

MEETING MINUTES
Office of Economic Development
Economic Development Advisory Board
57 E. 1st Street
Lower Level Council Chambers
Mesa, AZ 85201
Date: June 4, 2019 Time: 7:30 A.M.

MEMBERS PRESENT

Natascha Ovando-Karadsheh, Chair
Jim Kasselmann, Vice Chair (Via telephone)
Rich Adams (Via telephone)
Brian Campbell
James Christensen
Deb Duvall
Matt Likens
Christopher Nickerson
Dominic Perry

EX-OFFICIO

Mayor John Giles (Excused)
Chris Brady, City Manager (Excused)
Sally Harrison (Excused)
Jeffrey Pitcher

STAFF PRESENT

William Jabjiniak
Jaye O'Donnell
Maribeth Smith

1. Chair's Call to Order

Chair Ovando-Karadsheh called the Economic Development Advisory Board meeting to order at 7:30 a.m.

2. Items from Citizens Present – None.

3. Approval of Minutes from the May 7, 2019 Board Meeting

Chair Ovando-Karadsheh called for a motion to approve the May 7, 2019 minutes.

MOTION: Deb Duvall moved to approve the May 7, 2019 minutes as presented; seconded by Dominic Perry. Upon tabulation of votes, it showed:

AYES – Ovando-Karadsheh, Kasselmann, Adams, Campbell, Christensen, Duvall, Likens, Nickerson, Perry

NAYS – None

Chair Ovando-Karadsheh declared the motion carried by unanimous vote.

4. Election of Chair and Vice Chair for FY19-20

Bill Jabjiniak advised that according to the bylaws, the positions of Board Chair and Vice Chair are elected annually. There will be some new board members added later this year and for continuity, it is recommended to maintain a chair for a couple of years. He asked whether the Board would like to continue with the current slate of officers or consider nominations.

Current Slate of Officers:

Chair - Natascha Ovando-Karadsheh
Vice Chair - Jim Kasselmann

No nominations were made, and the Board was agreeable to continue with the current slate of officers.

MOTION: Deb Duvall moved to re-elect the current slate of officers: Natascha Ovando-Karadsheh, Chair, and Jim Kasselmann, Vice Chair; seconded by Dominic Perry.

Upon tabulation of votes, it showed:

AYES – Ovando-Karadsheh, Kasselmann, Adams, Campbell, Christensen, Duvall, Likens, Nickerson, Perry

NAYS – None

Chair Ovando-Karadsheh declared the motion carried by unanimous vote.

5. Board Recognition

Bill Jabjiniak noted that June brings us to the end of a fiscal year, and it also brings the end of a Board member's term. James Christensen has been a member of the Economic Development Advisory Board since August 2012. Mr. Jabjiniak remembered attending the groundbreaking of Gateway Commercial Bank in 2007. James was recognized for his years of service to the Board as well as his success with the Bank and his accomplishments at the Mesa Chamber of Commerce. Mr. Jabjiniak presented Mr. Christensen with a gift to commemorate his years of service and dedication to the Board. Mr. Christensen enjoyed his time on the Board and appreciated the opportunity to serve.

6. Strategic Plan Update

Jaye O'Donnell, Economic Development Assistant Director, reviewed highlights of the finalized Economic Development Strategic Plan. This is the first time a letter from the Director, Bill Jabjiniak, has been included in our Strategic Plan. This letter advocates very high standards, promotes quality jobs, education, development, and customer service, or what we are terming "The Mesa Way." The letter also announces our goals for fiscal years 2019 - 2022: to assist in attracting and expanding 85 companies, 7,800 jobs created or retained, \$1.6 billion in new capital investment, and 2.3 million square feet. The letter also sets forth other goals related to entrepreneurship, small business development, as well as technical assists with site selection.

VISION / MISSION / VALUES

Our vision is for Mesa to be regarded as a premier location for companies and developers seeking an innovative dynamic city to enhance their competitiveness. We want a balance of base industries that create high quality jobs and a diversified workforce. We want an educated workforce in jobs that pay above the county median wage; a leadership team that supports a regional, national, and a global approach to economic development; and a partnership between industry and government. It is our vision that the companies that operate in Mesa have the world as their marketplace. Our updated mission is to enhance Mesa's economy by promoting a culture of quality, supporting the creation of quality jobs, promoting direct investment, increasing prosperity and improving life for residents.

Our core values can be summarized as "The Mesa Way." That means operating at the speed of business, providing top tier customer service, advocating for quality economic development, and creating solutions for businesses competing in the global market. The full list of values as stated in the Plan include client-focused service, collaboration and creativity, high performance and mutual respect.

MARKET OVERVIEW

The market overview is a three-page summary of all the data used to analyze and develop the goals and many of the objectives and tactics in the Action Plan. We also reviewed the GPEC Action Plan as well as the Arizona Commerce Authority, which helped to inform our direction in the Strategic Plan.

Sections within the Market Overview include demographics, construction and real estate, city tax revenues, educational attainment, the K-12 education system, labor force and education pipeline,

employment, and infrastructure. These items capture the high-level concepts and also give context in the market overview in terms of where Mesa sits in comparison to not only our neighboring cities but the region and state as a whole.

Demographics - The Greater Phoenix population of 4.7 million will grow to nearly 6.4 million in the next 20 years. Mesa is expected to gain another 72,000 people by 2027. This translates into a demand for 26,800 new housing units for 2027, which obviously puts some stress on our economy and our city in terms of where to put those developments and what kind of developments we want to prioritize. Mesa's annual median household income is at \$54,446 and continues to be significantly lower than our neighboring cities in Maricopa County and slightly less than the state. Approximately 38.5% of Mesa's population is classified as low or moderate income. That figure is brought up because it matters in an economic development strategy.

Compared to the Phoenix Metro area's per capita income levels in relation to the national average, Mesa did really well from 1970 through 1985. As of 2017, the greater Phoenix per capita income is more than \$6,200 lower than the rest of the country. Mesa as well as other municipalities in the region must continue to focus on attracting companies that offer higher paying jobs, above the county median, to help increase the per capita income of the city as well as the area. Looking at talent and attracting new talent will afford us the opportunity to enhance the educational attainment rate in the shorter term.

Construction and Real Estate - Mesa has experienced the highest rates of growth in the development and absorption of industrial and flex space compared to the East Valley sub-market and compared to the Phoenix region as a whole. It has also experienced lower rates of growth relative to the same regions in the development of office and retail. The vacancy rate of the industrial flex inventory in Mesa is 5.4%, which is slightly below the East Valley compared to the Phoenix region. The asking rents for industrial space are reported to be higher than rents in the East Valley as a whole. That is most likely because we have more industrial space that has come online recently, although we are still trying to catch up to our neighbors. Mesa continues to be a preferred well-established location for industrial uses due to abundant available land at lower prices. As more industrial users continue to move into Mesa, it is vital that our supply continues to meet the demand. We all know that Mesa has limited Class A office space, and most of the new Class A office development has or is occurring in Tempe, Scottsdale and Chandler. These communities have larger labor force bases in high-skilled occupations commonly associated with the use of office space and they have also developed a critical mass of office space. While vacancy rates are back on target with pre-recession levels, we continue to lack the availability of newer Class A office space. A few short years ago we were very deliberate on pursuing industrial development. We now need to apply that same strategy to develop additional Class A office space, which will attract higher paying jobs.

While industrial is seeing a lot of activity in Mesa and offers strong potential, we also need to place a higher priority on attracting industrial businesses which offer higher wage jobs. Office operations typically are served by well-educated, highly skilled workers and they typically pay better than industrial jobs. We should consider programs to attract and retain higher paying jobs from a business assistance perspective. Data from a GPEC FY2018 analysis shows that while the manufacturing average annual wages are just shy of \$44,000, the office average annual wages are almost double at \$81,390.

Chair Ovando-Karadsheh clarified that since we don't have the Class A office space, we can't attract the Class A office jobs, which results in us having a lower wage. This Board has been talking forever about Class A office space and this shows us the impact of not having that space. Hopefully, the Union project will help us start to fill that gap.

Ms. O'Donnell reviewed the percentage of employees by industry mix in Mesa. We do fairly well in occupations in health care, social services, and educational services, although Mesa falls short in other key areas. Information, finance & insurance, and manufacturing are three key categories where Mesa falls below the county, state and national averages. Those sectors are typically associated with higher paying positions as they require more advanced education and a greater degree of technical skill.

Bill Jabjiniak often hears the questions why can't we have State Farm like Tempe or how come we can't have a downtown like Gilbert. The average household income in Gilbert is \$84,000 or so compared to Mesa at \$54,000. The retail sector will locate where there is a higher income demographic and a demand. There is a lack of supply and obviously a lot of demand in Gilbert, and retail will follow the income stream. Mesa is in the process of redevelopment and repositioning of certain assets. Retail will still come because of the sheer size, but at a different level. Office will look at workforce, how many people within that educational attainment are within a certain drive time. When you have a big engine like ASU that can provide a lot of bachelor's degrees in a certain discipline that is a big draw. Those are things that have been missing here. He has been asked why we can't have Nordstrom in northeast Mesa. Part of the problem is that half of the circle retail uses to determine location is empty because it is national forest and Indian community. As you start to expand that drive time, you have different pockets of differing incomes. Those are some of the factors that go into locating, and how we compete on a national average or even regionally makes all the difference. That is why this data is important in this strategic effort. Mr. Jabjiniak was in DC a month ago and Northrop Grumman's president of the Innovation Systems Division very clearly stated he knew a lot about Arizona and that we have the second highest number of jobs across the entire footprint in terms of locations. Mesa also is five percent cheaper on average across the entire county. That plays well as companies look for their next opportunity. We have to attract those high-end jobs to keep the market going.

Jaye O'Donnell advised that Mesa is stronger than the county, state or the US in retail trade and accommodation, and food services. Attracting and retaining those quality employers who want that professional labor force will help transition Mesa not necessarily away from a service-based economy but towards a more balanced one.

Educational Attainment - Arizona and Mesa have been lagging the national average in terms of bachelor's degrees and higher as a percentage of the total population since 1990 and the year 2000 respectively. Attracting companies that need top talent becomes increasingly difficult when a company is looking at educational attainment. According to the US Bureau of Labor Statistics, 69% of all jobs created from 2016 to 2026 will require some form of post-secondary education, and 40% of those will require a bachelor's at a minimum. Fewer than 12% of those jobs will require only a high school diploma or less. Mesa needs to make sure that more of our population is better educated so that they have those jobs going forward. We need to place high priority on the entire education continuum.

Ms. O'Donnell included a quote that she felt relates to Mesa and this Strategic Plan from Chris Camacho, CEO of the Greater Phoenix Economic Council (GPEC): "The economy has changed. We are going to have population growth but that's not enough. Urban markets are winning. What do advanced industries care about today? They care about modern infrastructure; they care about the quality of place in terms of communities and they care about the pipeline of workforce. We have to have investment strategies that enable us to continue to evolve."

SOAR

The SOAR analysis talks about our Strengths, Opportunities, Aspirations and Results. Internally, we have a reputation of being a hard-working team and we are proud of "The Mesa Way." We are creative problem solvers and have a passion for telling our story. We will continue to maximize our regional collaboration, especially in workforce development, angel investment, development, entrepreneurship, transit and education. We also must educate our stakeholders about what the Office of Economic Development actually does and why it is important to this community. Emerging industries include cybersecurity, aerospace, and medical device manufacturing. There is a high demand for large office and industrial buildings, and we should consider repositioning the existing retail building supply and any other underutilized buildings for adaptive reuse. We need a targeted business assistance program to increase our competitiveness, to win deals, and ultimately benefit the residents of Mesa.

Rich Adams agreed that creating awareness of what the Office of Economic Development does is important. We have had the same discussion at Visit Mesa about the need to educate the community about what we do. He felt this is a critical piece and was glad it was included.

Jaye O'Donnell appreciated that comment. In terms of aspirations, we want our residents to know what economic development means in the city and to the city, and the value of professional economic development staff in terms of helping companies grow. We want residents and particularly Council to be proud of the job we do and understand that we are professionals in our field. We aspire to have Mesa be known as a Next Generation City, a center of innovation for new technology. The results, if we can achieve these goals, will be an increase in the number of high-tech companies as well as high wage jobs in Mesa. The high-tech sector will thrive here. The city's per capita income will increase, and Mesa's educational attainment rate will also increase. City staff, officials, and residents will aspire to increase the standard and the quality of all things Mesa, and Mesa will become known as a young, vibrant, highly educated, progressive community.

STRATEGIC ACTION PLAN

The Strategic Plan outlines three main goals. The first goal is to attract and expand more companies and create and retain quality jobs. Tactically, we want to collaborate with and respond strategically to leads from our partners and increase our communication with stakeholders, including brokers, developers, GPEC, and ACA. We want to continue to build compelling business cases for industries of opportunity, increase the number of visits for Mesa's Business Retention & Expansion (BRE) program, and enhance programming for entrepreneurship and small business development.

The second goal is to increase Mesa's visibility and improve Mesa's image to create additional momentum and reach new audiences in key industry segments and investment organizations. Mesa is known nationally as a premier location for business. We plan to execute focused marketing campaigns, communicate the value of economic development to leadership and residents, partner with Visit Mesa to leverage marketing and develop additional product, support the regional cooperative marketing strategy, and utilize existing businesses to tell Mesa's story.

The third goal is to increase capacity for attracting quality economic development citywide. This is probably the most difficult goal and a little more intangible. Mesa will work with key departments to facilitate development projects to maximize economic impact. We need to inform our stakeholders, residents, and elected officials where a particular project might be best used or best maximized. We will strengthen relationships and improve coordination with workforce development partners and integrate and implement the Action Plans for the new Southwest, East, and West Redevelopment Areas, Central Business District, and the established Town Center.

SUPPORTING DATA

The top-level Economic Development Performance Measures include the number of jobs created and retained; the average annual wage; capital investment of the companies attracted, expanded, or retained; the number of new or renovated commercial square feet; and the number of companies attracted, expanded, or retained. These measures are tracked on a monthly basis and reported quarterly. Twice a year, we meet with the City Manager to report on the status and future outlook.

Ms. O'Donnell advised that EDAB can engage by becoming familiar with the Strategic Plan and the data to help tell our story of the value of economic development and the Mesa Story. Board members are encouraged to connect with the City of Mesa on LinkedIn, Twitter and Facebook and like, re-post and re-tweet the positives for economic development in Mesa. During the recent Economic Development Week campaign, it was great to see the Board members weighing in, commenting and providing testimonials about economic development in Mesa. It really does get good traction.

Board Discussion:

Chair Ovando-Karadsheh felt it would be helpful for the Board to receive notifications on economic development news items such as new companies coming in, grand openings, expansions, ground breakings, or new jobs. That way the Board will be aware of these things and can share them.

Deb Duvall felt the booklet was extremely well done. She complimented Jaye O'Donnell, Bill Jabjiniak and their staff for an extremely helpful document.

Matt Likens agreed that the Plan was well done. A topic that came up last month in the Board meeting was having more visibility into the pipeline of companies that we are trying to attract. He would like to have a better understanding of how those opportunities are progressing through the pipeline as well as the reasons for the successes and lost opportunities. He suggested a quarterly report and discussion on how to adjust our approach in order to have a higher percentage of close rates.

Bill Jabjiniak advised that it is a long process and there is a lot of confidentiality. There are a variety of reasons for success or loss of a prospect. Staff will have to figure out how to present that in a public forum due to non-disclosure agreements. We were pushing the industrial spec side because there was a lot of demand for existing buildings with bigger floor plates and taller ceilings. Regarding the Performance Measures, we have tried to focus on quality jobs. Retail is typically a lower wage job, but we have been growing in jobs since 2012 and hitting that goal consistently. The economy has been good now for the last couple years, although there is still a lot of room to grow over the next three years. Our budget this year has changed and was actually downsized. He will bring more details on that in August. This year the average wage was down, probably due to the overabundance of call center activity.

Jeff Pitcher asked if portions of the Strategic Plan were available to forward electronically to clients or others interested in Mesa.

Ms. O'Donnell stated it would be helpful to learn as much about the company as possible. She can provide them with case study information, workforce data, occupational wages and comparisons.

Rich Adams felt the document was concise and well-focused and appreciated Ms. O'Donnell and the team for a job well done.

Ms. O'Donnell asked the Board to review the full Plan and contact her with any further questions or ideas. She thanked the original steering committee, including Brian Campbell, Dominic Perry, Laura Snow, and Natascha Ovando-Karadsheh for their help on the draft of the Strategic Plan.

Chair Ovando-Karadsheh thanked Ms. O'Donnell for all her efforts. This information will be extremely helpful to the Board and gives the newer members an overview of what we are trying to accomplish.

7. TABLED ITEM - Discuss and Make a Recommendation to the Planning & Zoning Board and City Council on the Hawes Crossing Inner Loop Project Presentation

Chair Ovando-Karadsheh advised that Ms. Rose was unable to attend the meeting this morning due to personal commitments. Several members have done some additional research on the matter. As the Board will not meet in July, the Board will discuss this matter today as we do not want to push this item off until August.

Bill Jabjiniak provided the Board with an updated plan on Hawes Crossing. This plan was presented to the Chamber board and it is in the public realm. There have been multiple negotiations with staff, the owners and the state land. Planning staff has been working on the highway loop. The area map shows a lot of mixed use as well as light industrial and commercial. He explained that a mix of uses is both residential and commercial and there could be retail, but it would not be light industrial. He reviewed the map key as to the different zoning types on the properties. Single Family Residential RS-6 would be

3.5-5 dwelling units per acre, Medium Density would be 5.5-10 dwelling units per acre, Urban Density is 10.5-25 units per acre, and Inner Loop Urban Mixed Use is 6-12 dwelling units per acre.

Mr. Jabjiniak stated airport overflight is important here as air traffic does fly over the Inner Loop area. Most of the farms are looking to sell and they want to sell together. We viewed the area north of Elliot Road up to the power lines on our tour in March, and the map of this area is being updated as there is activity on both the east and west sides of that location. We have one data center existing there and one hopefully coming that are both large water users, however not all data centers are big water users. A statement was made at our last meeting that we can only handle two or three of those types of centers, which is true. Although all the other data centers use air to cool, not water. They do not impact public safety or schools. All they are doing is generating sales tax dollars for the city through the sale of electricity through SRP. For any of the data centers using water, it is a pretty straightforward deal. They are not big job generators directly, but their economic impact because the amount of demand they create otherwise is huge. There was a study done in northern Virginia on what they call a data center alley which shows a significant economic impact. Their demand for hotel rooms generates a lot of dollars. There is a lot of data center activity in the Tech Corridor. We are now starting to see the next evolution. SRP is making a major investment here. We have already oversold the power that is in those lines that go east west. SRP is bringing in a new power line from Crimson south of our border which will follow SR 24 to a new receiving station at the junction of the SR 24 and Loop 202. It will then follow the east side of the 202 all the way up to the power line. That will create redundancy and additional capacity. That new 230kv line will sit next to light industrial, which is excellent, and also next to the mixed use which has the residential planned. Those are some of the factors we need to take into consideration. There is a lot of activity in this area over and above what is already on this plan for Hawes Crossing.

Rich Adams asked to propose a motion. Chair Ovando-Karadsheh entertained the motion.

MOTION: Rich Adams moved, in accordance with our Charter-outlined duties, that the Economic Development Advisory Board Chair direct a letter to the Planning & Zoning Board, the Mayor and City Council expressing this Board's strong recommendation against any residential development anywhere near or within the Elliot Road Tech Corridor, specifically, the area that lies between Power Road and Signal Butte Road (West to East), and the power line corridor and Elliot Road (North to South), as well as anywhere directly adjacent to existing or planned employment uses.

Second: The motion was seconded by Deb Duval for the purpose of discussion.

Brian Campbell confirmed that the intent of the motion would include the proposed SRP 230kv line that will run along the east side of the 202.

Rich Adams confirmed that was correct.

Matt Likens was under the impression that negotiations had gone on for years in order to figure out the best use of this land and the right mixture of residential, retail, commercial, and industrial. At the last Board meeting, without having all of that history, he found it difficult to weigh in. It would be difficult for him to try to change what has already been negotiated for the area.

Brian Campbell had reached out to the applicant after last month's meeting to share some of the Board's concerns and encouraged the applicant to attend the meeting today and was given the representation that they would attend and provide additional information. He was very disappointed that they have chosen not to work with this committee, but instead go elsewhere to present what was their way or the highway. For some reason, they don't want to engage in a productive discussion with this Board. He believed the applicants felt very challenged by our economic development perspective and our concern about the impact their proposal would create in our community.

Deb Duvall would like to concentrate on the letter and how general or specific the contents should be. She agreed with everything that has been said and questions how all of this fits with the General Plan. She was concerned with what the Planning staff recommendation would be.

Bill Jabjiniak advised that a minor General Plan Amendment would be needed for this significant change as it was intended for employment. A couple things have changed over the past few years. The study done by the city of the entire area is now over a year old. The successes that have occurred since then are significant. The presentation of Opportunity Zones did not exist at that time and there are close to 40 buildings in southeast Mesa all in Opportunity Zones. None of that was in the study that the applicant is using. We also need to protect a major regional asset in the airport. The question is where to put the residential as we've seen employment areas compromised before. Those are also things to consider when the Board is making a recommendation.

Chair Ovando-Karadsheh felt the recommendation needs to include an explanation of our concerns. Skybridge and the 2,200 anticipated flights that will go over that area annually was also not factored into that plan. She felt time was needed to draft that language and suggested a special session.

Bill Jabjiniak advised that this proposal may go to Planning & Zoning fairly quickly.

James Christensen agreed that housing would kill that whole area. None of the high-density housing will support the higher wage jobs that we are trying to attract. There is a huge housing development very close over at Eastmark, and Morrison Ranch will build all the way to Power Road. There will be a huge amount of development there for residential. It is not like residential isn't minutes away from this property. He recommended keeping the language very general to oppose the plan and the heavy residential in that area. Our recommendation does not need to be incredibly complex.

Bill Jabjiniak noted that Planning wants input from this Board. The final action will come from Council, although the Planning Board has to act next. It is important that this Board weigh in with Planning as well as Council.

Jim Kasselmann felt strongly that this Board needs to weigh in on this matter and time is of the essence. We just heard Jaye O'Donnell's outstanding overview of the Strategic Plan and the goals. Not one bit of this development proposal supports any of the three goals presented in the Strategic Plan. As an advisory board, we have an obligation to voice our concerns about what is being put forth to the city for approval. He had significant reservations with the Hawes Crossing proposal.

Matt Likens noted that the residential piece would bring more dollars per acre to the farm owners and it has become an economic situation as far as cash available to relocate the farms so that it would make economic sense for them. Is there another way for the economics to make sense for the farms without the residential component?

Mr. Jabjiniak advised that each individual property owner would receive what their piece is designated for. They are not averaging it out amongst all the property owners. Over the last year, there has been a huge increase in land value for industrial. In order to get the bigger number, they need more units per acre. If they were to average it out amongst the owners, then you would do what's best for the city versus what is best for each individual property owner.

Brian Campbell noted the different landowners in the package. The property along SRP's new 230kv line is State Trust land. While they have a profit motive, it is not quite as sharp because they have a long-term vision for the best land use for the State Trust land for education purposes. In contrast, the landowners north of Elliot Rd between 80th Street and Hawes is one specific farmer who wants a specific price for their land. What price that landowner gets does not impact what the State Trust land gets or what any of the other owners want for their land. That landowner is free to exit or join this process if they don't get the price they want. That is the dynamic we are experiencing, so it is not a collective application. It is a group of individual landowners that are trying to maximize their profit.

Chair Ovando-Karadsheh noted there is not just one developer over the entire piece. It would be piecemealed out and there is no one developer overseeing the entire project.

Dominic Perry advised that the State Trust is in this process to change their zoning, and how they dispose of that land is critical. It goes to auction to benefit state education. They are looking to change

their zoning in order to get a better value for their land. That does not mean that this developer or anyone running this proposal will end up getting any of that land whatsoever. Someone else will come in and put whatever they want in there that works with the zoning.

Deb Duvall agreed that the Board should not be as general in the letter as to say we oppose this, we don't like it, etc. She felt we should concentrate on the residential piece and say that the Board is concerned about residential along the powerline, because of Skybridge and the increased flight activity, we are concerned because high-density housing does not necessarily support high wage jobs, etc. We should at least give some reasons why we do not want residential.

Chair Ovando-Karadsheh thought the Board should also include that it does not meet our economic development goals and refer back to our Strategic Plan and talk about that as well. As we look ahead and plan for the future, these are not in alignment. The letter can start with the language Mr. Adams proposed understanding that all the feedback of the Board will be incorporated into the letter.

Ms. Duvall referred to the joint meeting the Board had with the Planning and Zoning Committee. She had the distinct impression from some of their comments that they need ammunition, they need places that they can hang their hat and say I'm concerned about this because... Whatever the Board can do through the letter that will help them in their own research as to the power lines or high wage jobs, etc., might be helpful.

Mr. Perry noted that the Board has discussed jobs and wanting to be above the county average wages. When mixed use is thrown in, that encompasses retail, which will not be the higher wage jobs. Light industrial results in the same thing. We are still working on the lower end of the spectrum wage-wise. He has attended meetings that were held at the school at Boulder Creek and heard that people were excited about all this new space, new houses, and a new school, because we need new schools. That is not even Mesa School District that is the Gilbert School District. He believed no one has had that discussion with the Gilbert School District. In that area, we are still strained with fire and police. There is nothing about putting in police stations or fire stations to handle this growth and the density.

Ms. Duvall has contacted the Higley, Queen Creek, and Gilbert School Districts. The person at Queen Creek was on vacation. This is not in the Higley School District, but it is in the Gilbert School District. The person she talked to contacted the City Manager in Gilbert and they knew nothing about this. Nobody had contacted them. They would like very much to have a discussion with the developer or consultant for this project. They were very familiar with the area. No one has bothered to talk to the school district that will serve the major portion of this property.

Jeff Pitcher suggested starting the letter out with a general statement that the Board does not like this proposal because it does not meet the goals in the Strategic Plan. Then we can list out the five or ten specific reasons and that will be the ammunition for why it doesn't meet the Strategic Plan. The letter can be very succinct, maybe two pages long, with bullet points for the ammunition they need.

Brian Campbell would definitely support Mr. Adam's motion if it stated that this Board opposes the Hawes Crossing application because it does not meet the goals as articulated in our Strategic Plan, including, but not limited to, the residential component between 80th Street and Hawes Road, the powerline and Elliot Road, and in particular it's impact on the Elliot Road Tech Corridor, including but not limited to the residential component that is east of the 202 Loop adjacent to the new SRP 230Kv power line along Power Road, the impact of the residential component on the Phoenix-Mesa Gateway because of the flights that will be engendered by the Skybridge project, and the residential impact on existing school districts and other community, police, and fire services to the region and particularly our neighboring districts in the area that will be forced to incur the burden of these additional residential components. If the motion read something like that, he would support it.

Rich Adams would agree to Mr. Campbell's amendment to the motion.

Chair Ovando-Karadsheh asked if the Board could empower her as Chair to write this letter and that it be sent out to the Board members for telephonic review. It is very complex to take a detailed motion that drafts an entire letter with all of the specific points.

Mr. Campbell referred to Robert's Rules of Order regarding these procedures and having gone through the Attorney General's open meeting law training system, he noted that would require a fully noticed meeting and an action item taking the approach the Chair described. He liked Mr. Adam's motion because it empowers the Chair to write the letter with the Board providing that guidance. The Board will trust the Chair to put pen to paper accurately.

Deb Duvall stated since Mr. Adams indicated that he accepted the amendment as stated by Mr. Campbell, she will second the revised Motion.

Mr. Campbell restated his amendment to the previous motion.

AMENDED MOTION: Brian Campbell moved, in accordance with our Charter-outlined duties, that the Economic Development Advisory Board Chair direct a letter to the Planning & Zoning Board and the Mayor and City Council expressing this Board's opposition to the Hawes Crossing application because it does not meet the goals as articulated in our Office of Economic Development Strategic Plan, including, but not limited to, the residential component between 80th Street and Hawes Road, between the powerline and Elliot Road, and in particular its impact on the Elliot Road Tech Corridor, the residential component that is east of the 202 Loop adjacent to the new SRP 230kv power line along Power Road, the residential component's impact on the Phoenix-Mesa Gateway Airport because of the flights that will be engendered by the Skybridge project, and the residential impact on the existing school districts and other community, police, and fire services to the region and particularly our neighboring districts in the area that will be forced to incur the burden of these additional residential components. The amended motion was agreed to by Mr. Adams and seconded by Deb Duvall.

Upon tabulation of votes, it showed:

AYES – Ovando-Karadsheh, Kasselmann, Adams, Campbell, Christensen, Duvall, Likens, Nickerson, Perry

NAYS – None

Chair Ovando-Karadsheh declared the motion carried by unanimous vote.

8. Director's Update

Matt Likens reported on a company called Forced Physics in North Scottsdale, which devised technology for data center cooling without the use of water.

Director William Jabjiniak reported on several great events this past month:

- Grande Vita Groundbreaking
- CMC Steel Expansion Grand Opening
- The Landing at Phoenix-Mesa Gateway announced three tenants
- The Hangar project at Falcon Field (due to Opportunity Zones)
- Press release for Mesa-based Aqua-Tots Swim School's hundredth location worldwide
- Potato Barn ribbon cutting for a new Mesa location

Upcoming Events:

June 12, 11 a.m. - Times Microwave Systems Grand Opening (Horne and US-60)

June 12, 12:30 p.m. - Open House for the Landing at Phoenix-Mesa Gateway

The City Council has two more meetings on July 1 and July 8, before they go on break until late August. Mr. Jabjiniak expects a few of the larger deals to go before Council in the next 30 days.

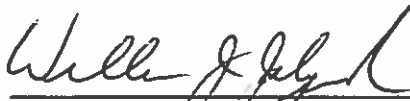
9. Other Business

There will be no Board meeting in July. The next EDAB meeting will be held on August 13, 2019, 7:30 a.m. in the City Council Chambers, Lower Level, 57 E. 1st Street, Mesa, AZ 85201.

10. Adjournment

Chair Ovando-Karadsheh adjourned the meeting at 9:03 a.m.

Submitted By:



William J. Jabjiniak
Economic Development Department Director

(Prepared by Dana Desing, TEI: 14082507)