

July 28, 2014

TO: Members of the MAG Economic Development Committee

FROM: Mayor Michael LeVault, Town of Youngtown, Vice Chair

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

Tuesday, August 5, 2014 - 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
AUGUST 5, 2014

COMMITTEE ACTION REQUESTED

1. Call to Order

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

2. Pledge of Allegiance

3. 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.

4. Approval of the May 6, 2014 Economic Development Committee Meeting Minutes

5. Report on Velocity

Velocity is the Greater Phoenix Metropolitan Business Plan, a program that will implement and deploy strategic steps necessary to complete in the next global economy. Velocity defines strategies for innovation and, technology, education, entrepreneurial growth and increased exports. The focus of Velocity is to change Arizona back to an innovation and entrepreneurial economy exporting its work. This is a timely opportunity because higher education, elected officials and business leaders have the momentum to implement change. Barry Broome from the Greater Phoenix Economic Council will provide the committee a report on Velocity.

3. Information and discussion.

4. Review and approval of the May 6, 2014 Economic Development Committee meeting minutes.

5. Information and discussion.

6. Update on Mexico Initiatives

During the past few years, the EDC has lead several Mexico Initiatives. Recently, MAG staff traveled with a delegation from Arizona to Nogales, Sonora in April 2014 for the 2nd Binational Forum. The main purpose of the forum was to convene local elected officials from Arizona and Sonora to discuss regional initiatives in both states, as well as to sign a partnering agreement to collaborate on developing an Arizona-Sonora Megaregion. Since that time, staff has been requested to assist with organizing a League of Arizona Cities and Towns conference session on the Arizona-Sonora Binational Megaregion. In addition, MAG staff worked collaboratively with representatives from the Arizona COG/MPO Association to organize a follow up meeting of a binational megaregion council, including mayors of Arizona and mayors of Sonora, to further discuss the framework and annual projects to be undertaken by the Arizona-Sonora Megaregion.

On another Mexico initiative, MAG was contacted by representatives of a member of the State Congress of Sonora to host a delegation from Sonora, Mexico on June 27, 2014 at MAG and facilitate additional meetings during the visit. The purpose of the delegation’s visit was to meet with local elected officials, as well as state level officials and businesses leaders, to learn more about the region’s initiatives with Mexico. Staff coordinated with the Arizona Mexico Commission, Arizona Commerce Authority and Greater Phoenix Economic Council to plan the agenda for this visit. MAG staff will provide an update on these initiatives.

7. Report on the City of Peoria Self-Certification Pilot Program

The city of Peoria has been initiating several customer service enhancements. In April 2014, the city announced the self-certification pilot program. Through this program, eligible building permits can be issued in as little as three business

6. Information and discussion.

7. Information and discussion.

days. This self-certification program allows qualified professionals to quickly bypass the plan review and examination process by self-certifying a project's compliance with building codes, standards and ordinances. These changes will allow customers to start construction quickly while still ensuring code compliance and building safety. Rebecca Zook, Deputy Director of Development, Economic Development Services, will provide a report on the city of Peoria's customer service enhancements, including the self-certification program, and the over-the-counter and electronic plan review process.

8. Proposed Practicum Project with the Thunderbird School of Global Management

MAG has participated with the Thunderbird School of Global Management on several economic development related projects. Funding to work with Thunderbird was approved by the Regional Council Executive Committee in October 2011. MAG was approached recently regarding any potential projects for the next semester. MAG has a very active program in aging. This has been focused on the human services aspect of aging. MAG is proposing that an analysis be conducted on the wealth of talent in the aging community and how to engage this talent to grow the economy, especially as it relates to STEM workers. The Regional Council Executive Committee will consider this item at their August 18, 2014 meeting.

9. 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.

10. 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,

8. Information, discussion and possible action to recommend proceeding with the Thunderbird Practicum project in the amount of \$2,500.

9. Information.

10. Information.

deliberate or take action at the meeting on any matter in the summary, unless the specific matter is properly noticed for legal action.

Adjournment

MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
ECONOMIC DEVELOPMENT COMMITTEE

May 6, 2014

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

MEMBERS ATTENDING

Mayor Marie Lopez Rogers, Avondale, Chair
Mayor Gail Barney, Queen Creek
Steven Betts, GPEC
Dr. Joseph Cavinato, Thunderbird
*Supervisor Steve Chucri, 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, Tempe
*John Nelson, ADOT
Mayor Christian Price, Maricopa
*Jim Rounds, Elliott D. Pollack & Company
Todd Sanders, Greater Phoenix Chamber
of Commerce
Mayor Thomas L. Schoaf, Litchfield Park,
Councilmember 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)):

Roc Arnett, EVP
Anubhav Bagley, MAG
Alana Chávez Langdon, MAG
John Catapano, Maricopa Community Colleges
Kathy Hidalgo, Phoenix
Mike Hoover, Surprise
Jack Lunsford, Phoenix
Dan Marum, Wilson & Company
Denise McClafferty, MAG
Lora Mwaniki-Lyman, MAG
Lauren Patheal-Valencia, Triadvocates
Michelle Pierson, Phoenix

Scott Powell, Gilbert
Linda Priano, MAG
Nathan Pryor, MAG
Tom Remes, Phoenix
Michelle Rider, WESTMARC
Jeff Schorey, Entellus, Inc.
Kelly Taft, MAG
Mark Valenzuela, ASU

1. Call to Order

The Economic Development Committee (EDC) meeting was called to order by Chair Lopez Rogers at 11:38 a.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

Tom Franz, Mike Hoover, Mayor Kavanagh, Jim Kenny, and Mayor Mitchell joined the meeting via teleconference. 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.

3. 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.

4. Approval of the April 1, 2014 Economic Development Committee Meeting Minutes

Chair Lopez Roger asked if the members had any questions regarding the April 1, 2014, meeting minutes. There were none. Dr. Cavinato moved to approve the April 1, 2014 Economic Development Committee meeting minutes. Mr. Sanders seconded the motion and the motion carried unanimously.

5. Update on Google Fiber

Chad Campbell, Vice President of Resolute Consulting Group, stated that Google recently announced that Scottsdale, Phoenix and Tempe could become one of the first cities in the Valley for potential expansion of Google Fiber. He explained that Google Fiber is an internet and television service that provides internet connectivity that is up to 100 times faster than the basic broadband, along with hundreds of high-definition TV channels. Mr. Campbell discussed world average speeds, with South Korea having the fastest internet speed, while the United States was ranked as the eighth fastest in the world. He also compared the cost per megabit with Japan being the least expensive at \$0.27 per megabit compared to the United States at \$3.30 per megabit.

Mr. Campbell stated that these three cities have been busy going through a checklist of items to help them prepare for the possible local fiber construction project and has been impressed by the enthusiasm and engagement of every one of these cities. He added that this is not a competition among these cities because once fiber is available in one area, it will most likely be expanded to other cities in the region. Mr. Campbell noted that there is still a lot of work

to do over the next few months to tie up some checklist-related loose ends. Google is working with city staffers to draft agreements that would allow them to place fiber huts on city land; several city councils still need to approve these agreements and they will spend some time working with the cities to figure out an ideal permitting process that would be fast and efficient.

Mr. Campbell added that there is also a lot to do beyond the checklist. Google will need to work with either the city or the state to get something called a video franchise agreement, which would basically grant Google permission to build a local network. They may also need pole-attachment agreements with local utilities or other companies who can rent them space on their poles by stringing fiber along existing poles because this is the fastest and least disruptive way.

Mr. Campbell stated that after all of these steps are completed, Google will start drawing up construction blueprints for local fiber networks. These detailed designs will help them see how complex it would be to build in each city, and will be used to determine their final decisions. He added that Google will announce which cities will get Google Fiber by the end of the year and between now and then, they will be working closely with each city's leaders on a joint planning process that will not only map out a Google Fiber network in detail, but also assess what unique local challenges they may face.

Chair Lopez Rogers asked if there were any questions or comments from the committee. Councilmember Sellers asked if this presentation would be available to members. Mr. Campbell stated that this presentation would be emailed to any committee member who would like a copy. Ms. Creedon stated that there has been a lot of criticism for the competition that will add to the marketplace and level playing field. Mr. Campbell stated that Google is not looking for special treatment and welcomes competition. He added that in the Austin, Texas market, AT& T is now going into the broadband market with their own fiber package.

Ms. Creedon also asked what lessons have been learned in communities where it has not been successful. Mr. Campbell stated that currently this service is available in Kansas City, Provo, Utah, and Austin, Texas. He added that Austin was the most challenging environment mainly due to political reasons and not technical reasons. The biggest thing Google has learned is how they rollout the construction phase. This is very critical because this is a "build by demand" model.

Mr. Campbell stated that initially Google Fiber will be available for residential use only. The package will cost approximately \$120 for cable television and 1 GB internet service, or \$70 for 1 GB and no cable television. He added that Google will also offer a free seven year internet package, with customers just paying a connection fee. This will not include the 1 GB speed, but instead will be similar to the speed that most internet customers are currently getting with their traditional internet provider. Mr. Campbell stated that Google is committed to bringing the free access option to as many neighborhoods as possible to try and overcome the digital divide.

Mayor Lewis asked for cities that are currently not in the running, what can they do to get their city in the next round. Mr. Campbell recommended that any city that is interested in this future possibility, should review the fiber checklist; begin looking at the energy standards to see if

their city is capable; express their interest to Google; and begin preparation for the next round. Mr. Sanders asked how will Google tie in with the current infrastructure. Mr. Campbell stated that Google is currently working with SRP, Centurylink, APS, and others and that conversations have gone very well. Agreements will be worked out in protecting existing infrastructure. He added that Google is also committed in working with companies and entities that will make the incumbents feel comfortable. Mr. Campbell stated that he feels very confident that things are moving forward in a positive way and added that if any committee member has other questions or concerns to please contact him. Chair Lopez Rogers thanked Mr. Campbell for his presentatio.

6. Regional Economic Development and Core Competencies Survey Results

Donna Kent, Vice President of Tallwave, stated that in October 2013, she provided a report on a healthcare business competition by Tallwave. She added that Tallwave also presented to the MAG Management Committee in November 2013, and during that meeting, the Management Committee suggested collecting an inventory of core competencies of the region's jurisdictions to assist Tallwave in its efforts and to include local governments.

Ms. Kent provided a report on the survey results and next steps. She explained that since 2011, Arizona has claimed the number one, two or three spot as an early start up environment, but that Arizona continues to fall off significantly during the phases of scaling and commercialization of companies. She noted, as a result, cities in Arizona have a key opportunity to capture and embrace early stage companies to help keep them and grow them locally. Ms. Kent added that in 2012, \$484 million was invested in venture capital in Arizona, however, less than \$20 million went to pre-seed investments and only nine percent went to women invested companies.

Ms. Kent stated that the survey results also showed that 58 percent of the cities have incubators and 65 percent said they had allocated funds to support innovation. She added that 88 percent see innovation and start up activity as key to the city economic development strategy. Ms. Kent added that health care, because of the growth in the West Valley, was at the top of the core competencies, but that they are also starting to see aerospace, small manufacturing, education tech, and digital IT across the board. She added that 25-33 percent of cities are still unsure of their path to the innovation economy to support their growth, and are looking for direction from consulting organizations in this area.

Ms. Kent added that by working with Tallwave, accelerators, or incubators cities are able to facilitate greater opportunity for commercialization and expansion of early stage companies in their community. She discussed the Arizona entrepreneurial ecosystem, which includes university partnerships, incubator partnerships, and city engagement. Ms. Kent stated that in order to build an innovation economy, an increase in early venture companies, more activities associated with commercialization, better alignment among key players and identifying a strategy at the government level will be needed.

Ms. Kent discussed the High Tide program and reported on the High Tide Two competition, which was focused on healthcare. She stated six companies graduated and within thirty days, four companies had already received funding. She added that Tallwave is expanding its High Tide program to include partners in corporate ventures, industry ventures, and socioeconomic

opportunities in mobility, healthcare IT, education IT, clean tech and minority developed startup sectors. She noted that they are also meeting with the Grand Canyon Trust and to see what opportunities Tallwave can provide to help the tribes with their incubators.

Chair Lopez Rogers thanked Ms. Kent for the presentation and asked if there were any questions or comments from the committee. Mayor Stanton commented that in Silicon Valley the entrepreneurial ecosystem involves traditional large companies allowing small startups the opportunities to use their resources and proof of concepts. He asked Ms. Kent if the large companies in Arizona recognize and understand the important roll they play. Ms. Kent stated that the larger companies, such as Mayo Clinic, Cancer Treatments of America, and others are beginning to recognize this and added that Brad and Heidi Jannenga from WebPT have been extremely generous and have done an incredible job in bringing new entrepreneurs into their organization and giving them access to their resources and network, while also providing feedback.

7. Update on the Second Binational Economic Forum, Nogales, Sonora

Alana Chávez Langdon, MAG International Economic Development Analyst, provided an update on the Second Binational Economic Forum held in Nogales, Sonora on April 10-11, 2014. She stated that there were approximately 230 attendees, including 30 mayors from the State of Sonora and 32 elected officials from Arizona. She added that the purpose of this event was to provide an opportunity to exchange ideas, discuss international trade and develop regional economic strategies.

Ms. Chávez Langdon stated that during the event, a partnering agreement was signed by the Association of Mayors of Sonora and local Arizona elected officials to establish an Arizona-Sonora Binational Megaregion. She noted that the vision is one that will provide a framework to address important policy matters and position Arizona and Sonora as a megaregion destination for global competition. This partnering agreement is expected to enable the development of local relationships to advance projects of local and regional significance on both sides of the border in areas such as transportation and infrastructure, education, economic development, border security and public safety, trade area promotion, commerce and tourism.

Ms. Chávez Langdon added that municipalities in Sonora formed a governance organization similar to our League of Arizona Cities and Towns, the first of its kinds for the Mexican state. La Asociación de Alcades de Sonora will establish municipal priorities for cities and towns in the state of Sonora. She added that the Executive Director, Ken Strobeck, of the League of Arizona Cities and Towns invited the mayors of Sonora to their annual August meeting.

Chair Lopez Rogers thanked Ms. Chávez Langdon for her update and asked if there were any questions or comments from the committee. Mr. Smith added that next steps could include developing a combined asset map for Arizona and Sonora. He suggested that together they could plan how the port of Guaymas can assist both parties and also how Union Pacific and Burlington Northern Santa Fe railroads and Sky Harbor International Airport are great assets for both regions. He added that these assets can attract many things globally, but we need to get the word out. Chair Lopez Rogers added that she appreciated all the effort that staff put into this event to make it successful. She also thanked all the mayors that participated in this important event.

8. Request for Future Agenda Items

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

9. Comments from the Committee

Chair Lopez Rogers asked if there were any comments from the committee. There were none.

Chair Lopez Rogers stated that the next meeting of the EDC will be on May 6, 2014 at 11:30 a.m. at the MAG Office, 302 N. 1st Avenue, Phoenix, Second Floor, Saguaro Room.

Adjournment

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

Chair

Secretary