

MINUTES OF THE  
MARICOPA ASSOCIATION OF GOVERNMENTS  
ECONOMIC DEVELOPMENT COMMITTEE

March 1, 2011

MAG Offices, Saguaro Room  
302 N. 1<sup>st</sup> Avenue, Phoenix, Arizona

MEMBERS ATTENDING

Councilwoman Peggy Neely, Phoenix, Chair  
Mayor Thomas L. Schoaf, Litchfield Park,  
Vice Chair  
Steven Betts, GPEC  
Dr. Joseph Cavinato, Thunderbird  
Mark Dreher, East Valley Partnership  
Thomas Franz, Greater Phoenix Leadership  
Mayor Hugh Hallman, Tempe  
Jim Kenny, El Dorado Holdings, Inc.  
Mayor Jim Lane, Scottsdale  
Mayor Michael LeVault, Youngtown  
\* Mayor John Lewis, Gilbert  
Mayor Marie Lopez Rogers, Avondale  
John McGee, ADOT  
Mayor Jackie Meck, Buckeye

\* Mary Peters, Mary Peters Consulting  
\* Jim Rounds, Elliott D. Pollack & Company  
Todd Sanders, Greater Phoenix Chamber of  
Commerce  
\* Mayor Jay Schlum, Fountain Hills  
Jeffrey Simmons, Ryley Carlock &  
Applewhite  
Mayor Scott Smith, Mesa  
Sandra Watson, Arizona Commerce  
Authority  
Candace Wiest, WESTMARC  
\* Supervisor Mary Rose Wilcox, Maricopa  
County  
Councilwoman Sharon Wolcott, Surprise

\* Not present

# Participated by video or telephone conference call

Others Present (from sign-in sheet):

Eric Anderson, MAG  
Roc Arnett, East Valley Partnership  
Lynn Ashton, RW  
Sherief Ayoub, Emerald Contracting  
Anubhav Bagley, MAG  
Will Barnow, Maricopa County  
Kent Dibble, Dibble Engineering  
Eric Fitzer, Gila Bend  
Bob Hazlett, MAG  
Chad Heinrich, Tempe  
Jeanine Jerkovic, Canadian Consulate  
Becky Kimbrough, MAG  
Jennifer Krutz, Valley Forward  
Michelle Lee, Arizona Republic

Clem Ligocki, MCDOT  
Dan Marum, Wilson & Company  
Mayor Lana Mook, El Mirage  
Jennifer Pena, Litchfield Park  
Nathan Pryor, MAG  
Tom Remes, Phoenix  
Kristen Sexton, Avondale  
Rick Stephenson, Canadian Consulate  
Tim Strow, MAG  
Jack Tomasik, CAAG  
Marisa Walker, CANAMEX Task Force  
Glenn Williamson, Canada Arizona Business  
Council

1. Call to Order

The Economic Development Committee (EDC) meeting was called to order by Chair Neely at 12:07 p.m. Chair Neely stated that public comment cards were available for those members of the public who wish to comment. Transit tickets were available from Valley Metro for those using transit to come to the meeting. Parking validation was available from MAG staff for those who parked in the parking garage.

2. Call to the Audience

Chair Neely stated according to the MAG public comment process, members of the audience who wish to speak are requested to fill out the public comment cards. She stated that there is a three-minute time limit. Public comment is provided at the beginning of the meeting for items that are not on the agenda that are within the jurisdiction of MAG, or non-action agenda items that are on the agenda for discussion or information only. Chair Neely noted that no public comment cards had been received.

3. Approval of Economic Development Committee Consent Agenda

Chair Neely noted that prior to action on the consent agenda, members of the audience are provided an opportunity to comment on consent items that are being presented for action. Following the comment period, Committee members may request that an item be removed from the consent agenda. Chair Neely noted that no public comment cards had been received.

Chair Neely requested a motion to approve the consent agenda. Mayor Smith moved to approve the consent agenda. Mayor Meck seconded the motion and the motion carried unanimously.

3A. Approval of the February 1, 2011 Economic Development Committee Meeting Minutes

The Economic Development Committee, by consent, approved the February 1, 2011 Economic Development Committee meeting minutes.

4. Update on the Arizona Commerce Authority

Chair Neely introduce Jerry Colangelo, Co-Chair of the Arizona Commerce Authority (ACA). She stated that she if very excited to have Mr. Colangelo here to talk about the ACA and how the Economic Development Committee (EDC) might partner with the ACA.

Mr. Colangelo thanked the EDC for having him today. He stated that the ACA will not be official until July 1, 2011, but much has been happening for a number of months. Mr. Colangelo explained that because of the ineffectiveness of the Commerce Department, he was asked to chair and help privatize the agency. He noted that the ACA is the new entity that will exist and it will be privatized. He stated that he was excited about the ACA because it takes the business of creating business out of the hands of those who are not really in the business of creating business. He noted that the proof will be how many jobs are created and how many new businesses are brought to the state. He stated that Arizona can cut cost, but it will also need to grow the tax base and that comes

from new business and new jobs. Mr. Colangelo then commented on the Intel announcement a few days ago and noted another substantial announcement will come sometime next week.

Mr. Colangelo stated that the ACA will need to determine how to organize the 17 person board. He noted that there will also be some committee work that will be very important to the process. He suggested to the EDC members that they be supportive of the ACA and that the two agencies work together whenever possible. He noted that there have already been discussion with some of the members regarding Interstate 11. He stated that there will be continued growth, potentially at a slower pace, and this region needs infrastructure. Mr. Colangelo stated that timing is everything and there are land owners in the West Valley who are willing to contribute right-of-way. He noted the importance of the region and the State being willing to adjust and to be innovative. He stated he believes there are opportunities to do these things through the ACA and encouraged the EDC members to join the team. He added that through team work, a lot can be accomplished. Mr. Colangelo thanked the EDC members for their time and the opportunity to speak.

Councilwoman Neely asked if the deep water port in Mexico, Punta Colonet, was being looked at by the ACA. She also asked if Mr. Colangelo could address the idea of a freight corridor along the proposed Interstate 11. Mr. Colangelo explained the importance of Arizona not being a pass through state, but a state that has a lot of commerce and does a lot of business. He noted that Punta Colonet could help to accomplish that for us and make this region viable as a transportation hub. He also noted that the deep water port does tie into Interstate 11, and it is much more than just connecting Las Vegas and Phoenix. Mr. Colangelo stated that if Arizona is ever going to realize a CANAMEX corridor that connects Canada to Mexico through Arizona, Interstate 11 is a part of that concept. He noted that Punta Colonet along with Interstate 11 would have a great economic impact to the State.

Chair Neely asked if the ACA has looked into forming an Intermountain West group that would become supporters of this issue, and is there a possibility that the ACA and EDC could jointly host an Intermountain West conference to begin discussions on Interstate 11, CANAMEX and Punta Colonet. Mr. Colangelo stated that if Arizona is going to be successful, we need to look globally at what the Pacific Northwest is doing. He noted that would necessitate bringing states together to discuss the options that are available. Mr. Colangelo stated that an Intermountain West conference is absolutely something the ACA and EDC could explore.

Dennis Smith commented on a function at the Decision Theater that would be helpful in this effort. He noted that the ASU Decision Theater is embarking on using freight data and looking at Interstate 11 and transmission lines. He noted the idea is to hold a meeting at the Decision Theater to show visually of how Arizona would link to the Intermountain West to grow the economy. Mr. Smith stated that it is more than just an Interstate. It is Interstates, freight, airports, ports, and tourism. He noted the Brookings' information at the table shows the growth potential in the Intermountain West region. Mr. Smith noted the importance of beginning to develop relationships. Steve Betts added that the Decision Theater provided a proposal for how they might take the concept of the Intermountain West meeting to the next level. He agreed that this is more than connecting Phoenix to Las Vegas. He stated it is multi-modal, inter-west connectivity.

Mayor Hallman stated that this committee was developed to work on the transportation infrastructure as it relates to economic development. He noted the first phrase that Mr. Colangelo used was that this State needs infrastructure looking at all modes. He stated that this is the opportunity to make Arizona central to the connections in the Pacific Northwest. Mayor Hallman stated this could also be considered a decision point much like the creation of the Interstate Highway System. He then asked Mr. Colangelo his thoughts on the ACA spending time and focusing on a very long-term effort such as this. Mr. Colangelo replied that he is not certain of the ACA's long-term plan over the next 20 years. He stated, however, that today there is opportunity and we should not wait. He stated that it is time for Arizona to lead. Councilwoman Wolcott stated she believes we need to get these discussions out there in the public. She noted that when she talks about these issues in her community, people are interested. She commented that we need to begin building public momentum and public support for this effort.

Chair Neely asked if there were any other comments. There were none. Chair Neely thanked Mr. Colangelo for his comments and his support of this effort. She stated that she would like to see the ACA and the EDC coordinate an event to discuss economic development opportunities for the Intermountain West region and bring together all of the elements and modes - interstates, freight, rail, air, etc. She recommended that this event encompass all of the elected officials in this region. Chair Neely noted it is essential that the ACA take the lead in this effort and the EDC would work with the ACA to move forward.

Councilwoman Wolcott moved to approve that the ACA and the EDC coordinate an event to discuss economic development opportunities for the Intermountain West region and bring together all of the elements and modes. Mayor Meck seconded the motion and the motion was unanimously approved.

##### 5. Expanding Business Relationships with Canada

Chair Neely introduced Rick Stephenson from the Canadian Consulate of Phoenix to discuss business relationships with Canada. Mr. Stephenson stated that Interstate 11 is a concept he just heard about recently. He noted that he is excited about the concept of Interstate 11. Mr. Stephenson stated that he will discuss what is happening in Canada, as well as opportunities and relationships between Canada and Arizona. He noted that Canada is the second largest country in the world, in area, with a population equal to California. He stated that Canada is stretched 5,000 miles from coast to coast and must do business internationally. He also noted that 90 percent of Canadians live within 90 miles of the U.S. border. Mr. Stephenson stated that 75 percent of Canadian exports come to the U.S. He also reported that in 2010, two-way trade between the U.S. and Canada was \$500 billion, which is the largest single trading relationship in the world. That two-way trade accounts for about 800 million jobs in the U.S. He stated 50 percent of what Canada buys comes for the U.S. and Canada is the largest energy supplier to the U.S. Mr. Stephenson also noted that one third of all Canada U.S. trade is inter-company business.

Mr. Stephenson stated that Canadian tourism is important to Arizona. He noted there were 557,000 Canadian visitors in 2009. These visitors account for half of a billion dollars spent in the State. He noted that 90,000 Canadians are full-time residents in Arizona. Mr. Stephenson discussed the importance of air travel from Canada to Arizona with 60 percent of visitors traveling

to Arizona by plane and not automobile. He noted that Canada is the largest and fastest growing component of Phoenix International travel.

Mr. Stephenson stated Canada is Arizona's second largest trading partner after Mexico. He noted there was \$2.32 billion of two-way trade between Arizona and Canada in 2010 and 150,000 jobs supported by Canada trade in Arizona. He also noted that there are 130 Canadian companies located in Arizona that employ about 16,000 people. Some of those companies include Circle K, Stantec, Bombardier, Four Seasons Hotels and Resorts and Fairmont Hotels and Resorts. Mr. Stephenson reported on Arizona and Western Canada opportunities. He noted that Canada is primarily a resource based economy and those resources are mostly in western Canada. He stated this is where the opportunity for Arizona resides. Mr. Stephenson stated that British Columbia exports \$140 million to Arizona and imports approximately \$122 million. He added Alberta exports \$84 million and imports \$142 million.

Mr. Stephenson stated that the port of Vancouver is the largest port in Canada, with 149 trucking companies serving the port. He noted that cargo from this port goes to over 160 companies around the world. Mr. Stephenson stated Canada has invested billions of dollars in an initiative called Asian Pacific Gateway in Canada. The port of Vancouver, as well as roadways and railroads have been improved as part of this initiative to expedite goods in and out of the west coast of Canada. He also noted that there are shorter shipping times from the port of Vancouver to China, as opposed to Los Angeles Long Beach. He stated that major investments have been made in the Prince Rupert Port, British Columbia, over the past several years. He noted some assets of Prince Rupert being the short land-sea route to Asia, efficient rail access, the deepest, safest and ice-free port, and close to open waters.

Mr. Stephenson stated that the Canadian Consulate's main role is to promote exports from Canada into the states of Arizona and New Mexico. Additionally, the consulate opened in 2004 to promote trade development, investment and research collaboration. He stated that the focus is on high technology linkages, and connecting businesses and research institutes with common interests. He commented the Arizona State University and the University of Arizona were important partners to this focus. Mr. Stephenson stated that the Consulate can help Arizona's growth by partnering with entrepreneurs, economic developers, university and investors. He also mentioned that trade missions to and from Canada would be beneficial. He stated the Canadian Consulate of Phoenix would be excited to work with the EDC on networking events to build relationships. Mr. Stephenson emphasized the idea of local elected officials reaching out to the Canadian entrepreneurs in their local communities. He also noted that Canada had a successful initiative where the local business CEOs were asked, by the Prime Minister, to make one business speech promoting investments in Canada. These business CEOs became business ambassadors for Canada. Mr. Stephenson concluded that the economic opportunities between Western Canada and Arizona are largely untapped and believes that the Interstate 11 corridor is viable and timely. He then thanked the Committee for their time. Chair Neely thanked Mr. Stephenson and asked if Glenn Williamson wanted to comment. Mr. Williamson stated that he is thrilled to see Canada on the EDC agenda.

Chair Neely thanked Mr. Williamson for his comments. She then asked the Committee to think about three possible ideas to pursue, first is to have discussions with the Canadian businesses and

government representatives to explore an Intermountain West Coalition, and second is to explore joint interests between the ACA and the EDC on a trade mission to Canada. Chair Neely then asked Vice Chair Schoaf to present his idea. Vice Chair Schoaf suggested that the EDC sponsor a forum to communicate with Canadian business members to discuss what Arizona can do, from an infrastructure and relationship standpoint, to make this region more attractive to Canadian investors. He noted that many EDC members may have investor friends from Canada that should be invited. Chair Neely suggested incorporating the Canadian companies in Arizona that Mr. Stephenson mentioned. Candace Weist commented that larger U.S. companies that have a Canadian strategy, such as Cancer Treatment Centers, should also be invited.

Mayor Hallman moved to direct the staff to facilitate a round table discussion where the EDC could listen to business members from Canada and discuss how we can improve the environment into which Canadians can invest. Mayor Lopez Rogers seconded the motion and the motion carried unanimously.

Glenn Williamson stated this was a great idea and that most of the Canadian CEOs of these companies have no political connectivity. Mayor Smith stated that the relations and the daily activity between Canada and Arizona seem so natural and effortless and in many ways taken for granted, which is why that extra step is not taken. He noted the importance of formalizing this effort because most of the current relationships happen casually. Mr. Williamson stated that after six years of doing business in Arizona, he is still stunned that major corporations do not have a Canadian strategy. She asked what method of transportation is most commonly used for importing and exporting. Mr. Stephenson replied mostly by truck, and a good portion by Fed Ex.

Mr. Betts suggested reaching out to Craig Krumwiede from Harvard Investments who would be a good resource for this effort. He then asked Mr. Stephenson how important is the portion of I-11 paralleling I-5 to opening up western Canada. Mr. Stephenson stated the I-5 is congested most of the time, and thinks that would be important. He also stated that this area should be thought of as an economic zone not just a transportation corridor. What you want is for companies along the transportation corridor to recognize the ease of doing business with other companies along the transportation corridor.

Mr. Smith recognized Marisa Walker from CANAMEX Task Force for helping to make the connection with the Canadian Consulate of Phoenix. He noted that Ms. Walker has been a tremendous help in making valuable connections. Mr. Smith also commented on the Pacific Northwest Economic Region. He noted that this is a formally established group in the Northwest that includes Provinces in Canada and the states of Oregon, Washington, Idaho and Montana. Mr. Smith stated this is a group that we need to connect with to begin discussions on mutual interests that might benefit all of the economies.

Chair Neely commented that the next EDC meeting is scheduled for April 5, 2011, which is also the date for the GPEC Executive Mission. After discussions regarding changing the meeting date, the Executive Committee agreed to move the next EDC meeting date to Wednesday, April 6, 2011 at noon.

6. Request for Future Agenda Items

Chair Neely asked if there were any other requests for future agenda items. Mayor Hallman requested that a discussion on the economic relationship between Mexico and the United States be presented at the April 6<sup>th</sup> meeting. He also added that a discussion on the CANAMEX corridor should be part of the discussions with Canada and Mexico.

7. Comments from the Committee

Chair Neely asked if there were any comments for the committee members. Todd Sanders stated that it would be of value to have someone from the Governor's office, maybe Eileen Klein, attend the round table/forum event to talk about the competitiveness package that just passed. He stated that type of information would be of interest to any business person.

Adjournment

There being no further business, the Economic Development Committee meeting was adjourned at 1:47 p.m.

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Chair

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Secretary