

June 29, 2012

TO: Members of the MAG Economic Development Committee

FROM: Mayor Thomas Schoaf, City of Litchfield Park, Chair

SUBJECT: MEETING NOTIFICATION AND TRANSMITTAL OF TENTATIVE AGENDA FOR
THE MAG ECONOMIC DEVELOPMENT COMMITTEE

Tuesday, July 10, 2012-11:30 a.m.
MAG Office, Suite 200 - Saguaro Room
302 North 1st Avenue, Phoenix

A meeting of the MAG Economic Development Committee (EDC) has been scheduled for the time and place noted above. Members of the Committee may attend the meeting either in person or by telephone conference. A light lunch will be provided.

Please park in the garage under the building. Bring your ticket to the meeting. Parking will be validated. For those using transit, the Regional Public Transportation Authority will provide transit tickets for your trip. For those using bicycles, please lock your bicycle in the bike rack in the garage.

Pursuant to Title II of the Americans with Disabilities Act (ADA), MAG does not discriminate on the basis of disability in admissions to or participation in its public meetings. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Denise McClafferty at the MAG office. Requests should be made as early as possible to allow time to arrange the accommodation.

If you have any questions regarding the EDC agenda items, please contact Dennis Smith, MAG Executive Director, or Denise McClafferty, Management Analyst, at (602) 254-6300.

MAG ECONOMIC DEVELOPMENT COMMITTEE
TENTATIVE AGENDA
JULY 10, 2012

COMMITTEE ACTION REQUESTED

1. Call to Order

The meeting of the Economic Development Committee will be called to order.

2. Call to the Audience

An opportunity will be provided to members of the public to address the Economic Development Committee on items not scheduled on the agenda that fall under the jurisdiction of MAG, or on items on the agenda for discussion but not for action. Members of the public will be requested not to exceed a three-minute time period for their comments. A total of 15 minutes will be provided for the Call to the Audience agenda item, unless the Economic Development Committee requests an exception to this limit. Please note that those wishing to comment on action agenda items will be given an opportunity at the time the item is heard.

3. Approval of the June 5, 2012 Economic Development Committee Meeting Minutes

4. Followup to MAG Event – The Sun Corridor Economic Region in the 21st Century Global Network

On June 13, 2012, MAG, along with its partners, hosted The Sun Corridor Economic Region in the 21st Century Global Network event at the Renaissance Hotel in Downtown Phoenix. Nearly 200 people attended to hear Michael Gallis, a leading expert in large-scale metropolitan regional development strategies, discuss the shift of social and economic forces that are reshaping the world and how the Sun Corridor region fits into the global economy. Discussion regarding next steps from the EDC members is requested. One possibility would be to have meetings with our partnering agencies regarding next steps. Another approach would be to include the

2. Information and discussion.

3. Review and approval of the June 5, 2012 Economic Development Committee meeting minutes.

4. Information, discussion and input on next steps.

partnering agencies and the members of the EDC in a retreat to have greater dialogue on the possible next steps.

5. Becoming a Multimodal Global Transportation Hub

At the June 13, 2012, presentation on The Sun Corridor Economic Region in the 21st Century Global Network, Michael Gallis mentioned how the greater Phoenix region and the Sun Corridor could become a multimodal global transportation hub. He noted the assets of the Nogales Port of Entry; the proposed Red Rock rail yard; the Phoenix-Mesa Gateway Airport; the Wellton Branch rail line; and the proposed Interstate 11. In past EDC meetings, presentations on the MAG Freight Transportation Framework Study noted these opportunities and in April, the committee received a presentation on the Guaymas Port moving toward handling ocean containers. The Guaymas port connects through Nogales both by highway and rail. To better understand how inland ports operate, staff has met with the President and CEO of the Columbus Regional Airport Authority in Columbus, Ohio. This facility uses the converted Rickenbacker Air Force Base and has a rail connection using the Norfolk Southern rail line to the port at Norfolk, Virginia. MAG staff has been exploring the possibility of a site visit of the Rickenbacker Inland Port to better understand inland ports. The Mid-Ohio Regional Planning Commission and the Columbus Regional Airport Authority have offered to host a delegation from Arizona. MAG staff is seeking direction on whether or not to proceed with the idea of planning a site visit of the Regional Airport Authority in Columbus, Ohio.

6. Request for Future Agenda Items

Topics or issues of interest that the Economic Development Committee would like to have considered for discussion at a future meeting will be requested.

5. Information, discussion and input.

6. Information and discussion.

7. Comments from the Committee

An opportunity will be provided for the Economic Development Committee (EDC) members to present a brief summary of current events. The EDC is not allowed to propose, discuss, deliberate or take action at the meeting on any matter in the summary, unless the specific matter is properly noticed for legal action.

Adjournment

7. Information.

MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
ECONOMIC DEVELOPMENT COMMITTEE

June 5, 2012

MAG Offices, Saguaro Room
302 N. 1st Avenue, Phoenix, Arizona

MEMBERS ATTENDING

Mayor Thomas L. Schoaf, Litchfield Park,
Chair

Mayor Hugh Hallman, Tempe, Vice Chair

*Steven Betts, GPEC

Dr. Joseph Cavinato, Thunderbird

Mark Dreher, East Valley Partnership

*Thomas Franz, Greater Phoenix Leadership

Jim Kenny, El Dorado Holdings, Inc.

Mayor W.J. "Jim" Lane, Scottsdale

Mayor Michael LeVault, Youngtown

*Mayor John Lewis, Gilbert

Mayor Marie Lopez-Rogers, Avondale

Mayor Jackie Meck, Buckeye

#Mary Peters, Mary Peters Consulting

*Jim Rounds, Elliott D. Pollack & Company
Floyd Roehrich, Jr., ADOT

*Todd Sanders, Greater Phoenix Chamber
of Commerce

Mayor Elaine Scruggs, Glendale

#Councilmember, Jack Sellers, Chandler

Jeffrey Simmons, Ryley Carlock &
Applewhite

Mayor Scott Smith, Mesa

*Mayor Greg Stanton, Phoenix

Sandra Watson, Arizona Commerce
Authority

#Candace Wiest, WESTMARC

Mayor Sharon Wolcott, Surprise

* Not present

Participated by video or telephone conference call

OTHERS PRESENT (from sign-in sheet(s)):

Michael Celaya, Surprise

Alana Chavez-Langdon, ECotality

Miranda Culver, Mesa

Jami Garrison, MAG

Jenna Goad, Glendale

Mayor Georgia Lord, Goodyear

Bob Hazlett, MAG

Chad Heinrich, Tempe

Denise McClafferty, MAG

Christine McMurdy, Goodyear

Jeff Mihelich, Surprise

Scott Powell, Gilbert

Linda Priano, MAG

Nathan Pryor, MAG

Ana "Bea" Ronan, MAG

Amy St. Peter, MAG

Dennis Smith, MAG

Sally Stewart, ADOT

Tim Strow, MAG

Kelly Taft, MAG

Jack Tomasik, CAAG

1. Call to Order

The Economic Development Committee (EDC) meeting was called to order by Chair Schoaf at 11:35 a.m. Chair Schoaf noted that Mary Peters, Candace Wiest and Councilmember Jack Sellers were participating by telephone conference.

Chair Schoaf took a moment to recognize that this would be Mayor Hallman's last EDC meeting. He thanked Mayor Hallman for his time and efforts in making this committee such a success.

Chair Schoaf noted public comment cards were available for those members of the public who wish to comment. Transit tickets were available from Valley Metro for those using transit to come to the meeting. Parking validation was available for the MAG parking facilities for those who parked in the garage.

2. Call to the Audience

Chair Schoaf stated 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 Schoaf noted that no public comment cards had been received.

3. Approval of the May 1, 2012 Economic Development Committee Meeting Minutes

Chair Schoaf asked if the members had any questions regarding the May 1, 2012 meeting minutes. There were none.

Mayor Hallman moved to approve the May 1, 2012 Economic Development Committee meeting minutes. Mayor Lane seconded the motion and the motion carried unanimously.

4. Discussion, Review and Approval of the Economic Development Committee Charter

Chair Schoaf stated at the last EDC meeting, staff took into account the comments that were made concerning the draft charter that was originally presented to the committee. He noted various changes have been made to the draft charter, including elimination of the word "policy" and the addition of the term "best practices." Chair Schoaf asked if there were any additional input or comments from the committee members regarding the wording of the draft charter.

Dr. Cavinato commented that this charter has matured in the past two years and now the charter nicely states what this committee should be as it goes forward.

Mayor Lane agreed that this charter is a nice progression from what the origins were and advocated the idea of adding the best practices clarification.

Mayor Hallman stated he was pleased to hear these comments and noted the joint border resolution to improve trade with Mexico was approved by all of the Councils of Governments and Metropolitan Planning Organizations in Arizona. He added this resolution calls for proactive support for infrastructure improvements at the Arizona ports of entry to improve traffic flow and trade relations between Arizona and Mexico. Mayor Hallman added this shows a stunning example of regional cooperation that he has not seen in twenty years.

Mayor Lane stated the added emphasis of transportation and its connectivity with economic development is a powerful inclusion in the charter.

Chair Schoaf thanked everyone for their comments and noted this charter will be recommended for adoption at the MAG Regional Council for approval. He suggested that an update be provided to the MAG Management Committee. He added the EDC has evolved over the last two years and this forum should continue to look for economic opportunities that can help our region become more competitive nationally and globally.

Mayor Hallman moved to adopt the Economic Development Committee Charter through the MAG approval process. Dr. Cavinato seconded the motion and the motion carried unanimously.

6. Gila Bend's Improved Land Use Entitlement Process

This item was taken out of order.

Rick Buss, Manager for the Town of Gila Bend, discussed the town's improved land use entitlement process. He stated the Solar Field Overlay Zone (SFOZ) was created to expedite the speed at which solar companies' construction plans are processed. He added the SFOZ plan reduces the processing time from two years to as little as four weeks.

Mr. Buss noted when developing this ordinance, the purpose was to promote jobs, create an export industry for Arizona, promote sustainable energy development and to develop a regionally collaborative focus on economic development. He stated the requirements are application based, which requires a minimum of 100 acres or 40 acre when adjacent to existing SFOZ; must be owner or lessee initiated with minimum ten year lease; must submit a site plan; and construction must begin within one year of approval.

Mr. Buss stated the overlay zone concept is a great example of how a municipality can be creative in bringing jobs to the region by using a "soft zoning" approach rather than a "hard zoning" approach. He added the Town of Gila Bend has the fastest entitlement and engineering process in the nation, offers expedited permitting at no additional cost on

structural plans, and a guaranteed turnaround review of two weeks or less. He stated the Town of Gila Bend has strong political and management support, and noted First Solar, Solon Corporation, and Abengoa Solar are some of the projects that have been completed. Mr. Buss added that the Town of Gila Bend is promoting sustainable energy development and has brought national attention to Arizona. He added he could be contacted if anyone from the committee would like more information on SFOZ.

Chair Schoaf thanked Mr. Buss for his presentation and asked if there were any comments or questions.

Mayor Smith stated this was a fascinating presentation and asked how the town handles actual development requirements and standards with a solar field. Mr. Buss stated the subdivision regulations get suspended, however, grading, draining, and building codes are still in effect. Mayor Smith asked if there is a sunset clause in regards to the overlay zone. Mr. Buss stated it is situational based. However, the town likes to have at least a ten year commitment with up to twenty five years. Mr. Buss said he would be happy to make a presentation to other communities if they are interested in this program.

Mayor Hallman asked if a copy of the ordinance is available. Mr. Buss stated the ordinance is available on the town website for download. Mark Dreher asked if the town is seeing a decline in development interest due to the fact some of the solar companies are having significant financial problems. Mr. Buss stated there has been a decline in the past two years. However, the real opportunity is in export to California. He added the renewable energy requirements and costs in California are much greater than the requirements and costs in Arizona, and this is a window of opportunity.

Chair Schoaf asked if the town does anything different in their permitting process. Mr. Buss stated they out source to twelve different engineering companies that can respond quickly. He added this entire process does not cost the taxpayers a dime and has great value to the developer.

Jeff Simmons asked if the town used the SFOZ to attract new solar companies or was there already existing interest in the solar area in Gila Bend. Mr. Buss stated there was existing interest so they used this to their advantage to attract companies, while also streamlining the process.

5. Metropolitan Business Planning Initiative Update

Amy St. Peter provided an update on the Metropolitan Business Planning Initiative. She stated in May 2011, the MAG Regional Council approved the submission of the region's proposal to the Brookings Institution to participate in the initiative. She added the goal of the initiative is to adapt the discipline of private-sector business planning to the task of revitalizing regional development. She stated such planning will provide a framework through which regional business, civic, and government leaders can rigorously analyze the

market position of their region; identify strategies by which to capitalize on their unique assets; specify catalytic products, policies and interventions; and establish detailed operational and financial plans. Ms. St. Peter added this plan will include transformative work already underway, such as Interstate-11 and a resolution in support of infrastructure improvements at Arizona ports of entry.

Ms. St. Peter noted the presentation will focus on the analysis of potential strategies in clean technology. She stated according to the Brookings Institution, the size of the clean tech economy is expected to reach \$2.2 trillion by 2020, growing on average 10.5 percent annually. She added currently, Arizona has more clean energy jobs than aerospace and semiconductor jobs.

Ms. St. Peter stated the Arizona Corporation Commission has set aggressive requirements for solar through the Renewable Energy Standards and in 2006, the commission required 15 percent of energy from regulated electric utilities be obtained from renewable sources by 2025. She added Abenoga is one of the largest solar plants in the world and it is here in our region, in Gila Bend. She noted Arizona State University Polytechnic campus hosts the nation's only photovoltaic (PV) design qualification and type approval testing lab. She added this region is in a strategic location with proximity to California, the world's fourth largest solar market, and solar power in our region costs half as much as it does in California.

Ms. St. Peter informed the committee since 2009, this region has built a strong solar energy cluster with competitive policies such as the Renewable Energy Standards and the competitive regional standards have helped fuel more than 6,500 jobs and resulted in \$1.2 billion in capital investment by eleven companies. She added these companies can now supply national and international demand from our own backyard.

Ms. St. Peter stated the U.S. Army has more than \$7 billion budgeted for clean technology initiatives over the next five years and the Department of Defense has established clean technology as an essential element of national security. She added clean energy is seen as a national security priority and the Department of Defense is encouraging energy innovation on a massive scale. Ms. St. Peter stated to support this market analysis, staff conducted interviews which included five academic experts, six industry leaders and two government representatives. She thanked the Town of Gila Bend and Town of Gilbert for their assistance with information and connections.

Ms. St. Peter noted along with solar power, another potential clean technology sector is algae. She added this region is an international hub for algae development and a long term goal is to use algae for fuel. She noted while this is being developed, algae is being used as a stepping stone in markets such as cosmetics, medicine, helping to clean water, and replenish soil. She added these businesses will need stretches of affordable land, sun and recycled water and this region offers all three.

Ms. St. Peter stated a potential lead initiative for the business plan could be the development

of a clean technology development center that would provide firm-driven, value added services and the center would likely be funded from private proceeds and encourage private and academic membership. She provided the committee a proposed structure of the center and added the next steps in the process would be to convene industry leadership groups to gather feedback on the center concept, while pursuing other initiatives.

Chair Schoaf asked if there were any questions or comments.

Mark Dreher asked what the time frame is of the implementation of funding for this initiative. Ms. St. Peter stated this initiative would first have to be approved and if this happens, the plan would be unveiled in December or January. She added indicators show the private sector is very interested in supporting this initiative.

Mayor Lane asked if there is a viable market and if it has value. Ms. St. Peter stated market management fees, as well as membership fees would fund the operations. She added the financial model shows this as private sector driven.

Dennis Smith asked Ms. St. Peter if she could go into more detail regarding algae. Ms. St. Peter stated Heliae, a new algae company in the Town of Gilbert, started out at the Arizona State University Polytechnic campus. She stated Heliae started with just one patent and currently has eighteen patents with another one hundred pending. She noted this work was made possible by the Mars family who has invested \$100 million. She added Helia was also awarded a \$15 million grant from Science Foundation Arizona and recognized this as a great example of the private sector partnering with the academic sector.

Chair Schoaf asked if there were any further questions or comments. There were none.

7. Request for Future Agenda Items

Chair Schoaf asked if there were any requests for future agenda items. There were none.

8. Comments from the Committee

Floyd Roehrich, stated the Governor's Transportation and Trade Corridor Alliance, which included the Arizona Department of Transportation, Arizona Commerce Authority, and Arizona Mexico Commission, held their first meeting on May 21st, 2012 to look at transportation and its impact on economic development opportunities around the state and internationally. Mr. Roehrich stated he will continue to keep this committee updated on the initiatives.

Chair Schoaf encouraged the committee to attend the Sun Corridor Economic Region in the 21st Century Global Network presentation by Michael Gallis. He added this presentation would take place on June 13, 2012 at 10 a.m. at the Renaissance Hotel Downtown Phoenix.

Chair Schoaf stated the next meeting is scheduled for Tuesday, July 10, 2012.

Adjournment

Mayor Hallman moved to adjourn the meeting. Mayor Meck seconded the motion and the motion carried unanimously. There being no further business, the Economic Development Committee meeting was adjourned at 12:49 p.m.

Chair

Secretary