

MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
MAG REGIONAL COUNCIL EXECUTIVE COMMITTEE
December 3, 2013
MAG Offices, Ironwood Room
302 N. 1st Avenue, Phoenix, Arizona

MEMBERS ATTENDING

Mayor Scott Smith, Mesa, Chair	#Mayor Gail Barney, Queen Creek
Mayor Michael LeVault, Youngtown, Vice Chair	Mayor Marie Lopez Rogers, Avondale
Mayor W.J. “Jim” Lane, Scottsdale, Treasurer	#Mayor Lana Mook, El Mirage
	Mayor Greg Stanton, Phoenix

* Not present

Participated by video or telephone conference call

1. Call to Order

The Executive Committee meeting was called to order by Chair Smith at 11:04 a.m.

2. Call to the Audience

Chair Smith stated that according to the MAG public comment process, members of the audience who wish to speak are requested to fill out the public comment cards. He stated that there is a three-minute time limit. Public comment is provided at the beginning of the meeting for items that are not on the agenda that are within the jurisdiction of MAG, or non-action agenda items that are on the agenda for discussion or information only. Chair Smith stated no comment cards had been received.

3. Approval of Executive Committee Consent Agenda

Chair Smith noted that prior to action on the consent agenda, members of the audience are provided an opportunity to comment on consent items that are being presented for action. Following the comment period, committee members may request that an item be removed from the consent agenda.

Chair Smith requested a motion to approve the consent agenda. Mayor Lane moved to approve consent item #3A. Mayor Lopez Rogers seconded the motion and the motion carried unanimously.

3A. Appointment of the Arizona Department of Transportation Member Position to MAG Economic Development Committee

Denise McClafferty, MAG Regional Program Manager, stated that on November 21, 2013, a letter was sent by the Director of the Arizona Department of Transportation (ADOT) requesting that John Nelson, Senior Policy Advisor, serve as the ADOT representative on the Economic Development Committee for a one-year term, with possible reappointment by recommendation of the Executive Committee and approval by MAG Regional Council.

Mayor Lane made a motion to approve the appointment of John Nelson, Senior Policy Advisor, as the ADOT representative on the MAG Economic Development Committee. Mayor Lopez Rogers seconded the motion and the motion carried unanimously.

4. Establishment of an In-Market Trade, Investment and Tourism Office in Mexico City

Dennis Smith, MAG Executive Director, stated that the City of Phoenix recently approached MAG regarding the establishment of an in-market trade, investment and tourism office in Mexico City and that the initial goal is \$200,000, but could increase if they get more partners. He noted that although he does not know the exact number of staff Texas has in Mexico, he does know that there are eight staff members from the City of San Antonio who are currently located in Mexico to encourage trade and investment. Mr. Smith added that Phoenix is currently working on the scope of work and that partners would have input on the scope.

Mr. Smith stated one question that was brought up was could MAG Federal Funds be used for this endeavor. According to the Federal Highway Administration (FHWA), this is not eligible. Another question asked is whether this is under the authority of MAG. Mr. Smith stated that MAG was informed by Fredda Bisman, MAG General Counsel, that there are no restrictions and this is in acceptance with the MAG By-Laws. Mr. Smith noted that a partnership would consist of a one-year commitment in the amount of \$25,000. He added that this partnership coincides with the work MAG has been doing with the Economic Development Committee on Mexico for the past three years. Mr. Smith then invited Hank Marshall, City of Phoenix Economic Development Department, to provide more information to the committee.

Mr. Marshall stated that under the guidance of Mayor Stanton, his department was asked to explore and accelerate a plan for an in-market trade and investment office in Mexico City. He added that they thought MAG would be a logical partner in this endeavor. Mr. Marshall stated that this office would include a dedicated on-site contractor and could provide MAG member agencies opportunities with Mexican businesses, while also promoting their cities. He added that they have been in discussions with other potential partners, all of which would also be investing the same amount of \$25,000.

Chair Smith asked if there were any questions or comments from the committee.

Mayor Lane stated he was concerned about the scope of MAG's operation and how this expands MAG into an entirely different realm. He added that he was also concerned with using MAG funds. Mayor Lane also asked why this did not go to the Economic Development Committee (EDC) for approval. Mr. Smith stated that this was a matter of timing and had to be decided before the end of December 2013, and the next EDC would not meet until January 2014.

Mayor Lane asked Mr. Marshall how would MAG be represented in the office, as a region, rather than just the City of Phoenix, if this participation takes place, and who were the other interested partners that have committed to this partnership. Mr. Marshall replied that the Mexico City office would include a dedicated contractor on-site, who would not just represent the City of Phoenix, but rather our whole region. He added that a name for this office had not yet been decided, as this would depend on the partnerships. Mr. Marshall stated that along with MAG, they are also in discussions with the Arizona Diamondbacks, the Phoenix Suns, and the Mayo Clinic. Mayor Lane asked if any partnerships agreements had been signed and what is the dollar amount of their commitment. Mr. Marshall stated that they are currently working on the legal aspect of being able to accept the money and no contracts have yet been signed. He added that the investment amount would be the same as MAG's investment, \$25,000.

Mayor Lane asked if the goals have already been developed. Mr. Marshall replied that they are not yet complete and would depend on the full scope of the partnerships. He added that there will be trade and tourism objectives, along with other objectives to reflect the interests of the partners. Mr. Marshall added that there will be key prescribed, measured performance indicators that will be included in the proposal. Dennis Smith added that this \$25,000 is not an annual commitment and will sunset in one year. He noted that MAG will have the option to renew, or not. Mr. Smith stated that this would have to be put into the MAG Work Program and approved each year, if we decide to renew. Mayor Lane thanked Mr. Smith for the clarification regarding the length of the commitment.

Mayor Lane stated that the State of Arizona had a similar office in Guadalajara, Mexico but it was closed in 2011. Mayor Lane asked Mr. Marshall if he was aware of reasons why the state withdrew these offices. Mr. Marshall replied that it was his understanding that it did not fulfill its mission and objectives so they closed the office. He added that the City of Phoenix has different objectives than what the State was trying to accomplish. Mr. Marshall added that the State of Arizona currently has a full-time representative in Hermosillo, Mexico, by the name of Ignacio Escalante, so there is someone with the state's interest located on the border. Mayor Lane stated that he did not think this was a bad move for the City of Phoenix, however, he believes this should be handled by the Arizona Commerce Authority or the Greater Phoenix Economic Council, and not MAG, because he does not believe that this relates to MAG's mission.

Mayor Stanton thanked the committee for adding this item to the agenda so quickly. He added that the City of Phoenix is going to move forward with this opportunity and is hoping that all MAG cities will be represented at this office. Mayor Stanton stated that the intent was always to make this a regional office and he believes MAG is an appropriate partner.

Mayor Mook commented that time and time again we hear how Arizona is losing out and she believes \$25,000 for a one year investment will pay for itself. Mayor LeVault stated he is sensitive to what Mayor Lane stated regarding mission creep, however, this endeavor seems like the next logical step down a road on which MAG has already begun to travel. He added that a decision was made three years ago when MAG agreed it was going to try to enhance trade with Mexico. Mayor LeVault stated that the goal is to put the Arizona economy back together and enhancing trade with Mexico is one way we can go do this.

Mayor Lopez Rogers stated that she believes that MAG needs their presence in Mexico City and this is just another step that our region has to take. She added that this is an investment into our economy and at the end of the year we can determine if we have met our goals and benchmarks and whether we want to renew our partnership. Chair Smith also agreed with Mayor Lane in regards to mission creep, but added that we have evolved as a region and he applauded Mayor Stanton for being bold and proposing this. Chair Smith added that the Economic Development Committee has shown that it has filled a void and has reacted to the realities of where we are economically. He stated that as a region and metro economy, we truly need this kind of presence in Mexico. Mayor Lane stated that he does not disagree with any of the comments that have been said with regards to the efforts of economic development, but reiterated that his only concern is using MAG money for this effort.

Mayor LeVault made a motion to recommend approval to provide \$25,000 to the City of Phoenix to partner in the establishment of an in-market trade, investment and tourism office in Mexico City. Mayor Lopez Rogers seconded the motion. Mayor Lane voted against the motion, Mayor Stanton abstained and the motion carried.

5. Request for Future Agenda Items

Chair Smith asked if there were any requests for future agendas items. There were none.

6. Comments from the Committee

Chair Smith asked if there were any comments from the committee. There were none.

Adjournment

There being no further business, the Executive Committee adjourned at 11:49 a.m.

Chair

Secretary