

MINUTES OF THE  
MARICOPA ASSOCIATION OF GOVERNMENTS  
ECONOMIC DEVELOPMENT COMMITTEE

January 6, 2015

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

MEMBERS ATTENDING

#Mayor John W. Lewis, Gilbert, Chair  
Mayor Michael LeVault, Youngtown, 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  
Mayor John Giles, Mesa  
Mayor Linda Kavanagh, Fountain Hills  
Jim Kenny, El Dorado Holdings, Inc.  
#Mayor W.J. "Jim" Lane, Scottsdale  
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  
Dan Spitz, Achen-Gardner Construction  
Mayor Greg Stanton, Phoenix  
Sandra Watson, ACA  
Mayor Jerry Weiers, Glendale  
Mayor Kenneth Weise, Avondale  
Mayor Sharon Wolcott, Surprise

\* Not present

# Participated by video or telephone conference call

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

Anubhav Bagley, MAG  
Len Becker, Buckeye  
Frank Beltran, Trade Base Mexico  
Chris Camacho, GPEC  
Lane Carraway, Cavalier Hills  
Alan Carey, GBI  
Alana Chávez Langdon, MAG  
Natalia Cuneo, MAG  
Dan Davis, Avondale  
Francois Bertault, visitor  
Laura French, AOT  
Walt Gray, West Side Town Hall

Sapna Gupna, Morrison Institute  
Tom Hester, Parsons Brinckerhoff  
Steve Haase, Think Global Institute  
Patrice Kraus, Chandler  
Matt Ligouri, Goodyear  
Denise McClafferty, MAG  
Lora Mwaniki-Lyman, MAG  
Kevin O'Shea, ACA  
Michelle Pierson, COP  
Linda Priano, MAG  
Nathan Pryor, MAG  
Brian Sherman, ACA

Dennis Smith, MAG  
Tim Strow, MAG

Kelly Taft, MAG  
Marge Zylla, Tempe

1. Call to Order

The Economic Development Committee (EDC) meeting was called to order by Vice Chair LeVault at 11:37 a.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited. Mayor Barney, Mayor Lane and Mayor Lewis joined the meeting via teleconference. Vice Chair Lewis welcomed Mayor Giles, from the City of Mesa, as a new member of this committee. Vice Chair LeVault noted public comment cards were available for those members of the public who wish to comment. Vice Chair LeVault 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

Vice Chair LeVault noted that the Call to the Audience provides an opportunity to members of the audience who wish to speak 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. Citizens are requested to not exceed a three minute time period for their comments. A total of 15 minutes is provided for the Call to the Audience agenda item, unless the Economic Development Committee requests an exception to this limit. Those wishing to comment on agenda items posted for action will be provided the opportunity at the time the item is heard. Vice Chair LeVault noted that two public comment cards had been received.

Vice Chair LeVault recognized public comment from Alan Carey, who resides in Gilbert and is Managing Director of Global Business, Inc. Mr. Carey explained that there have been some very negative comments about Phoenix on social media and that Mr. Bertault was considering writing a book on our region. He added that Mr. Bertault has a business in Scottsdale and currently resides in Nice, France. Mr. Carey explained that they contacted Sherry Henry from the Arizona Office of Tourism (AOT), but AOT has a contract with a marketing company in Europe and could not assist them. Mr. Carey stated that there is a need for the communities around Phoenix to come together to promote tourism and economic development in France. Mr. Carey noted that Mr. Bertault has been involved with economic development, has worked with several ministries in the French governments on transportation and was involved with the high speed train in France. Mr. Carey then introduced Francois Bertault to the committee.

Mr. Bertault stated that he has been visiting Phoenix for the last twelve years and indicated that there is a great need for our communities to better promote everything we have to offer in Maricopa County, to the French people. Mr. Bertault explained that most people in France do not know anything about Phoenix, Mesa, Gilbert, Glendale, etc. He added that the only thing they know about Arizona is Monument Valley, Flagstaff, Scottsdale and the Grand

Canyon. Mr. Bertault stated that we need to change the image that the French have of Phoenix and the surrounding areas and offered to assist us in marketing to France, Belgium and Germany. Vice Chair LeVault thanked both Mr. Carey and Mr. Bertault for their comments.

4. Approval of the December 2, 2014 Economic Development Committee Meeting Minutes

Vice Chair LeVault asked members had any questions regarding the December 2, 2014, meeting minutes. There were none. Mayor Lord moved to approve the December 2, 2014 Economic Development Committee meeting minutes. Mayor Meck seconded the motion and the motion carried unanimously.

5. Arizona Commerce Authority Update

Brian Sherman, Business Development Senior Vice President, Arizona Commerce Authority (ACA) provided an update on the recently opened Arizona State Trade and Investment Office in Mexico City. The discussion included the current sectors of focus, ways to provide priority services to partners, as well as the current Arizona export landscape. He then introduced Kevin O'Shea, ACA State Trade and Export Promotion Program Manager, to expand on this topic.

Mr. O'Shea provided a detailed presentation on ACA's export-related initiatives. He stated that 95 percent of the world's consumers live outside the United States; 80 percent of the world's purchasing power is outside the United States and 92 percent of the world's economic growth is outside the United States. These statistics show why businesses in Arizona should be exporting. Mr. O'Shea explained what an export is and provided examples of exportable products, such as medical devices, mining technology, consumer products, as well as export services, which include elite athlete training, healthcare consulting, and IT services. He also explained the different types of export companies that ACA is currently assisting, which include new-to-export companies, reactive exporters, proactive exporters to one market and new-to-market exporters.

Mr. O'Shea reported that Arizona's exports have gone up 23.5 percent since 2010 and the state currently ranks 25 among the 50 states. He added that Arizona is ranked as eighth in export growth and noted that many companies in Arizona survived the recession due to exporting their products and services abroad. Mr. O'Shea also discussed the Arizona State Trade and Export Promotion (STEP) pilot program. He explained that this program provides export-related technical and financial assistance to small and medium sized companies and to date, has assisted more than 240 companies in 30 Arizona cities and towns.

Mr. O'Shea indicated that companies who have used this program have had export success in the amount of \$46 million. These companies exported to 81 countries, with the top six being Mexico, Canada, United Kingdom, Germany, Australia, and Japan. He noted that in export success, the national average was 15 to 1. This means that for every federal dollar that went into a state STEP program, the company using the program's return on investment was 15 dollars. In Arizona, the return on investments was 40 to 1. This means that companies in Arizona were smart, strategic and effective.

Mr. O'Shea also discussed the export opportunities in Mexico and added that the Mexico City Trade office opened on October 7, 2014, and was led by ACA in partnership with the City of Phoenix. Additional funding partners include MAG, the City of Tucson and Visit Phoenix. Mr. O'Shea stated that this office will be free of charge for Arizona companies and the focus will be on the aerospace, advanced manufacturing, life sciences and information communication technology sectors. It will also offer trade and export assistance services that include market research, sales partner identification, business to business in-country matchmaking, linguistic assistance, trade show identification and technical assistance, as well as expanding the BIEN database that MAG developed. He added that the Mayor of Tucson is a big fan of the BIEN website.

Mr. O'Shea also explained the ExportTech program, which is a 60-day intensive boot camp that provides export education, counseling, and coaching for up to eight companies in each session. He stated that this program provides market research and target markets, technical and financial assistance, as well as an export plan that is developed for each company. Sessions in Mesa and Tucson were completed in 2014 and four new sessions are planned for 2015. Mr. O'Shea shared the product export success of BioHumaNetics, located in Gilbert, Arizona. This company provides microcarbon technology to the agriculture, turf and wastewater industries. He explained that just a few years ago this company was exporting about 30 percent of its products and is now exporting 70 percent internationally. He also reported that this company nearly doubled their employees and is currently expanding their facility.

Mr. O'Shea also discussed service exporter, EXOS, which is located in Phoenix, Arizona. This company is very successful in training professional athletes. Mr. O'Shea stated that 11 EXOS trained athletes were selected in the first round of the NFL draft, and also trained members of the German soccer team, as well as other professional athletes from around the world. He added that EXOS recently signed a professional soccer club in Qatar, and is expanding into the region of the Kingdom of Bahrain, in working with their national soccer team.

Vice Chair LeVault asked if there were any comments or questions from the committee. Dennis Smith, MAG Executive Director, expressed how crucial it is to work as a team with ACA to help identify small and medium sized businesses across the Valley that would benefit from the ExportTech program.

Vice Chair LeVault asked where the information regarding the ExpoTech program can be found. Mr. O'Shea stated that the information is available on the website and that committee members could also contact him if they were interested in receiving more information on these programs. He added that ACA met with economic development departments of the cities in our region, to make them aware of these programs so that they can identify businesses in their communities that would benefit. Vice Chair LeVault added that the state is facing some fiscal challenges and to improve the economy it is essential to increase exports.

Mayor Stanton noted that the role of the mayors is to spread the word regarding programs such as ExportTech and to encourage businesses to think and act internationally. Mayor Kavanagh stated that we need to get the word out about the BIEN website and asked if the BIEN initiative is connected with the ACA efforts.

Mr. O'Shea stated that ACA is working with MAG in promoting this tool to help companies in Arizona, Mexico and Canada connect. Mark Dreher asked if these programs help companies understand the international tax sale benefits. Mr. O'Shea stated that this type of assistance is provided in the export programs.

6. Greater Phoenix Economic Council Update

Chris Camacho, Greater Phoenix Economic Council (GPEC) Interim President, provided an update on GPEC's recent activities. He stated that in the last 10 years, GPEC has focused on how to build marketing communication platforms to increase investment in the state from foreign sources, which has resulted in positive outcomes. He added that Arizona has surpassed eight other states in the attraction of foreign direct investment (FDI), and increased its export position. Mr. Camacho noted that focusing on small and medium sized businesses is encouraging as this business community represents tremendous opportunities.

Mr. Camacho reported that the new Governor's focus on business will provide a more competitive platform for Arizona to attract new industries. He added that most of GPEC's current prospect activity, 23 percent, is in California, and will continue to be their main focus. He also stated that GPEC is also reinforcing its commitment back to the communities with the Community Partnership Program. Mr. Camacho explained that this program allows GPEC to learn more about the specific needs and economic growth challenges particular to each community in our region. Communities are able to share their strategic plans in the public and private sectors, and leverage GPEC's resources to facilitate progress of these plans. Another GPEC initiative is a communications plan focusing on building an international business brand especially, for the markets in Eastern Canada and Toronto, as well as the United Kingdom and Germany.

Vice Chair LeVault thanked Mr. Camacho for the update and asked if there were any comments for questions from the committee.

Mayor Kavanagh stated that GPEC has put a lot of effort into China and asked what was the current status of these efforts. Mr. Camacho commented that, from a foreign direct investment perspective, the China market in solar activity is not opening at the pace they had anticipated it would. He noted that GPEC will continue to maintain relationships in China, but the current focus will now be in Canada and Western Europe. Mayor Stanton added that GPEC is a great organization and hopes the cities and private sectors can come together and become more involved with GPEC so that we can show our success as a region. Vice Chair LeVault echoed Mayor Stanton's comments. He added that the bright future of Arizona is largely dependant upon our abilities to successfully grow our economy.

7. Arizona Trade and Investment Office Memorandum of Understanding with the Arizona Commerce Authority

Dennis Smith, MAG Executive Director, stated that in December 2013, the Regional Council approved providing \$25,000 to the City of Phoenix to partner in establishing a trade office in Mexico City. He noted since that time, the City of Phoenix and Arizona Commerce Authority (ACA) have been working together to collaborate on this effort.

Alana Chávez Langdon, MAG International Economic Development Analyst, stated that MAG has been requested by ACA to enter into a Memorandum of Understanding (MOU) to establish a protocol for services and to memorialize understandings between MAG and ACA relating to the establishment and operation of the trade and investment office in Mexico City. She added that as part of MOU, MAG will be issuing the previously approved \$25,000 for the trade and investment office in Mexico City to ACA, instead of the City of Phoenix.

Ms. Chávez Langdon stated that committee members had been given a copy of the proposed draft MOU, which will be in effect until June 2015, with the option of renewing two one-year terms. She noted that this item was on the agenda for information, discussion and possible action to recommend approval to enter into an MOU with the ACA, with the final approval being requested at the next MAG Regional Council meeting.

Mayor Wolcott moved to recommend approval to enter into a Memorandum of Understanding with the Arizona Commerce Authority for the Arizona Trade and Investment Office and to send the previously approved \$25,000 for this office to the Arizona Commerce Authority. Mayor Price seconded the motion and the motion carried unanimously.

8. Enhanced Online Mapping and Reporting Tools

Anubhav Bagley, MAG Information Services Manager, reported on the new online resource MAG staff recently completed. He explained that as a result of the economic downturn, MAG optimized its data to assist with economic development. Mr. Bagley stated that one of the new tools, that was developed entirely in house, is an online resource for mapping and reporting for land use, demographics, major landmarks, and employment data. He explained that these free online tools provide the public and member agencies easy access to customized information and analysis for the region and sub-regions.

Mr. Bagley provided a demonstration of the employment viewer, which represents 1.45 million jobs and 45,000 employers with five or employees. He noted that to date, 17 employment clusters and 39 sub clusters have been identified by MAG and member agency economic development staff. He demonstrated how this tool has the ability to create downloadable maps showing employment centers for specific industries, such as education, hospitality, manufacturing and high tech are located.

Mr. Bagley explained that this viewer also has the ability to show the largest employer in a specific area, the population that commute to work that live in the jurisdiction, as well as the population of employees that live outside the jurisdiction. He added that the data was obtained from a number of sources including city and town data and the Maricopa County

Trip Reduction program. He noted that this information can be useful in attracting and retaining businesses and added that the maps and information could be downloaded, used for presentations and/or printed out. Mr. Bagley also recognized Vern Wolfley, MAG GIS Analyst, for his dedication and hard work on this project.

Vice Chair LeVault commented that they have done some great work and asked if there were any other comments or questions from the members. Mr. Smith stated that other Arizona Council of Governments saw this viewer and asked if MAG could create one for them. Sandra Watson, Arizona Commerce Authority, added that the ACA and other partners could definitely use this tool. She asked how often does the information get updated.

Mr. Bagley responded that the datasets get updated annually. On the demographic side, the information is primarily built off of the U.S. Census data information, which is also updated annually. Mr. Smith added that these demographic and employment tools are mobile friendly.

9. Update on the BIEN Launch

Anubhav Bagley, MAG Information Services Manager, provided an update on the activities of BIEN, a business-to-business e-platform that connects companies in Arizona, Mexico and Canada. He explained that businesses can connect with other businesses by creating an account in this platform. On October 21, 2014, MAG and its partners held a press conference and formal public announcement regarding the launch of ConnectBIEN.com. BIEN currently has 35 partners and is growing everyday. He noted that the site is available in English, Spanish and French and currently has 669 business locations, which include 43 from Mexico and 3 from Canada. To date, 45 connections have been requested.

Mr. Bagley stated using Google analytics, staff can see the site usage, which shows 6,600 session; 4,200 users; and 27,000 page views. Currently there is only a 1.05 percent participation rate, with just 471 registered businesses in the Phoenix Metro area. He explained that in order to increase participation, marketing efforts are being explored, which include incorporating media partners, participating in industry trade shows and working close with municipal economic development departments so they can spread the word through newsletters and local newspapers. Other suggestions included providing a BIEN information packet when someone registers for a business license and providing an insert in non-residential utility bills.

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

Chair Lewis commented that when he has meetings with his economic development team, he emphasizes BIEN and Gilbert has doubled the number of members on BIEN. He encouraged the committee members to continue promoting this website within their communities. He also requested that Mr. Bagley keep this committee up to date on how many new businesses sign up.

Vice Chair LeVault asked if there is a way to hear about success stories to use as testimonials. Mr. Bagley stated due to privacy concerns and part of the design, staff only

keeps track when there is a connection request, and not beyond. He added that there are discussions with the idea of perhaps contacting some of these businesses directly to see if they have made positive connections. Mr. Smith noted that the Phoenix Business Journal is currently looking into some of these companies because they are interested writing an article. Denise McClafferty, MAG Regional Program Manager, added that there is also a link on the BIEN website where companies can share their success stories.

10. Request for Future Agenda Items

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

11. Comments from the Committee

Angela Creedon, Assistant Vice-President, Office of Public Affairs at Arizona State University (ASU), stated ASU is asking the EDC to renew support of the National Manufacturing Institute for Flexible Electronics. She added that support for this initiative was approved by the EDC in November 2013.

Adjournment

There being no further business, the Economic Development Committee meeting was adjourned at 12:56 p.m.

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Chair

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Secretary