

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

Date: April 6, 2021 Time: 7:30 AM

THE MEETING WAS CONDUCTED VIA VIRTUAL PLATFORM

MEMBERS PRESENT

Rich Adams, Vice Chair
Brian Campbell
Deb Duvall
Matt Likens
Christopher Nickerson
Natascha Ovando-Karadsheh
Dominic Perry
Brad Wilson (by phone)

EX-OFFICIO

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

STAFF PRESENT

William Jabjiniak
Jaye O'Donnell
Lori Collins
Maribeth Smith
Chris Molnar

MEMBERS ABSENT

Jim Kasselmann, Chair (Excused)

GUESTS PRESENT

Councilmember Julie Spilsbury
Michelle Streeter, Visit Mesa

1. Chair's Call to Order

Vice Chair Rich Adams 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 April Board Meeting

Vice Chair Adams called for a motion to approve the minutes from the March 2, 2021 meeting.

Deb Duvall moved to approve the March 2, 2021 minutes as presented; seconded by Brian Campbell.

AYES - Adams, Campbell, Duvall, Likens, Nickerson, Ovando-Karadsheh, Perry, Wilson

NAY – None

Vice Chair Adams declared the motion carried by unanimous vote.

4. Presentation from Visit Mesa - Michelle Streeter

Michelle Streeter gave a presentation on Visit Mesa which is the City of Mesa's destination marketing organization. Their goal is to elevate Mesa and put the city and all of its offerings in the best light possible through outreach and marketing. Their mission is to promote the vitality of the visitor industry. Last year around this same time when things started to shut down, the travel industry was one of the first and hardest impacted by the shutdown. Oxford Economics estimated that the loss impact was \$1.2 trillion in 2020. Tourism sectors in the U.S. Economy were the hardest hit with 7.7 million jobs lost and not all jobs have come back. It is happening but not at the pace that was hoped for.

In Mesa, things stopped when MLB pulled Spring Training around the week of March 16th and the state closed on March 31st. At that point, Visit Mesa started to recalibrate all the marketing programs and

outreach. They focused on all things local and keeping spirits high. These campaigns ran from April to August. In August, Mesa Cares programming started and several campaigns were run. The Drive Market was targeted, they partnered with Expedia, and a specific Arizona Advertising campaign was developed. Escape to Mesa Vacation Packages were introduced. A PR agency was hired to help push out messages to the local market and the most rewarding activities involved a steering committee with residents and leaders in the local community that helped keep spirits high. Support was also given to the Technical Assistance Programming to help local businesses.

The first campaign was the Drive Market campaign which started in August and ran through December 2020. Surrounding states were targeted, specifically Southern California. With youth sports continuing in Mesa, the Southern California market was a good place to advertise to get people to visit and compete on our fields and venues. Display banners and video were used. In total, there were almost 12 million ad impressions from the campaign and 331,000 clicks to the Visit Mesa page. The click through rate had high engagement. Video pre-roll ads were also used. These videos were shown on other websites in a news article, and you can click to watch these videos. The campaign was around Labor Day and focused on the water and outdoor recreation. This was changed seasonally. There were more than 50 ads run over the time frame from August to December 2020.

Arizona Only was another campaign to get locals to vacation in their own community and spend their dollars locally. This campaign delivered 5.6 million impressions. This was the highest click rate ever seen in a local campaign run to date at 3.07%. There were over 173,000 clicks to the Visit Mesa website as a result of this concentrated campaign. The main message was relax, reflect, reset and work was done with the Economic Development Team to keep the tone of the ads supportive of the current environment in the community. 72% of the ads from this campaign were delivered to mobile devices which shows that consumer behavior is changing. Phones are being used more and more for influence and inspiration. This campaign was adjusted to the seasons also. Fall themes and Winter themes were used.

The Expedia campaign delivered an exclusive partnership with Expedia being one of the largest online travel agencies in the United States. They have 92% of the market and in 2019 they had \$2.1 trillion in spending on their site. Expedia is a website where you can look for discounted rates and there was an exclusive discount offer of 15% off your stay on select hotels in Mesa. There were 10 million impressions that were pushed out, 6,900 room nights were booked, and 6,200 activated visits to local hotel listings came from this. It may not seem high but using Expedia is a helpful tool because the consumer is already close to making a decision on their travel plans. There was a reciprocal promotion on Visit Mesa's site which pushed people to Expedia.com and there were over 770 push throughs to the site from Expedia.

A collaboration was done with the City to market who Visit Mesa is with the local community. This helped people understand that you can benefit from your visitor community in your own backyard. This was a city driven campaign focused on three vacation packages. The Weekend Warrior package was focused on people looking for adventure and jeep tours and kayaking tours were offered. The Family Fun package was focused more on museums and indoor attractions. The Relaxation Retreat package was focused on the spa products available in Mesa. These were mainly supported through paid social media advertising. Facebook and Instagram was used to catapult this campaign. Mayor Giles was filmed paddle boarding for the first time to kick off these packages on Labor Day Weekend which were shown on Channel 3, 5, and 10. This reached 1.7 million different unique views and delivered 4.3 million messages to those accounts. The messages that were activated (visitors to the website) added up to almost 30,000 click throughs to the website. These were targeted specifically to Mesa to elevate Visit Mesa's awareness and was also opened up to the rest of the state after 2 weeks. This campaign ran through December 2020 and there were incentives given. If a vacation package was booked, Visit Mesa would offer \$100 in attractions assistance and \$50 for dining. The biggest return was elevating Visit Mesa. There were 40 vacation packages booked in different categories.

Mesa Cares funded a program to get out in the community and film in late October to capture footage on safe activities going on in Mesa. Fresh Foodie, Culture Seeker, Active Family, Adventure Explorer, and Sports Enthusiast were the videos made. This series was launched one after another on the website www.fortheloveofmesa.com. This campaign was pushed out on Instagram television, on their own website, and YouTube but the main focus was Instagram TV. Arizona influencers were targeted and the host of every video has their own following in the local market. Combined they reached over 600,000 followers and the Instagram views were 13,000. TikTok was almost 50,000 views. Consumer engagement showed over 10,000 comments, likes, and shares of these videos. This report was pulled in the middle of January so the numbers are lower than current numbers would show.

A public relations agency was hired to help push out programming and assisted with local coverage. Every local news station ran the vacation packages, Geo tour programs and promoted the Instagram television series.

Visit Mesa did not have a printed visitor guide this year. A digital version was made with the help of Mesa Cares funding. New content was added and the marketing was tailored to Mesa specifically. 25,000 copies were then printed and distributed at Phoenix Gateway Airport and Phoenix Sky Harbor Airport. Also, museums and hotels received the printed copies.

A steering committee came together with people from the business community and residents. This started in May 2020. The campaign has been extended and can be seen at www.fortheloveofmesa.com and Meet our Makers is the new series about local businesses and shop owners. The steering committee is helping to find new stories and helping with promoting this campaign.

The Technical Assistance program offered education, marketing, and public relations outreach for small businesses that were struggling. We developed six different programs and focused on Google for Business to help these small businesses use the Google tools available to them and learn how to elevate their business presence on the website. There were two seminars conducted and information provided on how to use Facebook ads, amplify advertising with geo-targeting, user generated content, and public relations. Feedback from surveys showed this was very valuable.

In summary, there were over 33 million impressions or touches. Branded Destination Awareness Ads = 22,104,706; Escape to Mesa Ads = 5,654,333; Escape to Mesa Vacation Packages Ads = 4,303,140; Instagram Television Series = 71,976; Social Media Sponsorships = 85,282; Public Relations = 1,637,715; Visitors Guide = 25,000. Today we are moving forward. Airlines are coming back and Phoenix is experiencing the second highest occupancy levels as of the last week of March at 77.1%. Demand is climbing. Solid recovery is happening in the leisure markets but it will still take time to rebound. Destination analysts ran a survey last week where 64% of their respondents are ready to travel with no hesitation and 52% agreed that they will visit outdoor oriented destinations in the coming months. A Longwoods study revealed that 48% feel safe in a hotel and about 35% feel safe flying.

Since January, campaigns have continued to run although not tied to Mesa CARES and markets have been opened to the Midwest and Northwest. There is still work being done with Expedia on vacation rental marketing. It's still critical to get in front of the consumer and build a strong marketing presence.

Rich Adams thanked Michelle for the informative presentation.

BOARD QUESTIONS/COMMENTS

Rich Adams asked about the responses and views, while being impressive, can these numbers be put into perspective? What is the average type of response that a user of these medias receive? Is this above the average? Michelle Streeter explained it comes down to the click through rates and specifically two of the campaigns had 3% and over 3% respectively. That is above expected; a typical click through rate is

1.5%. There is a recall and retargeting campaign that started in January with the Arizona Office of Tourism. The numbers are impressive and the usual targets are not people in Arizona, usually from out of state.

Matt Likens thanked Michelle Streeter for her comprehensive presentation. With his experience using his direct to consumer approaches in business, he understands the click through rate is impressive. He thinks the challenge is trying to measure the return on these programs. He would like to know the economic impact on each of these campaigns. He asked if there would be a way to quantify the economic impact of the investments being made. Michelle Streeter explained the vacation packages were unique. These have never been done before at Visit Mesa. Rates at hotels were at all-time lows with COVID so it's hard to determine because of the other factors. If vacation packages would be done again in the future, pick-up reports could be used from hotels to determine return on investment. People are in the booking window and Mesa is in the summer season right now and occupancy levels are spectacular. The average daily rate and revenue per available room is much lower, to be expected, but heading into summer with Mesa not being a summer destination other than mostly international travel along with travel restrictions, the flux is still happening. Most likely for at least the next year. Campaigns were steered toward locals but it was receptive. Matt Likens understands the value qualitatively of putting Mesa on the map. He is interested in tracking the data but is unsure of the answer at this point.

Jaye O'Donnell talked about data that Visit Mesa has compiled from visitor data that shows the average length of stay and party size and asked Michelle Streeter to send that information to Maribeth Smith so it can be shared with the board members to help show how Visit Mesa shows direct economic impact from the visitor market. Michelle Streeter advised it is available right now on www.visitorsmeanbusiness.com. The 2019 tourism economic study is shown on that website along with the length of stay and activities that a visitor does, but pre-COVID. Michelle will also share how it is determined direct visitors spend in Mesa.

Rich Adams asked for any other comments.

Councilmember Spilsbury commented she saw a lot of these ads on Instagram and Facebook and they were well done, very appealing and eye catching.

Rich Adams thanked Michelle Streeter for her presentation.

5. Conversation regarding Economic Development with Councilmember Spilsbury, District 2

Rich Adams introduced Councilmember Spilsbury.

Councilmember Spilsbury was elected and started in January 2021. She and her husband grew up in Mesa and have lived here for 23 years in District 2. They have 6 children and have owned a small business that was recently sold. Small businesses are very important to her.

She is excited about the Mesa Business Builder Program to help small businesses. She wants to make them feel like they are their champions instead of them thinking it's a difficult process regarding requirements. District 2 is in the central part of Mesa with a lot of empty shopping centers. She is interested in creative ways to use these spaces and work with developers to give this a neighborhood feel.

She met the owner of Dana Park last week and heard ideas about its future. There are a lot of new and different ideas and prospects for Dana Park. There is also some preliminary movement on Buckhorn Baths. It's a big area in District 2 with a historical background. She was able to walk through the area and there is historical preservation that needs to happen along with new ideas to use the

space. She thinks the history is important but also to update and have an area that people can use including restaurants, retail, and housing.

District 2 is mainly neighborhoods. She would like to get to know what each neighborhood needs. She wants to build up the leadership and connections in each neighborhood and make sure that every neighborhood has a registered leader with the city. She is reaching out to the neighborhoods that don't have a registered leader.

The Education and Workforce Roundtable has passed with the city and she will be on that committee along with the superintendents from schools, representatives from colleges, community leaders, non-profit organizations, parents, educators, and they will meet to help strengthen the education and workforce development in the city. She thinks this will help attract businesses knowing the city is putting a lot of effort into making sure the workforce is of great quality.

Rich Adams thanked Councilmember Spilsbury.

BOARD QUESTIONS/COMMENTS

Jeffrey Pitcher asked about how to get registered with the city. Councilmember Spilsbury said you connect with Community Services. They can help you get registered and there is also a database of leaders for each neighborhood. She thought it would be good to have a quarterly meeting of the registered leaders of each neighborhood for everyone to stay connected. This would keep everyone connected and provide a supportive, safe environment for everyone. Jeffrey Pitcher thanked Councilmember Spilsbury for the information. They also discussed Buckhorn Baths and what is still displayed there. William Jabjiniak was asked who owns Buckhorn Baths and it was discussed there are several investors that are interested in his site but that a developer is in transition to buy this property.

William Jabjiniak said he appreciated Councilmember Spilsbury's comment on workforce. He and Jaye O'Donnell worked on the recruitment of Benedictine to downtown and learned that they had their own set of standards being a small liberal arts school out of the Midwest and even though they have a high graduation rate, some of the students were not ready for the next level of education. How do we help that? Workforce is an economic development issue and we need to be able to look across a broad spectrum for answers. Councilmember Spilsbury added that the Mesa College Promise program is exciting because the requirements for this program are financially based (free or reduced lunch) and have a 2.0 GPA. This would help kids that may not qualify for other scholarships and may not have gone to college otherwise.

Rich Adams thanked Councilmember Spilsbury for being on the call today. He appreciates the councilmembers taking the time to join the meetings each month. Councilmember Spilsbury says she likes learning more about the economic development of the city and to be able to attend these meetings.

William Jabjiniak talked about retail and retail strategy and what Lori Collins is working on and recognized that is important to Councilmember Spilsbury as well. Workforce was focused on the higher quality jobs but how do we pivot and get the right quality of life features? Let's think about quality retail spaces and where these can go.

Lori Collins explained Mesa is a big place. 140 square miles but there are specific character areas within Mesa and there are micro-retail corridors that we want to highlight. The Greater Phoenix area has a lot of talented retail brokers on the tenant rep and landlord side but maybe they need to be informed of what Mesa can really offer them. Northeast Mesa, Las Sendas, and Dana Park need highlighting on their uniqueness. We are committed to getting more retail out into other areas and provide tools to people that live in these different areas to help the process.

Rich Adams thanked Lori and William for this information.

6. Director's Report

William Jabjiniak appreciates hearing different strategies for different areas of Mesa and what they can offer to put the right type of retail in the right places. It's been a hectic month and promises to be hectic for the remaining 3 months of the fiscal year as well.

The ElectraMeccania announcement garnered international attention. It is an international company with manufacturing jobs and the groundbreaking is expected in late April or May 2021. There is still growth to be had in this field. Aerospace and aviation is strong, also defense. Newer technologies are being invested into. For example, their expansion on Ray Road. Electric vehicles are growing in Mesa and there is more to come. William thanked Lori for all of her work with this economic development deal.

He also mentioned the Business Builder press release and Jaye O'Donnell talked about www.mesabusinessbuilder.com. The City of Mesa Office of Economic Development has been providing small business assistance services for years. This is a way to package all support services such as free digital tools that are available to all small businesses and entrepreneurs online. It also talks about the business resource organizations and alliances that are available i.e. LaunchPoint and Thinkspot. It's a one stop shop to get more information about how to start up and/or grow your business. On Thursday there will be a study session to cover the budget enhancement request for FY22. They have taken the best of the Mesa CARES Technical Assistance Program and asked for some additional funding to continue those programs and services so they can continue to have the Mesa CARES hub so businesses can log onto and become a member free of charge. There are 70 webinars that were produced for use.

William Jabjiniak talked about the Cannon Beach opening. The groundbreaking was last week and has received a lot of positive press. This is a good example of retail mixed use type of development, even with the water feature as the main piece and it shows there is a lot of development going forward on that property at Warner Road and Power Road.

William Jabjiniak talked about Mechnano and the partnership between them and ASU Polytechnic. They want to develop an advanced technology lab. It is a unique training and educational opportunity and circles back to workforce development.

William Jabjiniak acknowledged Jaye O'Donnell and the media coverage that came with her interactions about where the future workforce is coming from. Councilmember Spilsbury asked if there was a link for that to be viewed. Jaye O'Donnell will get that link sent out. She discussed how the workforce is changing and what a hybrid workforce would look like in the future.

William Jabjiniak asked if Christopher Nickerson could speak a little on the Banner Desert expansion and that in speaking with the Mayor was told there was already a groundbreaking for this. It was a small groundbreaking because of COVID. He is excited to see Banner in the area with great paying jobs and expanding across the Valley.

Christopher Nickerson added that this will be an exciting addition to the campus. They are building out to make a women's and infant center. Maternity and pediatrics will be together. The current area for labor and delivery will be backfilled and will be used for more beds for incoming patients for trauma and other services. The expansion will be significant and will make it the largest in the Valley, if not all of Arizona.

William Jabjiniak thanked Christopher Nickerson for that information. He asked Rich Adams how long it'd been since they did the Falcon Strategic Plan and Rich answered 8 or 9 years. The results of that indicated this area did not have the product that was in demand and needed more speculative development. William mentioned that George Graves is building a 100,000 square foot industrial building

off of McDowell which is needed in the Falcon Field area. That kind of building is in demand and it's nice to see it coming to northeast Mesa. There are three buildings being constructed right above Robert's Tire on Power Road just off the 202 which have about four months to be completed. These buildings are in the process if not completed to have signed tenant contracts. Off of Mesa Drive, there are four more of those buildings being built too. The quicker these can be developed and put in place, the better off we will be.

William Jabjiniak asked what is economic development and why is it important? This is a marketing campaign that has been pushed and thanked the members of the advisory board who have participated in this. If there is anybody that has not participated and wants to, staff can help with that but this will be wrapped up by the end of April. After the budget presentation on Thursday, there will be a bus tour to tell our story to national site selectors who will be in Mesa.

BOARD QUESTIONS/COMMENTS

Rich Adams thanked William for the information. Rich mentioned there is an important economic development item coming up Thursday morning and he plans to let his councilmember know that he thinks that it's important. He mentioned that he thinks it's important to take the time to write letters to express gratitude.

Brian Campbell's audio was breaking up but was commenting on submitting signatures on issues. He thinks we should be able to educate people about the potential impact that their vote has. That we need to be able to arm our citizens with that information. He requests that that be looked at and something that we need to try to get ahead of because it's affecting the state and national groups.

Rich Adams thanked Brian Campbell for his comments and said even with the bad connection he understood.

Councilmember Spilsbury verified that this was filed on April 1st and there are 20 days to verify the signatures and thanked Brian for bringing that up.

7. Other Business

The next EDAB meeting will be held May 4th, 2021 at 7:30 a.m.

8. Adjournment

Meeting was adjourned by Vice Chair Adams at 8:41 a.m.

Submitted By:



William J. Jabjiniak
Economic Development Department Director

(Prepared by Megan Placek)