



Executive Committee
Economic Development Council Meeting ♦ February 2, 2017
 Little America Hotel, Flagstaff, Arizona

Members:			(Absences YTD)			Members:			(Absences YTD)		
Rich Bowen	Present	0				Karalea Cox	Absent	1			
Jodie Filardo	Present	0				Jesse Thompson	Present	0			
Paul Watson	Present	0									

Guests: Casey Rooney, City of Cottonwood

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

A quorum was present.

1. Call to Order/Welcome/Introductions

Chairman Jodie Filardo called the meeting to order at 9:00 AM. She began by welcoming everyone present.

2. Approval of August 4, 2016 Minutes

Chairman Filardo asked for comments on the minutes from the August 4, 2016 meeting of the EDC Executive Committee. Having no comments, she called for a motion to approve the minutes. **Paul Watson moved to approve the August 4, 2016 minutes of the EDC Executive Committee, seconded by Richard Bowen. The motion carried unanimously.**

3. Chairman’s Report

Chairman Filardo began her Chair’s Report with information about the 109th Town Hall which was themed “Financing Arizona’s Future”. She reported one of the findings of the meeting regarding tax cuts and low property taxes across Arizona does not result in economic growth, but actually demonstrates the opposite. She noted data from other states to back up this premise. Chairman Filardo suggested that the EDC consider inviting David Lujan of the Arizona Center for Economic Progress, a non-profit formed under the umbrella of the Children’s Action Alliance, to a future meeting of the EDC to bring a presentation on the 109th Town Hall meeting. Discussion followed about the potential of creating a voice for Northern Arizona by involvement in this, as well as the impact of an insufficient tax base. Regional Director Teri Drew noted that the Arizona Association of Economic Developers has been following the current legislative session and reports that consideration is being given to allow municipalities to develop reimbursement zones.

All agreed to invite Mr. Lujan to bring a presentation to a future EDC meeting, and Chairman Filardo suggested asking him if there would be particular feedback questions that he would like to send out to the membership ahead of time to facilitate discussion.

4. Director’s Report

Chairman Filardo turned the meeting over to Regional Director Teri Drew. Ms. Drew began by going through the agenda for the EDC and the presentations that are being offered today. Mr. Wayne Fox will be talking about the EDA University Center at Northern Arizona University W.A. Franke College of Business. Mr. Gabe Loyola will present the Workforce Innovation and Opportunities Act (WIOA), the national workforce development focus of the state and District. Last will be Mr. Paul Shannon, the Director of the Arizona Office of Economic Opportunity (OEO). The OEO oversees Arizona’s Workforce

Arizona Council efforts. Ms. Drew noted the recent conversations on workforce development as it pertains to economic development, and she mentioned plans for the April EDC meeting to continue the conversation on the regional impact of WIOA and economic development with participation from Paul Watson, herself and Carol Curtis, all directors of the workforce areas in the District. Mr. Watson is the director for Apache and Navajo Counties, Carol Curtis directs the Coconino County Career Center, and Ms. Drew is the Yavapai County Director. Ms. Drew noted that there is a great deal of policy discussion between the state and the local areas, and the impact of the state's efforts to make policy for local areas instead of leaving local policies to the local governing boards. As a result of these presentations Ms. Drew remarked that she'd like to see some discussion happen among the EDC regarding workforce and economic development.

Ms. Drew then reported that the U.S. Economic Development Administration (EDA) is slated for elimination and \$0 budget in 2017, according to several national publications. She and NACOG Executive Director Chris Fetzer have discussed the need for a contingency plan to keep the collective voice for economic development viable. Ms. Drew noted that the EDA has served as a source for project funding, and the District receives a \$75,000 EDA Planning Grant, coupled with the regional assessment program that has been in place for many years. She stated that it is very feasible to continue an Economic Development Council without the EDA by continuing with the assessments and accessing other funding streams. She noted the shift will be toward private sector funding, from private foundations and investors, and the District would posture itself differently to continue. Ms. Drew noted that the new Scope of Work includes re-evaluating the assessment schedule for 2018 from the current schedule of a \$500.00 minimum for participating communities and \$.09 per capita for larger communities in addition, to including some of the private partnerships and organizations represented on the EDC, like Arizona Public Service and Northern Arizona University. She noted that assessments will be on the next EDC agenda, and asked for feedback. Some discussion followed regarding operational costs of some of the private economic development organizations. It was noted that the current assessments are based on the 2010 census.

- **Program Update**

Ms. Drew passed around the 2016-17 Scope of Work, noting that we are about 48% through the goals already. Ms. Drew asked for discussion on how the Executive Committee would like to proceed over the remaining months of the program year. She mentioned that Coconino Supervisor Fowler had stopped by earlier this morning to say hello, and had reported the progress on the Coconino County POWER grant. Ms. Drew asked if there was more that could be done for other counties as well. Paul Watson asked for an update on what Coconino County's goal is with this grant. Ms. Drew answered that the POWER grant is focused on building a vocational skills training center to offer alternative career paths following loss of work at the Peabody Coal Mine and the Navajo Generating Station (NGS). Some discussion followed regarding the need for jobs to match the training, as well as jobs to meet the skill level of the people who have higher education and/or trade skills. Labor unions were mentioned as additional resources for these people. Ms. Drew noted that Chairman Fowler reported that the county has signed an agreement with the community colleges and educational institutes to work together in the training of a workforce. Mr. Watson expressed concern that the Cholla plant in Navajo County will also be following suit in layoffs and shut downs, and this is his focus for his county. Ms. Drew agreed that Cholla is in discussions for layoffs, and APS has already asked for assistance with Rapid Response funding for layoff aversion. Mr. Watson continued to say that the study to convert these power plants to some type of alternative energy supplier is essential, since the infrastructure of the plants is already in place. Since natural gas is no longer considered feasible due to the altitude, another alternative has to be sought. More discussion followed concerning the number of people that will be impacted by these closures and the need for training. Ms. Drew remarked these would be good questions to present to Paul Shannon of OEO this morning after his presentation. Supervisor Jesse Thompson noted that the

number of people impacted needs to be examined further, such as the number who will retire following closure as opposed to the number of young people seeking to remain active in similar work. More discussion followed regarding studies that have been done on the economic impact of the closures of these power plants and mines. Chairman Filardo suggested a presentation on the findings of the economic impact studies to assist the EDC in accomplishing the Scope of Work. Richard Bowen noted that ECoNA has been retained to do one such study. Supervisor Thompson noted that there will be some construction work in Navajo County, possibly some ADOT work as well, that may assist displaced workers in the short term.

Ms. Drew continued review of the Scope of Work, highlighting Sector Strategy efforts in manufacturing and tourism. Mr. Watson noted that there is a lot of exploration in Navajo and Apache Counties regarding alternate fuel sources for gas, oil, helium, CO2, etc.

Ms. Drew reviewed the remainder of the Scope of Work regarding workforce development and higher education, natural resource working groups, and more that will help the EDC move forward in accomplishing it.

- **2017 Goals and Priorities**

Ms. Drew began discussion of the 2017 Goals and Priorities List, noting that it will be discussed by the EDC meeting to follow. She said that the list from 2015-16 was sent to the EDC as well as Regional Council, and any additions requested by both will be considered. Anything that is not requested to stay on the new list will be dropped, and new items are being added.

Ms. Drew concluded her report with a comment that Chip Davis, the new Deputy Director for the office of U.S. Congressman Tom O'Halleran will be here this morning to introduce some of the Northern Arizona staff. Richard Bowen noted that Coconino County Supervisor Art Babbott will be bringing a report on a Fort Tuthill project being considered by the county. Ms. Drew noted that this project is not on the agenda today, but she will defer to Supervisor Babbott for information during her Program Update. Supervisor Thompson noted that a project is being considered in Winslow for the list as well.

5. Member Comments

Chairman Filardo asked for member comments, there were none.

6. Public Comments

Chairman Filardo then called for public comments, and there were none.

7. Adjournment

Richard Bowen made a motion to adjourn the meeting of the Executive Committee, seconded by Supervisor Thompson. Chairman Filardo asked if there were any objections, there were none. **The meeting was adjourned at 9:51 AM.**