

Economic Development Council Meeting ♦ June 2, 2016

Doubletree by Hilton, Flagstaff, AZ

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

*= Excused Absence

Guests: Neal Young, Deputy County Manager, Coconino County
Heather Ainardi, Chairman of the Tourism Sub-Committee
Michelle Conway, Vice-Chairman of the Tourism Sub-Committee

Staff: Teri Drew, Regional Director
Julia Sawyer, Executive Assistant
Angela Devine, Administrative Assistant

1. Call to Order/Welcome/Introductions

Vice-Chairman Jodie Filardo called the meeting to order at 10:21 AM. She asked for introductions around the table, all introduced themselves.

2. Pledge of Allegiance

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

3. Approval of April 7, 2016 Minutes

Vice-Chairman Filardo asked for a motion to approve the April 7, 2016 minutes. **Norman Perry made a motion to accept the April 7, 2016 minutes, seconded by Paul Ferris. The motion passed unanimously.**

Steve West and Tami Ryall joined the meeting via GoToMeeting.com at approximately 10:30 AM.

4. Chair's Report

• Executive Committee Report

Vice-Chairman Filardo reported that the Executive Committee appointed Dr. Susan Johnstad as the new Chairman of the Tourism Sub-Committee. She thanked Heather Ainardi for standing in as the Interim Chairman following the resignation of Lee McMichael earlier this year. Vice-Chairman Filardo asked Regional Director Teri Drew to make a presentation to outgoing Chairman Heather Ainardi in

appreciate of her service as Chair for Tourism. Ms. Drew presented a Certificate of Appreciation and a gift certificate for a local hotel stay in Prescott Valley, donated by Dane Beck.

Vice-Chairman Filardo also acknowledged Tourism Sub-Committee Vice-Chairman Michelle Conway who will be accepting the re-appointment as Vice-Chairman of the Tourism Committee. Ms. Drew also noted that Ms. Conway has also agreed to become a member of the EDC as a position opens in Yavapai County to allow her to continue in her succession as Tourism Chair.

Vice-Chairman Filardo then turned the meeting over to the Regional Director for her report.

Director's Report

- **Program Update**

Ms. Drew began her report by congratulating Wendy Bridges on her recent appointment to the Arizona Association for Economic Development Board of Directors. Ms. Drew then shared a picture of Supervisors Thompson and Fowler of Navajo and Coconino Counties, taken at the recent conference on economic leadership in Page.

Ms. Drew then began talking about the Partnerships for Opportunity and Workforce and Economic Revitalization (POWER) grant. She shared that there had been a discussion in the Executive Committee meeting on a Regional POWER Grant opportunity. She noted that there have already been presentations from both Apache and Coconino counties for Economic Development Administration grant dollars to improve and recover lost jobs in their coal-dependent communities. Most recently, Coconino County has received unanimous support from both the EDC and Regional council to pursue the EDA POWER Grant by submitting a pre-application. They have now been invited by the Seattle Region EDA to submit their full application for funding. She invited Carol Curtis and Neal Young of Coconino County to add comments on the Coconino County process in applying for the EDA POWER Grant. Ms. Curtis shared their team efforts to apply for funding to assist them in moving from coal-reliance to a broader economic base in their communities most impacted by the coal-related legislation that will result in the loss of many jobs in the Coconino, Navajo and Apache counties. Their project is called Regional Resilience, and reflects their goal of bringing new training opportunities to the displaced coal workers. Ms. Drew thanked her for sharing and commented on the amount of work that the Coconino County team has put in since the EDC and Regional Council approved their project in April. She also noted that the scope of the Coconino County application had transcended boundaries outside of Coconino County. This brought about a discussion with the EDA to perhaps have a combined regional project opportunity for the NACOG region, as three of the four counties represented in the NACOG Economic Development District are affected by the demise of the coal industry – Apache, Navajo and Coconino. Since Coconino County has already been invited to submit their full application, Ms. Drew stated it would benefit them to go ahead to completion, however, she noted that she is certain that Coconino would be willing to join with Apache and Navajo Counties to submit an additional regional application for regional funding collaboration. She reiterated that the EDA has \$850,000 in federal funding for the Seattle Region, and the EDA has stressed to her that the funding availability would not be an issue, as there is significant carry-over from last year's allocation as well, because many of the Seattle Region's communities would not be affected nor qualify to apply for these funds. Ms. Drew encouraged all NACOG communities to apply for funding, either individually or regionally. Paul Watson, of Navajo County, offered to meet with the leadership of Apache County to discuss this opportunity with them in relationship to their Technical Assistance Feasibility Study grant endeavors.

Ms. Drew moved on to discuss good news coming from the Arizona Commerce Authority. Newly released figures show the Arizona unemployment rate dropping to 5.5%. Arizona is well above the national average in terms of job creation, averaging an increase of 3.7% in private sector jobs added, or

13,000 jobs, with an average wage of \$51,000. She noted that the top areas for industries adding new jobs are manufacturing and high-tech at 31%, 21% in business and financial, 22% in information technology and software-based jobs. The companies that are relocating to Arizona are 25% from the Northeast, 25% from California, and 12% international companies. A comment was made that the Arizona We Want initiative now has a new data base dashboard that shows many of the same statistics. Ms. Drew also noted that the ACA report named Prescott Valley as the largest community in Yavapai County, and is one of the fastest-growing communities in the state. She added that the population being drawn to Prescott Valley is a much younger population, so it's also one of the younger communities as opposed to neighboring retirement-based communities. Ms. Drew offered her congratulations to Prescott Valley for their recognition.

Ms. Drew then brought up the Resolution 16-05, which states that NACOG is desirous to continue its status as the Economic Development District (EDD) through the Department of Commerce and the EDA, and will commit our communities to provide the match requirement for federal funding. She informed the Council that NACOG submitted their application for funding to the EDA two weeks ago, as we are required to each year. Since the application instructions came out with only a 2-week window to submit the application, NACOG submitted this Resolution as a Draft, to be followed up with the signed resolution from the EDC, as well as a like Resolution signed by Regional Council, by June 30. Vice-Chairman Jodie Filardo read the Resolution. She then called for a motion to adopt the Resolution. **Kim Johnson made the motion to adopt Resolution 16-05 for 2016-2017, seconded by Norman Perry.** Vice-Chairman Filardo asked for a vote. **The motion carried unanimously.**

Ms. Drew passed out copies of the draft 2016-2017 Scope of Work for the Council to review. She reminded the Council that the Scope of Work outlines the EDC's definition and documentation of work that will be accomplished by the EDC over the next year. This is drafted by Ms. Drew annually, using the current and most recent Comprehensive Economic Development Strategy (CEDS), which was approved by the EDC and Regional Council. The CEDS contains goals, objectives and focus areas. She chooses some of these, based on her perception of what the EDC will be able to accomplish within the year, as well as basing it on the real-time activity going on around the District. Therefore, this Scope of Work was drafted with particular focus on coal-communities and the POWER grant. Also, Ms. Drew stated that, because of our "distressed" designation, emphasis was added for Apache and Navajo Counties. The NACOG EDD received its "distressed" designation based on the high unemployment and under-employment rates in those two particular counties.

Ms. Drew noted that the Scope of Work was brought before the Executive Committee session earlier this morning to discuss any additions or deletions, and to seek their recommendation to the General Council. She turned to Vice-Chairman Filardo at this time to seek out any further discussion. A question was asked regarding the availability of a report on what had been accomplished from the previous year's scope of work. Ms. Drew answered that there would be an annual report published in August, and that there is also a report done semi-annually to the Economic Development Administration (EDA) regarding the Region's accomplishments. Some discussion followed regarding the special focus on Apache and Navajo counties, and Ms. Drew reiterated the requirement by the EDA to include plans for particular work to be done in those counties that have received designation as distressed. Also, because Apache County currently has an alternative energy study project underway which is EDA funded. Vice-Chairman Filardo suggested the addition language to indicate region-wide activity, naming all of the four counties, so as not to exclude the anticipated POWER grant to Coconino County. Ms. Drew encouraged specific reference to Apache County.

There was more discussion regarding including a narrative highlighting a viable transition to a future energy alternative, a strategy to achieve "clean coal" technology. Ms. Drew mentioned that last year

the Regional Council rejected the Scope of Work because it lacked clean coal emphasis. Her effort with this Scope of Work was to demonstrate due diligence toward Regional Council's request, leaving a broad statement of what the EDC wants to accomplish now toward the goal of "clean coal" technology. Other comments followed that, after last year's discussions regarding clean coal technology, it became a very broad and generic statement meant to include clean coal as well as other alternative energy initiatives. Ms. Drew said that she can comment to Regional Council that the EDC would like some definition. Additional discussion followed regarding the inclusion of more types of studies and products that come out of environmental opportunities, including biomass, in the scope of work. Ms. Drew responded that she intended to build the Scope of Work with the actual Focus Area in it, to reflect what the EDC intended and also the goals that are intended as well. Then the bullet points are meant for providing emphasis on certain opportunities, rather than being defined as "this is what we will do", for then we **must** do it, and if we do not accomplish it, our performance rating is affected.

The discussion revolved around including all counties in the bullet points and then emphasizing Apache County. Vice-Chairman Filardo recommended changing the language to say in lieu of "within Northern Arizona" to say "within the 4-county region of Northern Arizona: Apache, Coconino, Navajo and Yavapai", and on item #8 "with emphasis on Apache County". Other comments were made about being careful not to foreclose anyone in the language of the Scope of Work. Ms. Drew remarked that the advantage we can offer to Apache and Navajo Counties is to assist them in accomplishing match to obtain EDA dollars for their projects. Vice Chairman Filardo again made the recommendation on Focus Area #2 GOAL to read as follows: "Actively support the expansion and retention of the renewable, sustainable and efficient energy industry within Northern Arizona: Apache, Coconino, Navajo and Yavapai Counties", and Item # 8 to read "Support and convene sector strategy discussions to identify alternative energy studies and project development with emphasis in Apache County". She then called for a motion to approve the 2016-2017 Scope of Work with those modifications. **Supervisor Art Babbott made the motion to approve as read into the record, seconded by Supervisor Thompson. The motion passed unanimously.** Ms. Drew thanked everyone for their input. She concluded her report and turned the floor back over to Vice-Chairman Filardo.

Elections

Vice-Chairman Filardo turned the meeting over to Ed Steinback, chairman of the Elections Committee to report on the meeting results. Mr. Steinback read the report of the Elections Committee meeting, citing the bylaws of the EDC regarding elections. He reported that they moved to rotate the officers as has been done in the past. The seats recommended were: Chairman, Jodie Filardo, Vice-Chairman Paul Watson, and Chair-At-Large Richard Bowen. He then opened the nominations from the floor. Vice-Chairman Filardo asked for nominations from the floor. Hearing no nominations from the floor, Vice-Chairman Filardo closed nominations from the floor. **Norman Perry made a motion to accept the nominations as read, seconded by Linda Hatch. Motion passed unanimously.** Vice-Chairman Filardo thanked the Elections Committee. Ms. Drew offered congratulations to the new officers and thanked them for offering their service.

5. Membership Considerations

Vice-Chairman Filardo asked for a report from the Membership Committee. Membership Committee Chairman Carol Curtis read the report from the Membership Committee to consider the renewal of the membership of Sharon Adams, an item that had previously been brought to the EDC for approval but had been tabled until a letter of recommendation could be secured, per the bylaws. Chairman Curtis requested that Sharon Adams's membership be renewed as a private sector member of the EDC from Navajo County. Vice-Chairman Filardo called for a motion to approve the renewal of Sharon Adams. **Supervisor Jesse Thompson made the motion to renew the EDC membership of Sharon Adams, seconded by Dr. Susan Johnstad. The motion passed unanimously.**

6. Tourism Update

Vice-Chairman Filardo turned the meeting over to the now Immediate Past Chairman of the Tourism Committee, Heather Ainardi, and Vice-Chairman of the Tourism Committee Michelle Conway, to update the EDC on the most recent meeting of the Tourism Committee.

Immediate Past Chairman Ainardi presented the Tourism Scope of Work for 2016-2017, as had been presented to the Executive Committee. She noted that there was no major change from the previous year's Scope of Work, but noted that many of the items from the past one were ongoing. The only change made to it would be regarding the planning of the Tourism Forum from a 2016 Spring Forum to a generic Tourism Forum, to be held at a time to be determined in either 2017 or 2018. She asked the EDC for ideas. Vice-Chairman Filardo asked for discussion, there was no discussion. She then called for a motion to approve the 2016-2017 Tourism Scope of Work. **Paul Watson so moved, seconded by Linda Hatch.** Vice-Chairman Filardo called for a vote. **The motion passed unanimously.**

Councilwoman Coral Evans made comments regarding her attendance at the last Tourism Committee meeting, that she gained new knowledge regarding what happened with the Forum. It seemed to her better to have comments and changes made early rather than late. Vice-Chairman Filardo noted that the Executive Committee had the discussion previously and asked the Tourism Committee to bring a draft agenda to the next meeting, and they were in agreement with Councilwoman Evans on that very issue.

Past-Chairman Ainardi then noted the new membership appointments that had been made by the Executive Committee earlier in the morning, and she congratulated Dr. Susan Johnstad, Councilwoman Coral Evans and a new member not present, Matthew Williams, on their appointments to the Tourism Committee. She also noted that Dr. Johnstad was also appointed as the new Chairman of the Tourism Committee, and Michelle Conway was re-appointed as Vice-Chairman. Past-Chairman Ainardi then encouraged the members of the EDC to attend the Tourism meetings as they are able.

Past Chairman Ainardi introduced Vice-Chairman Michelle Conway, giving a brief background of her work, and turned the floor over to Vice-Chairman Conway for a presentation on the project the Tourism Committee had begun working on as part of their Scope of Work, the Tourism Toolbox.

Vice-Chairman Conway showed a power point presentation regarding the goals of the Tourism Committee to add resources on the Tourism Committee page of the NACOG website. The idea will be to make the Tourism opportunities in the Region more accessible to anyone visiting the website. The Tourism page will continue to show meeting minutes and agendas, but will now host other resources to highlight the tourism experience and opportunities. Some of the plans include publishing the biographies of the Tourism Committee, including information that will vouch for credibility and foster partnerships, opening opportunities for communicating with folks interested in the Northern Arizona tourism experience.

Vice-Chairman Conway continued with the Tourism Toolbox, a link on the website that will consist of Quick Tips, such as:

- Optimizing engagement in e-newsletters
- Instagram engagement
- Facebook look-alike audiences
- Google page analytics
- Website design tips

She noted that the Toolbox will also include links to educational resource opportunities, and regional case studies that offer tried and true tips and best practices.

Vice-Chairman Conway concluded her presentation with a question and answer time. Comments were made regarding the importance of the work of the Tourism Committee, and the opportunity often overlooked of providing resources to entrepreneurs looking to start up tourism-sector businesses in the region, and engage connectivity with existing tourism and small business-based loan programs for these new business start-ups.

Vice-Chairman Filardo thanked Vice-Chairman Conway for her presentation, and noted that they look forward to the roll-out of the new Tourism website.

7. VVREO Presentation

Vice-Chairman Filardo shared a presentation on the Verde Valley Regional Economic Organization (VVREO) in the stead of the Chairman, Jennifer Wesselhoff, who could not be there today. In her presentation, Vice-Chairman Filardo explained what VVREO is about. She described the membership of VVREO, and the values of collaboration, sustainability and innovative solutions. The vision of VVREO is to be a regional collaborative resource, building sustainable economic prosperity. They try to match people with a need to a variety of resources. She shared some of the upcoming events in the Verde Valley area that showcase economic development opportunities. She announced a revolving loan fund through a USDA Rural Business Enterprise Grant, and described some fundings that have been made for several local businesses such as Out of Africa, Fire Mountain Wine's Tasting Room, some bed-and-breakfasts in wine country, and a manufacturing operation that produces alfalfa pills designed for administering medicines for horses. Through the revolving loan fund's successes, VVREO was invited to apply for more funding through the Rural Micro-Entrepreneurial Assistance Program.

Vice-Chairman Filardo also shared the advances made in the Verde Valley Broadband Coalition, announcing 2 gigabit cities, Clarkdale and Cottonwood, and the new non-profit status of the Verde Valley Wine Consortium. She then spoke about the widening of State Route 260, another project important to the Valley, and VVREO has been instrumental in seeing it come about.

Vice-Chairman Filardo highlighted some other support initiatives that VVREO is sponsoring, and noted that these things are shared on the VVREO website, www.vvreo.com. She concluded her presentation by inviting questions. There were none.

8. Member Comments

Vice-Chairman Filarido asked for member comments, and many good things were reported around the table. Included were comments from guest Neal Young, and NACOG staff.

9. Public Comments

Vice-Chairman Filardo called for comments from the public, there were none.

10. Adjournment

Vice-Chairman Filardo called for a motion to adjourn. **Councilman Jim Wurgler moved to adjourn the meeting, Councilwoman Coral Evans seconded the motion. The meeting was adjourned at 12:24 PM.**