

# 1 CALL TO ORDER

Mayor Lord called the Work Session to order at 5:00 p.m.

#### 2. ROLL CALL

Present 7 - Mayor Lord, Vice Mayor Lauritano, Councilmember Osborne, Councilmember Pizzillo, Councilmember Campbell, Councilmember Stipp, and Councilmember Hohman

Staff Present: City Manager Brian Dalke, City Attorney Roric Massey, and City Clerk Maureen Scott

## **3.** AGENDA ITEMS FOR DISCUSSION:

**3.1** <u>15-5601ws</u> Discuss with Mayor and Council the activities of the Greater Phoenix Economic Council (GPEC) and provide an update regarding GPEC's work with the Economic Development Department.

Michelle Lawrie, Economic Development Director, introduced Chris Camacho representing the Greater Phoenix Economic Council (GPEC).

GPEC was founded in 1989 as a regional, public-private partnership. It now serves 22 cities and towns, and more than 170 private-sector businesses in Maricopa County. Approximately sixty percent of their operating money comes from the private sector.

Private sector business leaders provide acumen, expertise and credibility. Private investors lower costs to taxpayers. Public leaders bear the responsibility for community needs. Communities drive local expansion.

GPEC provides research and analytics, strategy and planning, marketing and promotion, business development and corporate attraction, and shared knowledge. This type of approach is designed to facilitate collaboration and build a stronger economy. Business Attraction (Top 10 Site Selection Factors):

- 1. Availability of skilled labor
- 2. Highway accessibility
- 3. Labor costs
- 4. Occupancy or construction costs
- 5. Availability of advanced ICT (Information and Communications Technology) services
- 6. Available buildings
- 7. Corporate tax rate
- 8. State and local incentives
- 9. Low union profile
- 10. Energy availability and costs

The 303 Corridor is unlocking a new corridor for the west. We need to be intuitive in developing this corridor to ensure that we have the right job composition. We want to see more advanced manufacturing and more of the export industry built in the West Valley. Having a pro business attitude is critical to attracting businesses.

GPEC Business Attraction Prospects by industry:

>Solar - 11
>Transportation/Distribution - 12
>Other - 9
>Advanced Business Services - 46
>Aerospace - 14
>Bio industry - 6
>Business Services - 25
>Environmental Technology - 5
>Healthcare - 10
>High Tech/Electronics - 10
>Manufacturing - 58
>Software - 23

Site Selection Collaboration Activities:

>Community profiles - Promote the unique characteristics of each community

>RFI (Request for Information) & Site Packets - Continually improve data and analytics, and create consistent and high-impact business cases

>Real Estate - Identify the availability of real estate options (move-in ready, shovel-ready, mega sites), and expedited permitting.

>Competitive Positioning - Model return-driven incentives, showcase regional assets, and develop the competitive business case

Fundamental changes are occurring. The transformation of the global economy is driven by knowledge assets. Winners in the next economy will be regions competing on advanced industries, innovation, and workforce/talent.

Outline of the old vs. new approaches to economic development. Old Economy: >Compete on low cost
>Focus on consumption

>Intra-regional competition

#### New Economy:

>Compete on value-add
>Focus on advanced industries and production

>Regional collaboration

The next era will consist of driving competitiveness with a collaborative regional model. By placing community assets at the center, GPEC will drive economic development through a holistic approach. GPEC will work collaboratively to assess market demands and existing assets in order to identify emerging opportunities to make our region competitive in an emerging era of economic development.

Next Era initiatives to position Greater Phoenix for success:

- >Community Partnership Program
- >Competitiveness Think Tank
- >Corporate 100
- >High Impact Districts
- >International Communications Platform
- >Market Asset Assessment & Marketing
- >Market Intelligence
- >Road Shows
- >Velocity

## Council Discussion:

>Council pointed out that GPEC is very advantageous to the City because it would be too expensive to do this work on our own.

>How important is it for cities to take the lead and put in some of the infrastructure that needs to be in place to attract businesses? Site readiness is important. If you don't have a site with "shovel ready" infrastructure, you are more likely to be overlooked for another location that has the infrastructure in place. Businesses are looking for a clear pathway to occupancy.
>Are investors brought in to view prospective sites? REIT's (Real Estate Investment Trusts) are sometimes brought in. Communities bring potential sites to GPEC's attention and GPEC brings the information to the REIT.

>Are there ways to induce companies to pay to develop these type of areas? Cities are looking at Public Private Partnerships (P3) to create a fund to place dollars that will fund capital projects for infrastructure. The city does the planning and the P3 would build the facility that the city can market. Camacho would advise Goodyear to look at a partnership with developers for these types of projects.

**>What impact does the labor force have on companies decisions to locate here?** Camacho responded that labor is very important. A lot of West Valley cities have 80% of their residents going somewhere else to work. It is prudent to assess where employees actually live. You have to be able to showcase that the labor pools are available.

>Are there programs to match students at the community colleges with the needs of the industry? GPEC shares information with the community colleges about where the jobs are. They are continuously measuring the supply and demand indicators with the two-year technical trades. Two-year technical trades are a critical key to the base industry's success. Another focus area is integrating enough of the Latino Community into the work place.

>Is the lack of educational opportunities such as universities a concern when companies contact GPEC? Camacho responded that this topic comes up with almost every business conversation. The ability to produce a high level education has a direct correlation to performance in the economy. GPEC does everything they can to showcase the importance of education to an economic output.

>Are there any measurements to see where we rank in relation to spending and student development? There isn't one specific indices that measures performance across the K-12 education system. We have an average ranking overall. There is no direct correlation with regard to spending to guarantee outcomes.

>Arizona is very flat with regard to the Gross Domestic Product (GDP). How does that affect us? The GDP per capita position has been detracting since the 1980's. We have quality labor at the mid skillset. Where we fall behind is in markets that have higher concentrations of applied research, and legacy manufacturing. We are further behind because we are a younger market. The upside is that we will continue to grow. We need to build our focus on applied research and exports, and an innovation economy.

>What can we control with regard to localized economic development strategies? Camacho responded that GPEC works for us to support the attraction of new companies. They point out what we need to focus on what we can control such as infrastructure readiness, employment centers, workforce development strategies, etc.

>Are there challenges with developers who own large parcels of land and don't want to sell? Lawrie responded that it is a challenge. The Economic Development Department needs to be more aggressive in meeting with the land owners and developers in the community.
>Would like to discuss this information at the Fall Retreat.

## 4. **INFORMATION**

None.

## 5. ADJOURNMENT

There being no further business to discuss, Mayor Lord adjourned the Work Session at 5:55 p.m.

Maureen Scott, City Clerk

Georgia Lord, Mayor

Date: \_\_\_\_\_