

Economic Development Council

Meeting Minutes

August 2, 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	1
Paul Ramsey, Chair-At-Large	Present	1
Jodie Filardo, Immediate Past Chair	Present	2
Jesse Thompson, Executive Member	Present	1
Sharon Adams	Absent	1
Art Babbott	Absent	1
Wendy Bridges	Present	0
Becki Christensen	Present	0
Michelle Conway	Present	1
Carol Curtis	Present	0
Eric Duthie	Absent	1
Coral Evans	Absent	4
Paul Ferris	Present	0
Bruce Greco	Present	1
Linda Hatch	Present	0
Richard Heath	Present	0
Keith Johnson	Present	1
Kimberly Johnson	Absent	1
Steve North	Present	1
Lora Lee Nye	Present	1
Julie Pastrick	Present	1
Kelly Patton	Absent	3
Norman Perry	Present	0
Casey Rooney	Absent	1
Ed Steinback	Present	2
Jim Wurgler	Present	0

*Excused Absence

Guests: Keith Forte, Office of Economic Opportunity
Samuel Irvin, Office of Economic Opportunity
John Saltonstall, City of Flagstaff
Keith Watkins, Arizona Commerce Authority
Armando Esparza, Arizona Commerce Authority
Eric Peterson, Coconino County Director of Government Affairs

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

I. Call to Order, Welcome and Introductions

Chairman Paul Watson called the meeting to order at 10:06 AM. He began by acknowledging Vice Mayor Lora Lee Nye, who is the newly appointed Chairman of the NACOG Regional Council. Chairman Watson asked for introductions around the table, all introduced themselves.

II. Pledge of Allegiance

Chairman Watson asked Julie Pastrick to lead in the Pledge of Allegiance.

III. Approval of Minutes – June 7, 2018

Chairman Watson asked for comments or questions regarding the minutes from June 7, 2018. **Norman Perry made a motion to approve the June 7, 2018 minutes, seconded by Jodie Filardo.** Chairman Watson called for a vote, **the motion carried unanimously.**

IV. Chairman's Report

Chairman Watson reported that the EDC will be working on the Comprehensive Economic Development Strategy (CEDS) 2020-2025, and will begin the process in January 2019 and will complete it by June 2020. He encouraged involvement from each of the Council members in the CEDS focus and process. Chairman Watson noted that it is always good to hear some of the success stories that are happening. He invited the Council to think about who or what they might be able to share at future meetings. Chairman Watson also discussed issuing a survey to the Council regarding what each expects to get out of this organization and what each would like to see at these meetings so that there is a collaborative effort to make the most of everyone's time as they come to these meetings.

Chairman Watson announced the 2018-19 Executive Committee officers and committee members; Paul Watson, Chairman; Rich Bowen, Vice Chairman; Paul Ramsey, Chair-At-Large; Jesse Thompson, Committee Member and Jodie Filardo, Immediate Past Chair. He also acknowledged the Chair of the Tourism Committee, Michelle Conway and the Chair of the Membership Committee, Carol Curtis. He then turned the meeting over to Regional Director Teri Drew.

V. Director's Report

➔ **Program Update**

Ms. Drew began by updating the Council on the Assistance to Coal Communities grant opportunity, the Seattle Region's share being \$720,000 of \$30 million. She shared that there were 3 or 4 applications last year, and noted that there is not a lot of competition in the Seattle Region for the coal community funding – there is one area in

Washington State and several in Northern Arizona. Ms. Drew reported that she has touched base with all our areas this year, and there is one application moving forward from the Hopi Tribe for a business incubator to assist individuals who will be losing jobs in the coal community region. Ms. Drew noted NACOG Executive Director Chris Fetzer had asked for a discussion regarding the possibility of applying for an ACC grant for a broadband project and possibly hire someone to coordinate the collective efforts in our Northern Arizona region around broadband; Ms. Drew reported that she had such a conversation this morning with Paul Watson and Carol Curtis, and plans to also discuss it with Rich Bowen and Northern Arizona University. Ms. Drew remarked that the needs are so different among the counties that the effort may be difficult to achieve. She asked for comments or questions regarding a broadband coalition, noting that there are many entities working to improve broadband already. Chairman Watson commented that it would be beneficial if the State would map out existing projects and how they could tie together. He asked Keith Watkins for comments, who agreed and reported that there is a working group at the State that consists of several departments, such as the State Land Trust Department, Arizona Department of Transportation, Department of Education, Arizona Commerce Authority and Department of Public Safety. He remarked that this group is trying to get a grasp on what is already going on and who is actually prepared to construct and build as opposed to groups that are only in the planning stage. He described efforts to develop a repository for resources and to tap into federal grant money. Ms. Drew thanked Mr. Watkins for sharing, and commented on the need to involve the private sector in the conversation. Other discussion followed regarding various broadband efforts. Ms. Drew stated she would be happy to host a listening forum of both public and private sector providers. The discussion on broadband continued briefly.

Ms. Drew continued reporting that EDA also has \$95 million for the Express Delivery Acquisition Program (EDAP) Disaster Relief funds. Ms. Drew reported that Arizona is the only state in the Seattle region that is not eligible for funding because a Presidential Declaration was never made on behalf of any of the FEMA projects in Arizona, which is requested of the President by the Governor. She is still investigating why and what can be done for the future. Jodie Filardo noted that from her experience in an emergency in Sedona several years ago the governor cannot request a Presidential consideration until a certain dollar loss amount in structures is reached.

Ms. Drew noted that the Planning Grant is still pending, noting that the EDA office thought that we did not have a CEDS committee. She clarified that the EDC has always been the CEDS committee, and that the EDC appoints a sub-committee. Once that clarification was made, it was understood by the EDA representative and our grant moved forward.

There were further comments made regarding Presidential disaster declarations.

VI. Northern Arizona Regional Alliance Coalition Presentation

Ms. Drew then reported on the effort of several people around the table, including Chairman Watson, Carol Curtis, Julia Sawyer, Keith Forte and Rosalyn Boxer of the Office of Economic Opportunity (OEO), to discuss the coal communities pending unemployment issue, to collaborate resources and to start creating job opportunities for individuals. Ms. Drew noted that she, Paul Watson, Carol Curtis and OEO all share in common the Workforce Innovation and Opportunities Act (WIOA), which has Rapid Response funds allocated to each local area, and the governor also has a set-aside for Rapid Response. She passed around and introduced a whitepaper that was developed by the group, and acknowledged the members of the group who contributed. She noted the group's effort is to be proactive and resilient, and plans to bring it to the Workforce Arizona Council to request the opportunity to utilize some of the resource funding. She then introduced Keith Forte of the Office of Economic Opportunity to share a new video that was put together by OEO, a Skills Crosswalk Training Video.

Mr. Forte explained that the video lays out the opportunity to uncover jobs utilizing skills that companies are looking for. He noted that the Department of Labor website, ONET, is a source utilized in the Crosswalk program to identify companies and what types of skills are associated with jobs. He also noted that CEB TalentNeuron, Wanted

Analytics is also used in this process for real-time job availability in a selected area. He played the video (no sound due to technical difficulties) to demonstrate the format of the program. Mr. Forte asked for questions. Questions were asked regarding regional or state availability, and other discussions followed regarding real-time job availability and selection. Mr. Forte noted that the individual is able to input their most recent job title and list the skills they have, which will transfer to jobs that are available nearby.

Mr. Forte then shared a heat map that catalogs business locations in Northern Arizona, data that is available from OEO. Ms. Drew asked if there are criteria to the businesses that are on the map, he said at this time it only has publicly reported businesses through the Bloomberg Report. Mr. Sam Irvin, the co-developer of the cross-training video, explained that the businesses demonstrated on this particular map are only electricians, but any and all can be added. Other discussion followed regarding expanding and adding other businesses that are not publicly reported. Chairman Watson thanked Mr. Forte for the presentation.

Carol Curtis acknowledged Ms. Drew for taking the lead on this project. Ms. Drew commented that we are ready for next steps to develop solutions. Other comments followed regarding supporting efforts of the tribes that are most affected by the coal industry layoffs and apparent push-backs on negotiations between plant owners and potential buyers and the Navajo Nation. Chairman Watson commented on what this council stands for in support of economic development in the region and recommended a presentation from one or more of the energy groups involved. Other comments followed on efforts thus far. Ms. Drew concluded her report.

In reference to Ms. Drew's report on EDAP disaster relief funds, Jesse Thompson asked if there are any of the tribes that were included in the Arizona disaster areas that did not receive funding, she noted she would find out.

VII. Economic Policy Institute Presentation

Chairman Watson noted that this item will be postponed and moved to a future meeting, due to Mr. Bowen's absence.

VIII. Membership Committee Report

Chairman Watson turned the meeting over to Carol Curtis to bring a report of the Membership Committee. Ms. Curtis acknowledged the members of the Committee that met on July 16, 2018 and discussed the membership renewal applications of Linda Hatch and Jim Wurgler. Ms. Curtis reported that the candidates are both members in good standing and the Membership Committee recommends the renewal of these memberships for another 3-year term, concluding in August 2021. Ms. Curtis then noted that Wendy Bridges also submitted her resignation to the Membership Committee and expressed appreciation for her participation in this committee. Chairman Watson recapped the two nominations; Linda Hatch and Jim Wurgler, and entertained a motion to approve the reappointment of both to the EDC. **So moved by Norman Perry, seconded by Julie Pastrick.** Chairman Watson called for further discussion; hearing none he called for a vote. **The motion carried unanimously.**

IX. Tourism Committee Report

Chairman Watson then turned the meeting over to Michelle Conway to report on the Tourism Committee. Ms. Conway reported on the Governor's Conference on Tourism (GCOT) that was attended by several of the Tourism Committee and some of the EDC, and reported on the highlights of the meeting. She shared statistics on tourism dollars and how they are both spent and invested in tourism, reporting that the state's tourism industry enjoyed record highs over the past year in every major performance indicator; such as visitor volume, visitor spending, jobs/employment earnings and tax revenue. She reported that visitors to Arizona spent nearly \$23 billion in 2017 supporting 187,000 jobs and generating \$3.4 billion in tax revenue, noting that there is a \$25 return on every dollar invested in tourism in state and local revenue. Ms. Conway recommended a new Visit Arizona app introduced by the State Office of Tourism.

Ms. Conway reported 3 projects that the Tourism Committee is working on, noting a very engaged and active group of people participating on the Committee:

1. A survey to collect information regarding local tourism, and from the results of that survey the Committee will develop a fact sheet to be distributed at the October meeting. The fact sheet will serve as a resource for businesses and organizations in the Region.
2. The Tourism Toolbox – Ms. Conway turned the meeting over to Tourism Committee member Tony Alba to talk about what the Tourism Committee is doing with the Toolbox. Mr. Alba noted that Pinetop-Lakeside is reviving the White Mountain Regional Partnership to see how to better market the White Mountain area. He reported that he and Steve North also attended GCOT to connect with other cities and towns throughout Arizona. Mr. Alba told of successful marketing efforts in different regions and shared his idea for adding those success stories and best practices to the toolbox as a resource for the NACOG Region. He noted that he will be adding the success stories of GCOT award winners to the Toolbox as well. Mr. Alba's goal will be to have this accomplished by Labor Day. Ms. Conway noted that this will also be presented at the October EDC meeting.
3. Tourism Economic Impact Statement – Ms. Conway noted that data is being gathered to develop this, which will result in an infographic for communicating the message and value of the Tourism Committee.

At Ms. Drew's request, Ms. Conway then updated the EDC regarding some political issues centered around the upcoming Home Rule decision on the City of Sedona's election ballot this year. Ms. Conway described the history of the formula-based project spending limit on cities and towns initiated in 1980 by the state. An alternative to that formula-based limit is a constitutionally allowed option for municipalities; a local alternative expenditure limitation option known as Home Rule. Home Rule allows municipalities to adopt their own budget limits. Ms. Conway noted that Home Rule has always been voted in for the City of Sedona, but at this time there is a minority local dissention regarding the level of traffic in the City due to tourism. She noted that the group, which includes mayoral and council election candidates, considers the Chamber of Commerce and Visitor's Bureau at fault for the increase in traffic due to their marketing of Sedona as a tourism destination, not considering the value added to the City and surrounding areas by tourism. She reported that a lot of communication has been going out from the Chamber to the public regarding the truth in their marketing spending and the economic impacts of tourism. She noted that if Home Rule is voted down in Sedona, it would slash the City budget by about 50%, impacting City staff, transportation, non-profit sectors such as the Library, Meals on Wheels, and more. Ms. Conway reported that the Chamber's communication effort is generating much discussion and there seems to be positive support and feedback. Ms. Conway concluded her report by sharing a handout on Home Rule's pros and cons. Some discussion followed regarding Chamber support in favor of the rule and what has happened in other communities. The consensus was that education of the voters is the key to a successful vote. Chairman Watson thanked Ms. Conway for her report.

The Council took a 15 minute break.

Member Comments

Chairman Watson called the meeting back to order, and asked members to share community happenings around the table, beginning with Keith Johnson. Mr. Johnson reported on a new buyer for an aging shopping plaza and future renovations being planned for it. He updated the Council on the move of the Town of Pinetop-Lakeside government offices into their new Town Hall and other happenings in the area, expressing gratitude for recent rains. He noted that it caused their Hot Air Balloon Festival to be postponed, but everyone was happy for the rain.

Rich Heath updated the group on the Prescott Valley Campus of Northern Arizona University and the start of classes during the last week of August, noting 2 Bachelor's programs beginning with the new school year and the first Prescott Valley Campus Master's Degree program for Educational Leadership with Principal certification. He also reported a Teacher's Academy that offers students who want to add to their Associate's Degree in Elementary

Education, the University will pick up the Junior and Senior year tuition to assist them in achieving their Bachelor's Degree.

Michelle Conway reported on behalf of the Economic Development Director of the City of Sedona Molly Spangler, noting some exciting plans and a USDA grant for helping fund entrepreneurial and small business courses and workshops. The Verde Valley Regional Economic Organization (VVREO), other Verde Valley communities, the Chamber of Commerce, Yavapai College Small Business Development Center and the Northern Arizona Center for Entrepreneurship and Technology (NACET) Incubator in Flagstaff partnered with this grant with matching funds. Ms. Conway also reported that an Economic Development Diversification Plan for Sedona will be started in early September. APS contributed funding for conducting this study. She concluded that the community focus area for the Shelby/Sunset area will soon begin, which will assist entrepreneurs, makers, industry and a mixed housing development. One key ingredient needed for this plan will be upgraded sewer and roads, which has been included in the Goals and Priorities List.

Steve North reported for the City of Show Low regarding their progress with feasibility studies toward building an event center, and soon will be applying for EDA funding to start the project. He reported that the hospital expansion is moving forward, and noted some retail building has been taking place.

Wendy Bridges shared exciting news for the City of Prescott, making the announcement she had promised at the last meeting that the Prescott Airport did receive a contract with United Airlines for passenger service from Prescott to Los Angeles and Denver beginning at the end of August. She also reported that an Israeli electric aircraft design company has chosen to locate in Prescott for their United States headquarters. Along with that, other Israeli businesses will soon be visiting Prescott to look at potential satellite locations. Ms. Bridges remarked that all of the economic development going on in Prescott is why she has not been able to give the Membership Committee her all and chose to step down. She noted that the growth being demonstrated in Prescott makes it easier for other companies to give the entire Region a second look for location/re-location possibilities, and encouraged the Council to reach out to her if they'd like to discuss strategies.

Paul Ramsey shared some successful events that took place in St. Johns and Apache County, such as the 4th of July Festival and the upcoming Apache County Fair. He also reported on some road projects being completed.

Teri Drew noted that soon she would like to include collaborated workforce news into these EDC meetings. She reported great strides in economic impact to the Region through workforce development efforts in the 3 workforce areas of Coconino County, Navajo/Apache Counties and Yavapai County. She reported that Yavapai County has demonstrated more than \$28 million in direct wages from the ARIZONA@WORK programs.

Paul Watson reported on behalf of Navajo County that the County completed a feasibility study regarding the impacts of the loss of the coal industry as well as other target industries and infrastructure uses, a result of the American Coal Communities Grant the County was awarded last year. He reported that an E-Rate project for broadband is being developed between Navajo County and Gila County. He noted that a Request for Proposals has gone out and matching funds have been secured for the \$60+ million project, however some opposition is being dealt with that has arisen from one of the local carriers that was unsuccessful in the bid. The successful bidder has committed a substantial investment to assist with emergency services and other needs of the area as well.

Jodie Filardo reported the completion of the Bitter Creek Industrial area feasibility study due to a USDA grant. She also reported on a 3rd wine production facility opening as well as other events in Clarkdale that are coming up, noting that Clarkdale will be hosting Regional Council this month, to include a reception at the Copper Art Museum the night before and kayaking with the Mayor in the afternoon. Ms. Filardo continued to report on pending elections for Clarkdale. She noted a \$6 million proposition for road improvements on the ballot for this November.

Navajo County Supervisor Jesse Thompson reported on Navajo Nation fairs taking place during late summer. He noted future events as well. He noted planning for infrastructure improvements in the Winslow area and other parts of the Navajo Nation land.

Prescott Valley Vice-Mayor Lora Lee Nye reported that the Event Center just signed a 5-year contract with the Northern Arizona Suns basketball team. She shared news that a Texas waddles manufacturer is talking with the Town about moving his company to the Prescott area, and will plan to use the area's biomass supply if the company relocates here. Vice Mayor Nye also reported that Arizona Downs is now open for para-mutual betting and has already spent \$2 million restoring the facility there and anticipate another \$2 million to complete it. Horse racing is scheduled to begin in May 2019. Vice Mayor Nye noted 13 grass fires in the Greater Prescott Area which resulted in the loss of homes this year. On the other hand, there has been serious flooding as well, but the rain has been appreciated. Vice-Mayor Nye concluded her report with updates on the festivities centered around the 40th anniversary of the incorporation of Prescott Valley, including the Pinnacle Weekend scheduled for August 24-26 which will host weddings and several vow renewals, concerts, car shows, Cowboy Church and Northern Arizona's largest fireworks display. She also announced that on the economic development side, Duncan Donuts and Krispy Kreme are making plans to open their businesses in Prescott Valley. She also noted interest in the 4 large vacant buildings, noting that in spite of the loss of Sam's Club early this year, business has still been good.

Paul Ferris began his report by thanking Supervisor Thompson for advocating for the City of Winslow regarding a remedy for flood control. He noted that some of the building projects are nearing completion, citing Auto Zone and the La Posada Art Gallery. He noted that the shopping strip is nearly full of tenants now, and the City has received a Federal Transit Administration grant for transit service for over \$750,000. The City is recruiting a Transit Manager at this time. Mr. Ferris reported that the blight removal project has netted the removal of 45 derelict buildings over the past 4 years with more planning ahead. He noted the recruitment of industrial purchasers for the industrial park, and will be annexing of approximately 400 acres along the east of Highway 87.

Williams City Councilor Jim Wurgler informed the Council that Channel 12 will be coming to Williams this weekend to spend 4-5 hours in the City to interview various business owners and occupations for presentation on an August 17 feature. He also reported that the Grand Canyon Railway will be offering steam trips to the Grand Canyon.

Carol Curtis reported on behalf of Coconino County, expressing appreciation to the Council for their support in recent months regarding their application for EDA funding to prepare a feasibility study for an in-forest biomass processing facility and the inclusion of forest restoration efforts in the EDC Scope of Work and Goals and Priorities List. She noted a funding opportunity through EDA for a national million dollar grant competition that Coconino County is working on with Northern Arizona University which will be submitted at the end of the month, also noting that wildfires and grass fires are the #1 public safety health issue for Coconino County at this time.

X. Public Comments

Chairman Watson called for public comments. Keith Watkins shared some of the activities of Arizona Commerce Authority, noting their work with the City of Page on economic diversity. He also spoke briefly about broadband efforts, recognizing the work of Armando Esparza. Mr. Watkins suggested the Council become familiar with Opportunity Zones, a capital gains tool designed to take passive investments and make them active investments in certain geographic areas, to understand time elements involved with them. He also recommended scheduling time with ACA's film crews to help attract film companies to the rural Arizona communities. Lastly, Mr. Watkins acknowledged the work going on with the waddles manufacturer previously mentioned by Vice-Mayor Nye, noting that this company is part of a much larger group of manufacturers engaged in forest by-product industry. Mr. Watkins mentioned several large industries that are discussing wood processing in Arizona, also noting that the Forest Service is active in the forest industry recruitment efforts.

XI. Adjournment

Chairman Watson called for a motion to adjourn, **so moved by Jodie Filardo and seconded by Lora Lee Nye.**
The meeting adjourned at 12:30 PM.

NACOG EDC Meeting Minutes – August 2, 2018
Approved:

DRAFT