

## Economic Development Council Meeting ♦ December 1, 2016

Little America Hotel, Flagstaff, AZ

<b>Members:</b>			<b>(Absences YTD)</b>			<b>Members:</b>			<b>(Absences YTD)</b>		
Sharon Adams	Present	0	Art Babbott	Absent	2						
Rich Bowen	Present	1	Wendy Bridges	Present	1						
			(Phone)								
Becki Christensen	Present	1	Karalea Cox	Absent	2						
Carol Curtis	Present	2	Coral Evans	Present	2						
Paul Ferris	Present	0	Jodie Filardo	Present	1						
Linda Hatch	Present	0	Richard Heath	Present	1						
Mae Horseman	Absent	5	Kimberly Johnson	Absent	3						
Susan Johnstad	Absent	0	Steve North	Present	1						
Lora Lee Nye	Present	1	Julie Pastrick	Present	1						
Kelly Patton (Phone)	Present	0	Norman Perry	Present	1						
Paul Ramsey	Present	1	Casey Rooney	Absent	2						
John Rueter	Present	1	Tami Ryall	Absent	4						
Ed Steinback	Present	0	Jesse Thompson	Present	0						
Paul Watson	Present	1	Steve West	Absent	3						
Matthew Williams	Present	1	Jim Wurgler	Present	2						

\*= Excused Absence

**Guests:** Scott Russell, Chief Executive 4FRI  
John Stigmon, President, ECoNA  
Ben Hooper, Economic Development Coordinator, Prescott Valley  
Thomas Thurman, Yavapai County Supervisor, District 2  
Chris Fetzer, NACOG Executive Director  
Michelle Ralston on behalf of Supervisor Art Babbott

**Staff:** Teri Drew, 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 10:02AM. She asked for introductions from those participating on the phone and from around the table, all introduced themselves.

### 2. Pledge of Allegiance

Vice Chairman Filardo asked Richard Bowen to lead everyone in the Pledge of Allegiance.

### 3. Approval of October 6, 2016 Minutes

Vice-Chairman Filardo asked for a motion to approve the October 6, 2016 minutes. **Paul Watson made a motion to approve the October 6, 2016 minutes, seconded by Ed Steinback. The motion passed unanimously.**

### 4. Chair's Report

Chairman Filardo began by welcoming Yavapai County Supervisor Tom Thurman as a guest to the meeting. She then gave a brief summary about the Arizona Town Hall meeting in Mesa, November 13-16, 2016, and a recommendation to go online to check out the reports from that event which focused

on financing Arizona's future. She also spoke about the "Made in Clarkdale" Gala, an artist showcase event, and passed out invitations to the Board. She acknowledged NACOG for funding the initial branding of this event. With that, she concluded her report and turned the floor over to Regional Director Teri Drew.

## **5. Director's Report**

### **• Program Update**

Ms. Drew welcomed everyone and thanked them for their faithful attendance and all they do as volunteers for the NACOG Economic Development District. She presented a token of appreciation to each of the members present.

Ms. Drew reported that EDA "Partnerships for Opportunity and Workforce and Economic Resiliency" (POWER) grant funding is closed. All of the designated funding, totaling \$28 million, has been awarded, including a \$300,000 award to the Coconino County Resiliency Project. This was the largest award granted, and the only project awarded in the NACOG region during this year, as well as the only grant that included Workforce Innovation and Opportunities Act (WIOA). Congratulations to Carol Curtis and Coconino County.

Ms. Drew made note of the new Presidential Cabinet being chosen, particularly of Mr. Wilbur Ross being selected as the nominee for the post of Secretary of Commerce, following Senate confirmation. Early information indicates that EDA's future is being considered for cuts.

Ms. Drew continued to report that funding opportunities are now open for USDA Community/Forest and Open Space Conservation Programs through the U.S. Forest Service. To qualify, lands must be at least 5 acres of private forest. Grants are \$400,000 and open until January 13, 2017.

Ms. Drew provided an update on the grant application of Casey Rooney and the City of Cottonwood, a project to revitalize the Old Town Cottonwood Business Park, which the EDC had approved in October. Since that time, the application has been approved by Regional Council. The City of Cottonwood has also approved the required match for the \$3.7 million Business District Development Project and will move forward with the federal application process.

Ms. Drew reported on the EDC Scope of Work, noting that the EDC has progressed about 45% through the goals of the Scope of Work. The Executive Committee will be reviewing and prioritizing the remaining portions of the Scope of Work for completion during the remainder of the year. With that Ms. Drew concluded her report.

Chairman Filardo then turned the meeting over to Julie Pastrick, who had requested some time to bring a brief report. Ms. Pastrick spoke about Proposition 206, a measure on the general election ballot to raise the minimum wage to \$10.00 - \$15.00 per hour. She acknowledged Coral Evans as the newly elected Mayor of the City of Flagstaff. She then reported that on November 8, 2016 the City of Flagstaff voted to increase minimum wage to \$15.00 per hour. Ms. Pastrick spoke of the economic impact of the passage of the proposition, noting that businesses are hurting as well as schools, and many are facing layoffs. She also reported that philanthropic organizations have indicated that they will also have to cut back in their support of vital programs. Ms. Drew noted in response that the unemployment rate in Coconino and Yavapai is almost non-existent, and encouraged counties to use the new minimum wage to their benefit, to draw in good labor. She also noted that each county workforce area has WIOA funding, specifically the Rapid Response funding, available to the assist companies and employees in danger of closing. She urged communities to use these resources, which are available to all, to ease the burden to the employers. Coral Evans also commented that, although they were exempt from doing so,

the Flagstaff Unified School District has actually chosen to embrace the \$15.00 per hour wage increase, which is to be fully implemented in 3 to 3 ½ year's time, and intends to utilize it as a means to be more wage-competitive.

Chairman Filardo thanked everyone for their comments, noting that plans are underway for a presentation on WIOA in February, to increase awareness of the opportunities in the region that are supported. With that, she asked if there were any further questions for the Regional Director, there were none.

## 6. Membership Committee Report

Chairman Filardo turned the meeting over to Carol Curtis to report on behalf of the Membership Committee. Ms. Curtis reported on the meeting that took place on October 21, 2016, with herself, Linda Hatch, Ed Steinback and Wendy Bridges in attendance.

- **Change of Status**

Chairman Curtis reported the recommendation by the Membership Committee to accept the Change of Status of Richard Heath, who has moved from representing the Greater Prescott Regional Economic Partnership (GPREP) to accept a position as the Executive Director of the Northern Arizona University Prescott Valley Campus.

- **Member Resignation**

Chairman Curtis also reported on a recommendation to accept the resignation of Mae Horseman, in accordance with the Bylaws, which state that members who miss 3 consecutive meetings or 50% of the regularly scheduled meetings are considered to have tendered their resignation. Ms. Horseman has not been able to attend most of the EDC meetings as scheduled. This will create a vacancy for Apache County representation on the EDC.

Chairman Curtis then reported that the Membership Committee is also in the process of updating the EDC Application and the Evaluation Form to more closely align with the Committee's process of analyzing candidate qualifications for membership.

Chairman Curtis concluded her report. Ms. Drew added that she has received notice that EDC member Tami Ryall is no longer with the Town of Eager, which also opens another Apache County seat on the EDC.

Chairman Curtis then asked for a motion to accept the change of status for Richard Heath. **Paul Ferris so moved, seconded by Linda Hatch. Chairman Filardo called for a vote, the motion carried unanimously.** Ms. Hatch expressed appreciation of the leadership of Carol Curtis as chairman of the Membership Committee, as well as the support of the NACOG staff, Teri Drew and Julia Sawyer.

Chairman Filardo turned the meeting over to Richard Heath to report on Tourism.

## 7. Tourism Report

- **Tourism Forum Update**

Mr. Heath noted that he is reporting on behalf of Dr. Susan Johnstad regarding the updates to the Tourism Forum. He thanked Steve North and Matthew Williams for putting together venue bids, one for Torreon Golf Resort and Pinetop Country Club. An email vote of the Committee took place following Mr. Heath's side-by-side comparison of the 2 sites. Mr. Heath reported that there was a 5-1 vote in favor of Pinetop Country Club. Ms. Drew spoke up regarding the dates and asked the Council for discussion as to whether the October 11-13 dates would impede anyone's ability to attend the Tourism Forum, as there is an Arizona Association of Economic Developers (AAED) event taking place in the City of Prescott that same week. She also mentioned that she and Chairman Filardo have discussed having

the EDC meeting for October at the Tourism Forum as well. There was no further discussion to that regard. Chairman Filardo asked for a motion to accept the contract for Pinetop Country Club as the venue for the Fall Tourism Forum with the dates of October 11-13, 2017, **so moved by Richard Heath, seconded by Paul Watson. The motion carried unanimously.** Mr. Heath noted that it is important as next steps to establish the contract and get registration and save the date information out. He noted that the committee will be assigned specific tasks to accomplish this. He invited EDC participation in any area that needs to be completed, and thanked the committee members and those assisting in Forum planning for their help.

#### **8. Four Forest Restoration Initiative (4FRI) Presentation**

Chairman Filardo turned the meeting over to Scott Russell, the Chief Executive of the Four Forest Restoration Initiative (4FRI). Mr. Russell greeted everyone and spoke about the partnership between the Forests and Economic Development. The mission of 4FRI includes restoring forest land from fires and damages, and covers a 2.4 million acre area from Kaibab, Coconino, Tonto, Sitegreaves and Apache National Forests. He spoke of the challenges for the U.S. Forest Service in getting the restoration work accomplished.

Mr. Russell shared a power point presentation, which highlighted the goals and overview of 4FRI. The goal is restoring and maintaining the ponderosa pine forests, and associated ecosystems of Northern Arizona, while increasing people's awareness of the importance of the restoration of these lands that have become so densely forested. Mr. Russell cited the fact that the forests have gone from approximately 50-100 trees per acre to thousands of trees per acres, resulting in increased wildfires. He estimates about 20 years of work restoring the forests, noting that society engagement is key in its success.

Objectives are: 1. Increase pace and scale to sustainable level; 2. Increase engagement of stakeholders; 3. Sustainable wood industry capacity; and 4. Agency business procedures. Priorities for 2017 include thinning the west side of the forest areas, developing a 5-year plan for comprehensive restoration, innovations and improvements in BMPs, and partner engagement.

Mr. Russell spoke about mechanical thinning, a critical tool. The plan is to thin approximately 1 million acres: 50,000 acres a year over 20 years. That would include 15,000 acres in Coconino and Kaibab, and 5,000/year in Tonto.

He then spoke about prescribed burns, another essential tool to reach restoration goals. He also reported about a long-term stewardship contract, a 10- year contract awarded on 300,000 acres.

Mr. Russell commented on the 1 million acre planning processes that 4FRI is currently engaged in, including the Rim Country Project, and the Cragin Watershed Protection Project. The expected economic impacts included 1788 full and part time jobs created, at a financial impact of \$51,362,666. The economic challenge involves the low value of the product. Other considerations in the 4FRI mission include the comprehensive restoration of grasslands, aspen, springs and streams, road projects, fisheries, wildlife and watershed improvements.

Mr. Russell then asked for questions. A question was asked about the labor force and if that is included in the challenges. Mr. Russell commented that it is indeed a challenge, needing a better collaboration. Workforce development is increasing in the area with collaboration with colleges in the region in developing a workforce. Other comments followed regarding the Good Earth contract faltering in its restoration efforts. Mr. Russell commented that the plan is to let that contract play out over the remaining 5 years. He noted that facilitative measures must be considered to make the most

economical use of the products as possible. Other comments followed as well, with much discussion regarding strategies that are being formulated in acreage treatment, and about biomass business opportunities, including a South Korean business showing great interest in Arizona's biomass. Also noted was the new business interest in essential oils opportunities as biomass by-product.

Norman Perry asked a question regarding how 4FRI affects Title II and grazing rights, to which Mr. Russell commented that 4FRI does not affect Title II, nor does it affect grazing rights in the region. Other comments followed regarding heavily forested communities being affected by burns. Discussion circulated about the jobs that have been generated through forest service needs to be publicized more to the region. Also discussed was the impact on water that the destroyed forests have on watersheds. Also mentioned was the fact that the controlled burns are being funded by the Forest Service, which takes away funds that could be channeled toward fire prevention. It was noted that legislation needs to go forward to stop taking funding away from prevention. Ms. Drew thanked everyone for their participation and comments. She noted that everything that has been spoken about is included in the EDC Comprehensive Economic Development Strategy (CEDs), and agreed that heightened publicity needs to be raised on the regional level to prioritize forestry goals. Chairman Filardo thanked Mr. Russell for his presentation.

Chairman Filardo noted that there was another presentation scheduled that had to be cancelled. She asked Ms. Drew to comment about it, and Ms. Drew noted that Steven Schmidt of NASA had a medical circumstance which prevented him from bringing his presentation at this time. Mr. Schmidt is retiring from NASA after 30 years, and has moved to Arizona to develop business opportunities as a new project through NASA. His presentation will be rescheduled for a later date, when he will talk about different business opportunities within the Northern Arizona communities.

#### **9. Economic Collaborative of Northern Arizona (ECoNA) Presentation**

Chairman Filardo then turned the meeting over to John Stigmon, President and CEO of the Economic Collaborative of Northern Arizona (ECoNA). Mr. Stigmon acknowledged the work and accomplishments of his predecessor, Richard Bowen.

Mr. Stigmon shared a power point presentation of the structure of ECoNA, an organization centered around creating jobs and wealth, and he highlighted the partnerships within Coconino County. He noted that most of the work of ECoNA is focused along the I-40 corridor, from Winslow to Williams. Other economic drivers of ECoNA are Interstates 40 and 17, the BNSF Transcon Railroad, Northern Arizona business hub, highly entrepreneurial communities and the Flagstaff Medical Center.

Mr. Stigmon commented that the communities supported are the City of Flagstaff, Coconino County, including Belmont, Page and Western Navajo. He also commented on the regional workforce noting that 38% of the workforce drives at least 50 miles to go to work. He shared a graph that demonstrated that 24,607 people live who and work in the Flagstaff Metropolitan Planning Organization area, 12,038 people travel out of the area to work, and 16,218 people travel in to the area to work.

Mr. Stigmon noted that the economic trend has levelled off from the upward trend, noting the various projects and categories underway in Flagstaff. He also spoke about ECoNA's business attraction and retention efforts, including efforts in the housing industry. He highlighted several organizations and ongoing projects involved in business attraction and retention. He also gave special note to the film industry.

Mr. Stigmon highlighted some long term economic strategy for Northern Arizona, including the assistance of communities affected by the loss of the Navajo Generating Station. Also, the Flagstaff

Housing Project is a major project ECoNA is focusing on, designed to assist employers in identifying housing challenges in order to plan infrastructure solutions and identify price points.

Mr. Stigmon concluded his presentation by presenting the 2017 challenges, including economy issues affected by the minimum wage increase, the national economy, an ultra-competitive environment and more. He then shared the future vision of ECoNA, which includes a diverse and resilient economy, bioscience powerhouse, entrepreneurship community and more. Mr. Stigmon concluded his report and asked for questions. Discussion followed a question about the water pipeline plans in Flagstaff. A feasibility study is being done to determine the cost involved. Discussion then followed regarding road work and infrastructure. Chairman Filardo thanked Mr. Stigmon for his presentation.

There was a brief break for lunch.

#### **10. Member Comments**

Chairman Filardo asked if there were any comments from the membership for the good of the order, Lora Lee Nye commented that the Northern Arizona Suns basketball team is winning. There were no other member comments.

#### **11. Public Comments**

Chairman Filardo called for comments from the public. Ben Hooper, the new Economic Development Coordinator in Prescott Valley, thanked the EDC for allowing him to join the meeting and for the warm reception he received as a new resident of the state of Arizona. He also commented on plans for a Northern Symposium to be held at the Prescott Valley Event Center in February, which will focus on sports tourism as an economic driver. Ms. Drew invited Mr. Hooper to join the Tourism Committee. Chairman Filardo thanked Mr. Hooper for his comments and, hearing no more comments, closed the public comment period.

#### **12. Adjournment**

Chairman Filardo thanked everyone for coming, and wished all happy holidays. She then called for a motion to adjourn the meeting. **Norman Perry moved to adjourn the meeting, and Lora Lee Nye seconded the motion. The meeting was adjourned at 12:17 PM.**