

MINUTES OF THE  
MARICOPA ASSOCIATION OF GOVERNMENTS  
ECONOMIC DEVELOPMENT COMMITTEE

September 10, 2013

MAG Offices, Saguaro Room  
302 N. 1<sup>st</sup> Avenue, Phoenix, Arizona

MEMBERS ATTENDING

Mayor Marie Lopez Rogers, Avondale, Chair  
\*Mayor Scott Smith, Mesa, Vice Chair  
#Mayor Gail Barney, Queen Creek  
Steven Betts, GPEC  
Dr. Joseph Cavinato, Thunderbird  
\*Supervisor Steve Chucri, Maricopa County  
Mark Dreher, East Valley Partnership  
Thomas Franz, Greater Phoenix Leadership  
\*Gary Haydon, Haydon Building Corp.  
Michael Hoover, Sundt Construction  
Jim Kenny, El Dorado Holdings, Inc.  
Mayor W.J. "Jim" Lane, Scottsdale  
Mayor Michael LeVault, Youngtown  
Mayor John Lewis, Gilbert

Mayor Georgia Lord, Goodyear  
Mayor Jackie Meck, Buckeye  
Mayor Mark Mitchell, City of Tempe  
Jim Rounds, Elliott D. Pollack & Company  
\*Floyd Roehrich, Jr., ADOT  
\*Todd Sanders, Greater Phoenix Chamber  
of Commerce  
\*Mayor Thomas L. Schoaf, Litchfield Park,  
Vice Mayor, Jack Sellers, Chandler  
Bill Sheldon, WESTMARC  
\*Mayor Greg Stanton, Phoenix  
Sandra Watson, Arizona Commerce  
Authority  
\*Mayor Sharon Wolcott, Surprise

\* Not present

# Participated by video or telephone conference call

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

Shannon Acevedo, MAG  
Miguel Aceves, CDM Smith  
Roc Arnett, WESTMARC  
Anubhav Bagley, MAG  
Suzanne Boyles, Town of Buckeye  
Alana Chávez-Langdon, MAG  
Dan Davis, City of Avondale  
Miranda DeWitt, Mesa  
Seth Dyson, Phoenix  
Jami Garrison, MAG  
Janeen Gaskins, Surprise  
Barry Graham, Wallace, Plese & Dreher  
Walt Gray, West Side Town Hall  
Shirley Gunther, Avondale  
Elizabeth Higgins, Tempe  
Denise McClafferty, MAG

Jeff Mihclich, Surprise  
Dale Miller, Jacobs  
Scott Powell, Gilbert  
Linda Priano, MAG  
Nathan Pryor, MAG  
Tom Remes, Phoenix  
Ana Salido, State of Sonora  
Jeff Schorey, Entellus, Inc.  
Dennis Smith, MAG  
Chris Stoller, AMC  
Tim Strow, MAG  
Kelly Taft, MAG  
Mark Valenzuela, ASU SkySong  
Ken Western, Morrison Institute  
Heather Wilkey, Gilbert  
Marge Zylla, Tempe

1. Call to Order

The Economic Development Committee (EDC) meeting was called to order by Chair Lopez Rogers at 11:41 a.m. Chair Lopez Rogers stated that Mayor Barney was participating by telephone. Chair Lopez Rogers noted public comment cards were available for those members of the public who wish to comment. Chair Lopez Rogers stated that 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 Lopez Rogers reminded committee members that the signing of the University Memorandum of Understanding would take place at the Arizona Board of Regents meeting at Northern Arizona University in Flagstaff, Arizona on September 26, 2013 at 11:30 a.m. and encouraged members to attend. Chair Lopez Rogers also stated that MAG staff would be contacting members to see if there was interest in pursuing a trip to tour the Port of Guaymas.

Chair Lopez Rogers welcomed Alana Chávez-Langdon as the new International Economic Development Analyst at MAG and stated she is looking forward to Alana working with the committee and her contributions in our economic development efforts.

2. Call to the Audience

Chair Lopez Rogers 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. She 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 Lopez Rogers noted that no public comment cards had been received.

3. Approval of the June 4, 2013 Economic Development Committee Meeting Minutes

Chair Lopez Roger asked if the members had any questions regarding the June 4, 2013 meeting minutes. There were none. Steve Betts moved to approve the June 4, 2013 Economic Development Committee meeting minutes. Mayor Lewis seconded the motion and the motion carried unanimously.

4. Tribal Economics: Engines within a Vibrant Regional Economy

Chair Lopez Rogers stated that the committee would not be hearing agenda item #4. Diane Enos, President of Salt River Pima-Maricopa Indian Community was unable to attend the meeting.

5. Report on SEED-Spot

Courtney Klein Johnson, Co-Founder of Seed Spot, stated it is encouraging that this committee has asked her to speak to share the perspective of young leaders across the state. She noted that statistics show that more than half of the Arizona college graduating population is leaving to seek employment in other states. Ms. Klein Johnson stated we are losing a ton of talent to

Chicago, New York, San Francisco and others. She noted that the Center for the Future of Arizona released a study that showed that only six percent of young leaders between the ages of 18-38 believe that Arizona provides viable job opportunities and that she is deeply concerned about this issue.

Ms. Klein Johnson explained that young leaders are leaving Arizona is because of lack of place, lack of engagement with the communities, and lack of opportunities. She discussed the Manifesto Project. At these events, attendees will become a part of a network of young leaders which asks three open-ended questions: Our generation is (blank); I would stay in Arizona forever if (blank); and I will lead the change I want to see in Arizona by (blank). These questions are posted around the events where attendees can submit responses. The top responses will be formulated into a localized manifesto and the data will be aggregated into the statewide manifesto, to be unveiled in early 2014. She added that by next spring they hope to have 100 young leaders on boards and advisory groups so that they can help transform Arizona into the state they want to be a part of and proud to call home.

Ms. Klein Johnson stated Seed Spot focuses on early stage social impact entrepreneurs in Arizona and that last year they received 191 entrepreneurship applications and 127 have applied this year. These entrepreneurs receive support, mentorship, guidance and resources through Seed Spot. She indicated that this generation is much more socially conscience about how they are investing their dollars and products that they are buying. She added this generation is not interested in climbing the corporate ladder—they are interested in building their own ladder and asked how can universities, incubators, and communities start to cultivate this energy of innovation and entrepreneurship in this generation.

Ms. Klein Johnson provided examples of some of the entrepreneurs Seed Spot has worked with over the last year, such as the *Stuttering King Bakery*. The owner is Matt Cottle who is a 24 year old high functioning autistic adult who dreamed of opening a bakery to employ other high functioning autistic adults. They specialize in muffins, brownies, blondies, bars, cookies, and scones. Through Seed Spot, Mr. Cottle now has a contract with a coffee shop in the City of Scottsdale and provides specialized event and business catering in the Phoenix metro area.

Another example is called *Brett Approved*. Brett Heising, who is in a wheelchair, is the founder and CEO. He is building a website to help people in wheelchairs, and with other physical disabilities, to provide in-depth reviews of restaurants, coffee shops, and hotels/resorts that feature information relevant to travelers overcoming permanent and temporary physical challenges. Examples include: property and room accessibility, such as, are door openings wide enough to accommodate a wheelchair, does the property have zero-entry showers, and does it have an accessible pool. Brett's website is comparable to Yelp, where you could look up a specific venue to see which ones are most accessible based on your specific disability. Ms. Klein Johnson noted that since Arizona has an aging population, this is an excellent resource and huge opportunity. Even if someone is getting a hip replacement, or is in a wheel chair for a limited time, they still need to know where they can go that is easily accessible and this website can help.

Ms. Klein Johnson added that the companies that Seed Spot worked with over the last year generated over \$1 million in revenue and created 24 part time and 17 full time jobs, all based in Arizona. She stated Seed Spot is backed by 60 corporate sponsors and is a non-profit

organization. Ms. Klein Johnson discussed Benefit Corporation legislation that protects the integrity of the founder/shareholders and noted that Arizona was the 15<sup>th</sup> state to adopt the Benefit Corporation movement. She added that this year alone, \$9 billion will be invested in social impact companies and stated that the more of this that Arizona can capture, the more it can help change how Arizona is perceived nationally.

Chair Lopez Rogers thanked Ms. Klein Johnson for the information and asked if there were any questions or comments. Mark Dreher stated that he had the opportunity to meet Matt Cottle and witnessed how excited Mr. Cottle was with the way his business is growing. Mr. Dreher also thanked Ms. Klein Johnson for the excellent work that Seed Spot is doing.

Mayor Lane asked what stage is the Manifesto Project in. Ms. Klein Johnson stated that they have already hosted 17 events across the state. She added that all 50 events will be completed by December 31, 2013 and the goal is to have a database of several hundred young leaders that are excited about serving in some capacity. This database will be shared with a variety of non-profit and civic organizations that are interested in having young leaders serve on their boards.

Mayor Lewis thanked Ms. Klein Johnson for the information and stated that this was a good reminder for all communities to encourage young leaders to get involved. Steve Betts commented that the Greater Phoenix Economic Council is very proud of Seed Spot and said they are doing great work. Mayor Mitchell stated the City of Tempe has a program called “Geeks Night Out” and they encourage civic organizations and others to get involved to help people get engaged so that they can help integrate them into the local community. He added that he was impressed with the work Seed Spot has been doing.

6. Report on the City of Phoenix Access to Care Ordinance

Rick Naimark, Deputy City Manager, City of Phoenix, provided information on the City’s Access to Care Ordinance. He stated that because of the recession, there was an increase in uninsured patients and Phoenix hospitals are expected to incur more than \$540 million in uncompensated costs in the fiscal year 2013. This current situation was putting hospitals, jobs, and the health care system at risk.

Mr. Naimark stated in 2011, the legislature and governor created an opportunity to create economic funding pools from political subdivisions to draw down federal matching dollars. He stated that funds transferred to Arizona Health Care Cost Containment System (AHCCCS) draw down an approximate 2-to-1 match of federal dollars. This gives local governments the ability to directly support hospitals in the local communities and would create a new funding source for AHCCCS payments to acute care hospitals within the city.

Mr. Naimark indicated that a percentage of the monies collected from the hospitals is being used to expand coverage in the state, primarily to help children from low income families throughout Arizona to gain insurance coverage under KidsCare and Arizona’s Children’s Health Insurance Program. He added that this program will bring approximately \$200 million in federal funding to the City to support uncompensated care for Phoenix residents and also promote access to health care for residents, ensuring the financial stability of city hospitals. This will also help individuals in Phoenix and across the state gain insurance coverage while promoting economic development by protecting and expanding jobs in the health care sector.

Mr. Naimark stated that there are no additional costs or taxes for Phoenix residents, costs cannot be passed onto patients, businesses or insurance carriers, and there is no increase in spending by the City. He added 77 people attended the public input meeting at the Sunnyslope Community Center, 80 people attended at the Maryvale Community Center and they received 24 comments by email. He noted that there was overwhelming support.

Mr. Naimark stated that this ordinance was also supported by hospitals and business leaders that included Vanguard Health Systems, John C. Lincoln, IASIS Healthcare, Dignity Health, Banner Health, Phoenix Children's Hospital, and Maricopa Integrated Health System. He noted that certain hospitals would be exempt due to their special nature. This included Maricopa Integrated Health System, specialty hospitals, small children's hospitals and hospitals that provide a significant percentage of care to out-of-state and Medicare patients.

Mr. Naimark reported that a separate Access to Care Fund was created into which the short-term assessment revenues would be deposited. The City would then transfer this funding to the State (minus a small set-aside to cover the city's administrative costs) to be used as the State's share of the new AHCCCS payment to the City's hospitals. Phoenix acute care hospitals that provide significant amounts of uncompensated care to uninsured and low-income patients would receive payments based on their share of uncompensated care.

Mr. Naimark indicated that in December 2012 the Phoenix City Council approved the Access to Care Ordinance and it was approved by the Municipal Tax Code Commission as an inclusion to the Model City Tax Code in March 2013. As a result of this ordinance, AHCCCS was able to insure 33,191 children and up to 13,000 parents. Mr. Naimark reported that under state law this program will end in December 2013, which is when the Affordable Care Act begins.

Chair Lopez Rogers thanked Mr. Naimark for his presentation and asked the members if they had any comments or questions. Mayor Lane asked if there have been adjustments of rates through the medical community in view of the fact that they were compensated. Mr. Naimark stated that he was not an expert on hospital finance and this would be really hard to measure. He added that he believes it may be more of an avoidance rather than a reduction and gave the example that when renegotiating health insurance contracts, instead of premiums rising, they may see the contracts stay the same.

7. Discussion on the Draft Resolution of Support for Extending the Border Zone in Arizona

Chair Lopez Rogers stated on May 7, 2013, the EDC was provided information on the streamlining of federal tourism and visitor regulations at the border to improve Arizona's tourism economy. She reported that the EDC directed MAG staff to work with the Arizona Councils of Governments (COGs) and Metropolitan Planning Organizations (MPOs) on extending the current limit from the Nogales Port of Entry to include all of Arizona. Chair Lopez Rogers stated this extension would assist in promoting commerce and economic development.

Chair Lopez Rogers stated that MAG staff developed a draft resolution of support for extending the border zone in Arizona, as well as a fact sheet on visitors from Mexico and the impact on Arizona's economy. The draft resolution was reviewed by the COG/MPO directors.

She added that on August 22, 2013 the YMPO Board approved the draft resolution of support for extending the border zone in Arizona and that the other COG/MPOs will discuss this resolution at their Board meetings.

Chair Lopez Rogers stated that when New Mexico recently extended their border zone to a 55 mile limit, the New Mexico Senate and House of Representatives passed a resolution in support of extending the border zone, with unanimous and bipartisan support. She added that the Customs and Border Protection (CBP) officials in New Mexico commented that the expanded border zone will allow CBP to better allocate its resources, while enhancing its enforcement posture.

Chair Lopez Rogers added that CBP officials also stated that the expanded border zone will reduce the number of Mexican nationals required to obtain a Form I-94 and will increase CBP's administrative efficiency by reducing unnecessary paperwork burdens associated with the Form I-94 process, and allowing CBP to reallocate that staff time to other security enhancing activities. Chair Lopez Rogers asked for support in extending our border zone and stated that our congressional delegation and the administration need to hear a unified voice from Arizona.

Dennis Smith, MAG Executive Director, stated tourism is very important to our state and according to the Arizona Office of Tourism, \$19.3 billion in direct spending was generated in 2012. Mr. Smith provided a detailed map showing the current border crossing card limits for Mexican visitors and showed an additional map that shows the Nogales port of entry as having the longest wait time. He added it is clear that more staffing is needed.

Mr. Smith discussed a Homeland Security Center report and showed the impact it would have on the U.S. economy by adding just one CBP agent at each of the thirty three ports of entry. The report showed a \$65.8 million total increase in the Gross Domestic Product, \$21.2 million total in value of time savings and additional 1,094 annual jobs.

Mr. Smith reported that in late August, a Texas trade delegation held an event for the produce industry in Rio Rico, Arizona to promote Texas routes. He stated we need to work on supporting our border so that we can be competitive and this whole state needs to know that we are all border communities. This should be a big wake up call for Arizona and added that Arizona needs to be in a united position to get more staffing for the border.

Chair Lopez Rogers commented that New Mexico has also gone to the produce companies along the Arizona border cities and is doing the same thing. She said this is critical. Chair Lopez Rogers asked if there were any questions or comments from the committee.

Mayor Lane stated he believes that before we promote more people to cross the borders, we first need to improve the border wait times and suggested prioritizing what needs to get accomplished. Mr. Smith stated the border crossing card will take some time, but in the meantime we should be pushing for additional staffing at the border. Mr. Smith commented regarding the need to take action.

Vice Mayor Jack Sellers agreed that getting the border zone extended will take some time and we should be aggressively pursuing both. Chair Lopez Rogers stated she had a conversation

with Arizona Mexico Commission and Arizona Department of Transportation and they discussed how local elected officials could support and encourage the work they are doing.

Mayor Mitchell stated this subject was discussed at the League of Arizona's Cities and Towns conference in August and suggested perhaps the League could elevate this conversation to all the Mayors and Council members across the state. Mr. Smith stated perhaps the League could work with Arizona Mexico Commission at their annual conference to create a partnership and come up with a legislative action plan.

Chair Lopez Rogers added we need to be specific when having discussions about improving the border with our congressional leaders that not only do we need the green shirts, but we need the blue shirts, which will improve the wait times. Mayor Lewis stated some of the slides that Dennis showed were very powerful and asked that these be forwarded so that they can be sent to our congressional leaders. Mr. Smith stated staff could create a unified message that includes these slides and forward them to everyone.

8. Report on the Incubator Tour

Denise McClafferty, MAG Regional Program Manager, stated representatives from the city of Nogales are exploring developing a research center and they wanted to see how our incubators operate. She stated that on June 25, 2013, a delegation of eight government and business leaders from Nogales, Sonora, along with three Phoenix area consulate representatives, participated in an incubator tour.

Ms. McClafferty reported that the tours were a full day event and that the day began at 7:30 a.m. at MAG with a welcome from an ACA representative and the tour ended around 6:00 p.m. She stated that the participants were impressed that an elected official was at each incubator to provide welcoming remarks.

Ms. McClafferty stated that they toured a diverse group of incubators and the first stop was SkySong in the City of Scottsdale. Mayor Lane was there to welcome the participants and reported that SkySong is a joint venture among Arizona State University (ASU), the ASU Foundation, the City of Scottsdale and the Plaza Companies. It is home to a global business community that links technology, research, education and entrepreneurship. And it is designed to help companies grow by providing business services and programs offered by ASU.

The next stop was in the City of Chandler at Innovations Science & Technology Incubator, where Vice Mayor Sellers addressed the participants and continued on the tour with the participants. Innovations provides turnkey access to wet and dry labs with a focus on biotechnology, medical devices, and sustainable and clean technologies. The facility is also integrated with industry partners, cost-savings programs, access to academic institutions and investment funds.

Ms. McClafferty stated that the group then visited the Center for Entrepreneurial Innovation (CEI). CEI is located on the campus of GateWay Community College in Phoenix. Councilmember Daniel Valenzuela, from the City of Phoenix, provided remarks at the luncheon. CEI provides targeted business services and support to create a systematic link among technology development, markets, talent development, early-stage capital sourcing, and

training. She added that CEI was kind enough to provide lunch for all the attendees before they toured the facility.

AZ TechCelerator in Surprise was the next stop, where Mayor Wolcott greeted the group. AZ TechCelerator is a business incubator located in the old city hall building. This facility provides access to community mentors in areas such as finance, sales, strategy and legal guidance. One company that spoke with the group is Athena Wireless Communication who is perfecting a fiber through the air technology.

The final stop was at BioInspire in Peoria, where the attendees met Mayor Barrett. BioInspire provides funding and business expertise to develop early stage life science technologies that drive local economic development efforts. They fill the early funding and expertise gap, which accelerates the development of new companies, drives economic development and creates new biomedical products.

Ms. McClafferty reported that the representatives from Nogales, Sonora were very pleased and felt that the tour furthered the partnership between the City of Nogales, Sonora and the MAG Region. She noted that MAG staff developed a contact sheet for both the incubators and the representatives from Sonora and stated these contact sheets are at the members place.

Chair Lopez Rogers thanked Ms. McClafferty for all her hard work in organizing this and asked if there were any questions or comments from the committee. There were none.

9. Update on Greater Phoenix Rising Website

Kelly Taft, MAG Communications Manager, stated that one of the first projects launched by this committee was the Greater Phoenix Rising website, a joint partnership between MAG and the Greater Phoenix Economic Council. She noted that the purpose of the web site is to provide information that shows the strengths and competitive advantages of our region to businesses looking to relocate or expand in the greater Phoenix area.

Ms. Taft reported that the site has more than 100 charts, maps and graphs that provide detailed information about the labor market, transportation system, available real estate space, and the existing business climate. She added that to fit in with the informative, visual and summary nature of the site, separate videos were produced for the home page and for each landing page of the site. The one landing page, which has not had a video has been the Population & Housing section, as they were waiting for final socioeconomic projections to be completed and approved in June. She noted that this video is now complete and uploaded to the site and encouraged everyone to watch it when they had a moment.

Ms. Taft stated because of the importance of Arizona's trade relations with Mexico, a new section has been added to the site, which is called "Opportunity: Mexico." She provided an overview of this section, which included information on trade, top import and export commodities, vehicle crossings, wages, spending, and demographics. The site included a four minute video summarizing this information and the video was played for the committee.

Ms. Taft also provided a brief update on a new web platform that staff is working on called [www.ConnectBIEN.com](http://www.ConnectBIEN.com). The purpose of this site is to serve as a business resource and

directory that will connect businesses in Maricopa County with businesses in Sonora by providing information about the services they offer and also the services they need, with a goal of creating synergy to increase cross-border trade. A soft rollout is expected in early 2014.

Ms. Taft added that each member had a copy of the Greater Phoenix Rising business card at their place and that the cards had a QR code. She explained that the QR code could be scanned into mobile devices, which gives immediate access to the Greater Phoenix Rising website. She added this would be a great tool when working with clients and companies.

Chair Lopez Rogers thanked Ms. Taft for the update and asked the committee if there were any questions or comments. There were none.

10. Request for Future Agenda Items

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

11. Comments from the Committee

Chair Lopez Rogers thanked the committee for the opportunity to serve as the new Chair of this committee and looks forward to working everyone on this committee.

Adjournment

There being no further business, the Economic Development Committee meeting was adjourned at 1:02 p.m.

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Chair

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Secretary