

MINUTES OF THE  
MARICOPA ASSOCIATION OF GOVERNMENTS  
ECONOMIC DEVELOPMENT COMMITTEE

April 7, 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  
\*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.  
Supervisor Kunasek, Maricopa County  
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)):

Roc Arnett, EVP  
Anubhav Bagley, MAG  
Len Becker, Buckeye  
John Catapano, Maricopa Community Colleges  
Alan Carey, GBI  
Alana Chávez Langdon, MAG  
Natalia Cuneo, MAG  
Monique de los Rios-Urban, MAG  
Jenna Goad, Glendale  
Jennifer Graves, Gilbert  
Walt Gray, West Side Town Hall  
Sapna Gupta, Morrison Institute, ASU

Brad Lundahl, Scottsdale  
Jack Lunsford, AZ Community College  
Coordinating Council  
Denise McClafferty, MAG  
Jessi Pederson, Goodyear  
Linda Priano, MAG  
Nathan Pryor, MAG  
Tom Remes, Phoenix  
Lorena Rueda, ADOT/TTCA  
Shannon Selby, Tempe  
Dennis Smith, MAG  
Tim Strow, MAG  
Kelly Taft, MAG

1. Call to Order

The Economic Development Committee (EDC) meeting was called to order by Chair Lewis at 11:34 a.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited. Mayor Barney, Jim Kenny, and Mayor Weise joined the meeting via teleconference.

Chair Lewis noted public comment cards were available for those members of the public who wish to comment. Chair Lewis 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 Lewis 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. Chair Lewis recognized public comment from Alan Carey.

Alan Carey, Managing Director of Global Business, Inc., stated that the Luxembourg Aerospace and Materials delegation that recently visited Phoenix stated that our region was one of the highlights of their trip. He added that it is hoped that this will attract at least a few companies to the Phoenix area to provide new export opportunities for businesses in our region. Mr. Carey thanked the Greater Phoenix Economic Council for organizing the event and noted that there is a delegation from Arizona that will be in attendance at the Paris Air Show in June. He also thanked the MAG mayors for their support and suggested that we encourage local aerospace and aviation companies to attend the event. He added that the Arizona Commerce Authority may be able to provide additional details in regards to setting up appointments with companies from Belgium, Germany and Luxembourg, while in the Val d'Oise region for the air show. Chair Lewis thanked Mr. Carey for his comments.

4. Approval of the March 3, 2015 Economic Development Committee Meeting Minutes

Chair Lewis asked members of the committee if they had any questions or comments regarding the February 3, 2015, meeting minutes. There were none. Councilmember Sellers moved to approve the March 3, 2015 Economic Development Committee meeting minutes. Mayor Meck seconded the motion and the motion carried unanimously.

5. Report on the Collaboration Between the City of Phoenix Export Readiness Initiative and Arizona Commerce Authority's Export Tech Program

Hank Marshall, Community and Economic Development Executive Officer with the City of Phoenix and Kevin O'Shea, Vice President of International Trade with the Arizona Commerce Authority (ACA), stated they would provide a report on their collaboration regarding the ExportTech Program and how other interested cities could implement this program. Mr. O'Shea stated that exports have increased by approximately 15 percent in the last two years, outpacing California, Texas and Utah. Exports to Mexico have increased 22 percent in the last year. Other countries where Arizona has seen export growth are Mexico, Ukraine, Saudi Arabia, Ireland and Taiwan. He added that the MAG region has approximately 6,000 companies exporting goods and services, which accounts for 75 percent of Arizona's total exports.

Mr. Marshall stated that Arizona's exports are less than ten percent, whereas the U.S. average is approximately 15 percent. He discussed the Export Readiness initiative and how it assists companies from being "export curious" to "export serious." The three pillars of the initiative are to inform, educate, and assist the business community. Mr. O'Shea stated that this initiative is in partnership with ACA's ExportTech Program and the City of Phoenix. He explained that this is a 60-day boot camp where companies participate in classes and receive export coaching to gain a better understanding on the export process and opportunities in foreign markets. He added that the companies graduate with an international export plan tailored to their specific products and/or service. They also receive some financial assistance so that the export plan can then be implemented to draw more international traffic.

Mr. O'Shea stated that ExportTech delivered three programs in the 2014, which included companies from Tucson, Mesa, Phoenix, Gilbert and Prescott Valley. Currently, the program includes six companies from Phoenix and one from Gilbert, with two or three more programs running in 2015.

Mr. Marshall added that in five years, the ExportTech Program has been implemented in 29 states, has touched 603 companies and produces an average increase of \$770,000 per year for program participants. He provided information on the types of companies that took advantage of this program. This included a major engineering company, a tissue bank, a home builder and a sports coaching company. He explained that it is not just one sector and every one of these companies will venture into exporting opportunities. Other programs that will be launched in the coming months include Export Circles, Global Reach and Global Target, all of which are additional programs to show this state is deeply engaged in exports.

Chair Lewis thanked Mr. Marshall and Mr. O'Shea for their report and added that mayors can play a key role by raising awareness of the ExportTech program in their business communities. Chair Lewis asked if there were any comments or questions from the committee.

Mr. Smith stated that staff could make the ExportTech Program flyer available to city managers and economic development people. Mr. Marshall added that the ExportTech Program has been taking place two or three times a year, but believes that if it was offered

every other month it would have a significant impact in increasing the amount of companies ready to export.

6. Report from the Greater Phoenix Chamber of Commerce on the Phoenix Forward Program

Todd Sanders, President & CEO of the Greater Phoenix Chamber of Commerce, provided an introduction on the Phoenix Forward initiative. Mr. Sanders explained that a few years ago the Greater Phoenix Chamber of Commerce launched an economic development initiative and hired a consultant to analyze the landscape to see where the Chamber could have the most impact in the community. The key finding in the study was that 80 percent of new jobs come from existing companies within the communities. This led to the creation of the Phoenix Forward program in partnership with the City of Phoenix, the Arizona Commerce Authority (ACA) and Maricopa County.

Jennifer Mellor, Vice President of Economic Development of the Greater Phoenix Chamber of Commerce provided a report on the program. Ms. Mellor explained that Phoenix Forward focuses on growing the economy from within by keeping jobs in Arizona and creating the right ecosystem for the expansion of existing businesses in three key areas: health care & bioscience, advanced business services and transportation & logistics. She explained that the primary activities for this initiative include industry leadership councils, business outreach for retention and expansion teams, industry intelligence and regional image building. Ms. Mellor added that data and trends will be collected, which will allow economic development stakeholders to identify if there are opportunities of adjustments that could be made to these key industries so that they are more business friendly. The data collected will be exchanged with the data from the City of Phoenix and ACA, to provide an information resource on the current business climate for many agencies in our region.

Ms. Mellor added that Phoenix Forward is a great program, but that it is currently only limited to the City of Phoenix. She noted that the long term vision is to regionalize the program. She explained that this could be done by chambers of commerce implementing this model in their communities and by all working collaboratively. Ms. Mellor provided an example of the model that Montgomery County's Business First program uses. Their program uses a customer-oriented approach to economic development and is designed to link businesses to resources in the community. She added that it is a coordinated group of more than 50 government agencies, development organizations, and nonprofit corporations. The goal of their program is to provide a single point of contact for all business needs. Ms. Mellor explained that they have an Outreach Specialist, a professional in the economic development community, that will learn more about the business and identify area resources to help them succeed in today's competitive environment.

Ms. Mellor indicated that the main concern cities have regarding implementing this initiative is the training of the teams that would be reaching out to businesses. She added that to address this issue, the chamber has engaged in conversations with Arizona State University to discuss the possibility of creating a certification program that would train these teams.

Chair Lewis thanked Mr. Sanders and Ms. Mellor for the presentation and asked if there were any comments or questions from the committee. Mr. Smith commented that if we were able

to gather all this information through a regional program it would allow technical schools and community colleges to become aware of what the needs are and what training needs to be done.

Anubhav Bagley, MAG Information Services Manager, added that after several meetings with cities, there is a need for a business retention expansion program at a regional level. Some key components to this type of initiative include areas such as labor force, education levels, supply chain connections and infrastructure enhancements. Mr. Smith added this would be a collective effort among all the cities, chambers of commerce, and stakeholders in this field.

7. Expanding Economic Development Opportunities in the Valley

Kevin Hull, Vice President and Senior Commercial Relationship Manager of BMO Harris Bank, and Chris Rude, Senior Relationship Manager, provided an overview on how BMO Harris Bank is collaborating on initiatives to expand economic development opportunities in the Valley. They discussed the focus on raising awareness among their clients on existing programs and by taking advantage of the global economy, increasing revenue through exporting.

Mr. Hull referred to a case study of a West Valley company. The company obtained sales orders from Europe, Asia and Canada but the main challenge was that the company could not find financing to support these new orders. He explained that BMO Harris Bank assisted this company in doing research on programs that could help the company overcome the problem. The program they used was SBA Export Working Capital Program, which gave the company the borrowing capacity to acquire the necessary inventory to ship the product. The company increased its revenue by fifty percent, hired forty more employees last year, and is expected to hire twenty this year.

Mr. Rude also explained that our region has several programs that can help optimize credit lines to support global trade, streamline key processes and develop a strategy to manage foreign risk. He added that it is crucial to leverage all the available expertise and to raise awareness in the business community so that they are aware of the programs that are available to them. He explained that BMO Harris Bank can assist with risks associated in collecting from foreign entities, help in understanding foreign laws and foreign collection, risks of currency exchange rates, as well as logistics and tracking.

Mr. Hull added that BMO Harris Bank also has expertise in working with locally based companies who either import or export products to foreign markets, specifically Canadian companies. He stated that they recently put together a cross border banking program that allows companies on both sides of the border to seamlessly bank back and forth. The bank also makes Canadian companies aware of services that provide expertise on tax laws on both sides of the border. Mr. Hull added that the majority of comments they receive from Canadian companies are that they are considering relocating to Arizona because of the quality, availability, and cost of the labor force.

Chair Lewis thanked Mr. Hall and Mr. Rude for the report and asked if there were any comments or questions from the committee. There were none.

The next two agenda items were taken out of order.

9. Update from the Arizona Commerce Authority

Lyndsay Higgins, Director of Marketing and Brian Sherman, Senior Vice President of Business Development from the Arizona Commerce Authority (ACA) discussed the new start up company web page on the ACA's website. (<http://www.azcommerce.com/start-up>). Mr. Sherman explained that the primary objective of this website is to revive the site and create an image that is more reflective of Arizona's business start up community. He noted that this website plays a key role in ACA's attraction mission because it showcases the image of Arizona's start up community to the world.

Mr. Sherman demonstrated how the website is divided into two key approaches, topical areas and information on the business life cycle. He explained that the topical areas include information on events, incubators and accelerators, co-working spaces, university resources, capital resources and industry resources. The information on the business life cycle is classified according to the different business life cycle phases, which are ideation, pre-revenue, break even and growth. The website is also mobile friendly. Mr. Sherman also discussed planning tools, small business checklists, and other services that are available to start up companies.

Chair Lewis thanked Mr. Sherman and Ms. Higgins for the demonstration and asked if there were any comments or questions from the committee. There were none.

10. Update from the Greater Phoenix Economic Council

Steve Betts, Greater Phoenix Economic Council Board Member, stated that in partnership with ACA, the City of Phoenix and the Business Journal, an event will be held at the Sheraton Downtown Phoenix on April 22, 2015, with Carlos Slim, Sr., as the keynote speaker. Mr. Slim is one of the world's richest businessmen and co-chair of the United Nations International Telecommunications Union.

Mr. Betts also noted that U.S. Secretary of Commerce, Penny Pritzker, presented a \$200,000 grant award to GPEC, the Arizona Technology Council and other technology groups. He noted that the grant from the U.S. Cluster Grant for Seed Capital Funds will provide seed funding to support growth of start ups and innovation companies. He also updated the committee on recent business relocations and expansions that took place in the cities of Scottsdale and Phoenix.

Denise McClafferty, MAG Regional Program Manager, stated that a business seminar will take place at the Mexico Consul General's office on May 7, 2015. She noted that this seminar will focus on how to do business in Mexico.

8. Discussion on Communication and Engagement Between City and Local Business Leaders

Chair Lewis asked the city leaders to share their experiences on how they communicate with local business leaders regarding economic development. Some initiatives shared by the mayors included ambassador forums where business leaders get together and receive key information, working closely with their local chamber of commerce, organizing meetings offsite with the younger business community, participating in business retention and expansion visits, holding quarterly breakfast meetings with business leaders, holding ribbon cutting ceremonies, personalizing attention to potential businesses coming to the community and showing appreciation to businesses that are vital to the community. Chair Lewis added that at the next committee meeting, the EDC businesses leaders will have the opportunity to share their interactions with local governments.

11. Request for Future Agenda Items

Chair Lewis asked if there were any requests for future agenda items. Mr. Marshall added that the City of Phoenix has a business center located on the sixth floor in this building, at 302 N. 1st Avenue, Phoenix, that allows the business community to use it according to their needs, such as conducting interviews and doing research for their business. He extended an invitation to the committee members to visit the business center.

12. Comments from the Committee

Chair Lewis 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 1:05 p.m.

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Chair

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Secretary