

September 30, 2013

TO: Members of the MAG Economic Development Committee

FROM: Mayor Marie Lopez Rogers, City of Avondale, Chair

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

Tuesday, October 8, 2013-11:30 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. Use of proxy at the MAG EDC is not permitted. 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, Regional Program Manager, at (602) 254-6300.

MAG ECONOMIC DEVELOPMENT COMMITTEE
TENTATIVE AGENDA
OCTOBER 8, 2013

COMMITTEE ACTION REQUESTED

<p>1. <u>Call to Order</u></p> <p>The meeting of the Economic Development Committee will be called to order.</p>	
<p>2. <u>Call to the Audience</u></p> <p>An opportunity will be provided to members of the public to address the Economic Development Committee on items not scheduled on the agenda <u>THAT FALL UNDER THE JURISDICTION OF MAG</u>, 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.</p>	<p>2. Information and discussion.</p>
<p>3. <u>Approval of the September 10, 2013 Economic Development Committee Meeting Minutes</u></p>	<p>3. Review and approval of the September 10, 2013 Economic Development Committee meeting minutes.</p>
<p>4. <u>Report on the Arizona Energy Consortium - Go Build Arizona Initiative</u></p> <p>Meeting the demand for a highly skilled workforce in the skilled trades is a national crisis that becomes more severe each day. Research indicates that young people simply are not considering the construction trades or the manufacturing sector as viable career choices. Recognizing the impending labor shortage problem in Arizona, the Arizona Energy Consortium (AEC) is addressing this issue by informing the public regarding the construction trades in a labor-neutral manner. GO BUILD is a marketing and promotional campaign focused on enhancing the image of the trades and informing young people, educators, and others who influence career decisions, about viable futures in the construction and manufacturing industries. The AEC is looking to collaborate with those who wish to better align the supply of skilled construction</p>	<p>4. Information and discussion.</p>

workers with the demand in a labor-neutral manner by using the GO BUILD program. Michelle De Blasi, Co-Chair of the Arizona Energy Consortium, will provide a report on the GO BUILD Arizona Initiative. Please refer to the enclosed material.

5. Digital Disparities in Education and Jobs

Karen Mossberger is Professor and Director of the School of Public Affairs at Arizona State University. Her research interests include local governance, urban policy, digital inequality, evaluation of broadband programs and e-government. With support from the MacArthur Foundation, she is currently evaluating the Smart Communities Program, a digital inclusion initiative in five Chicago neighborhoods, and conducting citywide studies to track changes in technology use across Chicago's community areas. She is working on an edited volume on the evaluation of the policy impacts of broadband, as well as research on local government use of social media and open data. She is interested in sharing her research regarding the impact of areas that are undeserved with digital technology and its implications regarding education and workforce development. Use of information technology changes jobs, work practices, and raises skills needed – education, workforce development, and economic development.

6. Report on Healthcare Business Competition

A key means of promoting economic growth is developing an environment and infrastructure that encourages and supports innovation. Tallwave is a venture development firm that helps startups and growth companies accelerate their momentum to become marketplace leaders. Its focus is on software, technology, e-commerce, healthcare IT and digital marketing. High Tide for Healthcare IT is a business competition for healthcare IT startups. This program connects top startup companies to a powerful commercialization engine built by executives from Google, Yahoo!, Microsoft and iCrossing working alongside entrepreneurs to create and execute winning strategies to accelerate growth and help secure funding. The selected

5. For information and discussion.

6. Information and discussion.

participants of this program will build a minimum viable business by completing modules that strengthen their viability and likelihood of obtaining seed funding. Thom Brodeur and Donna Kent from Tallwave, will provide a report on this healthcare business competition, and options will be discussed on how to include local governments. Please refer to the enclosed material.

- 7. Update on the Memorandum of Understanding - Research, Innovation and Entrepreneurial Agreement with Arizona Universities

At the January 8, 2013 Economic Development Committee (EDC), representatives from Arizona State University (ASU) reported on the quick response time involved in grant making and the need for a mechanism to secure government support for grants to be nationally competitive. On May 1, 2013, the Regional Council approved a Memorandum of Understanding (MOU) to support research, innovation and entrepreneurial grant proposals. On September 26, 2013, several EDC representatives, as well as the University Presidents, signed the MOU at the Arizona Board of Regents meeting in Flagstaff.

- 8. 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.

- 9. 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 and discussion.

- 8. Information and discussion.

- 9. Information.

MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
ECONOMIC DEVELOPMENT COMMITTEE

September 10, 2013

MAG Offices, Saguaro Room
302 N. 1st 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 Chucuri, 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 Mihelich, 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 15th 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. 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.

Chair

Secretary



Arizona Energy Consortium Go Build Arizona Initiative Executive Summary

Facing a Crisis in Workforce Development

Meeting the demand for a highly skilled workforce in the skilled trades is a national crisis that becomes more severe each day. America's construction workforce is aging and there simply are not enough young people entering this sector of the workforce. Today, nearly one-third of all construction craftsmen are over the age of 50—and the average age is increasing every year. Unless something is done to attract younger people to construction and manufacturing trades, the nation will face severe problems in any effort to build and maintain its infrastructure.

Collaborating to Solve the Problem

Recognizing the impending labor shortage problem in Arizona, the Arizona Energy Consortium (AEC) has sought the help of the Alabama Construction Recruitment Institute (ACRI) and marketing company BIG Communications to address this issue by educating the public regarding the construction trades in a labor-neutral manner. Under the control of ACRI, Go Build Alabama was created to help solve the problem in Alabama, where expanding auto, steel production and energy industries make the demand for a highly skilled workforce in the construction trades particularly acute. The AEC is working to bring the success of this program to Arizona where it will be tailored specifically to Arizona's needs under a Go Build Arizona program.

Taking the Message to a New Generation

Research indicates that young people simply are not considering the construction trades or the manufacturing sector as viable career choices. As a result of image and knowledge gaps, young people from junior high school through junior college, who are prime candidates for careers in the trades, seldom even investigate the possibilities.

GO BUILD™ is a marketing and promotional campaign focused on enhancing the image of the trades and informing young people, parents, educators, and others who influence career decisions, about viable futures in the construction and manufacturing industries.

The campaign is much like the highly successful campaigns created for recruiting to the armed forces. Campaigns like “Go Army” and “Army of One” have revolutionized military recruiting. Such a campaign, when combined with accurate information and effective communication, has successfully accomplished the same for the construction trades in states that have already implemented GO BUILD™.

Through the GO BUILD™ program, young people are directed to a webpage where interactive video shows them construction trades professionals at work, in training, and at home. In addition to the “virtual experience” offered by the website, there is a user interface where information seekers may request information and enter their personal data. This personal data becomes part of a database of those interested in the construction trades. This database is available to accredited training facilities and organizations recruiting for the construction trades.

Precedent and Success

GO BUILD™ was launched in Alabama on Labor Day, 2011 and in Georgia on January 17th, 2012. To date, GoBuildAlabama.com has seen 105,000 unique website visitors with over 6,000 training program registrations. GoBuildGeorgia.com has over 60,000 unique visitors with over 3,000 training program registrations. When polled, 99% of visitors to the sites have indicated that the sites are “useful or very useful.” After the one-year anniversary of GO BUILD™ in Alabama the community colleges in Georgia issued a poll of their students that found 70% of those entering skilled labor training programs cited GO BUILD™ as the impetus for their decision.

Future Collaborations

Go Build Arizona seeks to complement – not compete – with existing organizations engaged in enhancing the access and excellence of construction education, training, placement, employment and professional development programs and activities. The AEC will collaborate with those who wish to better align the supply of skilled construction workers with the demand in a labor-neutral manner by using the GO BUILD™ program. This will provide better opportunities for workers, more skilled employees for construction businesses and enhanced economic development for Arizona, the Southwest, and the nation.

Outreach

Representing the Go Build Arizona initiative are Jason Sutton, AEC Workforce Committee chair, and AEC Co-Chairs Michelle De Blasi and Christopher Davey. Meetings have been held with the companies and organizations listed below in an effort to gain support for GO BUILD™ and tailor the program to meet the specific skilled labor needs of Arizona.

INDUSTRY GROUPS

Alliance for Construction Excellence
Associated General Contractors, Arizona Chapter
Arizona Tech Council
The International Right of Way Association
Council of Supply Chain Management Professionals

INDUSTRY PARTICIPANTS

Beazer Homes
Sundt Construction
Younger Brothers
Hensel Phelps Construction Company
The Weitz Company
Centennial Contractors Enterprises
McCarthy Building Companies
DPR Construction
United Metal Products
DL Withers Construction
Rosendin Electric
Faithful + Gould
Black & Veatch
Kiewit
Smith Group

GOVERNMENT AND ECONOMIC DEVELOPMENT AGENCIES

Arizona Commerce Authority
Greater Phoenix Economic Council
Department of Economic Services
Governor's Office of Energy Policy
Governor's Office of Education Innovation
City of Phoenix

EDUCATIONAL INSTITUTIONS

Maricopa County Community Colleges
Arizona State University
University of Arizona
West-MEC
East Valley Institute of Technology
Estrella Mountain Community College

PROJECT OWNERS

Intel
Valley Metro
University Mechanical
Luke Air force Base
Dignity Health
DMB
Arizona State University
University of Arizona
Banner Health
EnviroMission



GO BUILD ARIZONA

BY ROBERT SCHMELZER AND JASON SUTTON, CO-CHAIRS OF THE ARIZONA ENERGY CONSORTIUM WORKFORCE COMMITTEE

Arizona could soon be reaping the benefits of a program named “Go Build” aimed at addressing the skilled trades labor shortage by revitalizing the industry through a remarketing campaign. Celebrity Mike Rowe from the Discovery Channel’s “Dirty Jobs” joined Go Build as the official spokesman for the campaign. Mike is passionate about creating a renaissance in the trades. During his recent testimony before the US Senate he said “In high schools the vocational arts have all but vanished. We’ve elevated the importance of ‘higher education’ to such a lofty perch that all other forms of knowledge are now labeled ‘alternative.’ Millions of parents and kids see apprenticeships and on-the-job-training opportunities as ‘vocational consolation prizes,’ best suited for those not cut out for a four-year degree. And still, we talk about millions of ‘shovel ready’ jobs for a society that doesn’t encourage people to pick up a shovel.” His endorsement has encouraged many people to find out more about the program which has led to incredible results.

THE GO BUILD PROGRAM

The Go Build program was initiated after the Alabama Workforce Development Initiative (AWDI) completed research about the talent shortage facing the construction industry. It concluded that opportunities for careers in the construction field were not being clearly defined to young people. Students, parents, teachers, and guidance counselors were unaware of the construction industry’s wages, opportunities, and how to obtain information about various skilled trades. This information gap led to the creation of the Alabama Construction Recruitment Institute that initiated the creation of Go Build Alabama. “If we sit back and allow our skilled craftsmen to retire without training the next generation of workers we are not going to be able to build and maintain the infrastructure we need for sustainable growth across the country,” said Bob Woods of Executive Director of AWDI. Since its Launch on Labor Day, 2010 over 4,000 people have become registered users of GoBuildAlabama.com.

Based on the success of Go Build Alabama, Go Build has been launched in Georgia and is currently in development in 14 other states. “Since the launch of Go Build Alabama the Alabama Community College System has seen a 70% increase in enrollment in technical skills program, with over 90% of students citing Go Build as the reason for their enrollment,” said Woods.

BRINGING GO BUILD TO ARIZONA

Under the leadership of the Arizona Energy Consortium (AEC), the Workforce Committee, co-chaired by Jason Sutton and Bob Schmelzer, is working with the founders of Go Build on an initiative to bring the program to Arizona. The AEC is a credible, member-driven voice for Arizona’s energy industry, providing meaningful input into the long-term strategic planning for industry growth statewide. Committee members include prominent commercial and residential builders who have already begun to feel the restraints of increasing competition for skilled labor in all areas, not just the energy field. The trades most highly affected include electricians, plumbers, welders, carpenters, concrete workers and truck drivers. “In order to achieve a lasting solution, the labor shortage problem needs to be addressed early and often with the students who will become future trades professionals,” commented Sutton.

Due to the fact that Arizona has benefited from a long tradition of steady growth in the construction industries many training opportunities exist in our state including 104 active registered apprenticeship programs, and a multitude of vocational programs offered by community colleges and private educational facilities. “These programs do an excellent job of training workers for a lasting career, earning a very respectable middle-class wage. Sadly they lack the appeal they deserve that will only come through a concerted, on-going marketing effort like Go Build Arizona,” stated Schmelzer. The Arizona effort is envisioned to be broad based including skilled jobs in high-tech, aerospace and machining in addition to commercial and residential construction trades.

The AEC Workforce Committee is implementing a state-wide campaign that will include presentations to thousands of high school guidance counselors, printed marketing material and paid advertising in the form of radio, television and electronic billboards. Industry partners have already begun to emerge and presentations to public and private economic development organizations have been met with a high level of interest. When implemented, this program will benefit the lives of the current and emerging workforce for generations to come in Arizona. For more information on the AEC or Go Build visit aztechcouncil.org/committees/aec and gobuildalabama.com.



70% of community college instructors surveyed feel students entered their program because of the Go Build marketing campaign.

The Alabama Construction Recruitment Institute (ACRI) and its Go Build Alabama campaign are working to ensure we are recruiting Alabamians to work on our job sites. We now need you to vote to renew this legislation. Our industry conservatively represents close to 10 billion dollars worth of economic impact in Alabama and this legislation ensures we continue to have the manpower needed to meet demand. ACRI was requested by the construction industry and approved by the Legislature and has been in full operation for over a year. Its mission is to recruit a new generation of skilled craftsmen for the commercial and industrial construction industry. Our association and this industry strongly encourage you to pass this so we can make sure Alabamians work, and Alabama wins.

JAY REED, President
 Associated Builders & Contractors
 Alabama Chapter

In an industry that can actually create jobs in a timely manner and inject Alabama dollars back into the economy, this has been a great asset to helping keep our companies equipped with qualified labor. And it is extremely rare when you'll find an industry willing to pay for such an effort all by itself. We at ARBA are very proud to be a part of this extraordinary team of construction leaders.

BILLY NORRELL, Executive Director
 Alabama Road Builders Association

The Alabama Construction Recruitment Institute has operated the most successful campaign of its type in the country. I hear about it constantly at national meetings. What we have achieved here with the ACRI's Go Build Alabama campaign is a great benefit to the non-residential construction industry, to business as a whole and to Alabama's economic development at no cost to the taxpayers. The Alabama AGC Board of Directors has been behind the initiative from the beginning, because it knows that Alabama needs a strong construction industry to recruit new business and to build its economy. The entire program is paid for by a fee the construction industry imposes on itself.

HENRY T. HAGOOD JR., CEO
 Alabama Associated General Contractors

This nationally award-winning marketing campaign featuring Mike Rowe has garnered over 65,000 website visitors, 187,000 page views and around 4,000 registrations in a year and a half.

GOBUILDALABAMA.COM



Applications Now Open for Tallwave National Healthcare IT High Tide Startup Program

Leading venture development group in Arizona kicks off nationwide search for the most promising healthcare IT startups

Scottsdale, AZ -- (Marketwired – September 10, 2013) – As entrepreneurs from across the country begin vying for spots in Tallwave’s Healthcare IT focused “[High Tide](#)” startup competition, Arizona industry leaders are praising the initiative as a potential economic development tool and a deal vetting and validation resource for the investment community. A self-described “commercializer,” Tallwave is known for its ability to build value for startups and help them grow rapidly, while minimizing risk for entrepreneurs and their investors.

With its first vertical High Tide, Tallwave is searching for the best healthcare IT companies to showcase Arizona’s emergence as a global leader in health and wellness innovation. The program will drive more healthcare IT startup development in the region, and provide funding opportunities and market access to the most promising entrepreneurs from across the country.

Photos and videos of Tallwave’s High Tide startup competition are available at <http://www.tallwavehightide.com/>.

The High Tide program delivers \$500,000 in services and cash to select participants who advance through the six month program with [Sopris Capital](#) acting as an advisor to its fund. These entrepreneurs and their startups proceed through rigorous validation, acceleration and commercialization bootcamps, move-the-needle competitions and local, regional and national investor pitches in “pass/fail” scenarios.

“Entrepreneurs make our economy stronger by creating jobs, and early-stage venture capital is the lifeblood for their growth,” said [Andrew Paul](#), managing member, [Sopris Capital](#). “In addition to capital, entrepreneurs need a favorable environment to launch and develop their dynamic businesses. Tallwave is providing the education and ecosystem necessary to increase the likelihood of success and commercialization of companies in start-up and growth stages.”

Arizona is fast becoming a hub for healthcare innovation with top research institutions like TGen, world-class healthcare brands such as Blue Cross Blue Shield AZ, Cancer Treatment Centers of America and [Mayo Clinic](#), and well-funded startups like [WebPT](#), [GlobalMed](#) and others. Tallwave’s High Tide for Healthcare IT program is set to fuel that innovation with its hands-on approach for identifying, validating

and commercializing the country's up-and-coming healthcare IT entrepreneurs who have the potential to transform the industry.

"The energy around this High Tide is exhilarating," said Donna Kent, senior vice president, Venture Development for Tallwave. "Pre-registration opened early last month and we already have nearly 156 healthcare IT startups from 31 states and one province in Canada. Program sponsors and partners from the previous High Tide are already onboard for this second program, and local healthcare industry leaders and several major national partners are bringing significant support to this effort."

The application process will be open to the public from September 10 – September 30, 2013. Applications can be completed online at www.tallwavehightide.com. There is no fee to enter.

About Tallwave:

Tallwave is a commercializer.

Headquartered in Scottsdale, AZ, with offices in San Francisco and Los Angeles, the company creates and maximizes commercial success and shareholder value for entrepreneurs and investors by validating, scaling and managing early-stage and growth ventures with a hands-on approach.

The combination of Tallwave's proprietary lean Business Blueprint™ system for product and company validation, and go to market strategy; its unique Operator Model™ for resource development and management, and the access to pre-seed through series A capital Tallwave makes available, sets the company apart from incubators, accelerators and venture capital firms whose business models limit the range of resources they provide.

For more information about Tallwave, visit www.tallwave.com.

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MOMENTUM: ACCELERATED

VENTURE ACCELERATION + VENTURE MANAGEMENT

Tallwave is a **venture development** firm that helps startups and growth companies **accelerate** their momentum and **mitigate** risk.

Every venture faces similar obstacles and hurdles that lead to delays, expense, and increased risk.

Whether you are starting a new venture, launching a new product or service, or entering a new market, you are faced with clear challenges:

- Limited time and resources
- Constant change
- Increasing market complexity
- Mission-critical business objectives

Tallwave's **lean methodology** and **design thinking** approach prevent the most problematic symptoms you will face, getting you to market faster and with less risk.

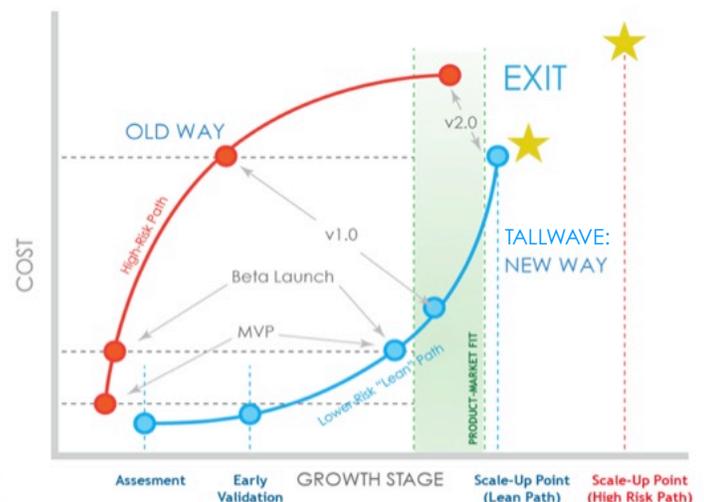
How are we different from our competitors? Our team has over five decades of entrepreneurial experience, successfully driving ideas from concept to market at Google, Yahoo!, Microsoft, and iCrossing. We help you identify problems before you encounter them, then help you plan and implement the solutions.

Others give you a pep talk; we deliver **actionable plans** and **tangible results**.

Practice Areas

- Emerging Technologies
- Product Management
- Strategic Marketing
- Business Development
- Financial Forecasting & Modeling

TALLWAVE WAY



Tallwave

MOMENTUM: ACCELERATED

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TALLWAVE VENTURE MANAGEMENT



TALLWAVE IS A LEAN BUSINESS ACCELERATOR AND VENTURE MANAGEMENT FIRM THAT HELPS COMPANIES LAUNCH SUCCESSFULLY, TAKE PRODUCTS TO MARKET FASTER, AND LEVERAGE MARKET OPPORTUNITIES. WITH LESS RISK.

MOMENTUM: ACCELERATED

Unlike incubators, product-only acceleration services or startup consultancies, Tallwave does more than match good people and good ideas with money, partners or strategic plans. We work with you on the most important part of the success equation for your company - *smart business design.*

LEAN. DESIGN THINKING. SMART BUSINESS.

Core to the *Tallwave Way™* is a comprehensive, actionable deliverable called the *Tallwave Minimal Viable Business™* (MVB) program that combines decades of entrepreneurial success and enterprise management experience with best practices from lean and design thinking principles to help you design better, build faster, win smarter, and risk less.

Our process takes you, your team and your business through rigorous testing and validation exercises designed to focus, align and accelerate your business, in less time, and with less financial exposure.

MOVE FASTER. WIN BIGGER. RISK LESS.

Your business is more than just a product, financial model, marketing or sales plan. Successful companies are designed for success. Intentionally. To be one of them, your business has to be viable, commercially relevant and scalable. Tallwave is a trusted partner with a track record of commercializing and transforming well-known start-ups, early-stage and multinational, global companies.

We're here to help you find the "win", move the needle, or unlock the entrepreneurial innovation in your enterprise. *It's time to accelerate.*

PARTNERS IN ENTREPRENEURIAL SUCCESS

Whether your company is in its infancy or already has traction in-market, *Tallwave Venture Management* provides entrepreneurs with the intense guidance and support needed to truly accelerate their venture. Tallwave selects an exclusive group of companies each year, working hand-in-hand to answer the questions:

- *Are you behind the curve, at parity, or ahead of the competitive pack with your product, service or business model?*
- *Are you pacing behind, with or ahead of innovation in your sector?*
- *Is your product viable enough to take advantage of scale opportunities available to you?*
- *Have you identified and considered all the market and competitive pitfalls that can impede your success?*
- *Do you have the best-and-right user/customer validation for your offering?*
- *Are you positioned to compete and lead?*
- *Do you have the capital and talent resources you need to accelerate?*

Tallwave Venture Management does more than support your venture, we align our team with yours to become strategic growth partners. As a Venture Management client we work closely with your company to provide:

- Executive Leadership & Mentorship
- Incubation & Office Space
- Exclusive Partnership Opportunities

