

MEETING MINUTES
Office of Economic Development
Economic Development Advisory Board
120 N Center Street, Mesa AZ 85201

Date: August 1, 2023 Time: 7:30 A.M.

MEMBERS PRESENT

Rich Adams
Michelle Genereux – Vice Chair
Steve Henderson
Bill Honsaker
Amanda Kay
Laura Snow

EX-OFFICIO

Mayor Giles (Excused)
Chris Brady (Excused)
Sonny Cave
Sally Harrison
James Kasselmann (Excused)
Natascha Ovando-Karadsheh
Jennifer Zonneveld - Chair

STAFF PRESENT

William Jabjiniak
Elyce Gobat
Kim Lofgreen
Jaye O'Donnell
Maribeth Smith
Jack Vincent

MEMBERS ABSENT

Brian Campbell (Excused)
Kathleen "KJ" Jolivet (Excused)

GUESTS

Rachel Nettles
Jeff Robbins

1. Chair's Call to Order

Chair Zonneveld called the August 1, 2023, meeting of the Economic Development Advisory Board to order at 7:31 a.m.

2. Items from Citizens Present - None

3. Introduction of New Members

Chair Zonneveld welcomed new members Bill Honsaker, Amanda Kay, and Sonny Cave.

Mr. Honsaker is the Managing Director at Jones Lang LaSalle. He has been in commercial real estate since 1989 moving from California to Arizona in 1999. He has been involved in projects and listings in the Elliot Road Technology Corridor as well as the Union Pacific rail project (PIRATE) in southeast Mesa.

Ms. Kay recently transplanted to Mesa from Texas. She is the Pharmacy Supervisor with OptumRx. They are the largest pharmacy in the U.S. and expect to begin shipping scripts in 60 days from their new Mesa location.

Mr. Cave recently retired from ON Semiconductor where he was the founding general counsel. During his 23+ year career he also held the position of Chief Risk Officer of the Enterprise Risk Management Program. He has moved to Arizona four times and most recently moved to Mesa in 1999 from Switzerland.

4. Approval of Minutes from June 6, 2023, Meeting

Chair Zonneveld called for a motion to approve the minutes. A motion was made to approve the June 2, 2023, minutes by Steve Henderson, seconded by Laura Snow.

Upon tabulation of votes, it showed:

AYES – Adams, Genereux, Henderson, Honsaker, Kay, Snow

NAYS – None

Motion carried by unanimous vote.

5. Review history of boardroom namesake

Mr. Adams shared that the boardroom at 120 N Center Street is named in honor of Robert W. Britton. The building previously housed Visit Mesa and Mr. Britton was its founding and longtime CEO. He was born and raised in Mesa and heavily involved in Spring Training, promoting the Cactus League, and participating in Governor Rose Mofford's exploratory panel in the late 1980's. Mr. Adams stated that he had never met someone more dedicated to his job and community than Mr. Britton who passed away on the job at 60. Mr. Britton served the visitors and convention center bureau with dignity, honor, and integrity when charged with facilitating public funds.

6. Review City of Mesa Code Title 2, Chapter 21 – Economic Development Advisory Board

Economic Development Director Bill Jabjiniak reviewed the Mesa Economic Development Advisory Board ordinance with the board which is composed of nine residents who are voting members and eight nonvoting ex-officio members. The Economic Development Advisory Board shall act as the advisory board to the Mesa City Council on matters pertaining to economic development and serve as a forum for economic development policy discussion.

Ms. Ovando-Karadsheh encouraged members of the board to share their viewpoint as the minutes are read by the public and elected officials.

7. Hear an update on the City of Mesa 2050 General Plan process

Chair Zonneveld welcomed Jeff Robbins, senior economic development project manager with Development Services.

Mr. Robbins shared that general plans are the most important long range planning document a city has and can bind a future council. A general plan is shaped by community and city leadership and includes guiding principles, policies, and detailed actions that shape the trajectory for the next 25 years. A general plan is effective for ten years, required by state law, and includes 17 required elements as well as public participation. The general plan overall process timeline was displayed as well as a map reflecting stable, vacant, transitioning, and redevelopment land areas. A draft of the 2050 General Plan is expected in January 2024.

A future land use map and designations are a required element by the state and dictates where future land uses may be located. Land use strategies identify which areas of the city are ready for change and which should be protected from development. Together with the future land use map and designations, it guides decision-making when evaluating development proposals and land use decisions. The future land use designation map was displayed in draft form. Feedback was requested on the 11 categories which encompass many zoning options. Banner's campus was referenced as an example of a local employment center. A regional employment center would be Riverview, the Falcon District, or the

Gateway area. Additionally, a regional employment center within the inner loop assists in protecting the flight path.

Ms. Ovando-Karadsheh commented that the urban residential designation within the inner loop may infringe on flight paths.

Mr. Jabjiniak suggested members speak with elected officials regarding the general plan as it is a vision of Mesa's path forward.

Ms. Ovando-Karadsheh stated that sometimes the general plan is the only support you have in a zoning case, the only other voice.

Mr. Adams reiterated that airports do not mix with residential. Advocates of housing near airports don't live there, and don't answer the phone when residents lodge a complaint. Although housing continues to grow around Phoenix-Mesa Gateway Airport, we must remember that the runways were situated as they are due to winds.

Assistant Planning Director Rachel Nettles responded that the Planning Division has separate maps that are referenced when speaking with developers.

Ms. Snow asked if an overlay could be added to the land use map as the public may not realize that there is a flight path in a specific area.

Ms. Ovando-Karadsheh agreed that a map with the noise contours as well as the flight paths in District 6 would be very helpful.

Mr. Robbins agreed that it may assist the public in understanding why specific zoning is in place and the reason behind it.

Mr. Cave inquired about the land use plan from a broader scoping perspective. How is the General Plan integrated with other plans or other requirements? For instance, if there was a policy goal to encourage utilization of solar energy by a certain amount of new development.

Ms. Nettles responded that the general plan is very general and the first plan to be flushed out. Specific plans such as Transportation, Transit, or Environmental are more policy heavy, but need the vision of the general plan. This layered approach is overarching and allows for a broader look at the issues. Certain department plans are being developed concurrently with the 2050 General Plan.

To increase participation in youth under 25, who are 20% of Mesa's population, a visual arts contest was developed. In partnership with Mesa Public Schools, Arizona State University's MIX Center, and the City of Mesa, an experience has been created which will allow 100 people to be immersed in future renderings of specific areas on November 6 – 9. Next steps include questionnaire #3 which will feature an online future land use map and an August 17th presentation of the 2050 General Plan vision statement and guiding principles to City Council.

Ms. Snow stated that having the noise contours or acknowledgement of the flight paths is so important when determining future land use. Although there is a housing shortage situation, the public must be made aware that certain areas are incompatible with housing.

Ms. Zonneveld agreed that some of the public are not informed regarding the airport's importance.

Mr. Adams commented that when he was a member of the Planning & Zoning Board the Planning Director provided flight paths and noise contours to the board members. He felt the noise contour overlay with decibel levels in color would be most effective.

Mr. Honsaker concurred that the current land use map does not identify the airports. He suggested using a base map with layers referencing the airports and runways and other items as necessary.

Ms. Snow inquired if existing and planned housing developments could be layered or identified as well.

Ms. Ovando-Karadsheh offered the board's assistance to review the map in detail.

Rich Adams, Bill Honsaker, Natascha Ovando-Karadsheh, and Laura Snow volunteered for the subcommittee to provide suggestions on the land use map. Jaye O'Donnell will be the Office of Economic Development's point of contact.

8. Hear a presentation on the City of Mesa Office of Economic Development 2022/23 metrics

Assistant Economic Development Director Jaye O'Donnell introduced Project Manager Elyce Gobat who has been with the office for 2.5 years. Ms. Gobat is the reigning Economic Development Professional of the Year.

The Office of Economic Development's mission, lines of service and FY23 (July 1, 2022 – June 30, 2023) performance measures and results were shared. Ms. Gobat stated that the performance goals are built into the office's strategic plan. FY23 highlights included 4,144 jobs created or retained, \$1.56B in capital investment, and 1,385 small business engagements.

Ms. O'Donnell shared that the enhanced small business program's catalyst was Mesa Cares. During COVID, grants for rent, utilities, and technical assistance were so well received that Council budgeted \$350,000 to maintain the small business assistance program. This budget was supplemented by ARPA and LanchPoint funds. During FY22 our office assisted 77 businesses which increased to 118 businesses in FY23. Any Mesa business may join Mesa HUUB which offers a free library of webinars in all areas. Current enrollment includes 730+ business of which 33% are minority owned and 30+% are women owned.

A year over year comparison of FY22 and FY23 was displayed and included 2,461 jobs created and retained in FY22 versus 4,144 in FY23. Average annual wage increased from \$56,839 to \$62,900 and 38 companies were attracted, expanded, or retained in FY22 versus 53 in FY23. Five-year trends for jobs created and retained, average annual wage, capital investment, and business square footage was also displayed.

Ms. Ovando-Karadsheh inquired if prospects and a high number of site visits correlate to a high number of jobs the following year.

Ms. Gobat responded that economic development is a long game and there isn't a direct correlation in the numbers.

Mr. Jabjiniak also commented that the cost of capital had changed and that decisions were taking longer to finalize; however, availability of speculative product makes Mesa an attractive option.

Ms. Ovando-Karadsheh reframed her previous inquiry under the lens of the staff's capacity to conduct business, retention, and expansion (BRE) visits and handle the prospect/project pipeline.

Mr. Jabjiniak responded that a new retail focus will add to staff workload, but as The Studios come online, we may see additional staff resources. He also reiterated that most of the five-year trends are not steady except for average annual wage which has shown a steady increase in higher quality jobs for citizens.

Mr. Cave inquired if we had considered peeling off a more macro effort. He questioned if inflation in wages attributed to the increase or, from a qualitative perspective, if the increase was above the normal wage growth.

Mr. Henderson commented that higher demand was fueling higher wages. Although there are more openings than job seekers, affordability is still an issue as a 10% wage increase cannot keep pace with a 30% increase in the cost of housing.

Mr. Honsaker commented that from an industrial perspective Mesa is competitively low in comparison to Salt Lake City, Denver, or California and land affordability has fueled the growth we have seen.

Goals for FY24 were shared with the board. Mr. Jabjiniak commented that deemphasizing data centers would stabilize the capital investment performance metric; however, data center interest continues to be high, sharing that 15 data centers had requested power studies and receiving station timelines from SRP.

Mr. Honsaker inquired if the Google project had been factored into the performance metrics and Ms. Gobat replied that the land purchase had been claimed, but not the building yet to be constructed.

Mr. Admas complimented Mesa HUUB's excellent resources.

9. Director's Report

Mr. Jabjiniak shared that the Greater Phoenix Economic Council (GPEC) prospect overview for FY23 reflected 103% of goal achieved and prospects overall were 90% of the previous year. Current active prospects in the region totaled 219. There were 70 industrial prospects seeking over 200K square feet in FY23, down from 77 in FY22. June and July marketing highlights were reviewed recapping interviews and press releases.

Ms. Snow shared that Banner has been doing a lot of work with Taiwan Semiconductor and inquired if we have received interest from supply chain companies.

Mr. Jabjiniak responded that inquiries from supply chain companies have been received, although heavy chemical use can be a hinderance. He stated we are being judicious with prospects until capacity is built through expansion of water treatment plants and the pipeline expansion.

Mr. Honsaker commented that heavy industrial zoning is required by some of those users.

Ms. Ovando-Karadsheh suggested reviewing workforce numbers on a quarterly basis to determine what types of jobs we should pursue.

Mr. Jabjiniak mentioned the City's workforce initiative in conjunction with Pipeline AZ and suggested a presentation early in 2024 when the initiative is further underway.

Mr. Honsaker inquired if Mesa is attracting its fair share of companies through GPEC and the Arizona Commerce Authority's (ACA) prospect pipeline. He shared that the semiconductor industry is challenging from a workforce perspective as well as a zoning perspective, but one of the keys to positioning Mesa to attract this supply chain is knowledge of the industries considering relocation.

Mr. Henderson shared that CMC had great success with Mesa Community College's (MCC) training programs on the technical maintenance side. MCC was open to tailoring options when necessary.

10. Other Business

The next board meeting will be held on Tuesday, September 5, 2023.

11. Adjournment

Chair Zonneveld adjourned the August 1, 2023, Economic Development Advisory Board meeting at 9:16 a.m.

Submitted By:



William J. Jabjiniak
Economic Development Department Director