

October 28, 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, November 5, 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
NOVEMBER 5, 2013

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 October 8, 2013 Economic Development Committee Meeting Minutes

4. Report on Legislative Mission to Mexico

House Speaker Andy Tobin led a mission to Mexico in September 2013 to discuss economic development and establish relationships between Arizona and Mexican officials, while focusing on mutual investment and trade. Representatives Andy Tobin and Juan Carlos Escamilla will provide the Committee a report on the mission to Mexico.

5. Report from the Consul General of Mexico in Phoenix

Mexico's president, Enrique Peña Nieto appointed a new Consul General of Mexico in Phoenix, Roberto Rodríguez Hernández, in April 2013. Consul General Rodríguez is a 36-year career

2. Information and discussion.

3. Review and approval of the October 8, 2013 Economic Development Committee meeting minutes.

4. Information and discussion.

5. Information and discussion.

diplomat who prior to being appointed to his assignment in Phoenix was the Mexican government's director general for the protection of Mexicans abroad. The Mexican consulate in Phoenix is considered to be one of the most high-profile consulates in the U.S. because of Arizona's large Mexican population and immigration policy. The Consul General of Mexico in Phoenix also oversees Mexican consulates in Tucson, Yuma and Las Vegas. In addition, the Arizona Mexico Commission (AMC) is a unique organization that has impacted the economic and well-being of both Arizona and Mexico by connecting the region globally. Arizona has established a good working relationship with Mexico through the AMC. Margie Emmermann, Executive Director and Policy Advisor to the Governor for Mexico & Latin America, will provide welcoming remarks for the Consul General of Mexico, and as Mexico's key representative abroad in Phoenix, Consul General Rodríguez will discuss his plans to focus on promoting trade and new business opportunities that contribute to the economic development of the region.

6. Nogales, Arizona and Nogales, Sonora Mayors Discuss Border Opportunities

Located along Arizona's southern boundary, the City of Nogales, Arizona, borders its sister city, Nogales, Sonora, Mexico, and is Arizona's largest international border city. Nogales, Arizona, located in Santa Cruz County, is a major international gateway along the United States-Mexico border, home to four International Ports of Entry, including the Morley Pedestrian Port of Entry, Dennis Deconcini Pedestrian and Passenger Vehicle Port of Entry, Nogales International Airport, and the Mariposa Port of Entry.

Economists estimate that by the end of this decade, Mexico will be among the world's ten biggest economies. Increasing infrastructure and economic activity along the border region will be mutually beneficial for augmenting economic

6. Information and discussion.

opportunities between Mexico and Arizona. Mayor Arturo Garino from Nogales, Arizona and Mayor Ramón Guzmán from Nogales, Sonora will discuss infrastructure, economic and policy initiatives occurring in their respective cities as well as the importance and implications of expanding inter-regional cooperation beyond the border.

7. Report on the Obregon, Mexico Symposium

While visiting Phoenix earlier this summer, officials from Ciudad Obregón, the municipal seat of the municipality of Cajeme, Sonora, met with MAG staff to further understand issues of interest to the region and identify potential opportunities for collaboration. The meeting included representatives from the Secretary of the Center for International Business, Office of Economic Development and Technological Institute of Sonora (ITSON). In the spirit of augmenting a bilateral relationship and economic opportunities between the two regions, Obregón officials invited MAG to visit with key officials and stakeholders in Obregón as well as tour the Port of Guaymas.

In addition, MAG was invited by Dr. Gonzalo Rodríguez Villanueva from ITSON to participate in an international business symposium, including topics related to the economy and sustainable regional economic development. In response to this invitation, a MAG staff member traveled to Ciudad Obregón from October 1-3 to meet with local officials and business community representatives to provide a presentation discussing the importance of an interdependent economic relationship between Arizona and Mexico. MAG staff will provide a brief overview of the region and present proposed areas of potential collaboration for possible further consideration by the EDC.

8. Request for Future Agenda Items

Topics or issues of interest that the Economic Development Committee would like to have

7. Information and discussion.

8. Information and discussion.

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

9. Information.

MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
ECONOMIC DEVELOPMENT COMMITTEE

October 8, 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
Angela Creedon, Arizona State University
Mark Dreher, East Valley Partnership
*Thomas Franz, Greater Phoenix Leadership
*Gary Haydon, Haydon Building Corp.
*Michael Hoover, Sundt Construction
Mayor Linda Kavanagh, Fountain Hills
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
*Mayor Christian Price, City of Maricopa
*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 Jerry Weiers, Glendale
#Mayor Sharon Wolcott, Surprise

* Not present

Participated by video or telephone conference call

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

Thomas Adkins, Glendale
Roc Arnett, WESTMARC
Rob Bohr, Glendale
John Catapano, Maricopa Community College
Alana Chávez-Langdon, MAG
Doreen Cott, Queen Creek
Dan Davis, City of Avondale
Elizabeth Higgins, Tempe
Denise McClafferty, MAG
Dale Miller, Jacobs
Michelle Pierson, Phoenix
Linda Priano, MAG

Nathan Pryor, MAG
Jeff Schorey, Entellus, Inc.
Jim Schuman, CK Group
Dennis Smith, MAG
Chris Stoller, AMC
Tim Strow, MAG
Kelly Taft, MAG
Mark Valenzuela, ASU SkySong
Marge Zylla, Tempe

1. Call to Order

The Economic Development Committee (EDC) meeting was called to order by Vice Chair Smith at 11:38 a.m. Vice Chair Smith stated that Mayor Lane and Mayor Wolcott were participating by telephone. Vice Chair Smith noted public comment cards were available for those members of the public who wish to comment. Vice Chair Smith 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.

Vice Chair Smith welcomed Angela Creedon, Assistant Vice President, Public Affairs, Arizona State University, Mayor Linda Kavanagh, Town of Fountain Hills, Mayor Christian Price, City of Maricopa and Mayor Jerry Weiers, City of Glendale as new members of this committee.

Vice Chair Smith also stated that the December 2013 committee meeting date has changed. He noted that the new meeting date is December 3, 2013.

2. Call to the Audience

Vice Chair Smith 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. Vice Chair Smith noted that no public comment cards had been received.

3. Approval of the September 10, 2013 Economic Development Committee Meeting Minutes

Vice Chair Smith asked if the members had any questions regarding the September 10, 2013 meeting minutes. There were none. Mayor Meck moved to approve the September 10, 2013 Economic Development Committee meeting minutes. Mayor Barney seconded the motion and the motion carried unanimously.

4. Report on the Arizona Energy Consortium - Go Build Arizona Initiative

Michelle DeBlasi, Co-Chair, Arizona Energy Consortium (AEC), stated that the AEC is a committee under the Arizona Technology Council. They promote economic development initiatives that support the energy industry and continued technological development. She added that the AEC has four committees that include a Energy Efficiency Committee, a Workforce Development Committee, a Project Development Committee and a Policy Committee. These committees include commercial and residential builders who have begun to feel the restraints of increasing competition for skilled labor in all areas, not just the energy field.

Ms. DeBlasi also discussed the Arizona Energy Roadmap flyer, which was created under the Energy Efficiency Committee. This flyer provides a focus on regional development and will

help the region's energy industry to better succeed in providing reliable, efficient and low-cost energy to consumers and businesses. She invited members of this committee to participate and get involved with the AEC. Ms. DeBlasi then introduced Chris Davey, Co-Chair of the AEC.

Mr. Davey stated that America's construction workforce is aging and there simply are not enough people entering this sector of the workforce. He added that unless something is done to attract younger people to the construction and manufacturing trades, we will be unable to meet the demand. Mr. Davey then showed a short marketing video that was recently launched in Alabama. The video shows that our nation is in a national crisis because we are unable to meet the demand for a highly skilled workforce in the skilled trades. The video focuses on enhancing the image of the trades, informing young people, parents, educators, and others who influence career decisions, about viable futures in the construction and manufacturing industries. This video also directs the public to a website called www.GoBuildAlabama.com.

Through this website, people are directed to specific web pages where interactive videos show them construction trade professionals at work and in training. There is also a user interface where people may request more information on a specific trade that they may be interested in. This data becomes part of a database of those interested in the construction trades and is then available to accredited training facilities and organizations recruiting for the construction trades.

Mr. Davey stated since the launch of Go Build Alabama, the Alabama Community College System has seen a 70 percent increase in enrollment in technical skills programs, with over 90 percent of students citing Go Build as the reason for their enrollment. He added that because of the success of Go Build Alabama, Go Build has been launched in Georgia and is currently in development in 14 other states. Mr. Davey stated that under the leadership of the AEC, the Workforce Committee is working with the founders of Go Build on an initiative to bring the program to Arizona. This initiative will provide better opportunities for workers, more skilled employees for construction businesses, and enhanced economic development for Arizona.

Vice Chair Smith thanked them for their presentation and asked if there were any comments or questions from the committee. Mayor Kavanagh asked if there was a special outreach to women. Mr. Davey stated that there has been specific marketing to target women in the construction and manufacturing trades through this agency. Todd Sanders asked how the program's success is being measured. Mr. Davey stated that entrance into those skilled trade programs have increased 70 percent since Go Build has been implemented. Ms. DeBlasi added that this ad campaign is not just geared toward younger students. It is also geared toward people who have already gone to college, who have come back from the military, and for people changing careers.

Mayor Schoaf stated that he was very happy to hear that the machining trades are included in this project. He added that based on his experience, the level of skill required for machining and production is not currently available here in Arizona. He stated that if we can

improve our ability to attract good students in this area, then we will improve our ability to attract good manufacturing companies in the state. Mayor Weiers added that Arizona high schools used to have a policy where vocational training was offered, but then the schools backed away from it. Mr. Davey stated that there is a correlation between the two. Students stopped thinking about construction trades when they stopped being exposed to this as a career option. He added that it is important to change this perception and Go Build Arizona is one way this can be accomplished.

5. Digital Disparities in Education and Jobs

Karen Mossberger, Professor and Director of the School of Public Affairs, Arizona State University, stated that a neighborhood lacking digital literacy in today's world is at a competitive disadvantage. Finding a job, learning about government services, paying bills, etc. are increasingly done online. She discussed her research regarding the impact of areas that are underserved with digital technology and its implications. With the support from the MacArthur Foundation, the Smart Communities Program was created to increase digital access and use by families, businesses and other institutions in five moderate and low income Chicago neighborhoods: Auburn Gresham, Chicago Lawn, Englewood, Humboldt Park and Pilsen.

Ms. Mossberger stated that residents were asked why they did not have the Internet at home and the three most common answers were lack of interest, cost, and difficulty of use. There were clear differences between demographic groups in the reasons for being offline or less-connected. She indicated that income is the major factor explaining that residents who say they can not afford the Internet are statistically more likely to be low-income.

Ms. Mossberger stated that with input from residents and led by local organizations, the Smart Communities Program is building a culture of digital excellence that supports neighborhood goals that include education, economic development, safety and youth programs. The five key strategies include: building awareness of the power of digital technologies; expanding digital education and training for individuals, families and businesses; improving access to technology and the Internet at home and throughout the local community; generating local content and improving access to neighborhood news and resources; and helping existing businesses grow and attracting new businesses.

Ms. Mossberger reported that in order to reach these goals, the Smart Communities Program had to provide: technical training to teach everyday digital skills to people of all ages; provide computer access and hands-on training at FamilyNet Centers; create Business Resource Networks to increase use by local businesses; create Community Portals that allow local residents to post and find information; create a Digital Youth Network that engages youth in multimedia and the arts; and provide a Digital Youth Summer Jobs to place residents in tech related jobs at local employers.

Ms. Mossberger indicated that a study was recently released that showed from 2008 to 2011, the five Smart Communities saw a 15 percent higher increase in broadband usage than other Chicago neighborhoods and clients who participated in both the Everyday Digital tech courses and received employment services through the program, had a job placement rate

that was about 50 percent higher than for those who took the employment services alone.

Ms. Mossberger stated that local businesses, service providers and community organizations cannot afford to ignore the power of working smarter and communicating better. Having access to broadband Internet in the home has a profound impact on the city in many aspects including education, communications, technology, economic development, recreation, jobs, workforce and health. She added that in our increasingly digital world where parents are able to view and download their child's homework assignments and view test results online, a family without broadband Internet service at home is at a disadvantage. The same can be said for families interested in applying for jobs, seeking healthcare information, banking online and accessing government websites. She stated that broadband adoption is an economic development issue, as well as a neighborhood issue, and all the partners involved in the Smart Communities Program have proven that these issues can be addressed in ways that are very effective.

Vice Chair Smith thanked Ms. Mossberger for her presentation and asked if there were any questions or comments from the committee. Mayor Lane welcomed Ms. Mossberger to Arizona and stated that the City of Scottsdale has made sure that wireless broadband capabilities are available. He noted that the city is somewhat geographically challenged and environmentally concerned about some of the applications of towers, and in 2010 the city worked to revise ordinances to allow greater access for wireless installations. This was done with the distributed antenna system (DAS) system, which is less intrusive on the neighborhoods, but provides high broadband capabilities. Mayor Lane added that Scottsdale recently received the 2013 eCity Award from Google, an honor that recognizes the strongest online business community in each state. He added that the businesses in this community are using the web to find new customers, connect with existing clients and are fueling the local economy.

Vice Chair Smith stated that if we have a large population that is not connected, for whatever reason, that segment will negatively effect the overall economy because they will not be able to keep up with the digital world, will not have the opportunities, and will not advance economically. He added that the question our region has to ask is where do we want to create the broadband services and infrastructures zones. Mayor Kavanagh stated that as she was watching the presentation she was hoping to see age as a statistical barrier. She added that the Town of Fountain Hills has a good income based population, but in comparison with Scottsdale, there are not a lot of people on broadband. She noted that they have a lot of senior citizens in Fountain Hills and they are just not interested on going on the Internet. Ms. Mossberger agreed and noted that age is one of the major factors in whether someone has broadband at home. She added that there have been some initiatives to reach out to seniors for keeping them connected. Vice Mayor Smith stated that he believes that this is an issue that our region is going to hear more and more about.

6. Report on Healthcare Business Competition

Thom Brodeur, Executive Vice President of Venture Management, at Tallwave stated that Tallwave is a private sector, for profit, venture accelerator and management firm that helps

entrepreneurs move beyond concept and early stage growth and builds them into successful sustainable businesses. He stated that on September 10, 2013 Tallwave announced the High Tide for Healthcare IT Scholarship Competition and that 181 healthcare IT startups from 31 states and one province in Canada have registered for this competition, which will then be narrowed down to 20 semi-finalists.

Mr. Brodeur stated that the High Tide Program delivers \$500,000 in services and cash to select participants who advance through a six month program. These entrepreneurs and their start ups proceed through rigorous validation, acceleration and commercialization bootcamps, competitions, and local, regional and national investor pitches. He stated that Tallwave is searching for the best healthcare IT companies to showcase Arizona as a global leader in health and wellness innovation. He noted that this program will drive more healthcare IT startup development in the region, and provide funding opportunities and market access to entrepreneurs from across the country. He added that program sponsors and partners, local healthcare industry leaders, and several major national partners are bringing significant support to this effort.

Donna Kent, Senior Vice President of Venture Development at Tallwave, stated one of the unique ways that Tallwave involves the economic development offices from across the state is through having interested cities pitch their city to the the 20 High Tide semi-finalists on the reasons why they should consider relocating their start up to a specific city. This was tested with the City of Scottsdale and they received a tremendous amount of support and energy with Mayor Lane and his team. Another unique opportunity is called Cities Tours. Ms. Kent explained that this is when city economic development offices are given the opportunity to select three High Tide semi-finalists for a private “economic development tour” to show them what resources a particular city can provide. She added that along with the innovators, the cities would also have the opportunity to speak to the national brands and organizations that are making opportunities around this innovation.

Ms. Kent noted that for this particular High Tide event, twelve advisory board professionals of the top global and regional health care institutions around the country are sitting on a committee agreeing that this particular innovation is important to the healthcare industry. Therefore their businesses, clients, and extended partners are also coming to see what the cities can offer. Ms. Kent then discussed the final unique opportunity called Venture Blueprint. This “Entrepreneur Boot Camp” is a 12-week educational series that provides city identified entrepreneurs with the practical education they need to build commercially viable and successful businesses in a city. Vice Chair Smith thanked them for their presentation and asked if there were any comments or questions from the committee.

Mayor Lane stated he could not provide a higher recommendation and encouraged other cities to get involved and work with Tallwave. He added that Tallwave has the ability to recognize great prospects and provides services on the financial capital and management capital side in commercialization. Todd Sanders stated in regards to the expansion and retention of existing companies, he could not overstate the importance of the work being done at Tallwave. He added that the High Tide events are incredible to see and urged members to attend.

Mr. Smith stated that these are exciting opportunities and this information needs to be made available so people know about Tallwave and what they can offer. He suggested that the next step could be to have Tallwave present to the MAG Management Committee. Vice Chair Smith agreed and added that he applauds Tallwave for creating this shortcut that goes right to the local level to get the cities and towns these economic development opportunities. He added that Arizona loves to celebrate start ups, but we also should celebrate the build ups, those that have gone past the initial deals.

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

Mayor Schoaf stated that he was very pleased to represent the Economic Development Committee and MAG at the ceremony of the signing of the University Memorandum of Understanding (MOU). He added that this committee has accomplished a number of good things, but that this MOU signing is at the top of the list of having potential for the future.

Mayor Schoaf stated that all of the things that Tallwave discussed today start with research and if we can find ways to help support research in our major universities, we will create more opportunities for these start up businesses. This will help meet the goal of successful long standing businesses. Chair Schoaf stated that this is an opportunity to bring the universities and cities together in a partnership that will help support research in the valley and across the state. He added that we now need to take this opportunity and turn it into something that produces results. MAG will have to develop the infrastructure to get this information from the universities so that as it becomes available, it can be distributed to the right people in the right cities. Cities will then be able to respond to those potential research projects that they are interested in. He added that we need to take this concept and see that it produces some very positive results.

8. Request for Future Agenda Items

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

9. Comments from the Committee

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

Adjournment

There being no further business, the Economic Development Committee meeting was adjourned at 1:08 p.m.

Chair

Secretary