

MINUTES OF THE  
MARICOPA ASSOCIATION OF GOVERNMENTS  
ECONOMIC DEVELOPMENT COMMITTEE

February 2, 2016

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

MEMBERS ATTENDING

Mayor Michael LeVault, Youngtown, Chair  
Mayor W.J. "Jim" Lane, Scottsdale, Vice Chair  
Mayor Gail Barney, Queen Creek  
Steve Betts, GPEC  
Tony Bradley, Arizona Trucking Association  
Mayor Cathy Carlat, Peoria  
Dr. Joseph Cavinato, Thunderbird  
Angela Creedon, Arizona State University  
Superintendent Greg Donovan, West-MEC  
Mark Dreher, East Valley Partnership  
Councilmember Michael Farrar, Carefree  
Neil Giuliano, Greater Phoenix Leadership  
Sintra Hoffman, ADOT  
Mayor Linda Kavanagh, Fountain Hills  
#Jim Kenny, El Dorado Holdings, Inc.  
\*Dr. Randy Kimmens, Maricopa Community  
Colleges  
Supervisor Kunasek, Maricopa County

Mayor John W. Lewis, Gilbert  
\*Mayor Georgia Lord, Goodyear  
Councilmember David Luna, Mesa  
\*Mayor Jackie Meck, Buckeye  
#Mayor Mark Mitchell, Tempe  
Mayor Christian Price, Maricopa  
#Jim Rounds, Rounds Consulting Group  
\*Todd Sanders, Greater Phoenix Chamber  
of Commerce  
#Mayor Thomas L. Schoaf, Litchfield Park,  
Councilmember Jack Sellers, Chandler  
Councilmember Lorenzo Sierra, Avondale  
\*Bill Sheldon, WESTMARC  
#Dan Spitz, Achen-Gardner Construction  
\*Mayor Greg Stanton, Phoenix  
\*Sandra Watson, ACA  
Mayor Jerry Weiers, Glendale  
#Mayor Sharon Wolcott, Surprise

\* Not present

# Participated by video or telephone conference call

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

Anubhav Bagley, MAG  
RJ Cardin, Maricopa County Parks  
Alan Carey, GBI  
Carol Columbo, Fedelta  
Doreen Cott, Queen Creek  
Natalia Cuneo, MAG  
Tom Doyle, El Mirage  
Jenna Goad, Glendale  
Walt Gray, West Side Town Hall  
Kathya Hidalgo, Phoenix  
Jan Hancock, Guest

Darryl Jones, Avondale  
Karen Kunasek Taylor, AZ Strategies, LLC  
Gail Lewis, ADOT  
Denise McClafferty, MAG  
Emily Mead, GPEC  
Scott Powell, Tempe  
Linda Priano, MAG  
Nathan Pryor, MAG  
Marvin Rochelle, Resident  
Dennis Smith, MAG  
Amy St. Peter, MAG

Kelly Taft, MAG  
Kevin Tyne, Maricopa County

Marisa Walker, ACA  
Marge Zylla, Tempe

1. Call to Order

The Economic Development Committee (EDC) meeting was called to order by Chair LeVault at 11:35 a.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited. Jim Kenny, Mayor Mitchell, Mayor Schoaf, Dan Spitz, and Mayor Wolcott joined the meeting by teleconference. Chair LeVault welcomed Neil Giuliano, President & CEO of Greater Phoenix Leadership, as the newest committee member.

Chair LeVault stated public comment cards were available for those members of the public who wish to comment. He added parking validation was available for the MAG parking facilities for those who parked in the garage.

3. Call to the Audience

Chair LeVault noted 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 LeVault recognized public comment from Marvin Rochelle, resident of Phoenix.

Mr. Rochelle thanked all the mayors and city officials for fulfilling the dream that he has been working on since 2007, to help the visually impaired and physically challenged by having a seamless Dial-a-Ride. Beginning July 1, 2016, people can get on a Dial-a-Ride vehicle in the City of Surprise and go all the way to the Town of Gilbert without transferring.

4. Approval of the January 5, 2016, Economic Development Committee Meeting Minutes

Chair LeVault asked members of the committee if they had any questions or comments regarding the January 5, 2016, meeting minutes. There were none. Steve Betts moved to approve the January 5, 2016, Economic Development Committee meeting minutes. Supervisor Kunasek seconded the motion and the motion carried unanimously.

5. Foreign Direct Investment Strategy for Arizona

Dennis Smith, MAG Executive Director, stated Foreign Direct Investment (FDI) is something many people think they understand but when getting into the specifics, very few people fully understand the complexity. He added FDI requires a lot of data, which MAG can assist with. MAG staff created a list of foreign-owned companies in the region which can assist municipalities in increasing their exports and FDI. The next step is for the cities and towns to prioritize and engage the companies on the list.

Mr. Smith introduced Carol Columbo, from Fedelta Partners, and also a member of the Transportation and Trade Corridor Alliance (TTCA), who is an expert on FDI. He also introduced Marisa Walker, Senior Vice President, Strategic Planning/Infrastructure with the Arizona Commerce Authority. Both provided an overview on FDI in Arizona.

Ms. Walker stated the TTCA includes public and private sectors, state and local governments, planning organizations, transportation and logistics companies, and port authorities to assess opportunities for Arizona. She noted the TTCA also serves as the state's freight advisory committee, which is required under the federal transportation bill.

Ms. Walker reported that more than 70 percent of the world's economic market is outside the United States and the global FDI is anticipated to reach \$1.8 trillion by 2016. According to the International Trade Administration (ITA), wages for jobs in industries that export pay 18 percent better than jobs in industries not connected with exports. She added export jobs are also recession proof.

Ms. Columbo discussed the fundamentals and strategies of FDI from the state's perspective, referring to inbound and outbound FDI. She explained Inbound FDI is when deals come directly to us from site selectors, brokers, and companies that are interested in Arizona. She noted Arizona does this well. Ms. Columbo also explained outbound FDI. This is when Arizona picks a specific industry, geography or target companies that have meaningful return on investment. She stated Arizona does not do outbound FDI well because we do not have a collaborative or coordinated FDI strategy at the state or regional level.

Ms. Columbo explained Greenfield FDI, which is a form of foreign direct investment where a parent company starts a new venture in a foreign country by constructing new operational facilities from the ground up. In addition to building new facilities, most parent companies also create new long-term jobs in the foreign country by hiring new employees. Arizona's current strategy is exclusively Greenfield, which is just 15 to 20 percent of the total FDI. She noted up to 80 percent are mergers and acquisitions (M&A). Currently, Arizona's strategy does not execute outbound FDI strategies for M&A.

Ms. Columbo discussed the relationship between entrepreneurial activities within the region and the rate of FDI. Foreign-owned companies are attracted to regions with robust entrepreneurial environments because they accelerate process improvements and generate new ideas that drive competitiveness. She added universities, incubators, and research centers play

a critical role in providing entrepreneurial environments and infrastructure that include international focused incubation and business development services.

Ms. Columbo also discussed aftercare as an essential component of successful FDI strategies. She explained that over seventy percent of U.S. FDI comes in the form of expansion investment by existing foreign firms already located in our communities. This includes visiting companies, meeting with management, and ensuring they and their employees are welcome and part of the community. She added regular contact with foreign direct investors is essential for the success of FDI related expansions. The discussion also included emerging best practices, research and development, workforce development and a marketing campaign that brands Arizona as an FDI destination. The goal is to double Arizona's FDI by 2020. Ms. Columbo provided documents to all committee members showing specific ways to increase Arizona's FDI.

Chair LeVault asked if there were any questions or comments from the committee. Councilmember Farrar asked what agency should be the lead in coordinating FDI efforts. Ms. Columbo stated the Arizona Commerce Authority and the Governor's office would be the right umbrella to oversee a state FDI strategy. At the local level, stakeholders such as city economic development departments and economic development organizations should constantly be coordinating efforts with the lead agencies.

Mr. Smith added when cities are building their budgets for the next fiscal year they should consider allocating more resources into the economic development departments to implement specific actions that can increase FDI in their communities.

Mayor Lewis requested information regarding the leadership and membership of the TTCA be sent to the EDC members. Superintendent Donovan commented he was very excited about this presentation and stated foreign investment brings another requirement in education and it is important that we have a ready workforce. Supervisor Kunasek added the Hannover Fair, the world's leading trade fair for industrial technology, is taking place April 25-29, 2016 in Hannover, Germany. He stated this is an incredible opportunity to meet decision makers and begin these connections. This is the first time the United States is the Partner Country and a lot can be accomplished at Hannover. He noted President Obama will also be attending event.

## 6. International Stakeholders and Collaboration in Arizona

Chair LeVault stated since this committee was formed five years ago, the economic focus has definitely changed. This committee has been involved in enhancing Arizona's relationship with Mexico and Canada, and now has a potential interest with France and other countries. He noted other committee members expressed interest in learning more about the international economic development opportunities in Arizona and main stakeholders. Because of this, MAG staff produced a list of foreign-owned companies in our region. This document was provided to all committee members to identify, support and establish targets for outreach.

Councilmember Luna noted he is interested in working more closely with ACA and the other agencies that are already working in this arena so that we can better coordinate and focus on targeted industries. Councilmember Farrar noted the recent recession taught us that the reality of the global economy can no longer be ignored. He also agreed with the need of a more targeted and sophisticated FDI approach for the region.

Mr. Smith stated MAG has the ability to produce data that many of the international stakeholders need and by working together with these agencies, our region can increase collaboration and better coordinate initiatives. He added MAG recently offered assistance to the Arizona District Export Council (DEC) and they now hold their meetings at the MAG offices.

Chair LeVault stated MAG continues to be approached by several international entities, such as the cities of Toulouse, France, and Abu Dhabi in the United Arab Emirates, as well as Korea and Japan, to connect and learn about how economic development and transportation are linked. Discussions also included how members of EDC can collaboratively support these efforts. Chair LeVault asked those members who are interested in getting further involved to contact MAG staff.

7. Maricopa Trail - Connecting Maricopa County's Region Parks

Karrin Kunasek Taylor, AZ Strategies LLC, Maricopa County Supervisor Andy Kunasek and RJ Cardin, Maricopa County Parks Director, provided a report on the Maricopa Trail and the inaugural Prickly Pedal Mountain Bike Race.

Ms. Kunasek Taylor stated this race was inspired by the Tour de Scottsdale, which started with just 70 riders and now is capped at 2,000 cyclists. With the knowledge from that event, they began organizing the Prickly Pedal Mountain Bike Race. This event included a 40-mile course, along with a Fun Ride, with proceeds supporting the Maricopa Trail and Park Foundation (MT+PF), a nonprofit organization which strives to provide sustainable financial support to the newly constructed Maricopa Regional Trail System.

In its inaugural year they had 240 cyclists participate in the event, which took place on January 23, 2016. Riders included local residents, as well as cyclists from Florida, Oregon, Colorado, Utah, California, Canada, Illinois and others from across the country. These participants, on average, spend approximately 2.8 nights, spending their money on meals and lodging in our region. She added the event also had numerous sponsors, which included APS, DMB, the City of Peoria, Total Transit, SRP, Republic Services, Blue Cross/Blue Shield of Arizona, Toyota, Coca-Cola, EPCOR, iCoStore, Cox Communications and Prime Solutions Group, which were a key resource in making this event a reality.

Ms. Kunasek Taylor stated they envision this race becoming the next Tour de France, evolving into a world class, multi-day, endurance stage mountain bike race, drawing thousands of fans to the desert southwest, as well as seeing this initiative as a tremendous economic development opportunity for the valley. A short video was played showcasing the beautiful trail system,

cyclists, sponsors, the race and after party. She added it was estimated that they had between 500-600 participants attend the after party, featuring music from Nate Nathan and the MacDady-o's Band.

Supervisor Kunasek stated mountain biking is the fastest growing sport in America and this race gives cyclists the full feel of Arizona, while promoting the Maricopa Trail System. He discussed the trail system and noted the Maricopa Trail winds through the county, connecting ten Maricopa County Regional parks on a 240-mile scenic and diverse route. The parks that are connected through the trail include: Buckeye Hills Regional Park, Cave Creek Regional Park, Estrella Mountain Regional Park, Lake Pleasant Regional Park, McDowell Mountain Regional Park, San Tan Mountain Regional Park, South Mountain Regional Park, Spur Cross Ranch Conservation Area, Usery Mountain Regional Park and White Tank Mountain Regional Park.

Supervisor Kunasek thanked Mayor Carlat and the City of Peoria for their participation and sponsorship. He added Lake Pleasant was the perfect place to start the race. The Town of Cave Creek is where the race ended, with an after party, hosted by APS, Four Peaks Brewery and Flat Tire Bike Shop. He noted the event really brought communities together, with 120 volunteers and 40-50 public safety officers from the Maricopa County Sheriff's Office, Peoria Fire, Peoria Police, Daisy Mountain Fire and Rural Metro. He added the success of this event surpassed all his expectations and he anticipates an even better event next year, which will bring even more economic opportunities to our region.

RJ Cardin, Maricopa County Parks Director, gave an heartfelt thanks to both Supervisor Kunasek and Ms. Kunasek Taylor for all their hard work in making this event such a success. He added from a economic development standpoint, he wants the community leaders to be aware of these trails and the impact they have on our county and communities.

Mr. Cardin stated with more than 120,000 acres of park land, Maricopa County has one of the largest open space park systems in the United States. He added with over 200,000 acres, the Phoenix metro region is home to the largest collection of parks and open-spaced preserves in the nation, which is a business and tourism attraction. People come to Arizona for the Sonoran desert, which we need to continue promoting and enhancing. Mr. Cardin also discussed the growth, success, and economic impact of similar races, such as the Great Allegheny Passage and the Sea Otter Classic.

Mr. Cardin stated that he would also like to see this event become the next Tour de France of mountain bike racing. An important aspect of the event is that all proceeds from the Prickly Pedal Mountain Bike Race go to support the Maricopa Trail and Park Foundation. The county is playing a big role, along with the cities, to connect this trail. Maintaining it for the long term is also important.

Mr. Cardin introduced a member of the audience, Jan Hancock, as one of the founders of the Maricopa Trail and Park Foundation (MT+PF). This nonprofit organization is dedicated to protecting, promoting, developing, and maintaining the trail. They recently started a new Trail

Steward Program that maintains the trails, and a Trail Town Program, which studies how we use the trails to connect communities so that we can see the economic impacts.

Chair LeVault thanked the speakers for the presentation and asked if there were any questions or comments from the committee. Mayor Lane congratulated the speakers on the success of this event. He agreed that mountain biking is a fast developing market, as a corporate outlet. He added there are three custom bike companies in Scottsdale and hotels in the city do a major marketing campaign for this market.

Mayor Carlat stated it was an honor for the City of Peoria to be a part of this event and it was a beautiful day at Lake Pleasant. She added she is looking forward to having Peoria be a part of the race again next year. Councilmember Farrar stated the Town of Carefree would also like to take part of the event next year. Dr. Cavinato stated he did not know this race existed and after hearing the presentation thinks the timing and popularity of this race could really make an economic impact for the state. He believes, in the future, this race will be nationally televised, bringing even more people to our state. Mr. Smith noted the MAG bike map is the most popular publication requested and it is now available to download on smart phones.

8. Update from the Arizona Commerce Authority

Marisa Walker, Senior Vice President, Strategic Planning/Infrastructure with the Arizona Commerce Authority provided this update under agenda item #5.

9. Update from the Greater Phoenix Economic Council (GPEC)

Steve Betts, Greater Phoenix Economic Council (GPEC) Board Member, stated GPEC will be hosting nine national site selectors for a three-day Waste Management Executive Tour, showcasing key assets in our region. The tour will also include meetings with local leaders in our communities.

Mr. Betts added GPEC will be hosting a Mayor's Meeting on February 4, 2016. Discussions will include the education attainment efforts of the Latino population. He also announced GPEC and the Phoenix metro area were recently selected by Brookings Institution as one of six regions in the United States to develop a Metro FDI Plan with Brookings.

10. Request for Future Agenda Items

Chair LeVault asked if there were any requests for future agenda items. Mayor Carlat suggested MAG provide data to the Arizona Tech Council to help them see the investment strategies and status in our state. Mr. Smith stated he will contact the Arizona Tech Council to see about their data needs.

11. Comments from the Committee

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

Adjournment

There being no further business, the Economic Development Committee meeting was adjourned at 1:05 p.m. The next meeting of the EDC will be on Tuesday, March 1, 2016, at 11:30 a.m. at the MAG Office, 302 N. First Avenue, Phoenix, Second Floor, Saguaro Room.

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Chair

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Secretary