

CITY OF PEORIA, ARIZONA
Development and Community Services Building
Point of View Conference Room
Thursday, March 14, 2019

A **Regular Meeting** of the **Economic Development Advisory Board** of the City of Peoria, Arizona, was convened by Neil Terry, Chairman, in open and public session at 9875 N. 85th Avenue, Peoria, AZ 85345 at 11:34 a.m.

Members Present: Neil Terry, Jeff Berggren, Michelle Lehman, Mitchell Bolnick, Debra Roubik, Ralph Jedda, Dennis Koch

Members Absent: Anoop Kumar

Municipal Officials Present: David Benton, Assistant City Attorney; Katie Gregory, Deputy City Manager; Dawn Prince, Family and Youth Services Manager; Rick Buss, Economic Development Director; Jennifer Stein, Office of Communications Director; Tim Eiden, Marketing and Communications Manager; David Valenzuela, Chief Business Attraction Officer; Kirsten Hall, Business Development Coordinator; Amber Costa, Development Agreement Coordinator; Sheila Hunt, Economic Development Assistant; Karen Calivas, Economic Development Operations Specialist and City of Peoria Business Concierge

Others Present: Kristin Slice, Senior Program Manager, ASU Entrepreneurship + Innovation, Peoria Forward Plan

CONSENT AGENDA

1C **Disposition of Absence:**

Excused absent member Anoop Kumar from the January 10, 2019 meeting.

2C **Minutes:**

Approved minutes from the January 10, 2019 meeting.

Motion was made by Michelle Lehman, seconded by Jeff Berggren, to approve the Consent Agenda. Upon vote, the motion passed unanimously.

REGULAR AGENDA

3R **Economic Development Services Director Update**

Mr. Rick Buss, Economic Development Services Director, invited Mr. Jeff Berggren, Director of Arizona Operations, Huntington University Arizona, to inform attendees of Huntington University's recent awards. For the second year in a row, Huntington University film, broadcast and animation students in Indiana and Arizona have garnered top awards at the Broadcast Education Association (BEA) Festival of Media Arts. This year, Huntington University took second place in overall awards. This year's competition included over 1,500

student entries from over 300 universities around the world. Of the 11 Best of Festival awards the BEA presents to students, Huntington University students claimed three, including the first ever Best of Festival award for Huntington University Arizona.

Mr. Rick Buss, Economic Development Services Director, reported the recent deployment of ROI Focused Project and Prospect Dashboard Tracking. Four functional areas were identified. The team is currently populating data.

1. Global Business Attraction and Expansion
2. Business Retention, Vertical and Horizontal Integration
3. Marketing and Communications
4. Operations, R&D, Special Projects

Upon Mr. Mitchell Bolnick's inquiry, Mr. Buss reported that 20-30% of leads are international. Capital expenditure is calculated as the amount of investment put into relocating (land, building, etc.)

Ms. Debra Roubik inquired if Peoria is planning on fintech. Mr. Tim Eiden, Marketing and Communications Manager, reported that staff recently produced a fintech promotional flyer which should be distributed shortly. Governor Doug Ducey signed House Bill 2434 into law making Arizona the first state in the nation to enact a groundbreaking regulatory fintech "sandbox". Mr. Buss reported that city-wide interest is growing and anticipates 3 potential announcements regarding north, central and south Peoria.

Ms. Debra Roubik inquired about the effects of the new federal tax changes on the state's tax revenue and Economic Development. Thomas Adkins, Intergovernmental Affairs, tracks these issues and advocates for the City's best interest as well as makes a coordinated effort to rally key stakeholders. With the change of tax policy taxing state and local tax deductions, Economic Development is looking to hone in on the high tax states. A Cost of Doing Business Study may be found on the City of Peoria Economic Development website at <https://www.peoriaed.com/home/showdocument?id=98>. The Greater Phoenix Economic Council website tool to compare business cost comparisons may be found at <https://www.gpec.org/services/operational-cost-comparison/>. Maricopa Association of Governments (MAG) Data Tools may be found at <http://www.azmag.gov/Programs/Maps-and-Data>. In response to Mr. Ralph Jemma's inquiry if thought had been given to getting a venture capitalist to spur new business, Mr. Buss responded favorably, that we align venture capitalist groups with entrepreneurs so they have a greater opportunity. Kristin Slice, Senior Program Manager, ASU Entrepreneurship + Innovation, Peoria Forward Plan, indicated there is no shortage of capital in Peoria. Ms. Slice provided an update on the ASU Peoria Forward Plan. Year 1 deliverables include 25 startup activities and an ecosystem assessment. Currently 23 events in addition to ten 1 Million Cup events have taken place. Upon completion of an ecosystem assessment, a report will be generated in May. The ASU Peoria Forward Plan consists of four series; Fresh Innovators, Partners Small Biz, Leadership Series and 1 Million Cups. Mr. Neil Terry, Chairman, suggested that EDAB members receive an updated ASU PowerPoint on the program.

4R. Economic Development Advisory Board By-Law Supplement

Several Board members expressed interest at the October 11, 2018 meeting in expanding their role to include promoting the city and assisting Economic Development. Wording for inclusion of an Ambassador role was proposed for revision to the By-Laws Purpose-Duties. Amendments may be amended, supplemented or repealed by a two-thirds vote of the Board present at any meeting at which a quorum is present and

conducted on a roll-call vote. Action amending the By-laws shall become effective immediately upon approval by the Board. A Supplement to the By-Laws Purpose and Duties appears in bold below:

Proposed – Purpose and Duties

The Economic Development Advisory Board (the Board) is a seven (7) member board, appointed to make recommendations to the Mayor, Council, and the Economic Development Department related to, but not limited to, the City of Peoria’s General Plan, Economic Development projects, and strategies and plans to promote economic development in the City of Peoria. **Members of the Economic Development Advisory Board shall be considered Ambassadors for the Economic Development Advisory Board and the City of Peoria. Ambassadors make a commitment to support and strengthen the City by promoting economic development activities and initiatives, and advance the City of Peoria’s mission and impact in the community.**

Motion was made by Mitchell Bolnick, seconded by Michelle Lehman, to approve the Economic Development Advisory Board By-Law Supplement to the By-Laws Purpose and Duties.

Members Approved: Neil Terry, Jeff Berggren, Michelle Lehman, Mitchell Bolnick, Debra Roubik, Dennis Koch, Ralph Jedda

Member Absent: Anoop Kumar

Upon vote, the motion passed unanimously.

5R. Opportunity Zones

Mr. Buss gave a presentation regarding Opportunity Zones, an investment tool to encourage long-term investments in low-income communities. The Tax Cuts and Jobs Act (TCJA) created the Opportunity Zones program to increase investment in economically distressed communities by modifying the standard tax treatment of capital gains in several ways. These modifications either delay or reduce the capital gains tax liability of investors. To qualify for these benefits, investors must reinvest one or more capital gains in a Qualified Opportunity Fund (QOF). Investors cannot land-bank and must do something with the commercial land to spur business. Investors interested in Opportunity Zones should consult with an attorney.

Opportunity Zone General Guidelines were presented:

1. Much Like 1031 Exchange
2. Must Sell Something
3. Unlike a 1031, Does Not Have to Be Real Estate
4. Must Invest in an Opportunity Zone (Fund)
5. The Longer You Hold, The Higher Your Basis
6. The Higher Your Basis, The Lower Your Capital Gains
7. At 10 Years, Capital Gains Are Zero

The City of Peoria has two opportunity zones, located between 91st Avenue and 83rd Avenue, and Cactus Road and Peoria Avenue. Arizona Commerce Authority website provides additional details regarding Opportunity Zones as well as interactive map at <https://www.azcommerce.com/arizona-opportunity-zones/>

Unfinished Business:

None

Updates from Staff:

Economic Development Advisory Board Updates and Report of Current Events:

In response to Mr. Jemma's suggestion at the January 10 meeting for each Board member to share his/her vision for Peoria, Mr. Bolnick proposed that this item be considered as a future agenda item. Mr. Bolnick also reminded staff that the Board is awaiting receipt of the total number of local companies in each target area/industry as discussed at the January 10, 2019 meeting.

Mr. David Valenzuela, Chief Business Attraction Officer, invited all to attend the **1 Million Cups Phoenix-West Valley** program supported by ASU Peoria Forward Plan. The 1 Million Cups events are held every Wednesday from 9:00 am -10:00 am at the Peoria Chamber of Commerce. Presenters and audience members are encouraged to participate. Additional information on 1 Million Cups may be found at <https://www.1millioncups.com/phoenix-westvalley>.

Ms. Kristin Slice, Senior Program Manager for Peoria Forward Plan, requested participation in the ASU Peoria Forward Plan Ecosystem Assessment Survey. The survey may be found on the City of Peoria Economic Development website at https://asu.co1.qualtrics.com/jfe/form/SV_cXZUBr4vwmXSUbr . There is a strong need for entrepreneurs located south of Bell Road to complete the survey.

ADJOURNMENT:

Being no further business to come before the **Economic Development Advisory Board**, the meeting was duly adjourned at 12:48.

Neil Terry, Chair

Submitted by: *Karen Calivas*
**Karen Calivas, Economic Development Operations Specialist
and City of Peoria Business Concierge**