

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

Wednesday, September 12, 2018 at 1:00 P.M.  
University of Arizona  
Old Main, 2<sup>nd</sup> Floor, Room 227  
1200 E. University Blvd., Tucson, AZ 85721

**MEETING MINUTES**

**I. Call to Order and Roll Call**

Governor Ducey, Chair, called the September 12, 2018 meeting of the Arizona Commerce Authority Board of Directors to order at 1:08 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	Sandra Watson
Gary Abrams	Michael Bidwill
Dr. Taylor Lawrence	Jim Keeley
David Goldstein	Mignonne Hollis
Dawn Grove	Steve Macias
Supervisor Anthony Smith	Dr. Robert Robbins

**Board Members Present Via Conference Line:**

Richard Adkerson (phone)	Drew Brown (phone)
Dr. Rita Cheng (phone)	Maria Harper Marinick (phone)
John Kaites (phone)	

**Board Members Not Present:**

Dr. Michael Crow	Dr. Wyatt Decker
Speaker J.D. Mesnard	Wick Pilcher
Don Slager	Victor Smith
Kim Smith	Mayor Jay Tibshraeny
Senate President Steve Yarbrough	Brian Mueller

**II. Welcome Remarks from Chair-Governor Doug Ducey**

Governor Doug Ducey, Chair opened the meeting by thanking Dr. Robbins for hosting the meeting at the U of A campus and thanked the board for attending, noted the recent economic activity in southern Arizona including the TuSimple press conference that took place right before the board meeting.



Dr. Robert Robbins thanked everyone for coming to the U of A, thanked the Governor for his support; noted that U of A is now ranked among the top 50 of universities by U.S. News & World Report; talked about discussions he has had with leaders at Raytheon and Caterpillar about producing talent, noted that during November Regents meeting the University will roll out its strategic plan.

Governor Ducey noted we are very proud of the educational assets we have in our state and the fact that we currently have more job openings than people to fill them referencing the importance of education.

### **III. Consent Agenda**

- a) Approval of June 12, 2018 Board Meeting Minutes**
- b) Approval of FY2019 Budget**

Governor Ducey moved to approve the Consent Agenda. Dr. Taylor Lawrence seconded. The motion was approved.

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

President and CEO, Sandra Watson, thanked Dr. Robert Robbins and emphasized the partnership with the U of A is very important to the Arizona Commerce Authority (ACA).

Sandra Watson, acknowledged Dr. Taylor Lawrence for suggesting that the ACA have a meeting annually in Tucson.

Sandra Watson thanked Governor Ducey and the Board of Directors for their leadership and the entire ACA team – economic development is a team sport.

President and CEO, Sandra Watson, reviewed ACA results in the Tucson area since 2011: 81 projects, 13,500 jobs, \$1.2 billion in capital investment.

In addition to attraction / expansion projects, 153 early stage tech companies from the area have applied for ACA's Arizona Innovation Challenge (AIC). 18 Tucson companies have been awarded AIC grants which represents 25% of all the AIC program winners. These results emphasize the U of A's leadership and the ACA's close partnership with the university's tech transfer office.

58 southern Arizona tech companies are certified under Angel Investment Tax Credit program. Under this program, \$26 million has been raised collectively which represents 35% of the program's utilization.

91 southern Arizona companies have been assisted through the ACA's export counseling programs.



While the University of Arizona Eller College reports the Tucson MSA accounts for 14% of statewide economy, 20% of the current ACA opportunity pipeline is comprised of southern Arizona projects.

Sandra Watson presented Fiscal Year results to date: 22 projects were announced comprising 4,687 projected new jobs, with an average annual wage of \$53,616 (153% of current state median). This puts the ACA well on its way to meeting the fiscal year goal of 16,000 jobs.

Sandra Watson welcomed 10 of the ACA's recent client companies in attendance at the meeting.

Sandra Watson, then introduced Kevin Sullivan, Executive Vice President, who predicted that the ACA will not only meet its annual goal, but once again exceed it. We've added 40 new opportunities to the pipeline representing 8,800 jobs since the last ACA Board of Directors meeting.

Mr. Sullivan reported that California continues to be the largest source of new opportunities, but the East region is picking up momentum. The ACA team has spent a lot of time in NY and Boston where they are seeing a lot of interest in fintech.

The ACA has added 16 new California opportunities in the pipeline since the last Board meeting, the average annual wage of those opportunities has made a jump of about \$9,000 which is a significant accomplishment.

Since the last meeting, the ACA has added 37 opportunities representing 3,400 jobs; 16 of those opportunities are Tucson-based and we expect to add 4 to 5 more opportunities in the next 2 – 2.5 months.

Mr. Sullivan presented pipeline opportunities by industry followed by a breakout of California manufacturing. The pipeline included 105 manufacturing opportunities which represent 46% of the total pipeline.

In addition to the ACA's business attraction and expansion efforts, the ACA's Manufacturing Extension Partnership (AZMEP) reported that the AZMEP advisors assisted Arizona manufacturers on 512 projects leading to \$33.9 million in increased sales plus new investments, cost savings, and retained sales in the past year.

Governor Ducey noted that he likes what Dr. Robbins said about "future state" and we can see the success in big counties as well as rural, i.e., Dot Foods and Lucid Motors. Governor Ducey pointed to investments in Opportunity Zones as a potential benefit in the rural areas and asked the ACA how the State can measure Opportunity Zones impact.

President and CEO, Sandra Watson responded the ACA is leading Opportunity Zone efforts on behalf of the State and committed to providing a report on Opportunity Zone impacts at the next meeting.



## **Executive Session**

Governor Ducey, Chair, moved to enter into Executive Session; Dr. Taylor Lawrence seconded. The motion was approved. The Board entered Executive Session at 1:49 p.m.

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

The Board returned to public session at 2:30 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**

Michael Bidwill moved to adjourn. Dr. Taylor Lawrence seconded. The meeting adjourned at 2:32 p.m.

