

**Comprehensive Economic Development Strategy (CEDS)
Steering Committee Meeting**

Wednesday, November 4, 2009 – 10 AM
CAAG Administrative Offices
1075 S. Idaho Rd., Suite 300
Apache Junction, AZ 85219

Attendees:

Jim Nelson, Practical Solutions
Pat Schroeder, Practical Solutions
Steve Filipowicz, City of Apache Junction
Debra Galbraith, Town of Payson
Gayle Cooper, City of Eloy, EDGE
Tim Kanel, Pinal County
Bill Marshall, SGCEDC
Kim Moyers, Town of Queen Creek
Caryn Sanchez, SRP
Kazi Haque (by telephone), Maricopa

CAAG Staff:

Jack Tomasik
Samantha Yates

MINUTES

- I. CALL TO ORDER**
- II. PLEDGE OF ALLEGIANCE**
- III. ROLL CALL AND INTRODUCTIONS**

In the absence of Chair Barry Albrecht, Mr. Tomasik called the meeting to order at 10:05 AM. All provided self-introductions.

- IV. APPROVAL OF MINUTES – May 28, 2008**

Debra Galbrath made a motion to approve the minutes from the May 28, 2009 meeting. Steve Filipowicz seconded the motion. The motion passed unanimously.

- V. NEW BUSINESS**

- A. EDA Update*

Ms. Schroeder informed the committee of the status of EDA and that they have a new assistant secretary for economic development as well as a deputy assistant secretary. Both have credible economic development and infrastructure experience. EDA is up for reauthorization, but it will not happen this year. A continuing resolution will most likely be passed.

Ms. Schroeder also reviewed Economic Development Districts, of which CAAG is one; need to update their CEDS completely every five years. Revision will be difficult due to the 2010 Census coming out; however the projection study has numbers that can be used as well. Preliminary census counts for counties will be available in August of 2010, where CAAG will have the opportunity to review and appeal census counts. CEDS will be due April 30th.

Ms. Schroeder concluded her economic development update by discussing how The Obama Administration has strengthened the place-based policies that were started under the Bush Administration, which leverages investments by focusing resources in targeted places (employment centers). EDA allows the CEDS committee to go further than only recommending programs to be put in the CEDS. Discussion of the role of the CEDS Committee does not have to be completed in one meeting.

B. Preliminary Findings of Employment Center Adjustment Strategy

Mr. Nelson stated that we are dealing with a different economic climate than we were when the original proposal was created for economic development. We had a lot of employment growth and residential growth, however not anymore. Recovery is expected, however with different jobs and a different economic structure. In the future, EDA will be looking more at technology and productivity increases; which translates into higher workforce skills.

Given the importance of increased workforce skills, a goal of this project is to build a stronger connection between Central Arizona College and Gila Community College. This should help build more interaction with the workforce training people.

Many factors create economic uncertainty, when we do get recovery, among them, gas prices. CAAG's diversity is another issue. Due to the regions size, it is very diverse and factors that affect one portion of the region may not affect another. Opportunities are different from area to area within the CAAG region, and in order to create a strategy for the CAAG region, all of these opportunities need to be explored through discussions with various economic organizations throughout the region.

One of the key aspects of this project is the need to identify employment centers. We look for employment centers with the most immediate opportunities for development. Once the project is defined, CAAG can support the community submitting it to EDA and getting the funding approved. If there are projects that are already started or thought about, those can go to the top of the list as backbone infrastructure development proposals to the EDA public works funding group.

More involved projects are also possible that require feasibility studies, financing studies, etc, which could qualify for a technical assistance grant from EDA for specific projects.

Another set of activities could relate to developing a sustainable economic development partnership between the CAAG Economic Development District and regional economic development organizations or local economic organizations. This could provide funding to CAAG and regional/local EDOs from EDA to support staff to help build local economic development consensus, create economic strategies, develop project funding requests, etc. For example, staff assigned for a specific regional/local economic development program could help support strategy development or public involvement as well as interaction with CAAG and project updates for EDA.

The study is also looking at a revolving loan fund program. The need for small business, entrepreneurial, and infrastructure funding is necessary for implementation. Mr. Filipowicz comments that he has learned through his career and having access to them, and the feedback he has received from others, that typically it can take as much time or more to set up a small loan as it does a large loan. He continued that much of the work is dependent on having someone who understands the process and is able to walk you through each process that is different on a case by case scenario. Bill Marshall noted that he had recently spent a lot of time developing a complex loan application package. Ms. Moyers mentioned the possibility of a micro loan fund, for \$10,000 or below, allowing for separate rules and regulations, a one page application instead of a thick packet which may be more reasonable for smaller loans and less of a burden on small communities.

C. Update on POPTAC Projections

Mr. Tomasik stated that projections have been approved by POPTAC and are awaiting approval by Management Committee and Regional Council this month. The data will be used by MAG for TAZ projections for Pinal County. For Gila County CAAG requested fifteen percent of STP funds be used for building databases similar to those built for Pinal County. These databases would take approximately one year to build in which time projections similar to those created for Pinal County could be made for Gila County.

Three scenarios (most likely, optimistic and pessimistic) were done for each geography (nation, Sun Corridor, Pinal County Market Areas). “Most likely” is the scenario that is being approved by CAAG Committees and will be used as official CAAG planning projections.

Ms. Schroeder asked Mr. Tomasik if the projections show that if the State does not get smarter about investments and smarter about how it does economic development, then even the pessimistic line is not going to pan out. Mr. Tomasik responded that one could reasonably draw that conclusion.

D. Plans for CEDS Update and Future Role of Committee

Mr. Tomasik asked the committee to think about a more active role for the committee and CAAG in economic development in Gila and Pinal Counties. While the Committee needs to continue to be responsible for the review and approval of CAAG's Comprehensive Economic Development Strategy (CEDS) and updates and revisions to the Strategy, the Committee's role could be broader; aligned with the economic realities of Gila & Pinal Counties.

The committee would like to start a regular schedule where they meet every two months on the same day of the week.

Ideas of members who were not able to attend the meeting but wanted to participate were emailed to Ms. Schroeder prior to the meeting. These ideas were written down and posted on the wall for those in the room to see.

- Schedule meetings for a year
- Include County, Municipalities, Chambers, SBDC, ED
- Carefully broaden membership; list of candidates vetted by Committee
- Potential CAAG Niches: Bring Chambers, SBDC's, EDO's together
- Build Cooperation among players to support regional ED
- Need for leveraging resources

The committee can be anything that CAAG and the committee members want it to be. The only requirements are to advise and support the production of the CEDS updates and rewrite. CAAG by-laws require every municipality of the two counties to have at least one member. It does not specify what they have to be. EDA strongly suggests a majority of private sector.

Mr. Tomasik states that he believed that calling the committee a "CEDS Committee" is too narrow of a name, to get potential funding, and no longer fits its current tasks. CEDS updates could be a task of this committee but not the sole purpose. What the CAAG economic development committee does specifically, can be left up to the committee on what is needed at the time.

It was suggested that the Committee name might be changed to reflect an expanded role; Economic Strategy Committee was one possibility mentioned.

The possibility of one large website that each economic development agency is linked into would help connect the region and further boost economic development.

Mr. Nelson asked the committee about involving the community colleges and the committee is agreeable.

Mr. Tomasik asked about involving Pinal Partnership Economic Development Membership. Ms. Galbraith stated that while it may not benefit Northern Gila County directly, it seems like another way of benefitting the whole and that overall it

helps the region. Ms. Cooper states that it is primarily a private group and both Ms Galbraith and Ms. Cooper agree that it could be beneficial to have perspective from the private side at the meetings.

E. Community Updates

No community updates

VI. DATE –TIME – LOCATION OF NEXT MEETING

Tentative meeting scheduled for January 6, 2010 at 10 AM at the CAAG Main Office.

VII. CALL TO THE PUBLIC

No one answered the Call to the Public

VIII. ADJOURN

Tim Kanavel made a motion to adjourn, seconded by Debra Galbrath. Motion passed unanimously.