

September 24, 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, October 2, 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
OCTOBER 2, 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 September 11, 2012 Economic Development Committee Meeting Minutes

4. Report on the Freight Transportation Framework Study

On October 27, 2010, the MAG Regional Council approved the consultant selection for the MAG Freight Transportation Framework Study. The goal of the study is to identify freight related economic development opportunities in the Sun Corridor. During the past 24 months the freight team conducted surveys, analyzed commodity flows, met with stakeholders, and analyzed 16 freight opportunity locations throughout the Sun Corridor. MAG staff and the Parsons Brinckerhoff freight team will provide an overview of the final results of the study. The next step is to have a broader discussion of the implementation steps at the October 30, 2012, Joint Planning Advisory Council (JPAC) meeting. Following the JPAC meeting, the different geographic areas in the study would examine the feasibility of implementing the JPAC's recommendations. A retreat would then be

2. Information and discussion.

3. Review and approval of the September 11, 2012 Economic Development Committee meeting minutes.

4. Information, discussion and input.

held in February 2013 to seek alignment of the ideas in the study with the Sun Corridor representatives.

5. Report on the Economic Development Roundtable Discussion with the U.S. Department of Commerce

In December 2011, elected officials, business leaders and staff from Maricopa, Pinal and Pima counties visited the Arizona ports of entry in Nogales and San Luis. The purpose of the trips was to better understand the challenges facing freight movement to and from Mexico and Arizona. As a result of these trips, Resolutions of Support for Arizona’s Ports of Entry was developed and adopted by every Council of Governments and Metropolitan Planning Organization in Arizona, as well as the League of Arizona Cities and Towns. On September 26, 2012, the Border Resolution Partners will host a roundtable discussion with Michael Camuñez, Assistant Secretary of Commerce for Market Access & Compliance for the U.S. Department of Commerce. The purpose of the session is to examine the border and trade corridor issues and potential solutions along the Arizona-Mexico border. Staff will provide a report on the Economic Development Roundtable Discussion.

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.

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

5. Information and discussion.

6. Information and discussion.

7. Information.

MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
ECONOMIC DEVELOPMENT COMMITTEE

September 11, 2012

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

MEMBERS ATTENDING

Mayor Thomas L. Schoaf, Litchfield Park,
Chair

#Mayor Marie Lopez Rogers, Avondale,
Vice Chair

Mayor Gail Barney, Queen Creek

Steven Betts, GPEC

Supervisor Fulton Brock, Maricopa County

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 Jackie Meck, Buckeye

Mayor Mark Mitchell, City of Tempe

*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)):

Roc Arnette, EVP

Gail Baer, Valley of the Sun United Way

Phil Bradstock, Phoenix

Scott Butler, Mesa

Ryan Cook, Parsons Brinckerhoff

Miranda Culver, Mesa

Monique de los Rios-Urban, MAG

Jeff Dewitt, City of Phoenix

Anna Flaatan, U.S. Dept. of Commerce

Jami Garrison, MAG

Shirley Gunther, Avondale

Bob Hazlett, MAG

Chad Heinrich, Tempe

Susan Hyatt, Phoenix

Patrice Kraus, Chandler

Denise McClafferty, MAG

Lora Mwaniki-Lyman, MAG

Dale Miller, Jacobs

Kim Moyers, Queen Creek

Linda Priano, MAG

Nathan Pryor, MAG

Jennifer Pyne, URS

Dennis Smith, MAG

Tim Strow, MAG

Kelly Taft, MAG

Marisa Walker, ACA

1. Call to Order

The Economic Development Committee (EDC) meeting was called to order by Chair Schoaf at 11:30 a.m. Chair Schoaf noted that Mayor Lopez Rogers was participating by telephone conference.

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.

Chair Schoaf welcomed Mayor Gail Barney, Town of Queen Creek, Mayor Mark Mitchell, City of Tempe and Supervisor Fulton Brock, Maricopa County District One, as new members of the committee.

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 one public comment card had been received.

Roc Arnet, President of East Valley Partnership, introduced Peter Sturgeon and Jerry Henley of the economic development venture capital firm, Sorenson Capital, from Salt Lake City, Utah. Mr. Arnet stated they are in the valley looking for opportunities to invest \$650 million. Chair Schoaf welcomed them to the valley and stated he is sure that they will find good investments in our region.

3. Approval of the July 10, 2012 Economic Development Committee Meeting Minutes

Chair Schoaf asked if the members had any questions regarding the July 10, 2012 meeting minutes. There were none. Mayor Smith moved to approve the July 10, 2012 Economic Development Committee meeting minutes. Mayor Lewis seconded the motion and the motion carried unanimously.

4. Report on the City of Phoenix Bank-Local Program

Jeff Dewitt, Finance Director from the City of Phoenix, provided a brief overview on the City of Phoenix Local Banking Deposit Program. He stated the goal of this program is to put money back into the community and to help create jobs. Mr. Dewitt explained the three priorities of the City's current investment policy include: preservation of principal, liquidity, and yield and that any cash held by banks must be FDIC insured or collateralized at 102

percent of value, which is also the State Statute. He added the challenge of the current investment climate is that U.S. Government Securities are highly sought after as investments, driving yields down. Mr. Dewitt explained that the Local Banking Deposit Program sets aside \$50 million in cash that is planned to be invested for two years or more and it requires using a bank with a physical presence in Maricopa County with yields above 2-year treasury notes. He stated this program helps to provide capital to local banks to loan to the local community, which will provide jobs and help to build relationships with the local banks.

Mr. Dewitt provided a list of twenty four local participating banks, as of September 10, 2012 which include: Arizona Bank and Trust, Arizona Business Bank, Arizona Federal Credit Union, Bank 1440, Bank of Arizona, Bankers Trust Company, BBVA Compass Bank, Commerce Bank of Arizona, Enterprise Bank & Trust, First Scottsdale Bank, FirstBank, M&I Bank, Meridian Bank, Metro Phoenix Bank, MidFirst Bank, Mutual of Omaha, National Bank of Arizona, Pinnacle Bank, Republic Bank AZ, Sunrise Bank of Arizona, The Biltmore Bank, UMB Bank Arizona, West Valley National Bank and Western Alliance Bank. He added if members would like more details regarding this program to contact him at jeff.dewitt@phoenix.gov or (602) 262-7168.

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

Candace Wiest, President and CEO of the West Valley National Bank, noted that West Valley National Bank is a participant in this program and she believes this program will help the economic situation in the region. She commended Mayor Stanton and the City of Phoenix for their efforts. She added that they are currently working with Phoenix Community Development & Investment Corporation (PCDIC) and Phoenix Industrial Development Authority (PIDA) on other programs to help the community.

Mayor Stanton noted he sees great benefits in having discussions on best practices and believes other communities could reasonably emulate this program if they are interested. The Mayor also thanked Jeff Dewitt for his great work on this program.

Chair Schoaf asked if there were any incentives in the program that encourages the national banks to use the funds for loans in this region. Mr. Dewitt stated the banks need a physical presence in Maricopa County, give a yield above a two year treasury note and when promoting the program, the city has a dialogue explaining the purpose of the program and benefits to the local community. Dr. Cavinato asked how is the Mutual of Omaha involved in this program. Mr. Dewitt stated Mutual of Omaha is very active in the new market tax credit areas and they do a lot of loaning to the community. He then thanked the committee for their time.

5. Update on the U.S. Department of Commerce Conference - *Realizing the Economic Strength of Our 21st Century Border*

Rick Van Schoik with Arizona State University (ASU), North American Center for Transborder Studies, provided a report on the upcoming U.S. Department of Commerce Conference taking place September 23-25, 2012 at the Fiesta Inn in Tempe Arizona. He stated ASU hosts the only North American Center, which include security, sustainability, and competitiveness. He added this conference will be a high-level U.S.-Mexico discussion on how to create jobs, enhance education in the United States and Mexico, discover industry opportunities in renewable energy, aerospace, tourism and logistics. He provided an overview of Arizona's trade and discussed near shoring, joint manufacturing and joint energy. He explained how joint manufacturing can bring jobs back from China, Indonesia and Brazil back to North America. He provided an example of joint energy that includes drilling oil from the Gulf of Mexico to refineries in New Orleans, Louisiana, which can then be sold worldwide.

Mr. Van Schoik stated the conference, *Realizing the Economic Strength of 21st Century Borders*, will gather leaders and innovators from throughout the border regions to identify regional solutions to border related challenges and priorities. He stated this will include workforce needs; education; trade facilitation and supply chain solutions for cross-border trade; border infrastructure needs; public/private partnership opportunities and new innovative technologies; identifying cross border economic development and job creation strategies. Mr. Van Schoik stated the conference will end in a Scenario Planning exercise at the ASU Decision Theater to design a roadmap, inaugurate a Border Economic Advancement Council, focus on the findings and report the findings at the Border Governor's Conference. Mr. Van Schoik noted if anyone is interested in attending the conference you can register online at <http://nacts.asu.edu> or call 480-965-1846.

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

Mayor Lewis asked who are some of the leaders from Mexico who will be speaking at the event. Mr. Van Schoik stated there will be various panels that include aerospace, foreign direct investment, tourism, P3, a mayors' panel, a legislative panel and others. He added some of the invited keynote speakers include the Honorable Bill Richardson, Special Envoy to the Organization of American States, The Honorable Jorge Castaneda Gutman, Former Secretary of Foreign Affairs for Mexico and Mr. Thomas Friedman, New York Times columnist and Pulitzer Prize winning Author. Chair Schoaf stated the information that was presented today was just a tip of the iceberg and encouraged committee members to attend the conference.

6. Next Steps to Followup on the Presentation *The Sun Corridor Economic Region in the 21st Century Global Network*

Dennis Smith, MAG Executive Director, provided a report on the next steps to follow up on the ideas expressed by Michael Gallis at the June 23, 2012 event. Mr. Smith presented a video clip of Jim Collins, a nationally known business consultant. The video clip described the process used by successful companies to determine their direction. The components of

the process included the following: What can you be best in the world at (and equally important, what you cannot be the best in the world at)? What drives your economic engine? What are you deeply passionate about? Mr. Smith noted that as the EDC reviewed these questions, it became apparent that MAG excels in transportation planning.

Mr. Smith stated we have begun to strengthen alliances with all of the regional planning agencies and the League of Arizona Cities and Towns, which resulted in our recent joint border support resolution. He added the Governor, through the Arizona Department of Transportation, has formed the Transportation and Trade Corridor Alliance and the Arizona Mexico Commission and the Arizona Commerce Authority are full partners in the Alliance and in our efforts. Mr. Smith stated the Freight Transportation Framework Study is nearing completion and suggested the retreat could be on beginning the implementation of the results of the study. He added the first step would be to have a brief introduction of the results of the study at the October 2, 2012, EDC meeting and then have a broader discussion of the implementation steps at the October 30, 2012, Joint Planning Advisory Council (JPAC) meeting. Following the JPAC meeting, the different geographic areas in the study would examine the feasibility of implementing the JPAC's recommendations. He commented that at the League of Arizona Cities and Towns Conference, Mayor Garino stated Arizona is the hub and the spokes go out from Arizona. Mr. Smith stated the Freight Transportation Framework Study can help develop the hub. He added MAG could move forward to plan a retreat that would be held in February 2013 to seek alignment of the ideas in the study with the Sun Corridor representatives.

Chair Schoaf asked if there were any questions or comments.

Chair Schoaf stated this seems like a natural next step for the committee to take and that this clearly would take the work that has been done over the last year and see how we can bring it all together to promote Arizona's economic future. Steve Betts agreed that MAG needs to focus on what MAG does best and stated MAG plays a great role in commerce connectivity and transportation, which is MAG's expertise. He added he supports the direction this committee is going. Mark Dreher stated this transportation based solution to serve alignment will give focus and also benefit the work we are doing with Brookings. Floyd Roehrich stated that the Transportation and Trade Corridor Alliance is willing to assist in this effort and with this foundation he thinks this proposed retreat would be a great start.

Chair Schoaf stated that when working together we can develop a freight system that will diversify our economy and serve future generations.

7. Update on the Appointments of the EDC Business Members

Denise McClafferty provided an update on the appointments of the Economic Development Committee (EDC) business members. She stated the EDC composition includes 11 business member positions that have two-year terms with possible reappointment by recommendation of the Executive Committee and approval of the MAG Regional Council. She stated on

August 1, 2012, a memorandum was sent to the EDC business members soliciting letters of interest to be reappointed. Ms. McClafferty stated nine letters were received, which included a new representative for WESTMARC, William Sheldon. She noted the two transportation industry representatives chose not to submit letters for reappointment.

Ms. McClafferty added it is anticipated that the Executive Committee will recommend approving the appointments of the nine EDC business member positions, not including the two transportation industry positions, at its September 17, 2012 meeting. This will provide an opportunity for those in the transportation industry that are interested in these positions to submit their name or a letter of interest.

Chair Schoaf asked if there were any questions or comments from the committee. Candace Wiest stated she really enjoyed being a part of the committee and appreciated this opportunity. She also believes great things will come out of this committee.

8. Request for Future Agenda Items

Chair Schoaf asked if there were any requests for future agenda items. Mayor Stanton suggested that because of the importance of aerospace and defense in this region a letter be written to the Congressional Delegation to encourage bi-partisan cooperation and to find a solution to sequestration.

9. Comments from the Committee

Mayor Schoaf announced that the next meeting is scheduled for October 2nd at 11:30 a.m. He also reminded the committee members that on Wednesday, September 26th at 9:00 a.m, Michael Camunez, U.S. Assistant Secretary of Commerce for Market Access & Compliance, will be attending a listening session at the Arizona Commerce Authority and stated a handout is at each committee members place providing details on the event.

Adjournment

There being no further business, the Economic Development Committee meeting was adjourned at 12:31 p.m.

Chair

Secretary