

Exhibit 7 - Economic Development Advisory Board Letter



ECONOMIC DEVELOPMENT ADVISORY BOARD

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Staff

William J. Jabjiniak
Economic Development Director

October 17, 2019

Mr. Nana Appiah, City of Mesa Planning Director
Ms. Michelle Dahlke, Chair, City of Mesa Planning and Zoning Board

City of Mesa Planning Division
55 N. Center Street
Mesa, Arizona 85201

Re: Hawes Crossing

Dear Mr. Appiah and Ms. Dahlke,

With the grand opening of Apple's \$2 billion command center, Google's new commitment to Mesa, Governor Ducey's announcement of SkyBridge, and the federal establishment of Opportunity Zones, the City of Mesa Economic Development Advisory Board (EDAB) has paid close attention to the development of the Elliot Road Tech Corridor, the growth of the Phoenix-Mesa Gateway Airport, and the commercial development along Ray Road. The development in this sector is exciting, and there is no question that the southeast quadrant of Mesa is currently the strongest economic driver in our city. However, the Hawes Crossing development, being proposed inside and along the South 202 loop, could dramatically impair continued economic momentum.

Based on our continued research, the Economic Development Advisory Board has extremely strong concerns regarding the Applicant, Hawes Crossing, and its contemplated residential development north of Elliot Road, between 80th Street and Hawes Road (adjacent to Salt River Project's (SRP) 500kV, 230kV and 69kV transmission lines north of Elliot) and the proposed mixed-use development (which allows for 65% residential use) along the planned SRP Southeast Powerlink 230kV line on the east side of the 202 Freeway. As evidenced by the explosive growth of the Elliot Tech Corridor, these power lines represent significant infrastructure assets for Mesa. These high capacity power lines, which are uniquely located in this area, provide the means for manufacturers and industrial users to "plug-in." While the Applicant has argued that there is plenty of available land for industrial use within the Inner Loop, there are extremely limited opportunities for large power users to locate next to these significant SRP lines. In our discussions with SRP at our August 13th EDAB meeting, SRP confirmed that the proximity to power was a strong deciding factor in site selection by large industrial users. City Manager Chris Brady also noted in that meeting that having the infrastructure in place for power and water is what drives economic development. The importance of this infrastructure was evidenced once again this week by Raging Wire's selection of the Elliot Tech Corridor for its 1.5 million square foot data center campus. This board finds it unfathomable that there is any consideration of residential uses along these existing and proposed power lines. We find it equally unsettling that there is a willingness to waste economic growth opportunities along Elliot Road, a corridor which is now bookended by two Fortune 15 companies.



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The Economic Development Advisory Board is also concerned that the Applicant's proposed residential uses are within the flight paths of Phoenix-Mesa Gateway Airport. The studies presented do not consider the anticipated increase of overflights due to the development of SkyBridge. Governor Ducey announced that SkyBridge would launch with approximately 2,000 cargo flights annually and expand to over 10,000 flights annually in the future. Phoenix-Mesa Gateway Airport has unparalleled infrastructure with three similar-sized extended runways that can be operated simultaneously. This airport is one of the most significant physical & economic assets in the Southeast Valley and a billion-dollar economic driver that continues to flourish. However, residential encroachment will put that growth at risk. The *Mesa Gateway Strategic Development Plan – Inner Loop District Update dated August 17, 2018*, concluded in its case study of comparable airports that, "Residential uses around California airports has led to flight restrictions on (a) number of commercial operations and passenger counts." The City of Mesa must prevent such challenges and protect the future growth and expansion of Phoenix-Mesa Gateway Airport.

The Applicant was invited to present to EDAB on May 7, 2019. The presentation that was made by the Applicant suggested that our board had a choice to either support the Hawes Crossing project or choose, what the Applicant described as, a "Rough Reality/Tough Future" of storage, trash, paintball, and dairy flies for the Inner Loop area. Upon closer examination of the existing land uses and proposed Hawes Crossing development, it was discovered that storage, trash, paintball, and dairies would remain in place and actually surround this proposed development. Following the May 7th presentation by the Applicant, EDAB invited the Applicant to return on June 4th with a more complete proposal of the project. The Applicant was not able to accept our June invitation and did not to send any representation to provide further clarification of the project.

After careful evaluation, the Economic Development Advisory Board has unanimously voted against the Hawes Crossing Project as it does not meet the strategic economic development goals of the City of Mesa. This board hereby recommends that the Hawes Crossing project, as proposed, be denied by the Planning and Zoning Board and the Mesa City Council.

Sincerely,

Natascha Ovando-Karadsheh
Chair, City of Mesa Economic Development Advisory Board

Cc: Chris Brady, City Manager
William Jabjiniak, Economic Development Director
Christine Zielonka, Development Services Director