regards to Cubs stadium, the restaurateurs don't want to build a small building, they want to step into something that another developer owns and that they can lease or they can get a great deal on. He stated that they desire to make restaurants part of the larger environment around the stadium. He indicated that there is space next to the hotel, as well as sites around the lake.

Comment: Dominic Perry said that one of the issues you have with the area around the Cubs stadium, is that you are competing against the very well established Tempe Marketplace. Riverview has not done very well for tenants or people coming into the area to shop. He also noted that for a restaurant to be successful, it needs to be successful year-round. A restaurateur is not willing to place their business into an area where the area is busy for only a month out of the year.

Question: Councilmember Whittaker acknowledged that he completely agreed with Mr. Perry's assessment, but he wondered if they were engaged in discussions with the business owners. He asked for ideas on steps the City could take to get to that next level.

Answer: Director Jabjiniak mentioned that they were talking to several developers around the ballpark about comprehensive development. This would include retail space and office space, as well as being able to fit with the culture and be able to park in and around the ballpark, so that it is sustainable for 12 months out of the year. He said these are some of the questions they are considering. He said they are looking at traffic counts and demographics, and those are some of the things they can continue to develop. He stated that they desire to use their land and leverage that into some form of development around the stadium.

Question: Councilmember Whittaker asked about the GPEC backlog.

Answer: Brian Campbell said it wasn't a backlog, it was a pipeline. He said there are many potential deals that are coming in and Mesa needed to take advantage of them.

Question: Councilmember Whittaker asked what that means from Mesa's perspective. He asked what they were missing from this side.

Answer: Brian Campbell pointed out that what is missing is the ability to take advantage of some of the opportunities due to a lack of space. He said he believes they need an initiative to help generate Class "A" space, both in terms of product that can be sold, or things that can be worked with. He also noted that this is why the Falcon Field Tech Center is so critical. He said they need staff that can push that project over the goal line and they keep running into delays. He pointed out that they need staff to push these things to get these properties into market and ready to go when the pipeline hits. With enough staff, they can evaluate each of the deals and say if a particular deal is something they can make happen.

Comment: Dominic Perry said he thinks there is only so much GPEC can do. To get something that Mesa needs in terms of Class "A" space, you need a developer with very deep pockets and a very long window, as well as a risk threshold that would allow them to put out millions of dollars, hoping someone will come in the future. He shared that there hasn't been the community for that yet. He said Riverview is an example of how long it has taken a particular Class "A" space, in a prime location, to actually come to fruition and to be leased up.

Director Jabjiniak said that his department can promote it and do whatever they can, but sometimes people just want a Tempe address. He stated that now, Tempe is getting too expensive, so Mesa is becoming a more affordable option. He noted one of the obstacles facing them was the Johnson Pit. Because it is located in a county island, it will always be there. He noted that businesses don't want to drive by it, especially Class "A" tenants.

Question: Councilmember Whittaker asked what they were missing to get developers to see the potential for Mesa to be a good long-term investment.

Answer: Dominic Perry answered that this was probably more of a question for Director Jabjiniak. He answered that in his opinion, it was a matter of dollars and demand and having a

different vision of what Mesa is to the valley. He said that is what Bill tries to do in his department.

Comment: Brian Campbell said two weeks ago, he brought a property over to Bill's team, from someone that owns property in Mesa, on one of Mesa's transportation corridors, that could go either way – residential or office, and they are evaluating the numbers. But he pointed out that it takes a lot of time and effort for Bill to be able to sit down and try to broker that kind of deal. He said it requires staff and resources and pointed out that his example is just one deal of all the many that are coming through the process. He said Bill needs to have a strong team to make it happen.

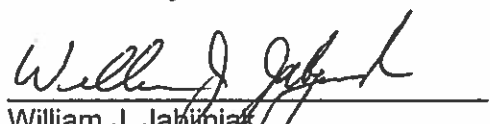
7. Other Business

Vice Chair Ovando-Karadsheh announced that the next meeting for the EDAB Board is scheduled on March 7, 2017.

8. Adjournment

With no further business before the Board, Vice Chair Ovando-Karadsheh adjourned the meeting at 9:02 a.m.

Submitted By:



William J. Jablinski
Economic Development Department Director
(Prepared by Debbie Frazey)