

Economic Development Council

Meeting Minutes

February 1, 2018 • 10:00 AM • DoubleTree • 1175 West Route 66 • Flagstaff, AZ

Presiding Officer – Jodie Filardo, Chairman

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

*Excused Absence

Guests: Keith Johnson, Town Manager, Pinetop-Lakeside
Tony Alba, Community Services Manager, Pinetop-Lakeside
Nadra Ivanova, Coconino County Planning
Chip Davis, Deputy Director, Congressman Tom O'Halleran's Office
Michelle Ralston, Staff Assistant to Coconino County Supervisor Art Babbott
Bill Stago, Consultant for the Little Colorado Economic Development Corporation
Dr. Lula Stago, Little Colorado Economic Development Corporation
Rita Thompson

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

I. Call to Order, Welcome and Introductions

Vice Chairman Paul Watson called the meeting to order at 10:03 AM. He asked for introductions around the table and from members calling in by phone. All introduced themselves.

II. Pledge of Allegiance

Vice Chairman Watson asked Paul Ferris to lead in the Pledge of Allegiance.

III. Approval of Minutes - December 7, 2017

Vice Chairman Watson noted absences from the last meeting that were recorded on the December 7, 2017 minutes would not be counted as absent due to the unavailability of a teleconference phone for those trying to call in. He asked for comments and a motion to approve the minutes, **so moved by Linda Hatch and seconded by Jesse Thompson. The minutes were unanimously approved with the noted changes.**

IV. Chairman's Report

Vice Chairman Watson noted that Chairman Filardo was attending a conflicting meeting today, and as such there is no Chairman's Report. As a new item of business, Vice Chairman Watson began with the appointment of a Nominations Committee for the elections of officers for the coming year. He asked for willing volunteers, noting that there would be 4 appointed, 1 from each County. Regional Director Teri Drew interjected that there would only be 1 meeting for 30 minutes or less. Linda Hatch volunteered for Yavapai County, Paul Ferris for Navajo County, Bruce Greco for Apache County and Michelle Conway for Coconino County. Vice Chairman Watson thanked the volunteers and noted that staff will contact the committee for a date. He then turned the meeting over to Teri Drew.

V. Director's Report

➔ **Program Update**

Ms. Drew announced for housekeeping purposes her preferences for email communications. She asked to please copy her Executive Assistant Julia Sawyer, who oversees the EDC, and Jeannette Arntzen who staffs committees, for all future communications.

Ms. Drew then spoke briefly about the recent government shut-down, noting that if anyone is currently receiving federal funds for program/fiscal years other than 2018, the flow of funding will not cease. Possible holds may be placed on new grant funding yet to come. There is no conversation currently about rescission of funds.

➤ **CEDS Revisions**

Ms. Drew then started a discussion on the Comprehensive Economic Development Strategy (CEDS) revisions, explaining first that the CEDS are being reviewed by a national committee in Washington DC. She reviewed the previous CEDS development process from 2014-15 and acknowledged the partners involved in the development. She noted that the District received written confirmation from the Economic Development Administration (EDA) that our CEDS had been approved in 2015. Following that approval, the EDA released new guidelines for the CEDS. We are now being asked to complete a section on disaster resiliency, aside from the references that had already been approved by EDA. Ms. Drew reported that she and Julia Sawyer gathered information from other sources as well as our own references in the CEDS to draft a section dedicated to disaster resilience. She remarked on references that came right out of the current CEDS, which the Council had previously approved, as well as other items that were included. Some of the changes discuss what the District will and can do in a situation of economic emergency or disaster, and planning processes, such as examples for regional responsiveness. She asked for questions from the Council. She noted that the draft was written broadly to so as to deal with situations that may come up across the District without specifics. Ms. Drew also noted that Jacob Macias, our EDA representative, gave his approval of our draft prior to this meeting. Ms. Drew then gave an overview of the entire document. Following, Vice Chairman Watson asked for further discussion and a motion to approve. Some discussion followed regarding the emergency plans of the District communities, and the involvement of EDA and Federal Emergency Management Act (FEMA). Vice Chairman Watson noted the generality of the emergency plans because of individual circumstantial variances. More discussion followed regarding emergency planning. Ms. Drew noted that the goal for resiliency is to have the least amount of impact on the District. Vice Chairman Watson called for further questions or for a motion to approve. **Linda Hatch made a motion to approve and recommend the draft CEDS revisions to Regional Council, seconded by Casey Rooney. The motion carried unanimously.**

➤ **EDA Reporting**

Ms. Drew reported that regulations for reporting financials and progress reports to the EDA have been changed from a mid-term and a year-end report to quarterly reporting, however the rules have not been clearly defined. Ms. Drew commented that the mid-term report reflects our progress on our annual Scope of Work and is nearly completed, and will be sent when final instructions are received. We are waiting for final ruling as to content.

➤ **2018 Goals and Priorities Approval**

Ms. Drew then opened a discussion on the 2018 Goals and Priorities List. She noted that EDA will not fund projects that do not demonstrate sustainable job creation, based on EDA's primary goal to "enable communities to attract new industry, encourage business expansion, diversify rural economies, and generate or retain long-term, public/private jobs and investments through the acquisition or development of land and infrastructure improvements needed for successful establishment of industrial or commercial enterprises". She passed around copies of the draft list, noting that there are items on the list that will not be funded, and recommended those categories be removed because they do not align with EDA goals. In order to have an EDA project funded, it must be on this list. It should only contain projects to be applied for in the calendar year. There is no penalty to put a project on the list and not apply for it. Funding ranges from \$1.5 million to \$6 million per project and requires local match. Ms. Drew noted that a definition for public works was added to the list, as was the definition for technical assistance. Breaking down the categories on the list, she noted that the following are fundable project types:

- Capital Availability
- Physical Infrastructure
- Sustainable Ecological Resources
- Business Retention and Expansion
- Attractions of Basic Sector Industry
- Transportation – if it leads to a business park and sustainable job creation
- Tourism – if it leads to sustainable base job creation

- Technical Assistance

Ms. Drew noted that Human Resources and Social Environment and Basic Community Services and Amenities projects do not typically lead to base jobs, and should not be solicited or included anymore. Some of those types of projects are ideal for USDA and Community Development Block Grant (CDBG) funding.

Ms. Drew noted that items in **red** represent items submitted this year, and she thanked those who have responded. She noted some email requests received this morning for projects from Springerville and Cottonwood, which will also be added to this list. Items in **black** were not responded to during the solicitation period and are subject to deletion. Other items that may have been responded to after the deadline may also remain, or be added to the list. Vice Chairman Watson asked everyone to note on the list the items to keep and submit it to Ms. Drew or Ms. Sawyer today. A suggestion was made to remove items that are known to not be planned to be applied for funding this year. A question was asked about job creation priority for EDA, and Ms. Drew explained that some special grants, such as the Partnership for Opportunities and Workforce and Economic Revitalization (POWER) and Assistance to Coal Communities (ACC) were special grants, more technical assistance than job focused, but job creation for EDA is a priority. Ms. Drew passed around a fact sheet from EDA on Public Works definitions. Other discussion followed regarding the Tourism category, to keep it or not. Ms. Drew responded that some items there may create jobs and could be moved elsewhere, but the recommendation is to remove that section. A discussion about clean coal technology and the significance of the new administration actions toward the coal industry followed. Vice Chairman Watson asked if generally submitting items is ok, and if specific questions need answers to bring those up now. Comment followed regarding the coal industry and EPA requirements.

Ms. Drew noted recommendations on the table to delete items not responded to, basic human resources, human resources, and non-applicable tourism projects that do not lead to job creation, and agree to the definition clarifications. A question was asked about revolving loan funds, hosts and requirements, much discussion followed.

A point regarding EDA's definition of public works assisting distressed communities would eliminate several projects. Ms. Drew answered that our entire region has been designated by EDA as distressed due to the average poverty and unemployment of the region.

A suggestion was made to eliminate Priority 2 projects, and be realistic regarding Priority 1 projects. Eric Duthie offered to withdraw Tusayan's 2 Priority 2 projects, and take a serious look at how many Priority 1 items they should keep. Vice Chairman Watson repeated the recommendation presented. Ms. Drew noted that sometimes communities have both priorities but switch them later, based on a change of direction. She remarked that the Scope of Work is a different document which, last year prioritized Apache and Navajo County projects. More discussion followed regarding the prioritization of projects. Ms. Drew suggested everyone go back and have conversations with their Supervisors, Mayors and Councils about the items on the list prior to taking it to Regional Council. A question was asked about the final recommendation. Ms. Drew reiterated the recommendation; to delete items in **black** other than those mentioned today, to delete the Basic Services and Amenities and Human Resources categories, and to delete Tourism items that do not create base jobs; **the recommended motion was made by Linda Hatch, seconded by Rich Heath.** Upon receiving a motion and a second, Vice Chairman Watson called for further discussion. Jesse Thompson added to Ms. Drew's suggestion regarding USDA and CDBG funding, noting it may be an avenue Navajo County's Winslow Shelter Project could pursue. Ms. Drew shared handouts for the NACOG CDBG program. Ms. Drew asked for additions or deletions by Wednesday next week, and reminded the Council that Regional Council will also have the opportunity to add or delete projects. **Vice Chairman Watson called for a vote, the motion received one nay, and the motion carried.**

➔ **Proposed 2018/19 EDA Assessment Schedule**

Ms. Drew then passed around the new assessment schedule around, and began discussion regarding EDA match requirements as an Economic Development District. She spoke about successful return on investment for the

match investments made, noting more than \$100,000 coming back last year for the District investment. She noted the Executive Committee discussion from last year in concern of EDA being de-funded by the new administration, and the various suggestions for assessment minimums, addition of members, among other opportunities. The recommendation today is to adopt the same Assessment Schedule that has been used for the past 7 or 8 years. The current collection is \$49,808, based on census data from 2010 at \$.07 per capita. Ms. Drew recommended that the District maintain the same assessment schedule for the 2018/19 Fiscal Year. **Norman Perry moved to adopt the Assessment Schedule for 2018/19 as presented, seconded by Wendy Bridges.** Vice Chairman Watson called for discussion, and a question was asked about the Hopi Tribe's status in membership. Ms. Drew noted at this time they are investigating an opportunity to obtain a seat on Regional Council. Vice Chairman Watson called for a vote, **the motion carried unanimously.** Ms. Drew concluded her report.

VI. **Tourism Committee Report**

Vice Chairman Watson turned the meeting over to Michelle Conway for the Tourism Committee report, welcoming her as the new Chair. Ms. Conway began by noting the Tourism Committee is off with a bang this year, and while accepting 2 resignations since the Tourism Forum, 6 new members are up for consideration today. She read a brief bio of each of the applicants; Ann Stewart, the Sales and Marketing Coordinator for the City of Prescott; Lori Pappas, the Marketing and Public Relations Manager of the Flagstaff Convention and Visitors Bureau; Maya Izzi, the Rural Program Coordinator at Local First Arizona; Councilor Kathy Dahnk, the Managing Director of the White Mountain Nature Center and a Council Member of Pinetop-Lakeside; Michelle Masters, the Director of Tourism and Marketing Events of the Cottonwood Chamber of Commerce; Tony Alba, Community Services Manager of the Town of Pinetop-Lakeside. Ms. Conway noted the next meeting of the Tourism Committee will be March 15, 2018 in Sedona, and recommended to Vice Chairman Watson to approve these applicants for membership on the Tourism Committee. Vice Chairman Watson called for a motion, **Julie Pastrick moved to approve the appointment of these applicants to the Membership Committee, seconded by Wendy Bridges.** Vice Chairman Watson called for further discussion, there was none. Vice Chairman Watson called for a vote, **the motion carried unanimously.** Ms. Conway concluded her report.

VII. **Membership Committee Report**

Vice Chairman Watson turned the meeting over to Linda Hatch for a Membership Committee report. Ms. Hatch reported on behalf of Carol Curtis, Chairman of the Membership Committee, recommending 3 membership renewals: Jodie Filardo, the current Chairman of the EDC and representative of Yavapai County; Carol Curtis, Chairman of the Membership Committee and representative of Coconino County; and Kelly Patton, At-Large representative for Arizona Public Service. Ms. Hatch noted that part of the discussion regarding Ms. Patton was that time commitment for Ms. Patton's attendance has been a challenge, but the Committee recommends her renewal. Ms. Hatch then reported a new member for consideration – Keith Johnson, the Town Manager of Pinetop-Lakeside, to fill the vacancy in the Navajo County Public Sector. Ms. Hatch turned to Vice Chairman Watson with the recommendation to approve this slate of membership candidates. Vice Chairman Watson called for a motion to renew the memberships of Jodie Filardo, Carol Curtis and Kelly Patton, **so moved by Kim Johnson and seconded by Casey Rooney.** There was no discussion, and **the following vote was unanimous to approve.** Vice Chairman Watson called for a motion to approve the new membership application of Keith Johnson as a Navajo County Public Sector representative. **So moved by Paul Ferris, seconded by Rich Bowen.** Having no discussion, Vice Chairman Watson called for a vote. **The motion carried unanimously.**

VIII. **Presentation**

The scheduled presentation for today was cancelled. Vice Chairman Watson moved to table it for a future date.

IX. **Member Comments**

Vice Chairman Watson began Member Comments, starting with Supervisor Art Babbott who reported on public safety issue of forest restoration and post-wildfire flood control on the west side of the Four Forest Restoration

Initiative area, which has prompted Coconino County to seek to employ a Forest Restoration Coordinator to facilitate activities and actions that proactively address these issues. He also mentioned an initiative to create a forest industry incubator that was put onto the list of Goals and Priorities today. He noted that he was in a meeting today to address these issues.

Eric Duthie reported that the town of Tusayan experienced the federal shut-down, and they were extremely appreciative to the Governor for funding Grand Canyon operations 100% during the federal government shut down. He noted some key points affected: funding had to be in place prior to shut down; supervision at Grand Canyon kept all service open throughout the weekend except for receiving revenue – turning it into a free weekend; and advertisement from the state that the park was open. He then reported that in November the town had an election to amend the height ordinance for hotels to be allowed to raise from 45 feet to 65 feet, which was overturned. He noted the town has no town-owned infrastructure, so they are 100% administrative and all contracts for services are from outside entities. Mr. Duthie spoke about the concerns regarding light pollution in and around the Grand Canyon. National Park Service is in the process to certify the Grand Canyon as a dark sky. The Town has approved a survey for building heights, and Mr. Duthie noted that the town is in a bowl, so a building height of 75 feet is still below the tree line. He invited members to visit the town, and noted they are in the process of building on broadband improvements with collaboration from the college.

Chairman Watson noted that members on the phone could now give an update. There were no updates from phone members. Julie Pastrick invited attendance at their Annual Chamber event with Governor Ducey as keynote speaker February 9, 2018 at 11:30 AM. Governor Ducey will be delivering an address for Rural Arizona.

Kim Johnson reported briefly regarding the City of Page.

Keith Johnson reported that the Town of Pinetop-Lakeside is moving more toward economic development initiatives.

Bruce Greco reported that Apache County is conducting mini-workshops with business owners in the County, focusing on grant opportunities. He also reported that the County is looking into developing eastern Arizona economic development partnerships and coalitions.

Michelle Conway reported that Sedona is hosting the Annual Sedona/Verde Valley Job Fair at Yavapai College Sedona Center on February 13, 2018 from 12 – 4 PM. She also reported that the Economic Development Director is having preliminary discussions for the development of 1 of 2 upcoming light industrial areas in West Sedona. Ms. Conway noted that the Sedona Marathon is coming this Saturday, with approximately 3,000 runners signing up. She also reported that the International Film Festival is in its 24th year, and will go from February 24 through March 4, 2018.

Rich Bowen reported that Northern Arizona University (NAU) is working on 3 large Economic Development activities: a large statewide Broadband Coalition coming in April, focusing on the I-40 corridor; NAU's efforts for rural broadband has gone to Washington for funding; lastly the Peering Act – federal subsidies for underserved areas so private companies can afford to come to underserved areas. Mr. Bowen then noted that NAU economic policies department is starting to work with state legislators to pitch a statewide capital fund. He also reported NAU's efforts in making investments in infrastructure, noting "if you build it, they will come". Comments followed regarding the push toward resiliency.

Jesse Thompson reported that Phil Stago, Lula Stago and their guest arrived late, who were scheduled to make a presentation but will schedule it for another time. Supervisor Thompson reported that Navajo County had a meeting with the Navajo Nation Vice President, Jonathan Nash, who is interested in developing a gravel pit north of

Winslow. He reported that he has spoken to the Arizona Department of Transportation (ADOT) board to be more involved with the small communities of Navajo County.

Wendy Bridges reported that the City of Prescott was featured in a report by Expedia; "18 To Be Seen in 2018". She also reported on a company called RESA, a manufacturer that uses 3-D printing technology to make custom orthotics located in Prescott, and they have developed contracts with Costco, Macy's and other large retailers to place self-service kiosks where customers can step on a pad to have an image of their foot created, then the 3-D printer creates their custom orthotics there within an hour. The company is growing quickly, and Ms. Bridges reported that the company contacted NACOG to assist them with 27 new trainees for employment, noting that NACOG is the place to go for businesses looking for assistance in developing a workforce. Ms. Drew thanked Ms. Bridges for the kind words and encouraged everyone to utilize the Workforce Innovation and Opportunities Act (WIOA) in their local area for business and workforce development for employers and job seekers. She noted that the starting wage at RESA is \$25 per hour, a considerably higher wage for the area than most other employers. Ms. Bridges noted that she received a pair of custom orthotics as well, and spoke highly of them. Some discussion followed Ms. Bridges' report. Ms. Drew reported that RESA has also partnered with Yavapai College to develop a specialized custom training plan which NACOG assists with pre-qualification of applicants, tuition and books.

Casey Rooney reported a recent trip to Phoenix to an International Council of Shopping Centers (ICSC) meeting to sell Yavapai County. He also reported a couple of housing developments in Cottonwood and the Verde Valley that will generate around 2,000 new homes. Mr. Rooney also noted that the entire Verde Valley is working on the development of an economic development plan for the entire area. He reported a symposium being hosted on February 28 by the Arizona Association of Economic Developers (AAED), which he chairs for Northern Arizona. The symposium will focus on transportation. On April 5 there will be another AAED symposium focused on medical tourism. Mr. Rooney then noted that State Route 260 is in the process of being widened from Camp Verde to Cottonwood. He closed by reporting that the caregiving industry around Cottonwood is in need of qualified employees, and he anticipates a shortage of these professionals due to the larger facilities drawing employees away from the smaller ones.

Paul Ferris reported that the Transit Plan for the City of Winslow has been adopted, with plans to establish a regional transit service through Federal Transit Authority funding. He noted this will boost economic development for Winslow. Mr. Ferris continued by reporting that the wastewater treatment plant upgrades are nearly complete, which will greatly increase the capacity for the City. A major light abatement program is proceeding, using their CDBG allotment to help fund it. Mr. Ferris noted a new subdivision plan has been approved, 40 units of employee housing have been completed and will soon be occupied. The City is also annexing about 200 acres of prime industrial property south of town, and selling off City-owned industrial properties.

Paul Watson reported that Navajo and Apache Counties are in the middle of developing an economic assessment through the Assistance to Coal Communities (ACC) grant award they received from the Economic Development Administration (EDA). Highland Economics was hired to conduct the analysis around the pending closure of 3 coal-fired power plants and 1 coal mine, along with other related industries affected. Three purposes of the assessment are: 1) to assess the adverse economic impact; 2) to identify other opportunities to attract to the area and; 3) to analyze the infrastructure needs to attract those opportunities. The preliminary report should be completed by the end of March and a final report in June. He reported good discussions with various industries already. Mr. Watson then noted that he, Keith Johnson, Pinetop-Lakeside Town Manager, and Steve North of Show Low recently attended the Shot Show in Las Vegas. He noted that they had a booth with supplier information there.

X. Public Comments

Nadra Ivanova from Coconino County Planning Supervisor Jimmy Jayne's office briefly reported on forest restoration positions that are being opened. She also reported on some disaster planning taking place in Coconino

County as well. In response to a question regarding the County Manager, she commented that they are seeking to fill that position.

Tony Alba, the new Community Services Manager for Pinetop-Lakeside, commented on Pat's Run, a 4.2 mile run held in Tempe to benefit the Pat Tillman Foundation, noting that the Town of Pinetop-Lakeside will be hosting one in April. He invited runners and walkers to participate.

Phil Stago thanked the EDC for the opportunity to come to the meeting, and introduced his wife, Dr. Lula Stago and her sister, Rita Thompson. He shared that they are originally from the White Mountain Apache Reservation, and moved to Winslow later. He noted that they developed the Little Colorado Economic Development Corporation in Winslow. He spoke of a large tract of Navajo fee lands that are being developed to improve their communities. He also spoke of his history in advocating for the Native Americans with the federal government in the era of Ronald Reagan, specifically regarding the Apache Attack Helicopter for the Department of Defense. He noted that he is a consultant for the Little Colorado Economic Development Corporation. He thanked the Council for the opportunity to speak. Mr. Stago noted that it is time for everyone to come together to build communities.

XI. Adjournment

Vice-Chairman Watson called for a motion to adjourn; **so moved by Rich Bowen, seconded by Supervisor Jesse Thompson.** The meeting adjourned at 12:44 PM.