

**ARIZONA COMMERCE AUTHORITY BOARD OF DIRECTORS
PUBLIC MEETING MINUTES**

Wednesday, February 12, 2020 at 1:00 P.M.
Arizona Commerce Authority
100 N. 7th Avenue, Suite 100, Phoenix, AZ 85007

PUBLIC SESSION MINUTES

I. Call to Order and Roll Call

Governor Ducey, Chair, called the February 12, 2020 meeting of the Arizona Commerce Authority Board of Directors to order at 1:03 p.m. and welcomed attendees and the public. The meeting was noticed and properly posted. Governor Ducey requested Melissa Mills call the roll. Quorum of voting members present.

Board Members Present In-Person:

Governor Doug Ducey, Chair	Michael Bidwill
Sandra Watson	Gary Abrams
Dr. Rita Cheng	Quinn Palomino
Duff Hearon	Dr. Taylor Lawrence
Richard Luebke	Wick Pilcher
Russell McCloud	Mayor Christian Price
John Wolfe	

Board Members Present Via Conference Line:

Jack Selby (phone)	Dawn Grove (phone)
Nancy Ham (phone)	Clate Mask (phone)
Richard Adkerson (phone)	Barry Smith (phone)

Board Members Not Present:

Dr. Michael Crow	Dr. Robert Robbins
Maria Harper-Marinick	Girish Rishi
Speaker Rusty Bowers	Don Slager
John Arnold	Senate President Karen Fann

II. Welcome Remarks from Chair - Governor Doug Ducey

Governor Ducey, Chair welcomes members. Notes Arizona's economy is booming and 315,000 jobs have been added since 2015. Arizona ranks second in the nation for job growth, is the #1 inbound state, Maricopa is the fastest growing county, Phoenix is the fastest growing city, and 175k Arizonans were lifted out of poverty in the last year. Credits ACA board for playing a role in much of this success. States that his executive budget prioritizes rural broadband, our veterans, K-12 education, our universities, advanced manufacturing training and more – items designed to



enhance Arizona's already strong economic momentum. Acknowledges packed agenda and proceeds to consent agenda vote.

III. Consent Agenda

- a) Approval of September 19, 2019 Board Meeting Minutes**
- b) Approval of Supplemental Budget Request**

Governor Ducey, Chair called on the board for a consent agenda vote. Dr. Taylor Lawrence made motion to approve, Michael Bidwill seconded motion. Consent agenda approved. Governor Ducey, Chair calls on Sandra to give CEO Report.

IV. CEO Report-Sandra Watson (A.R.S. § 38-431.02(K))

Sandra welcomes members of the board, notes two members are calling in from New Zealand and the Middle East. Begins with ACA attraction and expansion results to-date: 76 projects, 14,707 new jobs, \$66k average salary, \$3b capex.

States that in the time since the last meeting, the ACA has closed 42 projects representing 6,670 new jobs and the average wage has gone up very significantly, from \$58,000 to \$66,000. We've also secured just over \$2 billion in capital investment. Business and financial services remain top two industries by jobs and projects.

Points out that year over year the ACA has won 15 more projects than during this same time last year, and the average wage on the jobs was \$6,000 less than it is currently. Capital investment is also 2x what it was at this time last year.

Sandra recognizes clients who have done projects in Q2/Q3:

- Rob Rieling, Opendoor Labs
- Michael Coglán, Verdigris Holdings
- Katherine Betton and Matthew Chimbos, Hawaiian Airlines
- Ken Kosciński, CAVU Aerospace
- Aaron Frank, Deliver EZ

Sandra calls on Paul to present pipeline.

Paul presents current total pipeline numbers: 247 projects representing 51,823 jobs at an average wage of \$57,591 and \$26.7B capex.

Notes that manufacturing continues a very strong segment in our state, and we're seeing more large projects. Logistics is also a big segment with companies seeking a west coast presence, also driven by population growth. Seeing a lot of biotech coming out of Bay Area.

Presents attraction pipeline: 171 projects representing 41,674 new jobs at an average wage of \$58,098 and \$24.8B capex. 40% of attraction pipeline is coming from California, as our population grows that is drawing manufacturing projects here.



Covers California segment of attraction pipeline: 68 projects, 14,152 new jobs at an average wage of \$64,630 and \$4.3B capex. Tech projects tends to come from northern CA, southern CA is more manufacturing. Emphasizes that patchwork of regulations relative to labor and taxes as well as high cost is driving companies towards Arizona.

Governor Ducey, Chair, thanks Paul and notes that Arizona was praised during his recent trip to the National Governor's Association meeting for our leadership in occupational licensing as well as our significant progress in poverty reduction. He notes that a question was posed to Governors about where they go for economic development and California was his answer, which is clearly reflected in the ACA pipeline. Emphasized that our approach in Arizona to increase the number of taxpayers, not the amount of taxes.

Executive Session

Governor Ducey, Chair, called for motion to enter into Executive Session; Russell McCloud made motion, Dr. Taylor Lawrence seconded. The motion was approved. The Board entered Executive Session at 1:20 p.m.

- a) Client Updates**
- b) Business Development Strategies**

The Board returned to public session at 2:24 p.m.

V. Call to Board Members for Items for Future Agendas

Governor Ducey, Chair, encouraged members of the Board to identify items for future meetings.

VI. Call to the Public

No public comment.

VII. Adjournment

Governor Doug Ducey called for motion to adjourn. Dr. Lawrence made motion, Michael Bidwill seconded. The meeting was adjourned at 2:25 p.m.

