

ARIZONA COMMERCE AUTHORITY BOARD OF DIRECTORS

PUBLIC MEETING MINUTES

Wednesday, September 13, 2023 at 1:00 P.M.

Arizona Commerce Authority

100 N. 7th Avenue, Suite 100, Phoenix, AZ 8007

I. Call to Order and Roll Call

Governor Hobbs, Chair, called the September 13, 2023, meeting of the Arizona Commerce Authority Board of Directors to order at 1:03 p.m. The meeting was noticed and properly posted. Governor Hobbs requested Melissa Mills take the role. A Quorum of voting members confirmed present.

Board Members Present:

Governor Katie Hobbs

Sandra Watson

Mara Aspinall (virtual)

Tony Astorga

Dr. Michael Crow (virtual)

Co-Chair Michael Bidwill

Dr. Jose Luis Cruz Rivera (virtual)

Jenn Daniels (virtual)

Phil Gallagher

Mark Gaspers

Dr. Rick Gray

Duff Hearon

Pam Kehaly

Dr. Stacy Klippenstein (virtual)

Simer Mayo

Sherry Martin

Mayor Doug Nicholls

Girish Rishi

Dr. Robert Robbins

Danny Seiden

Jack Selby (virtual)

Cathleen Walker

Supervisor Jason Whiting (virtual)

Board Members Not Present:

John Arnold

Monica Garnes

Sharon Harper

Wes Kremer

Quinn Palomino

Clate Mask

President Warren Petersen

Speaker Ben Toma

Wick Pilcher

II. Welcome Remarks from Chair, Governor Katie Hobbs

Governor Hobbs welcomed attendees to the board meeting. The Governor opened her remarks by recognizing the departure of two board members, Duff Hearon and Quinn Palomino. She highlighted each member's contributions to the board and thanked each for their service. The Governor then recognized three new board members, Mara Aspinall, Sherry Martin, and Dr. Stacey Klippenstein. The Governor briefly described the backgrounds of each and highlighted her previous work with Dr. Klippenstein related to workforce development.

Next, the Governor briefed board members on a meeting that took place earlier in the day with staff from the CHIPS Program Office (CPO). She described sharing the strengths that make up Arizona's semiconductor industry and referenced the meeting as part of a multi-day tour of Arizona's semiconductor assets, including educational institutions.

The Governor then updated board members on the appointment of Carlos Contreras as the Director of the Arizona Office of Economic Opportunity. The Governor described Director Contreras's background. She also spoke about the importance of OEO's role in economic development and committed that the ACA and OEO will continue working closely to advance training initiatives and workforce development.

Governor Hobbs briefed board members on the launch of BuildItAZ, an initiative which kicked off in August. The initiative aims to double the number of construction and trades registered apprentices in the state by 2026.

After, the Governor spoke about the launch of the Infrastructure and Jobs Task Force in August. The Governor referenced historic investment bills signed by the President including the Infrastructure and Jobs Act, the CHIPS Act, and the Inflation Reduction Act. She told board members about an online dashboard to track federal investments and thanked Sandra Watson for her leadership to advance the work of the task force, mentioning that Sandra would update board members on broadband later in the meeting.

Governor Hobbs then introduced Michael Bidwill for remarks.

III. Welcome Remarks from Co-Chair, Michael Bidwill

Michael Bidwill talked about the progress made since January 2023. He spoke about major legislative, business, and workforce wins achieved under Governor Hobbs. He talked about a time of transition that is going very well for the state and mentioned that the ACA has a very full pipeline of projects.

Mr. Bidwill applauded the Governor for her work and thanked board members for their involvement. Mr. Bidwill then returned the floor to the Governor.

IV. Consent Agenda

Governor Hobbs called for a motion to approve the consent agenda (FY24 Budget and Processing Fee Schedule) and minutes from the June 13, 2023 meeting. Michael Bidwill called a motion. Girish Rishi seconded the motion. The Governor called for the ayes. No nays were recorded. The consent agenda and minutes were approved.

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

Sandra Watson began her remarks by echoing comments made by Governor Hobbs recognizing the outgoing board members and new members, thanking all for their service.

Sandra provided a brief overview of fiscal year 2023 results. During the period, the ACA worked with companies that committed to creating 24,246 projected new Arizona jobs, with an average wage of \$71,893, and capital investment of \$40.73 billion. All three amount to single year records for the ACA. Sandra highlighted the many urban and rural communities that saw expansions in FY 23.

Sandra then updated members on the fiscal year 2024 to-date results. Since July 1, the ACA has successfully won 19 projects, representing more than 5,500 projected jobs, with an average wage over \$72,500, and more than \$1.4 billion in capital investment. Sandra highlighted the Southwest region as making up a majority of new jobs in FY 24. She also noted significant activity from BioScience and Health Care and Business and Financial Services sectors.

Sandra then talked about the roughly 60 companies that have expanded in Arizona since January 2023. Sandra mentioned that 18 of the companies were able to be present at the board meeting and she began listing companies and their representatives. The companies included Evelution, HelloFresh, Black Teal Energy, Open Lab Solutions, Foresight Technologies, Northrop Grumman, Rose Acre Farms, Freepoint Ecosystems, Microstar Quality Logistics, Saras Micro Devices, Clayco, Republic Services, Applied Materials, Old Dominion Freight, Gowan Group, Jacuzzi Brands, Blackstar Orbital, and LG Energy Solutions. Attendees gave all businesses a round of applause.

Sandra advanced to talk about workforce, briefing members on the launch of new Future48 Workforce Accelerators. In June, Governor Hobbs announced the first two of those six workforce accelerator training centers, named Future48 Workforce Accelerators, in Kingman and Yuma. The facilities are the first of up to six to be established across the state to further scale advanced manufacturing workforce training.

Sandra talked about the importance of broadband, highlighting the Broadband Equity, Access, and Deployment (BEAD) Action Plan. Sandra highlighted the work of the Arizona Broadband Office at the ACA in implementing the BEAD Action Plan. She mentioned that ACA team members, in coordination with private sector partners, submitted roughly 60,000 successful challenges to the FCC broadband maps to ensure all qualifying Arizona households were accounted for.

Sandra introduced Executive Vice President of Business Development Vic Narusis to provide an update on the ACA pipeline.

Pipeline Update, Vic Narusis

Vic told board members that 31 pipeline projects selected Arizona since the last board meeting on June 13th, representing a 45% “win ratio.” Additionally, the business development team added 89 new projects to the pipeline resulting in a total of 402 pipeline projects, the first time the pipeline has exceeded 400 projects. These projects represent a potential of nearly 150,000 jobs and a capital investment of nearly \$385 billion.

Vic provided updates on headquarters projects and other industries by sector. Vic mentions that, related to project origins, the Southwest and International represent approximately 50% of pipeline projects. He noted that the ACA added 23 international projects since the last board meeting, a reflection of increased activities by international office teams, most notably in Korea and Taiwan.

Vic briefed on mega projects, stating the number of mega projects remains strong. The total number of mega projects stands at 57, up from 34 at the beginning of the fiscal 2023. Jobs and capital investment have similarly remained at just over 100,000 and \$364 billion. Since the last board meeting, the ACA was successful in winning 2 mega projects, representing over 2,700 jobs.

Vic returned the floor to the Governor.

Governor Hobbs announced that there will be a break before the executive session to take photos with the businesses present at the meeting. She called for a motion to enter into executive session. Michael Bidwill offered a motion. Danny Seiden seconded the motion. The motion passed.

VI. Executive Session

Governor Hobbs called the Executive Session to order at 1:45 p.m.

VII. Call to Board Members for Future Agenda Items

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

VIII. Adjournment

Governor Hobbs, Chair, called for motion to adjourn. Girish Rishi made a motion. Phil Gallagher seconded the motion. All board members in favor. The meeting was adjourned at 2:21 p.m.