

Update

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The Arizona Association for Economic Development is the leading advocate for responsible economic development for all of Arizona.

Promising: Arizona Economic Outlook 2004

BRIAN DALKE

The economic news about Arizona continues to be positive. Based on a national survey, Arizona continues to enjoy more economic development successes than most other states. California remains a critical component to our economy and 2004 promises to be a good year in Arizona.

Surveying economic development professionals can serve as a bellwether of future economic activity. A national survey of more than 900 economic development professionals was conducted in fall 2003 by the International Economic Development Council, in conjunction with the Greater Phoenix Economic Council (GPEC). Some key findings in the survey include:

- 62% of professionals nationwide feel that economic conditions in their region or community are very good or somewhat good. This compares to the consensus of our 20 Arizona Blue Chip economists that believe 2004 will provide Arizona's best economic performance in four years.
- Nationally our peers feel the reasons for job losses in the U.S.

are due to state/local budget conditions, reduction of manufacturing/service jobs and global competition. In contrast, Blue Chip consensus reveals that job growth in Arizona will increase by 3.4% and manufacturing will increase by 2.1%. Further, we are the fastest growing state in several sectors, including health services, construction, business services and government.

- According to economic development professionals nationally, one of the greatest impacts that can create success is investment in public infrastructure. Having worked in economic develop-

ment at the local level for the past ten years, I feel strongly that communities need to be creative in leveraging resources with the private sector to bring about infrastructure improvements. Infrastructure begets company locates, plain and simple, and begets additional private sector investment.

California, with a population of 35 million, is the greatest source of origin of newcomers to Arizona in 2003. Now consider that the cost of doing business in California is 32% higher than the national rate and as much as 50% higher than other Western U.S. states - due primarily to labor and electricity costs, and an increasingly high tax burden.

According to David Roderique, Director of Economic Vitality for City of Scottsdale and current Chair of the GPEC Economic Development Directors' Team, one-third of metropolitan Phoenix' prospect activity from potential relocating and expanding businesses comes from California. "This frenzy of California-based companies considering locations in neighboring states is due to the state's negative

Promising, continued on page 2...



Copper Square, Downtown Phoenix will realize over \$1 billion in investment beginning in 2004. Some of these projects include the expansion of the Phoenix Civic Plaza, opening of the Phoenix Bioscience Center and Arizona Bioscience Collaborative, over 100 residential loft and condominium units, expansion of the ASU downtown campus and construction of the Valley "Metro" light rail system.

Trivia Question

Other than Arizona, in what three U.S. states will you find a city named Phoenix?

- a) New York, Minnesota, Utah
- b) Maryland, New York, Oregon
- c) Texas, New York, Tennessee

Submit answer to joycegrossman@hotmail.com for a chance to win a bottle of wine from **Amara Boesch** of Carter Burgess

Editor's Note

With this issue we are giving credit where credit is due. We have many fine writers on the *AAED Update* team and starting with this issue we are posting their by-lines.

We enjoy your e-mails of encouragement and delight. Keep those e-mails coming.

Joyce Grossman
Editor-in-Chief

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Promising, continued

business climate reputation as well as natural and political disasters."

After looking at economic development strategies of organizations across Arizona it is noticeable that many of us are increasing our recruitment efforts in California. Paul Saldana, President/CEO of Tulare County Economic Development Corporation (California) and Chairman-Elect for the California Association for Local Economic Development (CALED) stated, "There is close synergy between California and Arizona. We have many of the same technologically-oriented sectors, many of which are knowledge-based such as biotechnology and R&D."

Quite frankly, we've learned a great deal from the Golden State. For example, our state and local development processes and fees must be fair and equitable. We keep saying it, but I challenge us to put it into practice; or we will become like our neighboring state to the west.

Economic development professionals in Arizona are the best in the nation. May your efforts result in a successful 2004 for you and your community or region.

Arizona Rural Forecast for 2004

EDITOR'S NOTE: BRIAN DALKE INDICATED THAT HE RECEIVED THIS VOICE MESSAGE AFTER DEADLINE FOR HIS FRONT PAGE ARTICLE. WE FELT IT WAS NEWSWORTHY SO HERE GOES.

David Bentler, Manager of Statewide Economic Development, APS, gives a rural perspective for 2004.

There continues to be increased interest in rural Arizona, as well. The hottest spots for prospect activity include the I-40 corridor (Flagstaff, Kingman and Winslow), Prescott and Prescott Valley, Casa Grande, Yuma and Sierra Vista.



President's Message: 2003

OUR YEAR IN REVIEW

What a great year it was. As an organization we accomplished goals that have put AAED back on top as one of the premier organizations in Arizona. The credit can be spread generously among many dedicated individuals. Our President for the first half of 2003 **Bob Tippett** set the benchmark for us to follow. Our officers, board members, committee chairs, and active members have been in the trenches doing the hard work to make our mission statement a reality.

There is not enough space to list every member responsible for our success this past year; however, the major events that we conducted in 2003 included the following:

- Northern AZ Economic Development Update in Flagstaff
- Spring Conference in Prescott
- Education Symposium
- Evergreen Air Center Tour
- Joint Fall Conference with Gov. Rural Development Conference

- Southern AZ Practitioners Forum
- 8th Annual Golf Classic
- Semiconductor Industry Forum
- Workforce Symposium
- Southeast AZ Economic Development Update in Safford
- Fundraiser for Free Arts of Arizona
- Member networking events in both Phoenix and Tucson

However in my opinion the one person who contributed their heart and soul to

AAED in 2003 and led us to a new level of professionalism and achievement is our Executive Director extraordinaire, **John Bowers**. John has somehow managed to attend every committee meeting, keep us focused on our action plan, organize and assist in every event, and most importantly give great attention and care to the membership at large.

I would personally like to thank John for his dedication and unending creativity in leading AAED to the well-deserved status and credibility that AAED now enjoys.

In 2004 we will celebrate our 30th anniversary. Few organizations can boast our longevity. Thank you to all past and present members who will continue to work and build our organization to even greater achievements. Let's continue to dedicate ourselves to making AAED and Arizona the very best it can be.

Bruce Coomer

AAED President 2003-2004



Left to right: Senator Ken Bennett, AAED President Bruce Coomer and Speaker Jake Flake at the Fall AAED Conference.

Trivia Unveiled

Here is the answer to the last issue's Trivia Question:

Why is Aerospace so attractive for Arizona?

Scott Flake correctly responded "E" all of the above.

Scott received from **Mayor Skip Rimsza** a signed Phoenix coffee table book.



AAED Event Calendar

JAMES MASON & JOHN BOWERS

JANUARY 6

Phoenix Membership Luncheon
Phoenix Country Club

11:30 am—1:00 pm

PROGRAM: The Honorable Jake Flake, Speaker of the Arizona House of Representatives, "Economic Development in Arizona: Observations from the Speaker's Chair"

JANUARY 15

Southern Arizona Membership Luncheon
Doubletree Hotel—Reid Park

11:30 am—1:30 pm

PROGRAM: "2010 - How Do We Get There?"
SPEAKERS: Dr. Lay Gibson, U. of Arizona; David Taylor, City of Tucson

JAN. 25-30

Tucson Basic Economic Dev. Course,
University of Arizona, Tucson Arizona
Contact: Lay Gibson

E-mail: ljgibson@ag.arizona.edu Phone: 520.621.7899

JANUARY 25-27

Renaissance Vinoy Resort, St. Petersburg, FL
International Economic Development
Council - Leadership Summit
Information: <http://www.iedonline.org/LeadershipSummit/program.html>

JANUARY 28-30

Renaissance Vinoy Resort, St. Petersburg, FL
International Economic
Development Council -
If You Build It They Will Come
Information: www.iedonline.org/IfYouBuildIt/program.html

FEBRUARY 3

Phoenix Membership Luncheon
Phoenix Country Club
11:30 am—1:00 pm
PROGRAM: Economic Impact of the Arts
SPEAKERS: Shelley Cohn, Exec. Dir.,
Arizona Commission for the Arts;
Dave Howell, V.P. Community & Govern-
ment Relations, Wells Fargo Bank Arizona

Newsworthy

Gayle Rusing is the new President and CEO of the Greater Yuma Economic Development Foundation. She moves to that position from the City of Goodyear.

Barbra Coffee has joined the City of Goodyear Department of Economic Development as Project Manager.

Kevin Kudlo, Chair of the AAED Events Committee has accepted a position as Group Vice President, Development, of The Mills Corporation, moving from The Beck Group.

Nick Davis, a member of the AAED Board of Directors, replaces Kevin as Director of Business Development with The Beck Group. Nick was formerly with The Hansen Company.

Terree Wasley is the new Vice President for Economic Development of the Greater Phoenix Chamber of Commerce. Terree was formerly the Chamber's Vice President of Entrepreneurial Service and Business Education.

Doug Cook retires from Opus West Construction on January 1, 2004 and will be relocating to Copperas Cove, Texas.

Beth Steinberg has re-joined Leo A. Daly.

Curtis Woody has joined Sundt Construction in Tucson, replacing **Rebecca Manegold** as Manager of Business Development. Rebecca was recently married and has moved to Las Vegas.

Jim Webb has joined the City of Eloy as Grants Writer/Coordinator. Jim was previously with the Town of Florence.

Krista Dearing has joined Broadbent & Associates as a Project Manager. She was previously with SWCA Environmental Consultants.

Tony Moon is leaving Arizona this month to become head of an economic development organization in the Antelope Valley of California.

CORE Construction Services of AZ, Inc. is the new name for what was formerly Target General Contractors. **Jennifer Cooper** represents the company in AAED.



Jennings, Strouss & Salmon, P.L.C., an AAED

Partner, has added Peter M. Eichler to their staff as a partner. He will serve as Chair of the Intellectual Property group. He has been responsible for protection of such well known marks as STAR WARS, STAR TREK, BARBIE, and merchandising needs for Arnold Schwarzenegger, Elizabeth Taylor and Frank Sinatra.

Spotlight On: Kristi Hedlund

LYDIA JAKUB

As Director of Cox Business Services (CBS) in Arizona, Kristi Hedlund manages the delivery of Cox's telephone and high-speed data products to business customers statewide. She joined the team in April 2003 and brings more than 15 years of experience in the telecommunications field, holding various management positions with LDDS WorldCom in North Dakota, Minnesota, and Arizona, as well as with Qwest Communications in Arizona.



What is CBS?

"CBS is the division of Cox Communications that serves the commercial business, government, and education markets, and offers businesses a full portfolio of broadband communications solutions. Our products include telephone services, high-capacity voice and data transport services (1.5 Mbps. to more than 2 Gbps.), high-speed Internet access and more."

"Our business customers range from small entrepreneurial efforts run from a home office to Fortune 500 companies. For example, a smaller office could receive an affordable, high-speed

Internet connection for multiple users for a nominal fee, and large businesses requiring bandwidth intensive applications have access to varying network services."

Why did CBS become involved with AAED?

"As a business communication provider and part of the Arizona business

community, CBS believes organizations like AAED help strengthen the state's business economy for all. AAED provides a forum for the sharing of ideas and best practices, as well as a venue for business-to-business networking, and CBS is proud to offer continued support."

What is the biggest challenge for CBS?

"Arizona is growing at a phenomenal pace, and much of the growth is occurring in the CBS serviceable areas of greater Phoenix and Tucson. However,

since CBS does not resell other providers' services, our network must be expanded to meet the increasing demand for broadband communication services to the newly developed areas. Meeting this demand with capital constraints and within quick timeframes is an on-going challenge.

"Building and maintaining a network allows CBS to provide advantages over companies that resell high-speed Internet access and telephone services. These advantages, like competitive pricing, quick response time, and dealing with one communications company instead of several, translate into timely, money-saving benefits for our customers."

On a personal note...

Hedlund holds a board position with Cox Charities and is involved with the National Association of Industrial & Office Parks, the Home Builders Association of Central Arizona, and Valley Partnership, as well as with the Resurrection Lutheran Church in Phoenix. She has three children; Nathaniel who resides in Minnesota, Amanda who attends ASU, and Garrett who lives in Los Angeles.

Welcome Aboard: New or Returning AAED Members

Barry Albrecht, Executive Director
Sierra Vista Economic Development Foundation
311 E. Wilcox, Ste 206, Sierra Vista AZ 85635
(520) 458-6948 ceo@svedf.org

Char Beltran, President/CEO
Sedona Chamber of Commerce
PO Box 478, Sedona AZ 86336
(928) 204-1123 cbeltran@sedonachamber.com

Tammy Carr, Business Development Manager
Deutsch Associates
2929 N. 44th Street, Suite 320, Phoenix AZ 85018
(602) 840-2929 tcarr@2929.com

Jeremy Christopher, Vice President & Director of Business Development
Greater Flagstaff Economic Council
1300 S. Milton Road, Ste 125, Flagstaff AZ 86001
(928) 779-7658 jeremyc@gfec.org

David Howard, Principal
Broadbent & Associates, Inc.
2432 W. Peoria Ave., Ste 1096, Bldg. 6, Phoenix AZ 85029
(602) 548-5544 dbhoward@broadbentinc.com

Lisa Khnanisho, Regional Business Development
TMAD Engineers
7250 N. 17th St., Ste 200, Phoenix AZ 85020
(602) 371-1333 X 130 lisak@tmadeng.com

Linda Koltonow, Director of Business Development
The Michaels/Wilder Group
7775 W. Golden Lane, Peoria AZ 85345
(623) 334-0100 linda@michaelswilder.com

Matthew J. McCormick, Regional Manager
Knoll, Inc.
2901 N. Central Ave., Ste 160, Phoenix AZ 85012
(602) 248-2777 mmcormick@knoll.com

Nancy Russell, Director, Small Business Dev. Center
Pima Community College,
401 N. Bonita, #A250, Tucson AZ 85709
(520) 206-6404 nancy.russell@pima.edu

Kathy Sacks, Vice President of Marketing & Communications
Arizona Technology Council
1295 W. Washington Street, Tempe AZ 85281
(602) 343-8324 ksacks@aztechcouncil.org

Philip Testa, Director, Community and Economic Development
City of Surprise
12425 W. Bell Road, Suite D-100, Surprise AZ 85374
(623) 875-4287 philip.testa@surpriseaz.com

Terree Wasley, Vice President Economic Development
Greater Phoenix Chamber of Commerce
201 N. Central Ave, 27th Floor, Phoenix AZ 85073
(602) 495-6470 twasley@phoenixchamber.com

To join AAED, call John Bowers at (480) 921-9131 or log on to www.aed.com for an application.

The Latest Dirt

DAVID WEISSMAN

Find out the latest developments in some of the 113,642 square miles we call Arizona.

AVONDALE: Avondale's new City Hall has opened for business and is located at the new \$20 million Civic Center complex on Avondale Boulevard. The complex will serve as a one-stop-shop government center for residents and those doing business in the city.

Avondale City Hall customers can obtain a building permit, fill out a job application, pay their water bill, and much more at the service counter.

PRESCOTT:

Three construction projects representing a combined \$20 million in capital investment soon will be underway in downtown Prescott. Breaking ground

in 2004 will be a 500-space parking garage designed by Phoenix firm Dick & Fritsche, a 30,000-square-foot professional office/apartment building called McCormick Place, and the 50,000-square-foot Summit Financial Center.

SCOTTSDALE: Isotechnika Inc., an international biopharmaceutical company, established its U.S. headquarters in Scottsdale to bring improved drugs to America. The

company has eight employees in Scottsdale and plans to expand to 20 within the next few years. Isotechnika Inc. chose

the Valley for their U.S. headquarters because of its relatively low costs, international airport and biotech workforce.



Avondale's new City Hall

Free Arts

RACHEL BURKE

The generosity of AAED members was surely evident at this year's December luncheon. So many prizes for the raffle were donated that there was



hardly enough space to accommodate them, members brought with them dozens of guests, and \$1,630 was raised for Free Arts of Arizona, a non-profit organization that brings the hopeful, helpful powers of the creative arts to abused, neglected, and homeless children.

Free Arts depends on the love, commitment, and generous support of community volunteers and local businesses to achieve their mission.

Volunteers share their creativity in the visual arts, theater, dance, music, creative writing, and other projects with children who live in residential treatment centers, group homes, and shelters to build trust, develop a renewed sense of self worth, and create a non-judgmental environment to encourage the expression of emotions.

If you were unable to participate at this year's luncheon and would like to donate your time or make a monetary contribution, please contact Stephanie Small at (602) 258-8100 or visit www.freeartsaz.org.

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AAED Update

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AAED Update provides news and views of the Arizona Association for Economic Development and its members.



Rachel Burke hands over a check for \$1,630 to Stephanie Small, the Executive Director of Free Arts of Arizona.

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