

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

Wednesday, March 22, 2023 at 1:00 P.M.
Arizona Commerce Authority
100 N. 7th Avenue, Suite 100, Phoenix, AZ 8500

I. Call to Order and Roll Call

Governor Hobbs, Chair, called the March 22, 2023 meeting of the Arizona Commerce Authority Board of Directors to order at 1:06 p.m. and welcomed attendees and the public. The meeting was noticed and properly posted. Governor Hobbs requested Melissa Mills take the role. Quorum of voting members confirmed present.

Board Members Present:

Governor Katie Hobbs	Duff Hearon
Sandra Watson	Pam Kehaly
John Arnold	Simer Mayo
Tony Astorga	Mayor Doug Nicholls
Michael Bidwill	Quinn Palomino
Dr. Jose Luis Cruz Rivera (virtual)	Girish Rishi (virtual)
Jenn Daniels	Dr. Robert Robbins (virtual)
Phil Gallagher	Danny Seiden
Monica Garnes	Jack Selby
Mark Gaspers	Cathleen Walker
Dr. Rick Gray	Supervisor Jason Whiting (virtual)
Sharon Harper	

Board Members Not Present:

Dr. Michael Crow
Wes Kremer
Chancellor Lee Lambert
Clate Mask
President Warren Petersen
Wick Pilcher
Speaker Ben Toma

II. Welcome Remarks from Chair, Governor Katie Hobbs

Governor Hobbs welcomed all members for her first Arizona Commerce Authority Board of Directors meeting and acknowledge another new member, Navajo County Supervisor Jason Whiting, President of the County Supervisors Association.

The Governor shared her personal and professional background as an Arizona native and a social worker by trade. Governor Hobbs noted that she takes a holistic and systemic approach to Arizona's challenges and opportunities as she works to build an economy for everyone; rooted in sustainability and innovation.



The Governor noted that she is focused on supporting economic vitality across the state with an administration that will be proactive, working in sync with business, private, and nonprofit sectors so Arizona is positioned to lead across multiple industries.

Governor Hobbs conveyed her enthusiasm for the work ahead with the ACA Board and with Sandra Watson. The Governor called on Michael Bidwill, co-chair, for remarks.

III. Welcome Remarks from Co-Chair, Michael Bidwill

Mr. Bidwill noted that he is proud to have been involved with the ACA since its inception and to see how Arizona's economy has transformed over the past 10 years; Arizona is now winning some of the biggest projects in the country.

On behalf of the entire Board, Mr. Bidwill welcomed Governor Katie Hobbs as the Board's third chairperson and noted that the members look forward to serving alongside of the Governor.

IV. Consent Agenda

Governor Hobbs asked for a motion to approve the board minutes from the December 14, 2022 meeting. Michael Bidwill made a motion. Duff Hearon seconded the motion. All board members in favor. Consent agenda approved.

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

Sandra Watson briefed board members on the ACA's YTD results: 55 projects; nearly 15,000 new jobs; \$69,000 average wage; \$35.8 B capex. Noting that much of the capex is attributed to TSMC, which expanded its investment in Arizona to \$40 billion last December.

Sandra noted that Technology and Innovation makes up the largest share of closed projects to date. While the Southwest, which includes Arizona, represents our largest source of new jobs, at 5,029, and a sizable share of capital investment, at \$3.5 billion, international projects account for the greatest share of capital investment to date, with \$28.3 billion in capital investment.

Sandra shared that project locates span communities across our state, rural and urban including a few highlights such as JA Solar in Tolleson, creating over 660 jobs with a \$52 million investment; Sion Power in Tucson, creating over 150 jobs; and American Battery Factory in Tucson for its \$1.2 billion battery production facility. The site will serve as the company's official headquarters, creating 1,000 jobs.

Sandra Watson conveyed her appreciation to all who supported the success of the Super Bowl CEO Forum, which included 68 unique companies and organizations representing corporate attraction targets, earlier stage tech companies, and private equity and venture capital firms. Special thanks to Governor Hobbs, Michael Bidwill for his active leadership and generosity in hosting guests, as well as Girish Rishi who



opened his home to host a client dinner and the university leaders who took part in our higher education forum - University of Arizona President Bobby Robbins, NAU President Jose Luis Cruz Rivera, Pima College Chancellor Lee Lambert, and Dr. Sally Morton from ASU.

Vic Narusis, Executive Vice President of Business Development, provided an update on the ACA's Pipeline reporting that the ACA pipeline has never been larger. There are 374 projects totaling nearly 156,000 potential jobs and over \$380B in potential capital expenditures. Among the largest sectors are Aerospace & Defense with 59 projects and 11,751 jobs; Battery & Renewable Energy with 56 projects and 40,540 jobs; Semiconductor with 52 projects and 27,706 jobs; Automotive with 28 projects and 39,310 jobs. Vic noted that within these 374 projects, 61 represent "mega projects" (500 or more jobs and/or \$500M in capital expenditures), also an all-time high. Rural pipeline projects are now at 39, representing over 22,500 potential jobs and \$130 billion in potential capital expenditures.

Vic reported that Foreign Direct Investment has become an increasingly significant element to Arizona's business climate; Arizona's FDI activity in 2022, totaled 35 international projects with \$32 billion in capital expenditures. Similarly, exports from Arizona rose by 13% to \$27 billion, a new record high surpassing 2019's pre-COVID previous high. Mexico remains Arizona's largest single nation export market at 32% of this figure, with Canada second at 9%. With TSMC production beginning early in 2024, this figure is expected to rise dramatically.

The number of international projects continues to rise as our worldwide presence becomes even more widespread. Of the ACA's 374 project pipeline, 76 are foreign based, up from 50 reported in our September 2022 board meeting. Through the combined work of our foreign offices and Arizona staff leading our foreign activities, we anticipate approximately 6 inbound visits led by nations in both Asia and Europe. These visits should yield further additions to our pipeline.

Vic shared enthusiasm for the upcoming International State of the State address by the Governor and noted that the ACA is hosting a unique forum for visiting dignitaries and economic leaders, including 37 consul generals and diplomats.

Sandra Watson then thanked ACA employees for all their work to provide excellent customer service to our clients.

Sandra closed her remarks announcing an exciting new partnership with Plug and Play, one of Silicon Valley's most active VCs, a premier startup accelerator, and one of the world's largest corporate innovation platforms, with over 50 global offices. The accelerator is expanding its operations to Phoenix and will work with tech startups and major corporations to solve tech issues.

Governor Hobbs, Chair, called for motion to enter into Executive Session. Michael Bidwill made the motion, Sharon Harper seconded. All board members in favor.



VI. Executive Session

Governor Hobbs called the Executive Session to order at 1:35 pm.

VII. Call to Board Members for Future Agenda Items

Governor Hobbs called public session back to order at 2:18 pm. The governor called for any future agenda items.

VIII. Adjournment

Governor Hobbs, Chair, called for motion to adjourn. Michael Bidwill made the motion. Pam Kehaly seconded. All board members in favor. The meeting was adjourned at 2:19 pm.

