



**CHANDLER CITY COUNCIL
Work Session Meeting Minutes**

Thursday, April 8, 2021

MINUTES OF THE WORK SESSION MEETING OF THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, held on Thursday, April 8, 2021, in the Chandler City Council Conference Room, 88 E. Chicago Street, Chandler, Arizona.

THE MEETING WAS CALLED TO ORDER BY MAYOR KEVIN HARTKE AT 5:00 P.M.

The following members of the Council were present:

Kevin Hartke	Mayor
Mark Stewart	Vice Mayor
René Lopez	Councilmember
OD Harris	Councilmember
Christine Ellis	Councilmember
Terry Roe	Councilmember
Matt Orlando	Councilmember

City staff present: Josh Wright, Acting City Manager; Kelly Schwab, City Attorney; Dana DeLong, City Clerk; Debra Stapleton, Assistant City Manager; Matt Burdick, Communications and Public Affairs Director; Ryan Peters, Governmental Relations & Policy Manager; Micah Miranda, Economic Development Director; Cori Garcia, Mayor and Council Communications Manager.

DISCUSSION

1. Presentation and discussion regarding the Economic Development Strategic Plan.

MAYOR HARTKE called for a staff presentation.

JOSHUA WRIGHT, Acting City Manager, introduced the discussion item and said at the Council Strategic Planning Meeting this was brought up in conversation and staff would provide more details.

MICAH MIRANDA, Economic Development Director, presented the following presentation.

- Economic Development Strategic Plan
- City Council Strategic Framework
 - City Council has created a guiding document for how decisions will be made over the next five years
 - The vision illustrated in the document emphasizes providing:
 - A high quality of life

- Diverse job opportunities
 - Safe neighborhoods
- Economic Development's Role
 - Economic Development plays a critical role in achieving City Council's vision for Chandler.
 - Create and retain jobs
 - Develop a stable tax base
 - Wealth generation
- Economic Development Strategic Plan
 - Programs to help achieve City Council's desired outcomes for Chandler. Key components of the City's Economic Development strategy include:
 - 1. Business Attraction
 - 2. Business Climate Enhancement
 - 3. Technology Entrepreneurship
 - 4. Small Business Assistance
 - 5. Infill & Redevelopment
 - 6. Market Threat Assessments
 - 7. Competitive Positioning
 - 8. Tourism
 - 9. Education & Talent
- Business Attraction
 - Goal: Proactively engage with businesses in targeted industries/technologies.
 - Automotive Technology
 - Aviation and Aerospace
 - Advanced Business Services
 - Healthcare
 - High Tech Manufacturing
 - IT and Software

COUNCILMEMBER ORLANDO asked if there are sub-plans within each of these target areas.

MR. MIRANDA said yes, they actively pursue these through a variety of methods in multiple regions.

COUNCILMEMBER ORLANDO asked for an example of what they do in healthcare.

MR. MIRANDA said they focus on large operations so it is not easy for businesses to leave. The Dignity and Banner expansions were important and they spent a lot of effort on those projects. Mr. Miranda said they have to work with multiple departments to make projects happen. Each industry cluster is different in how they approach it.

MR. MIRANDA continued the presentation.

- Business Attraction
 - Marketing and business lead generation.
 - Pursue leads that fit the City's target industries/technologies.
 - Target companies outside the region experiencing growth.
 - Outreach to decision makers, site selectors and brokers.

- Demonstrate the operational advantages of Chandler.
- Employment Base
 - Top Industry Clusters by Employment: Chandler vs. MAG Region
- Business Climate Enhancement
 - Goal: Foster a business climate that supports economic vitality.
 - Schedule targeted outreach visits with businesses in the community.
 - Use the outreach meetings as an opportunity to generate goodwill.
 - As appropriate, coordinate BR&E efforts with partner organizations.
 - Facilitate introductions to resource providers, as necessary.
 - Work to embed businesses in the community.
- Technology Entrepreneurship
 - Goal: Building the entrepreneurial ecosystem to attract emerging startups, encourage spin-offs, and support existing startups in scaling.
- Technology Entrepreneurship
 - Provide training and mentoring through Chandler Innovations incubator.
 - Promote Hub 249 at ASU Chandler Innovation Center as a resource.
 - Facilitate and increase access to early stage funding for startups.
 - Serve as a research tool for entrepreneurs evaluating Chandler.
 - Position Chandler as the epicenter tech based entrepreneurship.

VICE MAYOR STEWART asked if angel investing would start again.

MR. MIRANDA said yes, they have started meetings again to begin the programs and would bring options to Council.

MR. MIRANDA continued the presentation.

- Small Business Assistance
 - Goal: Building the entrepreneurial ecosystem to encourage, attract and support startups.
- Small Business Support
 - Publish Small Business Guide in English and Spanish each year.
 - Encourage residents to shop local through I Choose Chandler campaign.
 - Provide site selection services: customized demographics, identify building options, and coordinate Business Location Team meetings.
 - Co-sponsor small business workshops and events.
 - Serve as a point of contact for questions regarding City processes.

COUNCILMEMBER ROE asked if there is a welcome package for new small businesses.

MR. MIRANDA said they have not done that, but the Chandler Chamber of Commerce is involved in that. He said it is something they could take a look at.

MAYOR HARTKE said they have partnered with the Chamber in the past on something like that when they did work on an intersection.

MR. MIRANDA continued the presentation.

- Infill & Redevelopment
 - Goal: Revitalize and reuse of underutilized properties to support economic growth and neighborhood vitality
- Infill & Redevelopment
 - Facilitate the conversion of underutilized properties throughout the City.
 - Engage capable development partners.
 - Promote the benefits of the Adaptive Reuse Overlay District, Opportunity and HUB Zones to attract investment.
 - Continue to implement the Uptown Chandler and West Chandler branding initiatives.

COUNCILMEMBER HARRIS asked if this overlays the opportunity zone.

MR. MIRANDA said no, the opportunity zones are bound by McQueen and Alma School Roads and Chandler Boulevard and Pecos Road.

COUNCILMEMBER HARRIS asked if they have identified and attracted companies to the opportunity zones.

MR. MIRANDA said opportunity zones do not solve all the problems, but help identify additional capital resources. The biggest issue in the opportunity zones is land. Mr. Miranda said the most attractive sites are vacant and they have a lot of interest already. Mr. Miranda said they are never the only tool used to get projects to come in.

MAYOR HARTKE said a few years ago when the opportunity zones came about there were classes held to get the word out and it was promoted.

COUNCILMEMBER ORLANDO said this is the growth area and asked what the key impediment economically that needs to be done to further redevelopment.

MR. MIRANDA said that is the ultimate challenge. The quickest and easiest way to get sites flipped is to own the sites and do so, otherwise developers take a long time. No one wants to do parcel assemblage because it takes a long time and there is no guarantee.

COUNCILMEMBER ORLANDO said this is probably the same issue across the country and asked what is being done differently.

MR. MIRANDA said TIF, Tax Increment Financing, is a major tool that other states have. Arizona is the only state that does not allow that. Mr. Miranda said they have spoken with the legislative team and they are gaining traction with our regional partners. Mr. Miranda said another issue is infrastructure and there is opportunity on the City side to engage. Mr. Miranda said finding developers with the vision and capital is a challenge across the state.

VICE MAYOR STEWART talked about four corners retail and that even half vacant they may still be making profit if the mortgage was from 20 years ago.

MR. MIRANDA said the land value needs to increase up to the point it makes sense to demolish. Mr. Miranda said there was a tool in place to use dollars set aside for demolition costs and they cannot do it anymore because of the recent Arizona Supreme Court case.

KELLY SCHWAB, City Attorney, said the Arizona Supreme Court keeps shrinking their available tools dramatically especially on redevelopment.

MR. MIRANDA said staff is finding sites that are redevelopment ready and then go out and talk to developers who know how to do this. Mr. Miranda said these are specialty firms that work on redevelopment. Strategically as an organization, staff has direction to come up with creative solutions and get past legal hurdles.

MR. MIRANDA continued the presentation.

- Market Threat Assessments
 - Goal: Ensure operating businesses are not a flight or downsizing risk.
 - Identify companies that are growing, or at risk of downsizing or relocating.
 - Address specific issues of interest/concern to the company.
 - Maintain confidentiality while providing business assistance.
 - Produce tailored, company-specific reports that reinforce Chandler's advantageous business operating environment.

COUNCILMEMBER ORLANDO asked if business climate was a part of this.

MR. MIRANDA said the business climate enhancement or the community outreach was not necessarily an existing issue, but its generating good will and relationships. These businesses have an opportunity to leave and how they approach them is different than an outreach meeting. The meeting is different and the outcomes the business expects are different.

MAYOR HARTKE asked if a good example was PayPal when they met with them in DC.

MR. MIRANDA said yes, they had to make the case for them to stay. These conversations are tense so it is a different environment.

MR. MIRANDA continued the presentation.

- Competitive Positioning
 - Goal: Position Chandler a top-of-mind destination for targeted audiences
- Competitive Positioning
 - Communicate Chandler's competitive advantage and value proposition regionally, nationally and internationally
 - Develop highly-targeted digital campaigns aimed at specific audiences.
 - Generate interest among real estate and capital deployment firms that invest in speculative projects.
 - Conduct "fam tours" for site selection consultants and media members.

VICE MAYOR STEWART said the marketing efforts internationally are interesting. Vice Mayor Stewart asked if there was enough communication with Development Services about upcoming projects.

MR. MIRANDA said yes, they talk regularly and they are being picky about what they want. Staff is very well aligned.

COUNCILMEMBER HARRIS asked how often staff meets with high level staff within organizations to identify key partners.

MR. MIRANDA said they have community advocates, ambassadors, and partners within the State. Mr. Miranda said staff tells them what we want and how we want to go about doing it so then others can give the elevator pitch when they have the opportunity.

MR. MIRANDA continued the presentation.

- Tourism
 - Goal: Implementation of the Tourism Strategic Plan to increase visitor spending, recruit new attractions, and enhance Chandler's global brand.
- Tourism
 - Showcase Chandler as both a business and leisure travel destination.
 - Strengthen the link between tourism and business attraction efforts.
 - Target meeting and event organizers that draw visitors outside the region.
 - Capitalize on existing assets, such as parks and recreation facilities.
 - Provide market intelligence to support businesses in the tourism industry
- Education & Talent
 - Goal: Collaborate with educational partners to build the local talent pipeline.
- Education & Talent
 - Collaborate with the University of Arizona on programming in Chandler.
 - Partner with Arizona State University on utilization of ACIC makerspace.
 - Leverage relationship with Community College District.
 - Facilitate P-20 initiatives (e.g. cybersecurity, AI).
 - Lead and organize the annual Chandler Science Spectacular event.
- The Impacts
 - Economic growth has contributed to the City's healthy financial outlook.
 - Residents have access to diverse job opportunities close to home.
 - Businesses and development help fund City quality of life amenities
 - 2nd Most Prosperous Large City -Economic Innovation Group (2020)
 - 6th Most Livable City in the U.S. -SmartAsset (2020)
 - 8th Best Untapped City for Startups -Fundera (2020)
 - 13th Best Place to Find a Job -WalletHub (2021)
 - 14th Best City for Women in Tech -SmartAsset (2021)
- The Impacts
 - Innovation Economy: % of Workers in High-Tech Industries
 - 23% Chandler
 - 11% Mesa, Gilbert & Tempe
 - 10% United States

- Chandler has an innovation mindset and this is reflected in the companies located in our community. Ability to adapt to a changing global economy helps ensure long-term economic sustainability.
- The Impacts
 - Business Hiring & Retention Program
 - PPE Reimbursement Grant
 - PPE Kit Distribution Program
 - Virtual Hiring Event
 - I Choose Chandler Marketing Campaign
 - COVID-19 business resources webpage
 - Outreach calls to businesses
- The Impacts
 - The City is well-positioned for business attraction/expansion projects:
 - Intel
 - Manufacturing
 - \$20B investment
 - 3,000 jobs
 - NXP
 - Manufacturing
 - Expansion in campus
 - 100 jobs
 - VLAVI
 - Manufacturing
 - 104,000 SF facility
 - 233 jobs
 - Comtech
 - R&D/Manufacturing
 - 147,000 SF facility
 - 400 jobs
 - Honeywell
 - Manufacturing
 - 157,000 SF facility
 - 585 jobs
 - VB Cosmetics
 - Manufacturing
 - 40,000 SF HQ
 - 100 jobs
 - Rinchem
 - Semiconductor/Dist.
 - 50,000 SF expansion
 - 25 jobs
 - Local Motors
 - Autonomous Vehicles
 - 10,000 SF new HQ
 - 20 jobs

COUNCILMEMBER ORLANDO asked how they measure success in each category.

MR. MIRANDA said he would provide that information to Council.

ADJOURNMENT: The Work Session was adjourned at approximately 5:50 p.m.

ATTEST: _____
City Clerk

Mayor

Approval Date of Minutes: April 22, 2021

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Work Session of the City Council of Chandler, Arizona, held on the 8th day of April, 2021. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this ___ day of April, 2021.

City Clerk