

**Office of Economic Development
Economic Development Advisory Board
MEETING MINUTES**

Date: December 2, 2008: **Time:** 7:30 A.M.

MEMBERS PRESENT

Christian Alder
Theresa Carmichael
Jared Langkilde
Jim LeCheminant
Steve Parker
Jo Wilson

EX-OFFICIO

Mayor Scott Smith
Chris Brady (excused)
Brian Campbell
Jeff Crockett (excused)
Charlie Deaton (unexcused)
Steve Shope

STAFF PRESENT

Betsy Adams
William Jabjiniak
Frank McRae
Patrick Murphy

MEMBERS ABSENT

Rich Adams (excused)
Dale Easter (excused)
Steve Wood (excused)

GUESTS

Lois Yates

1. Chair's Call To Order

Chair Brian Campbell called the December 2, 2008 meeting of the Economic Development Advisory Board to order at 7:32 A.M. at the City of Mesa Council Chambers, Lower Level, 57 E. 1st Street, Mesa, Arizona 85201.

2. Approval of Minutes from November 4, 2008 board meeting.

Chair Campbell called for a motion to approve the minutes from the meeting held on November 4, 2008.

MOTION: Jared Langkilde moved that the minutes from November 4, 2008 be approved as written.

SECOND: Jim LeCheminant

DECISION: Passed unanimously

3. Items from Citizens Present

No comments.

4. Report of Executive Subcommittee from November 25, 2008

Chair Campbell reported on the Executive Subcommittee meeting held on November 25, 2008.

Chair Campbell stated due to the City budget restraints and staff reductions, the Board needs to help find ways to leverage business resources for the City. The business community is pushing a package of legislative tools. He has been told that both House and Senate leaders have agreed to at least some of these tools. He is hopeful that some significant economic development tools such as; Renewable Energy Tax Credits, Retooling of the Government Property Lease Excise Tax (GPLET), Revisions to Enterprise Zones, Retention and Development Tax Credits and Foreign District Investment Credits will be adopted by the State Legislature.

The subcommittee also discussed the possible use of the City of Mesa's Industrial Development Authority (IDA). Another issue discussed by the Sub-committee is to revive or recreate MEGACORP to help facilitate public/private partnerships and promote economic development projects within the City.

It was also suggested changes be made within the permitting process to help expedite projects and create a more user friendly atmosphere. All members agreed that Mesa needs more businesses with higher paying jobs in order to be a viable City.

The Executive Subcommittee recommended that Jim LeCheminant be nominated as the new Chair and Jeff Crocket as the new Vice-Chair.

Chair Campbell encouraged the Board to think of ways to take advantage of the programs available and to ready or position the City for when the economy revives.

5. Election of Chair and Vice-Chair – Effective January 1, 2009

Chair Campbell stated that the Executive Subcommittee recommend that Jim LeCheminant be nominated as Chair and Jeff Crocket as the new Vice-Chair. Chair Campbell asked if there were any additional suggestions or comments. There were no comments or discussion and the Board proceeded with the elections.

MOTION: Jo Wilson moved that Jim LeCheminant be elected as the new Chair and Jeff Crocket be elected as the New Vice-Chair effective January 2009.

SECOND: Christian Alder

DECISION: Passed unanimously

Vice-Chair LeCheminant thanked Chair Campbell for his dedication and service to the City.

6. Directors Report

Mr. William Jabjiniak commented that Councilmember Scott Somers requested an Incubator be started in conjunction with ASU. The ground work has been started and Mr. Jabjiniak has met with Dr. Steven Shope to discuss thoughts and ideas. They are going to meet with Dr. Hjelmstad at ASU Polytechnic Campus in the next couple of weeks and more meetings will take place. The Board is encouraged to offer any ideas/suggestions and/or to forward contact information of person/persons with expertise and knowledge for this public/private partnership effort.

Dr. Shope commented that he has seen effective partnerships with large companies and feels that if the incubator is structured correctly that high wage, high tech jobs could be attracted to locate in Mesa from other states.

Mr. Jabjiniak stated that Mr. Steve Wood asked to be replaced as Chair of the Real Estate Subcommittee, but will remain a member of the Subcommittee. Mr. Christian Alder graciously accepted the Chair position.

Mr. Jabjiniak reported on the Budget Impacts to the Economic Development office. He reported that four (4) positions were cut making a leaner staff. The remaining staff are finding ways to be more efficient and moving forward with a new way of doing business.

Mayor Smith commented on the bid process for car purchases going to car dealers in Phoenix. Most of the vehicles purchased are done through the State of Arizona Master Bid as do most cities. There are a few dealerships in the state that participate in the fleet program. The questions have been raised as to why is the City paying sales tax and giving business outside of the City. Mesa years ago established a policy to not show favoritism to Mesa businesses, but to open the bidding process to all businesses. Mayor Smith commented that it is time to try to keep business along with the taxes in Mesa.

Chair Campbell commented that now is the time to leverage relationships with public and private partnerships.

Mr. Jabjiniak reported that on January 5, 2009 Cessna will open its doors for operation. A date has yet to be decided upon for a February official Grand Opening.

Also on January 5, 2009 Hawker Beechcraft will open its expansion for operation.

Real Estate has merged with Engineering. Development Services, Planning & Zoning, Building Safety, Code Compliance, and Environmental Services will merge to become Development Services and Sustainability Office in January.

The City has partnered with the Chamber of Commerce to sponsor a Doing Business in Mesa Event called "Mesa: Your City, Your Business" on December 9th in Room 170 from 3 to 6 p.m. with various departments participating.

Mr. Jabjiniak encouraged the Board to submit ideas or suggestions for future agendas.

7. Sol Focus Update

Patrick Murphy, Economic Development Project Manager, gave an update on Sol Focus. He stated that SolFocus is developing a line of solar photovoltaic panels. This means that their design will use a smaller amount of silica than a normal panel uses. In giving a brief history of the project, he told of SolFocus' problem about a year ago trying to get through the building permitting process. Their management was on the verge of moving its operations of the glass works facility to India because of the permit processing problem. The Economic Development office became involved and soon had things back on track for them to remain in Mesa and to possibly expand operations. They currently have sixty (60) employees and are anticipating reaching up to one hundred-fifty (150) employees with an expansion that will double their size. The expansion will be a capital

investment of approximately \$5 to 6 million dollars with the majority of the expansion being for robotics. They need to have this expansion in place by the first week of January. If they miss the deadline they will lose a million dollars a day in sales. We are working diligently with the Building Department to make sure this short timeline will be met. We are also trying to get them to locate their manufacturing plant in Mesa. Currently they are looking either to expanding the China plant or having a plant here in the states. If they decide to locate in the states a hard look is being given to Mesa. GPEC is involved with some of the initiatives that Chair Campbell mentioned earlier that should help us. Also being looked at is a potential sub-zone for the Foreign Trade Zone, which will help defer some costs for them. Frank McRae from Utilities is also working with SolFocus on a strategic alliance. Several things have already been implemented such as a testing facility out at the water treatment plant where they are testing their panels. The City's electric contracts are due to expire around the year 2013-2014 and the City is looking at energy needs to be met in the future. A partnership with SolFocus is a possibility on some of the City owned properties enabling the purchase of power from solar. Not only will it meet our needs, but showcase SolFocus's product to other cities as to its efficiency, reliability and cost savings. Later today the President of SolFocus will meet with the Mayor to discuss the project.

Mr. Jabjiniak pointed out a great example of working with an existing business that desires and has a need to grow and to grow quickly. The quicker and more effective we can respond and move through the processes the better. This is an example of taking it from being out the door; bringing them back in the door and making it work.

Ms. Carmichael asked if the obstacles had been addressed so that other businesses are not facing the same obstacles.

Mr. Jabjiniak responded that the obstacles have been addressed with the current new reorganization.

8. BRE Visits Update

Mrs. Lois Yates, Falcon Field Area Alliance Executive Director, gave a brief update on the BRE visits being made by volunteer members of the Mesa Chamber of Commerce. The Chambers' Economic Development Task Force members proposed a pilot program to help add value to the BRE efforts. Twelve (12) teams with two (2) people on each team were established and targeted seventy-two (72) companies. These private sector people teams were to go out and call on the companies using the survey after receiving training.

Mrs. Yates was hoping to have the surveys completed in October and November, but however putting the program together became a problem. The research involved with finding the company contact became a drawn out chore. She researched each company to provide the teams with the most current or correct information. Even her best efforts have not been perfect because of companies actually not in business any longer or have moved out of Mesa. The teams have been making contacts and the survey forms are starting to be returned. A confidentiality agreement was signed to assure the companies that the information shared would not be made public. As the information comes back it will be put in a database and then be given to Economic Development for use in the future.

Mr. Jabjiniak asked how successful the teams have been in reaching out to the seventy-two companies and have there been any difficulties that have been expressed.

Mrs. Yates stated the difficulties are in actually getting the appointments. Repeat calling with no returned phone calls have been a challenge. Several companies were out of business so new companies were assigned. The end of December is the new targeted deadline to complete the contacts and surveys. After the first of the year the information will be compiled into a report and shared with Economic Development.

Chair Campbell commented that this is part of a public/private partnership and expressed his thanks to the Chamber of Commerce, Mr. Jabjiniak and Mrs. Yates for all their help. This is an opportunity to build relationships and have the companies or businesses help retool how the City does business.

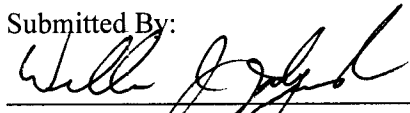
9. Other Business

Chair Campbell reminded the EDAB members of the next scheduled meeting on January 6, 2009. He thanked everyone for their support.

10. Adjournment

Chair Campbell adjourned the meeting at 8:32 a.m.

Submitted By:



William J. Jabjiniak
Economic Development Department Director
(Prepared by Betsy Adams)