

June 1, 2016

TO: Members of the MAG Economic Development Committee

FROM: Mayor Michael LeVault, Town of Youngtown, Chair

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

Tuesday, June 7, 2016 - 11:30 a.m.  
MAG Office, Suite 200 - Saguaro Room  
302 North 1<sup>st</sup> 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  
JUNE 7, 2016

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 3, 2016 Economic Development Committee Meeting Minutes

5. Regional Business Retention and Expansion Initiative Discussion

The Greater Phoenix Chamber of Commerce launched the Phoenix Forward initiative in 2015. Phoenix Forward is a collaborative, strategic approach to economic development designed to grow and retain existing businesses in Arizona. The Chamber has been working with the Arizona Commerce Authority, City of Phoenix and Maricopa County on this initiative with a focus on creating quality jobs, robust business retention and expansion efforts and increasing capital investment in the region. Regional business retention and expansion programs have been successful in other parts of the Country, including Ohio and Minnesota. The Dayton, Ohio model is called

3. Information and discussion.

4. Review and approval of the May 3, 2016 Economic Development Committee meeting minutes.

5. Information and discussion.

BUSINESSFIRST!, and is a collaborative effort between the Chamber and Montgomery County. Chris Kershner, Vice President of Public Policy and Economic Development for the Dayton Area Chamber of Commerce, and Erik Collins, Director of the Community and Economic Development Department for Montgomery County, will discuss the challenges and successes of developing a regional business retention and expansion program in Dayton, Ohio.

6. Housing and Land Development in the MAG Region

Housing construction is, and has been, an important industry in the MAG region. Over the past several decades, new housing was needed to keep pace with our rapid population growth. Because of this, the housing construction industry has been an important job creator in the region. Following economic downturns in the past, housing construction has helped the region reestablish positive economic development growth. However, during the current economic recovery, the situation is different. Due to a number of factors, housing has not recovered as quickly as it had in the past. Construction jobs, while still important, have not rebounded as they have in the past. Housing and economic development remain interlinked. Strategic engagement with the homebuilding industry will be a critical component to this economic recovery, as all levels of housing stock will be needed to attract the variety of jobs that this region needs moving forward. Spencer Kamps, Vice President of Legislative Affairs with the Home Builders Association and Jeff Gunderson, Senior Vice President of Land with Lennar will provide a report on the housing industry in the region.

7. Update on the WESTMARC West Valley 2016 Economic Development Summit

On May 19, 2016, WESTMARC hosted a West Valley 2016 Economic Development Summit that focused on growing the economy and improving the quality of life in our region. Speakers included

6. Information and discussion.

7. Information and discussion.

the Honorable Doug Ducey, Governor of Arizona, Chris Camacho, CEO of the Greater Phoenix Economic Council and Jim Rounds, President of Rounds Consulting Group, Inc. The agenda included a discussion on the West Valley Vision project. In the first phase of West Valley Vision, a comprehensive asset analysis was conducted. Workforce development and education were prioritized as the focus of the second phase. In partnership with cities and towns west of the I-17, MAG and the Greater Phoenix Economic Council, WESTMARC is leading efforts to develop implementation strategies to strengthen the talent pipeline in the West Valley. One of these strategies includes the development of West Valley Pro, a tool to validate the talent that resides in the West Valley and identify gaps that can be mitigated through education. The results of extensive data analysis and outreach with industry and educators was presented at the WESTMARC Economic Development Summit. WESTMARC leadership will present an update on the summit and efforts underway through West Valley Vision.

- 8. Update from the Arizona Commerce Authority  
An update will be provided on economic development issues of interest in the state of Arizona.
- 9. Update from the Greater Phoenix Economic Council  
An update will be provided on economic development issues of interest in the Greater Phoenix Region.
- 10. 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.

- 8. Information and discussion.
- 9. Information and discussion.
- 10. Information.

II. Comments from the Committee

An opportunity will be provided for the Economic Development Committee (EDC) members to present a brief summary of current events and/or share any practical applications of information and initiatives presented to EDC members. 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

II. Information.

MINUTES OF THE  
MARICOPA ASSOCIATION OF GOVERNMENTS  
ECONOMIC DEVELOPMENT COMMITTEE

May 3, 2016

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

MEMBERS ATTENDING

Mayor Michael LeVault, Youngtown, Chair	#Mayor John W. Lewis, Gilbert
*Mayor W.J. "Jim" Lane, Scottsdale, Vice Chair	#Mayor Georgia Lord, Goodyear
Mayor Gail Barney, Queen Creek	#Councilmember David Luna, Mesa
Steve Betts, GPEC	#Mayor Jackie Meck, Buckeye
*Tony Bradley, Arizona Trucking Association	#Mayor Mark Mitchell, Tempe
Mayor Cathy Carlat, Peoria	*Mayor Christian Price, Maricopa
#Dr. Joseph Cavinato, Thunderbird	Floyd Roehrich Jr., ADOT
*Angela Creedon, Arizona State University	Jim Rounds, Rounds Consulting Group
*Superintendent Greg Donovan, West-MEC	Todd Sanders, Greater Phoenix Chamber of Commerce
#Mark Dreher, East Valley Partnership	#Mayor Thomas L. Schoaf, Litchfield Park,
#Councilmember Michael Farrar, Carefree	*Councilmember Jack Sellers, Chandler
#Neil Giuliano, Greater Phoenix Leadership	Councilmember Lorenzo Sierra, Avondale
Sintra Hoffman, WESTMARC	*Dan Spitz, Achen-Gardner Construction
#Mayor Linda Kavanagh, Fountain Hills	Mayor Greg Stanton, Phoenix
#Jim Kenny, El Dorado Holdings, Inc.	*Sandra Watson, ACA
Dr. Randy Kimmens, Maricopa Community Colleges	*Mayor Jerry Weiers, Glendale
*Supervisor Kunasek, Maricopa County	#Mayor Sharon Wolcott, Surprise

\* Not present

# Participated by video or telephone conference call

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

Anubhav Bagley, MAG	Kristen Ennis, City of Goodyear
Len Becker, Buckeye	Enrique Franco, Sonora Government
Melissa Bettis, MAG	Leila Gamiz, MAG
Alan Carey, GBI	Walt Gray, West Side Town Hall
Alana Chávez Langdon, MAG	Eduardo Gonzalez, ProMexico
Leonardo Ciscomani, Sonora Government	Summer Johnson, Peoria
Cheryl Covert, Avondale	Gail Lewis, ADOT
Natalia Cuneo, MAG	Emma Livingston, Thunderbird School of Global Management
Briana Decker, Peoria	Hank Marshall, City of Phoenix
Jami Dennis, MAG	Denise McClafferty, MAG
Tom Doyle, City of El Mirage	

Emily Mead, GPEC  
Cesa Aguiar Meneses, Cd. Obregon, Sonora  
Javier Aguiar Meneses, Cd. Obregon, Sonora  
Janice Mrkonjic, City of Phoenix  
Mark Paratore, City of Scottsdale  
Sasha Perez, City of Phoenix  
Jasmine Pham, Thunderbird School of Global  
Management  
Miguel Quiros, Sonora Government  
Shannon Reed, MAG  
Gondo Rodriguez, ITSON  
Jeeku Saha, Thunderbird School of Global  
Management

Rafael Salamanca, Thunderbird School of  
Global Management  
Ana Salido, ProMexico  
Kurt Sharp, Gilbert  
Bill Sheldon, WESTMARC  
Dennis Smith, MAG  
Lynn Spencer, City of Mesa  
Amy St. Peter, MAG  
Kristen Stephenson, Glendale  
Kelly Taft, MAG  
Jorge Vidal, Sonora Government  
Rafael Zazueta, Corporativo AGM

1. Call to Order

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

2. Pledge of Allegiance

The Pledge of Allegiance was recited. Dr. Joseph Cavinato, Mark Dreher, Councilmember Farrar, Neil Giuliano, Jim Kenny, Mayor Kavanagh, Vice Chair Lane, Mayor Lewis, Mayor Lord, Councilmember Luna, Mayor Meck, Mayor Mitchell, Mayor Schoaf, Mayor Weiers and Mayor Wolcott joined the meeting by teleconference.

Chair LeVault welcomed ADOT representative Floyd Roehrich back to the EDC. Mr. Roehrich said it was a great opportunity to be back on the committee. Chair LeVault also recognized members of the Sonoran delegation in the audience, including representatives from AGM Corporation, Sonora Technical Institute and the Economic Development Department for the City of Obregon.

Chair LeVault noted 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

noted no public comment cards had been received.

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

Chair LeVault asked members of the committee if they had any questions or comments regarding the April 5, 2016, meeting minutes. There were none. Mayor Barney moved to approve the April 5, 2016, Economic Development Committee meeting minutes. Mayor Carlat seconded the motion and the motion carried unanimously.

5. Economic Update and Development of the Sonora, Mexico Region

Chair LeVault welcomed Sonora Secretary of the Economy Jorge Vidal and gave the committee some background information on the Secretary, including his education and business experience. Secretary Vidal said it was important for Sonora and Arizona to join forces and work together toward a common goal. He extended a greeting to the committee from Sonora Governor Claudia Pavlovich, who he said is working with Arizona Governor Doug Ducey to strengthen bilateral relations and raise the competitiveness of the region. Secretary Vidal said there is a common goal between the two states to capitalize on the attributes we share and consolidate the strategic alliance to offer an attractive area of international investment. He stated there are ways to expand cooperation and trade between the two states, which currently exceeds two billion dollars.

Secretary Vidal said the new state government in Sonora has put the state back on the path of orderly and sustained growth. He stated there is a lot of growth in four strategic fields - automotive, aerospace, electric-electronic, and mining. Secretary Vidal shared a list of different companies doing business in Sonora and some of Sonora's top exports in the agriculture, livestock and aquaculture industries. He said that in the automotive industry, Sonora has 85 companies doing business and produces almost 1,500 cars daily, which are exported through the Nogales border.

Secretary Vidal said that he has been talking to Governor Ducey about joining forces, along with Arizona mayors, to grow the aerospace industry in the region. He stated that Arizona currently has about 39,000 jobs in the aerospace industry, and Sonora has 10,000 jobs, and the industry will continue to grow over the next two years. Secretary Vidal highlighted the success of Japanese owned company Yazaki in the electric-electronic industry. He said that Yazaki has 60 facilities in Sonora with 35,000 employees.

Secretary Vidal said that Arizona and Sonora have the same goals in the mining industry. He stated that in the last six months, Sonora has attracted nine new projects with an investment of \$250 million that will create an additional 3,000 jobs. Secretary Vidal said he believes the relationship of Governor Pavlovich, Governor Ducey and Arizona mayors can lead to more opportunities in the mining industry.

Councilmember Sierra told Secretary Vidal that he was interested to hear what education workforce strategies are in place in Sonora. Secretary Vidal said his government is in contact

with universities and technical institutes and the number of graduates coming out of these programs continues to increase.

Chair LeVault told Secretary Vidal he has taken several trips to Sonora as part of a MAG delegation. He stated he visited Hermosilla twice and had an opportunity to tour facilities like the Ford Motor plant. Chair LeVault said he believes there is nothing short of an economic revolution taking place in Mexico. He noted he was impressed by the high technology available in the new plants. Chair LeVault said the partnership between Arizona and Sonora is a natural one, and he looks forward to working together.

Mayor Stanton thanked Secretary Vidal for his detailed presentation of the economic development in Sonora. He said the nature of the country's relationship with Mexico is going to be an issue in the upcoming U.S. presidential election. Mayor Stanton said there may be people who argue that the U.S. should be turning its back on Mexico, as opposed to the approach the EDC has taken, trying to build economic bridges and forge partnership opportunities. He stated that the committee may want to develop a policy paper in the early fall about the importance of the relationship between the two countries. He said it would be unfortunate if the U.S., as a federal policy, were to turn its back on its relationship with Mexico and both literally and figuratively, build a wall. Secretary Vidal commented that he appreciated Mayor Stanton's support.

Steve Betts said he agreed with Mayor Stanton. He asked Secretary Vidal for a brief update on the Port of Guaymus infrastructure and the connectivity from that port in terms of both highway and rail. Secretary Vidal said there have been large investments in Guaymus, which has forced the port to expand. Secretary Vidal said Sonora officials are talking with Arizona officials and others who may be interested in investing in the Port of Guaymus. He stated a federal investment of \$600 million into the port was completed six months ago, but still more investment is needed. Secretary Vidal offered to send more information about the Port of Guaymus to the committee.

Todd Sanders said he echoed the comments of Mayor Stanton. He stated that Mexico is Arizona's number one trading partner and an incredibly important force in its economy. Mr. Sanders said Arizona needs more bridges with Mexico and less walls, and the Greater Phoenix Chamber stands behind that statement.

Mr. Sanders asked Secretary Vidal if the government of Mexico provides money for workforce training, and how Mexico collaborates with businesses to understand the needs of the business community. Secretary Vidal stated there is support for the workforce from the Mexican federal government, state government, and sometimes through private investment. He said Mexican officials talk to investors about what their needs are when they come to the country, and then talk to deans of schools about the workforce that will be needed. He explained that sometimes Mexican workers are sent abroad for training and return to train others in Mexico. Chair LeVault thanked the Secretary for his presentation.

6. Report on the Opportunity Arizona Event - *Identifying a Qualified Workforce through Career*

### and Technical Education

Greater Phoenix Chamber of Commerce (Chamber) Director of Community Relations Janelle Tassart provided information on the collaborative efforts between MAG and the Chamber to highlight the importance of career and technical education programs, and the role they play in building Arizona's economy. She stated the Chamber, and the City of Phoenix, are on track to add about 200 additional Business Retention and Expansion (BRE) visits to the 600 the City had. Ms. Tassart says the common theme she hears is our local businesses do not have the workforce needed to grow, expand and thrive in the Valley. She said economic development officials often talk about Science, Technology, Engineering and Math (STEM) education, but in her conversation with MAG, it was determined that the conversation also needs to focus on Career and Technical Education (CTE) programs and what they can do for local businesses.

Ms. Tassart said that the Chamber hosted Opportunity Arizona on March 3, 2016, with about 200 attendees from the business and education communities. She stated that Global Pathways Institute Director William Symonds gave the keynote presentation, and focused on how Arizona can prepare its students for success. Ms. Tassart said Mr. Symonds touched on reversing the stigma sometimes associated with the CTE programs, and shared local information on job trends. She stated business leaders need to support these programs and get students enrolled and ready for the workforce. Ms. Tassart offered to share statistics with interested committee members.

Ms. Tassart said a panel highlighted education, with representatives from the Western Maricopa Education Center (West-MEC) and the University Technical Institute and workforce, with representatives from HonorHealth and Honeywell. She stated the panel discussed bridging the gap between education and business and what the needs are through success stories and real life examples of high paying jobs and opportunities. Ms. Tassart said the event ended with a call to action to the business community to use the Joint Technical Education Districts (JTED) programs and start using the students as interns to train a ready talent pool. She stated the great feedback and connections made at the event led her to believe the information provided resonated with the audience. Ms. Tassart commented the follow up to the event was positive as well, getting mentions in media outlets.

Ms. Tassart said the Chamber will continue the workforce conversation. She stated Todd Sanders assisted in the plan to bring economic development leaders from Dayton, Ohio to Phoenix next month to talk about how to regionalize our economic development approach. Ms. Tassart introduced a short video profile, created by MAG, featuring a student of the veterinary science program from Kayenta. She informed the committee that a ten minute video highlighting four students across the state is available for viewing on the MAG website ([http://azmag.gov/Videos/OpAz/vid\\_OpAz\\_Overview.html](http://azmag.gov/Videos/OpAz/vid_OpAz_Overview.html)).

Sintra Hoffman said she was able to use information from the conference for something WESTMARC produced in partnership with MAG. She stated WESTMARC held a similar event in late April in the West Valley with the education community. Ms. Hoffman said all seven higher education schools, as well as West-MEC, were there to talk about the workforce

pipeline. She stated WESTMARC gave the group information that was gathered through surveys and discussions with site selectors and industry leaders. Ms. Hoffman encouraged committee members to attend WESTMARC's upcoming economic development summit May 19, 2016. She said site selectors, industry and education representatives will come together at the summit. Ms. Hoffman stated WESTMARC is working on a full gap analysis that will be ready in the fall.

Dennis Smith said that the Kayenta video includes West-MEC, East Valley Institute of Technology (EVIT), and the Tucson medical center, so it covers the state. He noted the lady in the video viewed by the committee won the Gates Millenium Scholarship, and will attend Colorado State University for veterinary school.

Mr. Sanders commented he sees a disconnect between the university, JTED systems and the business community to grow the workforce. He said it would be of great value to connect them to see the quick results Secretary Vidal said he has seen in Sonora. Mr. Sanders thanked Chair LeVault for including this item on the agenda.

Chair LeVault commented that one of the first things a prospective employer asks before relocating or expanding is if there is a workforce that is ready, willing and ably trained. He said the JTEDs and technical schools provide a vital service for the region, helping train the workforce.

7. Invest Peoria AZSMART - Peoria's Strategic Investment Forum

Peoria's Deputy City Manager Julie Ayers and Economic Development Director Scott Whyte provided an update on the Invest PeoriaAZ Forum and Invest Peoria AZSMART services. Ms. Ayers said it is an exciting time for Peoria, having a mayor and council that have made the economic success of the city its top priority. She said the city has adopted an aggressive economic development strategic plan that actively pursues public private partnerships, real estate development and targeted business attraction. Ms. Ayers said Peoria held its first of a kind investment forum on March 30, 2016, inviting developers and investors to learn about Peoria's investment portfolio of shovel ready development sites, biotechnology investments and business attraction opportunities.

Peoria Economic Development Director Scott Whyte said Peoria's strategy is to look at how to attract targeted industries and position the city to be competitive by leveraging existing land and building resources. He said Peoria developed its first Economic Development Investment Strategy (EDIS) in 2010, and through a five year period, absorbed 440,000 square feet of space. Mr. Whyte stated Peoria adopted its second EDIS last December, with one of the key initiatives to leverage real estate assets to create new space, including commercial office development and industrial development to help boost low inventory. He explained that without inventory, the city does not have the ability to compete for business. Mr. Whyte said with that reality in mind, the city created a signature investment forum, Invest Peoria AZ Smart. He stated planning began last October to create an investment-centric sales and marketing campaign that reached key domestic and foreign markets. Mr. Whyte said Peoria

created a new website to house a host of technical documents investors could utilize.

Mr. Whyte said his office commissioned commercial office market studies, cost of doing business studies, and hired a land development consulting team comprised of experts in the field. He said these experts created due diligence packages for key city owned properties and other documentation. Mr. Whyte said Peoria worked closely with regional organizations to better understand the workforce. He explained that he reached out to Canadian, Mexican and Asian markets. He said he reached out to the Arizona Commerce Authority (ACA), GPEC and the Canada Arizona Business Council (CABC) to reach the existing stakeholder base.

Mr. Whyte explained he spent October to January conducting technical studies, consultant reviews, and data centric analysis and evaluations to find out what the workforce is and what the market would support in terms of commercial office space. He stated Peoria used the spring training opportunities in March to bring in site selector and developer groups that were in targeted industry areas. Mr. Whyte said his team worked with GPEC and hosted 15 different spring training game events to promote the investment forum. He stated his group attended national conferences focused on public private partnerships (P3s) and encouraged interested parties to attend the forum.

Mr. Whyte said the investment forum was held at the sports complex, with a total of 113 participants. He said of those participants, 81 seated in the room were targeted audience members. Attendees included developers, investors, engineers, architects and construction management firms. Mr. Whyte stated that 14 investors participated virtually through live streaming.

Mr. Whyte said in addition to commercial development opportunities, Peoria has BioInspire, a medical based incubator, focused on commercializing medical based companies. He said medical device company representatives made up some of the forum attendees.

Mr. Whyte noted the city has a well defined incentives program for the right project, and will invest in that company to promote success. He told the committee that Peoria is in the process of receiving proposals for some of the shovel ready city owned sites, and will be focusing on the remaining sites over the next nine to twelve months. Mr. Whyte said the objective of the city is to break ground on its signature project in the P83 District in the next twelve months.

Mayor Stanton asked Mr. Whyte if he found that Peoria had a different cost of doing business relative to the cost of doing business in the region as a whole. Mr. Whyte said that he took a greater metro scan, comparing the cost of doing business with San Diego, Los Angeles, Bay Area, Salt Lake City, Denver, Austin and Dallas. He noted the cost of doing business in Peoria was substantially lower than in those competitor cities. Mr. Whyte said he believes Peoria's niche is in the technology scale up market. He stated the cost of doing business study showed companies that cannot pay the heavy freight in a primary city like San Francisco, San Diego or Denver could easily move into Peoria and take advantage of its workforce and grow and expand.

Chair LeVault asked where the participants came from geographically, and how the group was put together. Mr. Whyte said participants were a mixed bag of local developers and architectural firms, as well as national investors from Illinois, Texas, Nevada and California, and international investors from China, Canada and Mexico. He noted the investment forum would be annual or semi annual in the future.

Councilmember Sierra asked if the lack of public transportation in the area was a factor in any of the studies. Mr. Whyte said access to public transportation is a behavioral preference for the Millennial generation. He said it was a factor, especially in the P83 District. Mr. Whyte stated there are ongoing internal discussions of ways to expand and make the public transportation options more robust. He noted the Peoria team has done pro forma analysis, ROI metric returns, cash flows, architectural designs and floor plans, and market evaluations so it can refer to documents, information and analysis that are relevant to businesses decision making. Mr. Whyte said Peoria has paid for the pre development work a developer would normally need to conduct.

Mr. Betts said people used to sometimes think of developers in a bad light, so he was pleased to see Peoria talking with developers as part of an economic development strategy. He stated the Valley does not have a lot of modern product to sell or market. Mr. Betts said there are a lot of building vacancies, but its old, antiquated product. He said the Valley needs modern technology driven office space, but getting developers to build spec is a challenge. Mr. Betts commented he is pleased Peoria is assisting developers with incentives to get it done.

Mr. Whyte said as a result of not having available office space, Peoria has missed out on about 54 million dollars of capital expenditure projects and about two or three thousand jobs. Mr. Betts said many companies cannot wait for build to suit, so they go to Texas or somewhere where there are available buildings.

Councilmember Sierra asked if Mr. Whyte had the housing quality and quantity needed to boost economic development efforts. Mr. Whyte said there was a two pronged effort that included workforce and residential product type. He stated they looked at several different areas and conducted a complete breakdown of workforce demographics, which are available to developers on the website. Mr. Whyte then looked at housing product, available price points and diversity of housing product and also made that available to developers. He said Peoria has diversity in housing product and is poised to grow tremendously in the future. Mr. Whyte commented that future growth in the Valley is predicted to be in the northwest and southeast.

Marisa Walker asked Mr. Whyte if there were water and wastewater projects highlighted as a part of his efforts. Mr. Whyte said the investment forum and activity around it was not inclusive of infrastructure. He stated a lot of the conversation, especially in terms of the CABC, is on P3s and major infrastructure systems, but Peoria's approach focused only on commercial industrial development.

Mayor Carlat said it takes planning, due diligence and effort to create an environment on the ground that gets Peoria ready for the economic development the city envisions. She said with

only half of the city built out, she looks forward to building out the second half with purpose, target and intelligence.

8. Report on Building an International Economic Network (BIEN) Website Market Needs Assessment and Tool Optimization Recommendations from the Thunderbird School of Global Management

A team from the Thunderbird School of Global Management provided the committee with a report and recommendations for the BIEN website. Thunderbird team member Emma Livingston said MAG researched small business environments in Arizona and Mexico as a previous Thunderbird project, and one of the recommendations made was to create a website to help facilitate connections between small businesses from the two areas. In 2014, Connect BIEN was launched as a type of Linked In for businesses. Ms. Livingston explained the idea is that businesses in Canada, Arizona and Mexico could register for the site and make direct connections with each other. She said by 2015 there were quite a few users registered, but that number stopped growing. Ms. Livingston said in 2016, her team was called in to evaluate the website and marketing efforts, and develop ideas for how to best optimize the website. She stated her team interviewed 40 different stakeholders, MAG staff, users of Connect BIEN and other businesses. Ms. Livingston said her team took a trip to Mexicali and Hermosilla to talk to businesses, conducted a focus group in Phoenix to test ideas, and benchmarked some of the other existing websites to come up with recommendations for Connect BIEN. She said the team found one of the greatest accomplishments of the project is Connect BIEN has done a lot to shift the perception of how Arizona is open to conducting business with Mexico. Ms. Livingston said the team's recommendations are two pronged - set goals to increase registered users so businesses have more opportunities to connect, and better engage the users already registered so they continue to return to the site.

Ms. Livingston recommended targeting small and medium sized business owners in Arizona and Mexico to see what works and what does not, before expanding to Canada and beyond. She said through research and analysis, the team identified four areas to appeal to new users to achieve the site's goal. Ms. Livingston said the new and improved BIEN takes the benefits of the old site, and moves them to the front page. For those businesses seeking help, the recommendation is to reorganize and prioritize based on need. She said the help tab should be reorganized to allow users to search by region for chambers of commerce or economic development groups, and also by purpose, so users can more easily find service provider agencies and programs.

Team member Rafael Salamanca said the site should keep users informed. He stated data is something MAG is known for, so the team recommends the site use charts, quick facts, publications, newsletters, and testimonials to show how the data can be used to improve business or view what the business environment looks like. Mr. Salamanca noted there are several initiatives MAG is working on, such as the foreign direct investment data, which would be beneficial to businesses the team interviewed, if they could download and view it.

Mr. Salamanca said the site needs to make connections, which was the main goal for Connect

BIEN from its inception. He recommended tweaking the site and making it more intuitive to sign up. Mr. Salamanca said the site should take users step by step and be clear on how it will help increase visibility of the business profile. He explained currently, a user can see where the businesses are, but cannot see each profile without logging in. Mr. Salamanca said the team recommends users be able to view basic profiles without logging in. He said this would create a valuable business directory for people searching for businesses in Arizona and Mexico.

Mr. Salamanca said that joint events, now on a side banner in the resources tab, should be brought to the front, showing why these events are relevant to businesses and putting them in calendar view. He said the site should provide event details and a link to the registration page of each site. Mr. Salamanca said during the interview process, his team discovered that events are where most connections occur.

Team member Jeeku Saha said some users had forgotten about the site when the team contacted them for feedback. He said the team had an idea to send users a monthly newsletter to remind people of the site. Mr. Saha stated the newsletter could share success stories and encourage people to keep using the website. He said the team recommends marketing efforts to promote Connect BIEN at targeted events. Mr. Saha said over the course of the project, the team found out there are very few networking events for Mexican businesses to come together and network. Mr. Saha said the team also recommends choosing champion partners to ask how to promote BIEN more efficiently.

Team member Jasmine Pham said the team looked at key performance indicators, metrics and milestones to allow them to identify successful initiatives and those areas that need improvement. She said in the short term, the team recommends Connect BIEN target Arizona and Mexico businesses, highlight benefits of the site, and bring the benefits to the front page so they are highly visible to visitors. Ms. Pham said the team suggests steps to identify and engage champion partners to assist in efforts to improve the marketing of the site. She said in the long term, after setting a strong foothold in Arizona and Mexico, Connect BIEN could expand its reach to Canadian businesses. Ms. Pham said the site could eventually be used to organize educational and network events. She said the site could collect business success stories and use them to benefit and attract more businesses.

Chair LeVault wanted to know how many profiles the site currently has. Mr. Smith said over 800 businesses had signed up. Chair LeVault asked the team if they were able to see how many times the same visitor came back to the site. Mr. Salamanca said the team looked at returning users and click-rates and saw some users had signed up and then forgotten about the site. Mr. Smith said that when he listened to the Thunderbird group in other meetings, it was clear that just a technology platform would not work, that the concept would have to include outreach and personal connections to be a success.

Mayor Stanton asked if the site was free of charge and Mr. Salamanca said it was. Mayor Stanton said there is psychology associated with people feeling more invested in something if they are charged even a nominal fee for it. He said there may be value in exclusive events like

happy hour, so that users feel like they are a part of something. Ms. Livingston said that in discussions, Mexican users expressed concern the site would not remain free.

On behalf of the committee, Chair LeVault thanked the team and presented each member with an Arizona Highways book as a token of appreciation for their work with Connect BIEN.

9. Update from the Arizona Commerce Authority

Ms. Walker provided the committee with an update from the ACA. She said the ACA worked with business attraction and expansion groups and found that Arizona has won 62 projects in the last fiscal year. Ms. Walker said there are 240 new opportunities in the pipeline that are expected to lead to 52,000 jobs, and more than 4.5 billion dollars in capital investment. She stated there has been a lot of economic development activity in the state over the past month. Ms. Walker noted the ACA conducted a best practices assessment on how Germany is collaborating between industry and government in the manufacturing sector at the recent Hannover Messe Fair.

Ms. Walker said she joined with some of her colleagues to host 24 different countries as part of the 5<sup>th</sup> Americas Competitiveness Exchange on Innovation and Entrepreneurship Tour. The tour showcased advanced technology centers, innovation hubs, public private partnerships and strategic investments in Arizona and California. Ms. Walker mentioned Envision Gateway, a multi-day event with approximately 120 investors and several companies representing France, Canada and Mexico. She also said the ACA recently completed ExporTech bootcamp, focused on aerospace and defense.

Ms. Walker said the ACA hosted a public private partnership best practices forum with Canada and hopes to conduct similar events in the future. She commented she would like to work with the EDC and others to develop an investor's guide for the state. Ms. Walker said she wanted to be ready with the profile information needed to direct businesses to her colleagues when calls are received. Ms. Walker also mentioned she is a member of the Organization of Women in International Trade (OWIT) that will discuss doing business in Africa on May 19<sup>th</sup>. Ms. Walker said there would be presenters from Kenya and D.C., and she encouraged the committee to attend and get the word out.

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

Steve Betts provided the committee with an update on GPEC. He said that the Hannover Messe conference was a success and he hopes it leads to new business for the Valley.

Mr. Betts said GPEC hosted its second Demo Day event recently in the Southeast Valley with over 75 attendees, including mayors and supervisors. He said that similar to what the committee heard from Peoria, the group was emphasizing the need for shovel ready sites and development opportunities in the Southeast Valley cities. Mr. Betts stated he hopes the Valley can get some of these sites ready so there is more product to sell and showcase.

11. Request for Future Agenda Items

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

12. Comments from the Committee

Chair LeVault 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 1:03 p.m. The next meeting of the EDC will be on Tuesday, June 7, 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