

# Economic Development Council

## Meeting Minutes

December 6, 2018 • 10:00 AM • Little America • 2515 E. Butler Ave. • Flagstaff, AZ

Presiding Officer – Paul Watson, Chairman

Attendees	Present/Absent	Number of Absences in 2018
Paul Watson, Chairman	Present	0
Rich Bowen, Vice-Chairman	Absent	2
Paul Ramsey, Chair-At-Large	Present	1
Jodie Filardo, Immediate Past Chair	Present	2
Jesse Thompson, Executive Member	Present	1
Sharon Adams	Present	1
Art Babbott	Absent	3
Wendy Bridges	Present	0
Becki Christensen	Absent	1
Michelle Conway	Present	2
Carol Curtis	Present	1
Eric Duthie	Absent	3
Paul Ferris	Present	0
Linda Hatch	Present	1
Richard Heath	Present	0
Keith Johnson	Present	1
Steve North	Present	1
Lora Lee Nye	Present	1
Julie Pastrick	Present	1
Kelly Patton	Absent	4
Norman Perry	Present	1
Casey Rooney	Present	1
Ed Steinback	Absent	4
Jim Wurgler	Absent	1

\*Excused Absence

- Guests:**
- Evelyn Casuga, Center for the Future of Arizona (CFA)
  - Dr. Larry Penley, CFA Senior Fellow & Arizona Board of Regents Member
  - Pat Beaty, CFA Senior Fellow
  - Kristi Tate, CFA Civic Health Initiatives Director
  - David Martinez III, CFA Civic Health Initiatives Program Manager
  - Ginger Johnson, Greater Prescott Regional Economic Partnership (GPREP)
  - Michele Ralston, Assistant to Supervisor Art Babbott, Coconino County District 1

**Staff:** Teri Drew, NACOG Regional Director  
Julia Sawyer, Executive Assistant

**I. Call to Order, Welcome and Introductions**

Chairman Watson called the meeting to order at 10:01 AM. A quorum was present. He welcomed everyone to the meeting and acknowledged the guests in the room. Introductions were made around the room.

**II. Pledge of Allegiance**

Chairman Watson asked Casey Rooney to lead in the Pledge of Allegiance.

**III. Approval of Minutes – October 4, 2018**

Chairman Watson asked if there were questions or comments on the minutes from the October 4, 2019 meeting, there were none. He called for a motion to approve. **Norman Perry made a motion to approve the October 4, 2018 minutes as drafted, seconded by Paul Ferris.** Chairman Watson called for discussion and a vote. **The motion carried unanimously.**

**IV. Chairman's Report**

➤ **Survey Results**

Chairman Watson reported the results of a survey that went out to the Economic Development Council in October. The survey was designed to identify the thoughts of the membership regarding the meetings and location/logistics. Chairman Watson noted that there were 8 respondents to the survey, and asked Julia Sawyer to re-open the survey and send the link out to everyone again so that more could participate in the responses. He will bring a final report to the February 7, 2019 meeting.

Chairman Watson took a few moments to acknowledge Regional Director Teri Drew for her 42<sup>nd</sup> anniversary with NACOG. He made a presentation of smoked pork chops and bacon from Eddie's Market in Pinetop-Lakeside. A round of applause followed. Ms. Drew thanked Chairman Watson and the EDC for the recognition.

**V. Director's Report**

Ms. Drew began by thanking everyone for their time and commitment to the EDC and expressed her warm holiday wishes. She then passed around the schedule for 2019 meetings. She noted that this location at Little America is the most comfortable option for the use of meeting locations in the Flagstaff area.

➤ **Program Update**

Ms. Drew noted that the Coconino County Proof of Concept grant is still awaiting word on funding, and following a conversation with the Seattle Region EDA representative Jacob Macias she was told that a decision is expected to be made this week. A comment was made that EDA did post a list for investments in the amount of \$21 million and that Coconino County/NAU was not on the list for funding. Ms. Drew noted that this project was for an in-forest incubator for processing forest waste, and originally it was applied for under the Public Works umbrella, but the project was moved from Public Works to Regional Innovation Strategies funding. It was unclear which funding stream the list that was published came from.

Ms. Drew continued reporting regarding the coal industry communities and their proactive work in transitioning the coal workers and their families into other jobs. She noted the Office of Economic Opportunity's new mapping tool that was presented as a resource which identifies an individual's current skillsets with current job opportunities available across the state. This tool, along with the Crosswalk Tool which identifies industries around the state that utilize the specific skills of the individuals currently working in the coal industry, will be presented in a "Train the Trainer" event being scheduled for early 2019.

➤ **Approve 2019 Goals and Priorities**

Ms. Drew began discussion on the Goals and Priorities List for 2019, noting that this list is generated by the Region's communities to place projects that they would like to include for funding consideration for the 2019 year. In order to be funded by EDA, projects must be on this list. It was noted that the projects that were crossed off were either requested to be removed or were not responded to by the communities. Chairman Watson asked the Council to review the list to see if there were any projects that should be added or removed. Some comments followed for items to be renewed, added or removed. Of note were projects for Navajo County, the City of Winslow, and the Greater Flagstaff Chamber of Commerce. Chairman Watson called for a motion to approve the Goals and Priorities List with the additions/deletions noted, **so moved by Paul Ferris and seconded by Linda Hatch**. Having no other discussion, Chairman Watson called for a vote. **The motion carried unanimously.**

Ms. Drew concluded her report.

**VI. Membership Committee Report**

➤ **Membership Renewal**

Chairman Watson turned the meeting over to Carol Curtis, Chairman of the Membership Committee for a report from the December 4, 2018 meeting of the Membership Committee. She began by noting that members subject to renewal are reviewed carefully and evaluated for renewal. Ms. Curtis reported that Julie Pastrick's application for renewal was reviewed and the committee recommends her renewal. Chairman Watson called for a motion to approve the renewal of Julie Pastrick's membership; **so moved by Paul Ferris and seconded by Jodie Filardo**. Chairman Watson called for discussion; hearing none he called for a vote. **The motion carried unanimously.** Ms. Pastrick thanked the Council for her renewal and noted that she is honored to be a part of the Council.

**VII. Tourism Committee Report**

Chairman Watson turned the meeting over to Michelle Conway, Chairman of the Tourism Committee. Ms. Conway noted an in-person meeting of the Tourism Committee on November 15, 2018 in Sedona, noting that the meeting was very productive. She introduced a Fact Sheet that resulted from a survey that was sent out to tourism "players"- local tourism organizations from around the region – to assess what types of tourism promotion opportunities there are, and to offer information on resources that are available for the Northern Arizona tourism industry. She shared future goals for this information sheet for the Tourism Committee, noting that the fact sheet is in draft form, and some things needed to be added. Ms. Conway remarked that she will continue developing it for a presentation in February. Comments were made from members from Flagstaff and Cottonwood to add resources to the infographic. Questions were asked regarding what the percentages indicated, to which Ms. Conway replied the percentages are based on the answers received in response to the survey questions from high to low.

Ms. Conway reported that the Tourism Toolbox is being updated by Tony Alba and should be ready to present at the next meeting of the EDC. She also noted that their new representative from Local First Arizona, Liza Noland, is working on regional profile resources. She then noted that the largest part of the meeting was to present a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis of the Tourism sector of the region. Jesse Thompson

encouraged participation of the Native American tribes, such as the Navajo Nation. He will provide a contact person to Ms. Conway. Chairman Watson thanked Ms. Conway and noted that he is encouraged about the way the Tourism committee is moving forward. A comment was made regarding Northern Arizona tourism and a potential partnership with Senora and Mexico.

#### **VIII. Center for the Future of Arizona – CEDS Kick-Off Presentation**

Chairman Watson acknowledged the special speaker, Evelyn Casuga. He turned the meeting over to Ms. Drew to introduce the presentation that will kick off the development of the Comprehensive Economic Development Strategy (CEDS). She noted that the CEDS is a five year plan that is required by the U.S. Department of Commerce's Economic Development Administration, and is the primary function of this Council. Ms. Drew commented that she always wants to reach higher than before, and had the opportunity to discuss the facilitation of the process with Ms. Casuga, who will also engage with the Center for the Future of Arizona (CFA) in the process, because of the amount of research, work and outcomes they are having, it seemed a good blend for them to be involved in the preparation of the CEDS. She introduced Ms. Casuga and acknowledged Kelly Patton of APS, who has agreed to sponsor the CEDS. She expressed gratitude to all for their willingness to move forward with Northern Arizona. She noted that conversations are ongoing regarding completion of the process, including NAU's offer to write the economic analysis.

Ms. Casuga thanked the Council for the opportunity to present information on the Center for the Future of Arizona (CFA). She introduced the other guests who are assisting with the presentation on a new opportunity called Progress Meters. She noted various progress meters, such as the education progress meter, which looks to achieve 60% post-secondary education in adults in order to be competitive in tomorrow's job market.

Ms. Casuga congratulated NACOG for their award-winning CEDS, and she introduced Dr. Larry Penley as the presenter. Dr. Penley thanked the Council for the opportunity for this "listening meeting", noting that the actual presentation will be small, but the listening to the feedback of the Council on how these metrics will be useful for Northern Arizona will be the main presentation. A handout of the power point presentation was passed out to all.

Mr. Penley began by describing the general population of the state of Arizona, noting that there is a contrast between those who were born here and who were not. Many people move to Arizona because of the qualities of the State. He asked the group for other characteristics of the state; it was noted that the state is diverse geographically and has a maverick quality, including the number of women in leadership. Quality of life was mentioned, as well as a much higher rate of quality than other areas in cost of living and opportunities. Innovation history was also mentioned, such as the Central Arizona Project. It is a friendly area in the rural districts. Cultural diversity and history in Native American, Hispanic, and other groups. Dr. Penley summed up that this is a great place to live and work.

Dr. Penley spoke of the Citizen's Agenda, grounded in a statewide comprehensive Gallup Poll called "The Arizona We Want" to discover what citizens want for the state of Arizona. The result was a list of 8 goals: Education, Jobs, Water and Open Space, Health, Transportation and Infrastructure, Young Talent, Connected Communities and Citizen Participation. From these 8 goals, Progress meters were developed, metrics of each of these areas. Dr. Penley noted that the metrics were written in the handout for everyone's review, and also noted that the Goals and Priorities list that was reviewed earlier had several of these metrics on it.

Dr. Penley highlighted the Education goal and shared some of the data that resulted from the Progress Meter as related to counties. Progress meters must meet three criteria: 1) Is the metric something that we can get public-verifiable data on, 2) is it understandable to the public, and 3) does it drive policy. He noted that Arizona is a long way from reaching the 60% Post-Secondary Education goal mentioned earlier. Comments followed regarding barriers to the metrics that are represented by these data. Pat Beaty, a Senior Fellow of CFA noted the barriers that

were identified such as opioid addiction, poverty, etc. It was noted that each of the metrics are inter-related with one another. Dr. Penley continued to elaborate on the data related to the Education goal metrics. Some discussion followed regarding other universities and colleges that were not accounted for in this study. Dr. Penley acknowledged the need to expand to include more of the private higher education facilities in Arizona, noting that we have fewer private higher education facilities in Arizona than most states in the country. Other discussion followed regarding the need to reach those that have left the workforce to enroll them in post-secondary education opportunities in order to increase their quality of life significantly, and on the reputation for a high cost of living in the NACOG region being a barrier to these education metrics.

Dr. Penley noted three initiatives that the Board of Regents plans to deal with regarding the attainment issue: 1) university resources, 2) creating an integrated database that integrates schools with community colleges, technical schools and universities, and 3) to call out high schools who are doing a particularly good job of sending students out to post-secondary education. It was noted that some local businesses are partnering with Yavapai College to provide training for high school students for no cost to the student, but this takes a whole community to be successful. Discussion followed regarding the identification of barriers and what policies need to be put into place to address each barrier.

Dr. Penley moved on to speak about Jobs Meters, metrics that have identified job growth, average wages, unemployment, underemployment and labor force participation in post-high school enrollment. Discussion followed regarding the diversity of data and the potential for county data to not relate to individual communities within the County.

The Citizen Participation Meter dealt with voting data, whether citizens contact their elected leadership or not, and other criteria. He noted a 78% participation at the election polls in Yavapai County, higher than any in the state for the mid-term elections, and the other counties in the region had higher participation than usual.

Dr. Penley then highlighted the Young Talent Meter from 12 Focus Groups. This came from surveys of youth aged 18 – 39. Dr. Penley highlighted some of the concerns, such as affordable housing, long-term planning and leaders who listen to the youth.

Dr. Penley asked the group to break up into groups of five to discuss three questions: Which of the citizens goals are most important to your community, which of the metrics associated with each goal are most important to your planning, and how can CFA best support your planning efforts beyond annual progress meter updates? Groups were formed for discussion.

Dr. Penley resumed and called on one representative from each group to summarize the various discussions. In summary, jobs and wages, affordable and attainable housing, healthcare, workforce, education, transportation, natural resources and homelessness were the key conversations. Much discussion followed on water rights in the state. Dr. Penley then asked for comments from Teri Drew on behalf of NACOG. Ms. Drew noted again that the goal is to reach a little higher. She remarked that the CEDS contents are prescribed by the EDA, however the NACOG EDC will do more, be more inclusive and more holistic in the approach to resiliency in the District. Ms. Drew complimented the CFA team for joining the EDC in the CEDS process. Chairman Watson noted that access to education is needed in the rural areas of Navajo and Apache Counties. He asked if there are metrics to measure how a lack of a university in an area impacts that area. Dr. Penley responded that there are data that demonstrate that where a university is located, wages are higher, economic development is increased and there are more jobs. This is a strong linkage between the location of a university and the economy surrounding it. He noted that the Board of Regents needs to take a serious look at the areas in the state that don't have 4-year public universities. Discussion followed, and it was noted that funds are prohibitive to additional university campuses. Impassible roads are an issue on the Navajo Nation lands for getting young people to school.

Dr. Penley summarized his presentation, thanking everyone for the opportunity and for the message he can take back to CFA. Applause followed, and Ms. Drew thanked everyone on the CFA team for coming.

## **IX. Member Comments**

Chairman Watson called for Member Comments:

Michelle Conway reported that the Sedona Northern Lights event is coming up December 13-16, 2018 with hourly showings from 6 – 9 PM, and she shared postcards showing the locations for viewing the event. She also reported that a new Sustainability Coordinator has started at the City of Sedona, Makenzie Jones. The development of a sustainable tourism plan is ongoing and should be launched in a few months. Comments were made that Home Rule passed in the mid-term elections. It was noted that the Town of Tusayan was the only one in the state that lost on Home Rule this year.

Carol Curtis reported that the number one public health safety issue in Coconino County is the threat of a forest fire and catastrophic flooding. She noted a new forest manager and the work ongoing with how to manage forest waste and turn it into a commercial product. She also reported that a major concern currently is the pending closure of the Navajo Generating Station (NGS) in Page and the subsequent closure of the Peabody Coal Mine, both of which will present a multi-million dollar impact to the area and to the state. She noted that the Governor's Office of Economic Opportunity had projected 2,000 jobs lost in 2019 as a result, with a huge economic impact. She continued to report that NACOG has assisted the County with grants to help build resilience to the area. She noted a big turnover this past election with the leadership of the City of Page, including a new mayor and the closure of the Economic Development Division. Ms. Curtis noted that NGS has a new theme, to "Finish Strong", as they repurpose and re-train their employees into new jobs in the prevention of layoffs. Ms. Drew thanked Ms. Curtis for taking the issue to the Governor's Workforce Arizona Council to raise their awareness of the situation.

Keith Johnson reported the Open House dedication of the new Pinetop-Lakeside City Hall coming next week. He noted that the Sunrise Ski Resort has been doing some remodeling and upgrading of the snow making equipment and are enjoying great ski conditions there. Four re-development projects are underway in the Pinetop-Lakeside area. He announced that a Tourism Department is being created with the Chamber of Commerce and the Town. He also reported that Home Rule was passed this year.

Rich Heath reported that Northern Arizona University (NAU) is working on a Teacher's Academy for individuals that want to go into the education field, offering them two ways to get there through a collaboration with Yavapai College – 2 years at Yavapai College for the first part and 2 years at NAU to complete, all paid for by NAU. This is available on a scholarship basis, a potentially debt-free opportunity. He also noted another part to the Teacher's Academy offers an emergency certification, to be gained through teaching and getting a degree while teaching, all paid for by NAU. Mr. Heath also spoke about the Yavapai County Education Foundation Teacher of the Year application program.

Steve North reported that the City of Show Low Convention Event Center has undergone 2 feasibility studies and has been dormant for about a year, but recently a private group has come forward with an interest to build a high-altitude sports training facility, so talks are underway to begin a third feasibility study for it in early January. Mr. North announced some new retail projects underway.

Prescott Valley Vice-Mayor Lora Lee Nye thanked Ms. Drew for attending the gala of their outgoing Mayor Harvey Skoog, retiring after 26 years. She encouraged all to look at the Christmas lights in Prescott Valley, noting the great job the Public Works team did. She announced a new resident is pending for the vacant K-Mart building in Prescott

Valley that she hopes to reveal at the next meeting. She reported that Yavapai Downs is now Arizona Downs and horse racing will start in May. Vice-Mayor Nye announced the setting aside of \$22 million reserve funds.

John Saltonstall reported development going on in Flagstaff. He reported that Snow Bowl is doing great this year and has a great snow making availability to combine with the snowfall. A program called Innovate Waste Challenge, in partnership with the City's Economic Development and Sustainability Offices, is offering \$8,000 in business-developing cash prize money available for anyone who comes up with an idea to convert landfill-destined materials into useable product process that will open up a business in Flagstaff. This is a joint effort with NACET as well. Information is available on the Flagstaff website.

Navajo County Supervisor Jesse Thompson reported that north of Winslow is a small community referred to as Delcon that will be constructing a new health facility next year, bringing a lot of jobs to the area. He also noted the development he spoke earlier about in Winslow, a Culture and Commerce Center, planning was in process via a grant for the project that will be run by a non-profit organization. He reported a collaborative plan to get the Winslow Levee rebuilt. The levee was decertified in 2003 for failure.

Chairman Paul Watson shared that currently there is a bioenergy operation in Snowflake which takes the forest waste and processes it. He noted a hearing coming up with the Arizona Corporation Commission (ACC) on Monday to determine whether or not the ACC should mandate that electric companies have a portion of their electricity produced by bioenergy. He also noted that producing electricity by bioenergy is not cost effective, but if operations are not in place to take care of the biomass in the forests, the forests will go backward in maintenance, hurting the forests and watershed. Jodie Filardo asked if a letter of support could go out from NACOG, since forestry is a big part of the CEDS. It was agreed that NACOG should send it. Chairman Watson noted that it can't be emailed in, but an original and 13 copies have to be mailed in.

Teri Drew shared the CEDS Committee timeline, noting that the CEDS Committee will meet after the regular EDC meetings throughout 2019. She announced that several presenters were invited to present at the February meeting, noting that the first one to acknowledge was the ACC, Andy Tobin. She also mentioned Arizona Department of Transportation, USDA, Arizona Office of Tourism, Arizona Commerce Authority, Energy, Education and Forestry are planned to participate. She announced that the CEDS Committee is full, with representation from all four Counties but not all communities. She encouraged the communities to have a voice at the table. It was requested that Ms. Drew read the list of Committee members, which she did.

Paul Ramsey noted that the City of St. Johns Annual Light Parade is Saturday night. The newly elected St. Johns City Council will be working on developing a function Chamber of Commerce. The Council is also pushing "Buy Local", along with other initiatives to grow the City.

Jodie Filardo reported that Clarkdale has decorated for Christmas and there are several parties planned. She also reported several zero net energy housing projects going on and is almost all sold before it's built. She announced the first site selector visit in Clarkdale, which they are very excited about.

Casey Rooney announced a new City Manager for Cottonwood who will be starting at the first of the year. He thanked CFA for their presentation. He announced some retail businesses opening in the City of Cottonwood. A large, new retail development will be going in as well. He thanked Ms. Drew for lunch and wished everyone a Merry Christmas.

Paul Ferris thanked Supervisor Thompson and Navajo County for the years of effort on behalf of the City of Winslow to re-certify the Winslow Levee. He also noted that the presentation today was one of the best he's experienced since being on the Council. Mr. Ferris then reported that the City of Winslow is transitioning between

City Managers. He noted a thorough process in hiring the new City Manager. He also announced a new Mayor and 2 new council members.

Sharon Adams thanked CFA for the presentation and Ms. Drew for all she does for the EDC, and wished everyone a Merry Christmas.

Michele Ralston sent Coconino County Supervisor Babbott's regrets for not being able to attend as he was required to attend NATED Strategic Advance meeting. She offered to share the letter sent to ACC by Coconino County regarding the forestry biomass meeting to NACOG in preparation for sending their letter of support. Ms. Drew asked her to please share it and thanked her. Ms. Ralston noted that Coconino County is waiting for official word on the Proof of Concept grant spoken of earlier. She also reported that Coconino County is down to the final two candidates for the Economic Development Manager of the Public Affairs Department. The decision should be made in the next day or so.

**X. Public Comments**

Chairman Watson called for public comments, there were none. He expressed appreciation to Ms. Drew and Ms. Sawyer for their work on putting this meeting together.

**XI. Adjournment**

**Chairman Watson adjourned the meeting at 1:04 PM.**

*NACOG EDC Meeting Minutes – December 6, 2018*  
Approved: