

Economic Development Council

Meeting Minutes

February 4, 2021 • 10:00 AM • Zoom Virtual Meeting

Presiding Officer – Richard Bowen, Chairman

| Attendees | Present/Absent | Number of Absences in 2021 |
|-----------------------------------|----------------|----------------------------|
| Richard Bowen, Chairman | Present | 0 |
| Paul Ramsey, Vice-Chairman | Present | 0 |
| Norman Perry, Chair-At-Large | Present | 0 |
| Paul Watson, Immediate Past Chair | Present | 0 |
| Art Babbott, Executive Member | Present | 0 |
| Steve Ayers | Present | 0 |
| Becki Christensen | Absent | 1 |
| Paul Ferris | Present | 0 |
| Linda Hatch | Present | 0 |
| Jeff Hays | Present | 0 |
| John Heiney | Present | 0 |
| Peiter Hjertstedt | Present | 0 |
| Keith Johnson | Absent | 1 |
| Gretchen Kitchel | Present | 0 |
| Eric Marcus | Present | 0 |
| Steve North | Present | 0 |
| Lora Lee Nye | Present | 0 |
| Chris Pasterz | Present | 0 |
| Julie Pastrick | Present | 0 |
| Kelly Patton | Present | 0 |
| John Saltonstall | Present | 0 |
| Alton Joe Shepherd | Present | 0 |
| Molly Spangler | Present | 0 |
| Tim Suan | Present | 0 |
| Keith Watkins | Present | 0 |

Guests: Tony Alba, Town of Pinetop-Lakeside; Maggie Tidaback, Town of Chino Valley; Jory Wolf, Magellan Advisors; Melanie Downing, Magellan Advisors; Tricia Lewis, City of Cottonwood; Michael Schmitz, Antero Group.

Staff: Teri Drew, Regional Director
Cody Pace, Economic Recovery Administrator
Julia Sawyer, Executive Assistant

I. **Call to Order, Welcome and Introductions**

Chairman Richard Bowen called the meeting to order at 10:05 AM and asked Executive Assistant Julia Sawyer to call the roll; a quorum was present. Regional Director Teri Drew shared the rules of engagement for the Economic Development Council Zoom meeting, held according to Robert's Rules of Order, and included requested Zoom virtual meeting protocol.

II. **Pledge of Allegiance**

Chairman Bowen led in the Pledge of Allegiance.

III. **Approval of Minutes – December 3, 2020**

Chairman Bowen called for a review and comments on the December 3, 2020 minutes of the EDC. Hearing none, he called for a **motion and second to approve the minutes as drafted; so moved by Eric Marcus, seconded by Paul Ferris. The motion carried unanimously.**

IV. **Chairman's Update**

➤ **Appointment of 2021-2022 EDC Elections Committee**

Chairman Bowen reported that the Executive Committee approved the following members appointed to participate on the 2021-2022 EDC Elections Committee, by County representation:

- Norman Perry – Chairman (Yavapai County)
- Alton Joe Shepherd (Apache County)
- Chris Pasterz (Coconino County)
- Paul Ferris (Navajo County)

Chairman Bowen thanked the appointees for their service on this Committee.

V. **Director's Report**

Chairman Bowen turned the meeting over to Ms. Drew for the Director's Report. Ms. Drew greeted everyone with a wish for a Happy New Year. She noted that the year 2020 was a difficult year, but seemed to go quickly, and annual elections have come back around. She noted that the Chair and Vice Chair seats are historically for a two-year term with a reappointment option, but the Bylaws require annual elections.

➤ **District Update**

Ms. Drew noted that Cody Pace, Economic Recovery Administrator would be providing an update in a few minutes and she will yield time to him shortly.

➤ **Broadband Strategic Plan**

Ms. Drew noted that the Economic Recovery Town Hall Summits revealed that broadband is a common denominator for the District. She noted that many communities are currently advancing their broadband initiatives, working in concert with USDA, ACA and other partners to move their broadband planning strategies forward. She noted other areas that are preparing to begin their planning processes. Ms. Drew noted that NACOG intends to assist the communities with their broadband planning and has decided to move forward with a Regional Broadband Strategic Plan through which all communities may benefit. She noted that bids are being accepted and reviewed, and the EDC Executive Committee will also provide recommendations to NACOG Executive Director, Chris Fetzler, based on the bids received. Ms. Drew noted that the intent is to finish the approval process in the next few weeks and move forward with the project. The plan will identify the needs and resources available throughout the region and develop a "turnkey" plan that can be used by all communities.

The funding for this Strategic Plan will be accomplished with the NACOG CARES Act funding in order to allow each community to reserve their own resources for their implementation of middle-and last-mile processes. Ms. Drew emphasized that communities that are already working on their broadband planning and implementation should continue to do so, and that this Strategic Plan will add an extra layer of resources to the community's benefit.

Ms. Drew noted that NACOG has implemented an open bid processes requesting three bids and has received two bids. These are currently being reviewed and rated, and will be submitted to Mr. Fetzer to make the final decision. Ms. Drew paused for questions and comments, noting that this is an information only item.

➤ **2021 CEDS Goals and Priorities List**

Ms. Drew reported that it is once again time to review the EDC District Goals and Priorities List for projects intended for 2021. She noted that the list is NACOG's method of identifying projects for potential EDA funding during the year. This is a request from EDA, and the list will be sent out to EDC members and Regional Council following today's meeting. Ms. Drew asked that prioritized projects be reviewed, added or removed for the calendar year 2021 only. She asked the EDC to collaborate with their community elected officials and partners in order to create a good comprehensive list for the District, to be reviewed and approved by Regional Council later this month. She noted that no response will result in deleted projects, assuming the projects are no longer relevant. She paused for questions and comments; hearing none, she turned the floor over to Mr. Pace to report on the CARES Recovery Update.

➤ **CARES Recovery Update**

Mr. Pace began by reporting that Ms. Drew developed a partnership with Arizona Town Hall to develop 5-6 Regional Town Halls for the purpose of creating a Regional Economic Recovery Plan. He noted that NACOG has also requested bids for the Recovery Plan from other companies around the state, which are currently being reviewed.

Mr. Pace reviewed the two Town Halls that have been held virtually thus far, one on September 29, 2020 that included key state and federal speakers who identified current recovery planning initiatives relevant to Northern Arizona to approximately 125 attendees. The second was held on January 20, 2021, consisting of emergency planners from around the NACOG District. He noted approximately 40 attendees for this Town Hall which was focused on disaster recovery and response. Mr. Pace shared the key take-aways from that meeting:

- Educating citizens to come together as one single strong voice – a common thread throughout the meeting
- Be more resilient to weather future disasters
- The importance of broadband for our District. Northern Arizona lacks the speeds and reliability for adequate broadband, compounded by the effects of COVID-19.

Mr. Pace spoke about various sources of broadband funding that were identified during the summit, including CARES Act funding, a grant from National Telecommunications and Information Administration (NTIA) for tribal lands, a USDA broadband Reconnect loan and grant resource and EDA Public Works/Economic Adjustment Assistance Programs.

Mr. Pace noted that three more Town Halls are being planned during the month of March; March 10 will be designated for Yavapai County planning; March 17th will include Coconino County planners; March 24 will be dedicated to Apache/Navajo Counties. These Town Halls will provide a closer look at broadband for each county. Following the completion of the Town Halls, a Regional Resiliency Plan will be developed with a target date for the final draft being June 3, 2021. With that, he concluded his report. Chairman Bowen thanked Ms. Drew and Mr. Pace for their reports and asked for questions or comments. Supervisor Alton Joe Shepherd

requested Mr. Pace to meet with him to discuss some broadband questions regarding the funding opportunities for tribes. He also requested more information regarding the upcoming March Town Hall for Apache County, noting that Apache County has a new Supervisor, who has been recommended for Regional Council, and Supervisor Shepherd would like to give him an update/overview of this information. Chairman Bowen called for other comments, there were none.

VI. Magellan Advisors Presentation

Chairman Bowen introduced Jory Wolf and Melanie Downing of Magellan Advisors to share a presentation on the work Magellan has been involved in regarding broadband planning and implementation.

Mr. Wolf is the Vice President of Digital Innovation at Magellan Advisors, and shared a Power Point overview of Magellan's experiences in broadband planning and implementation. His presentation highlighted the value of broadband for communities, building a smart region, governments building smart regions, a case study and broadband strategy best practices.

Mr. Wolf noted that Magellan is not only a consulting firm but an engineering firm as well. Their program consists of broadband planning, design engineering, turnkey implementation, and funding and grants services to complete the projects undertaken, moving from start to finish for their clients. Mr. Wolf reported over 400 municipal and utility clients, 50 community networks built resulting in over 1 million homes with fiber broadband, and \$1 billion in new broadband investments.

Some of the shifts in broadband needs include working from home and economic development, education and virtual learning opportunities, healthcare and telemedicine; public safety and first responder needs, and digital equity and literacy. Additionally, autonomous vehicles, robotics, energy, aviation and medical industries benefit from broadband planning and expansion.

Mr. Wolf spoke of building smart regions that encompass e-governance, public safety, smart buildings equipped with energy-saving measures, remote medical telemedicine, education and transportation benefit, as well as utilities and energy efficiency. He made recommendations for NACOG community needs assessment for aging populations, employment education and job training, transportation, healthcare, food and nutrition as they relate to broadband solutions. Mr. Wolf noted that broadband is a new essential utility, just as important for community functions today as electricity, water and gas. When businesses are asked if they would consider buying property that did not have adequate broadband, the typical answer is absolutely not.

Mr. Wolf then demonstrated the minimal investment in broadband in the NACOG region, noting that this needs to be fixed. More governments are investing in middle and last mile broadband improvements, however, many have not begun, although partnerships with existing utilities can be utilized to advance broadband efforts. He shared a case study, noting that Magellan developed the partnership and funding strategy that lead to the partnership with a local provider in the South Bay Cities Council of Governments in California, bringing a significant middle-mile network to the cities in the region.

Mr. Wolf outlined broadband planning best practices, including:

- Regionalism – unilateral planning efforts across the region with a local focus and by leveraging existing assets.
- Assessing needs – asset assessment, outreach to stakeholders, surveys and workshops.
- Key partnerships and opportunities that include state broadband initiatives, capital improvement projects and development projects.
- Pursuit of funding options – begin early to garner support from ADOT, CDBG, EDA, NTIA and USDA.
- Business & financial strategy – operational model and cost for deployment, and a phased implementation plan.
- Shovel-ready – includes engineering and grant readiness.

Mr. Wolf concluded his presentation and asked for questions. Julie Pastrick asked what has been the key to incentivizing the private partnership. Mr. Wolf noted that communication with partners from the beginning is important, and governments need to be ready with policy as well. Alliances with partners who have experience in operating a network is key also to building a stronger case for grant assistance. Keith Watkins agreed, noting that ACA is installing conduit along I-17 and I-40, communicating constantly with the providers regarding the best business model for completion, putting turnouts every mile, and reducing the costs for those carriers to get service to the markets. ACA is going to cover the middle mile dig, monetizing it by leasing access in the conduit. He noted that a bill is in legislation to relieve ADOT restrictions and allow more efficiency in the process. Mr. Watkins noted the importance of public development policy in place at the community level to make it easier for carriers to come into the area and provide that service.

Jeff Hays asked Mr. Wolf of his experience working with the smaller communities. Mr. Wolf noted that this is happening in small towns across the country in projects they are working on, and gave some examples. Chris Pasterz asked about regional mapping for broadband solutions at a macro level. Mr. Wolf explained their work with multiple areas to map physical assets as well as value proposition. He noted several other grant opportunities that can be applied to broadband projects.

Chairman Bowen thanked Mr. Wolf for the presentation.

VII. Cameron Chapter EDA Project Update

Chairman Bowen called for Michael Schmitz to bring an update on an EDA project for the Navajo tribe. Mr. Schmitz thanked Ms. Drew and Ms. Sawyer for assisting him with information for EDA funding.

Mr. Schmitz described the EDA project as similar to the NACOG Comprehensive Economic Development Strategy, but for the Cameron Chapter of the Navajo Tribe, looking at components of infrastructure, economic development, workforce and a resiliency plan. He noted that the Cameron Tribe was hit hard by the pandemic, in addition to other restrictive policies that have recently been lifted, such as the Bennett Freeze. He noted that the new plan should be submitted with the application to EDA later this week. He paused for questions. Chairman Bowen asked Mr. Schmitz to summarize the overall direction of the Cameron Chapter project. Mr. Schmitz noted that there was no real focused plan previously, and this project would take the existing conditions to develop an actionable plan, outlining recommendations for improvements. He noted that tourism is a component of the plan. Chris Pasterz asked what the two key public talking points are that Coconino County could echo for the project. Mr. Schmitz noted tourism is a key focus and infrastructure would be the second. Supervisor Shepherd noted that an MOU with the state regarding dual taxation, joining to split the taxation to benefit both the Chapter and the State. He asked if there were discussions going on regarding this for this project. Mr. Schmitz noted that discussions with the Bureau of Indian Affairs and the State are going on.

Ms. Drew thanked Mr. Schmitz for the presentation, noting that there was not a project overview because the Tribe prepares their own funding requests separately from the EDC, however, she reported that she wrote a letter of support on behalf of the EDC in partnership with the Tribe. Julie Pastrick commented regarding Supervisor Shepherd's comments about dual taxation, supporting his comments.

With no further comments, Chairman Bowen thanked Mr. Schmitz for the update.

VIII. Membership Committee Report

Chairman Bowen called for Paul Ferris, Membership Committee Chairman, to bring the report of the EDC Membership Committee.

Mr. Ferris reported that the Membership Committee met on Wednesday, January 27, 2021, to review several items. He noted two resignations received – Cecelia Grittmann, Town Manager for Chino Valley is retiring, and Joseph

Jarvis, Town Manager of Springerville, has resigned and will be moving to other opportunities. Ms. Gritman's At-Large membership term would expire in August 2022. Mr. Jarvis's term expires in June 2022. Mr. Ferris noted no action is required.

Mr. Ferris reported that two other members have submitted Change of Status requests. Lora Lee Nye is an At-Large member, formerly an elected official on the Prescott Valley Town Council. Ms. Nye requests a Change of Status from Elected Official to Private Sector, as Prescott Valley has retained her services as a consultant. Mr. Ferris also reported that Art Babbott has also requested a change from Elected Official to Private Sector, as the owner of Flagstaff Community Markets LLC. Both members are long-term members in good standing, with Mr. Babbott currently serving on the Executive Committee. Mr. Ferris asked Chairman Bowen for a **motion to approve the Change of Status requests of Lora Lee Nye and Art Babbott; so moved by Eric Marcus, seconded by Supervisor Shepherd.** Following comments from Mr. Babbott and Ms. Nye, Chairman Bowen called for a vote; **the motion carried unanimously.**

Mr. Ferris continued to report that four members have submitted applications to renew their memberships, all members in good standing, memberships expiring February 2021:

1. Keith Johnson, Town Manager Pinetop-Lakeside
2. Molly Spangler, Economic Development Director, Sedona (completing the term of Jodie Filardo)
3. Chris Pasterz, Economic Development Director, Coconino County (completing the term of Carol Curtis)
4. Kelly Patton, At-Large, Senior Economic Development Director, APS.

Mr. Ferris asked Chairman Bowen for a **motion and second to approve the membership renewals of Keith Johnson, Molly Spangler, Chris Pasterz and Kelly Patton for three years, their terms to expire in February 2024; so moved by Jeff Hays, seconded by Paul Watson.** With no further discussion, Chairman Bowen called for a vote; **the motion carried unanimously.**

Mr. Ferris then reported that two new membership applications have been received and reviewed by the Membership Committee:

1. Maggie Tidaback, Economic Development Project Manager for the Town of Chino Valley. Ms. Tidaback submitted her application with Ms. Gritman's recommendation, as well as former Mayor Darryl Croft's recommendation. Ms. Tidaback is seeking to complete the term of Ms. Gritman to August 2022.
2. Alberto L. Peshlakai, newly elected Navajo County District 2 Supervisor, to fill the vacancy created with former Supervisor Jesse Thompson's retirement. Supervisor Peshlakai submitted his application at the invitation of Teri Drew and is recommended by Regional Council member Paul Watson. Supervisor Peshlakai is applying to complete the membership term of Jesse Thompson, which expires in August 2022. Mr. Ferris called for a **motion and second to approve the applications of Maggie Tidaback and Alberto Peshlakai for recommendation to Regional Council for appointment. So moved by Steve Ayers, seconded by Norman Perry.** With no further discussion, Chairman Bowen called for a vote; **the motion carried unanimously.**

Mr. Ferris concluded his report by making the EDC aware that there are two vacancies available in Apache County; one private sector and one public sector; and one public sector vacancy in Coconino County. Active recruitment is underway for these vacancies. Chairman Bowen thanked Mr. Ferris for his report.

IX. Tourism Committee Report

Chairman Bowen called for Tony Alba, Chairman of the Tourism Committee, to report on behalf of the Tourism Committee. Mr. Alba reported that the Tourism Committee hosted a Lunch and Learn on January 19, 2021, featuring the Arizona Office of Tourism Executive Director, Debbie Johnson. Mr. Alba reported over 100

registrations for the event and more than 80 tourism-industry professionals attended. He expressed gratitude to APS for sponsoring the event, and to the City of Prescott for furnishing a door prize, given away at the end of the event. The Town of Pinetop-Lakeside also sponsored a door prize. Mr. Alba noted that a survey went out following the event, and he plans to report the results of that survey at the next meeting. Mr. Alba paused for comments. Ms. Drew congratulated Mr. Alba and the Tourism Committee for an outstanding event.

Mr. Alba continued to report that, following some resignations from the Tourism Committee, Tricia Lewis, the Economic Development and Tourism Director for the City of Cottonwood, has applied for membership on the Tourism Committee. Mr. Alba noted that the Tourism Committee has provided their consent and recommendation for her membership. He asked Chairman Bowen for a **motion and second to approve the appointment of Tricia Lewis as a member of the Tourism Committee; so moved by Paul Ferris, seconded by Lora Lee Nye.** Chairman Bowen called for discussion; hearing none, he called for a vote. **The motion carried unanimously.**

Mr. Alba concluded his report.

X. Member Comments

Chairman Bowen called for Member Comments, an opportunity to share community news. He began with Eric Marcus, who wished to recognize the passing of Bill Jump, an exceptional economic development innovative leader in the Verde Valley and co-owner of Out of Africa. Mr. Marcus noted that Mr. Jump was instrumental in accomplishing the widening of Highway 260 in the Verde Valley.

Paul Ramsey reported that the City of St. Johns is very close to the implementation of their broadband project. He noted that this will open other opportunities as well. Chairman Bowen complimented Mr. Ramsey on his leadership during this broadband project.

Norman Perry reported many complaints regarding COVID-19 vaccinations. He related his personal experience with getting the vaccination, noting a smooth and quick process and that, although he arrived early he was finished prior to his appointment time, and he has no complaints. He complimented the facility for their professionalism and organization.

Lora Lee Nye reported on behalf of Prescott Valley that a new Post Office is now being planned. She also reported the exciting probability of getting a YMCA.

Chris Pasterz gave a brief update on behalf of Coconino County, reminding the EDC of his presentation at the last meeting of an EDA application for funding a Revolving Loan Fund for Coconino County. He reported that the application was denied due to an existing revolving loan fund. He stated that EDA suggested working with the holder of that revolving loan fund. He thanked NACOG and all who supported the application, including members of Congress that gave their support. Coconino County will pursue other funding opportunities.

Molly Spangler thanked the EDC for their vote of confidence in continuing her membership on the EDC. She reported that Sedona has a lot going on, not only in economic development and tourism, but in transition. She noted that Sedona's City Manager, Justin Clifton has resigned effective at the end of March to take a position in Palm Springs, California. The current Assistant City Manager, Karen Osburn has been appointed by the City Council to assume the City Manager position. Ms. Spangler also reported a new Chamber of Commerce Director has arrived, Candace Carr Strauss, to begin work at the end of February. Ms. Spangler also reported that Sedona has hired their first Transit Administrator and the City will be moving forward with their transit plans. She noted a significant investment in a bus system and the City is excited to have an Administrator to run the system.

Jeff Hays reported that he is serving as the Acting State Director for USDA Rural Development in addition to his current role as Community Programs Director. He noted that updates regarding current grant initiatives will be going out soon, with extended application deadlines. He also reported that the budget has been approved and appropriations will be available soon, by the first of March. Mr. Hays noted that revitalizing communities is part of the new administration's top eight goals, with a USDA focus on broadband. He suggested to Mr. Pasterz that they consider USDA in their Revolving Loan Fund grant applications.

John Heiney complimented the broadband presentation by Magellan Advisors. He noted that Prescott will be having a big election year coming up with several seats opening up. He reported excitement with the new Airport terminal opening by April 1, with new flights being offered to Phoenix by Boutique Air, in addition to the existing Sky West service to Denver and Los Angeles.

Paul Ferris expressed gratitude for the honor to serve on the EDC with such a great group of people. He reported that North Country Healthcare covers all of the counties in NACOG and Western Arizona Council of Governments (WACOG) from boarder to boarder, and has been working efficiently with vaccinating and testing for COVID-19 within the established priority guidelines.

Tim Suan reported for the City of Page, noting new one-of-a-kind air transportation services and other transit opportunities. He noted broadband successes, with 5G service and their movement toward the City of Page becoming the "smartest" rural community in Arizona. Mr. Suan noted some design guidelines being completed as well as a Downtown Streetscape Master Plan. He noted that "placemaking" is an important factor for economic recovery and diversification.

Art Babbott noted plans to continue his activity in forest restoration work. He noted that the U.S. Forest Service has again issued a delay in awarding the RFP for forest restoration by another two months. He noted the challenges this poses to forest industry, however, New Life Forest Products continues to move forward on their new large mill facility in the Belmont area.

Paul Watson reported that Navajo County recently entered into a contract with Magellan Advisors for their broadband planning and implementation. He noted that his contract to do economic development for Navajo County ended last October, but he has continued on a month-to-month basis until the County fills that full-time position. The position has been filled, and Mr. Watson's last day with Navajo County will be at the end of the month. He then announced that he was recently appointed to the Pinetop-Lakeside Town Council, and looks forward to assisting his community of over 30 years.

Pieter Hjertstedt reported that, due to increases in consumer confidence, BNSF Railway is seeing increased volumes in freight following a tapering-off period as a result of the COVID pandemic. He also reported that Northern Arizona is in a very good place regarding movement from California businesses into Arizona, which will benefit the economy.

Chairman Bowen called for any other member comments, there were none. He thanked everyone for their comments.

XI. Public Comments

Chairman Bowen called for comments from the Public. There were no public comments. Chairman Bowen asked Ms. Drew if she had any comments, to which Ms. Drew responded with thanks to all for attending today, noting that the NACOG-EWD office is like a fast-moving train, and in addition to economic development and recovery she is also the Executive Director of the Workforce Development Board in Yavapai County. Work has been very fast-paced, and she appreciates the work of everyone on the EDC.

XII. Adjournment

Chairman Bowen thanked everyone for their participation called for a **motion and second to adjourn; so moved by Paul Ferris, seconded by Norman Perry. The meeting adjourned at 12:04 PM.**

*NACOG EDC Meeting Minutes – February 4, 2021
Approved: April 1, 2021*