

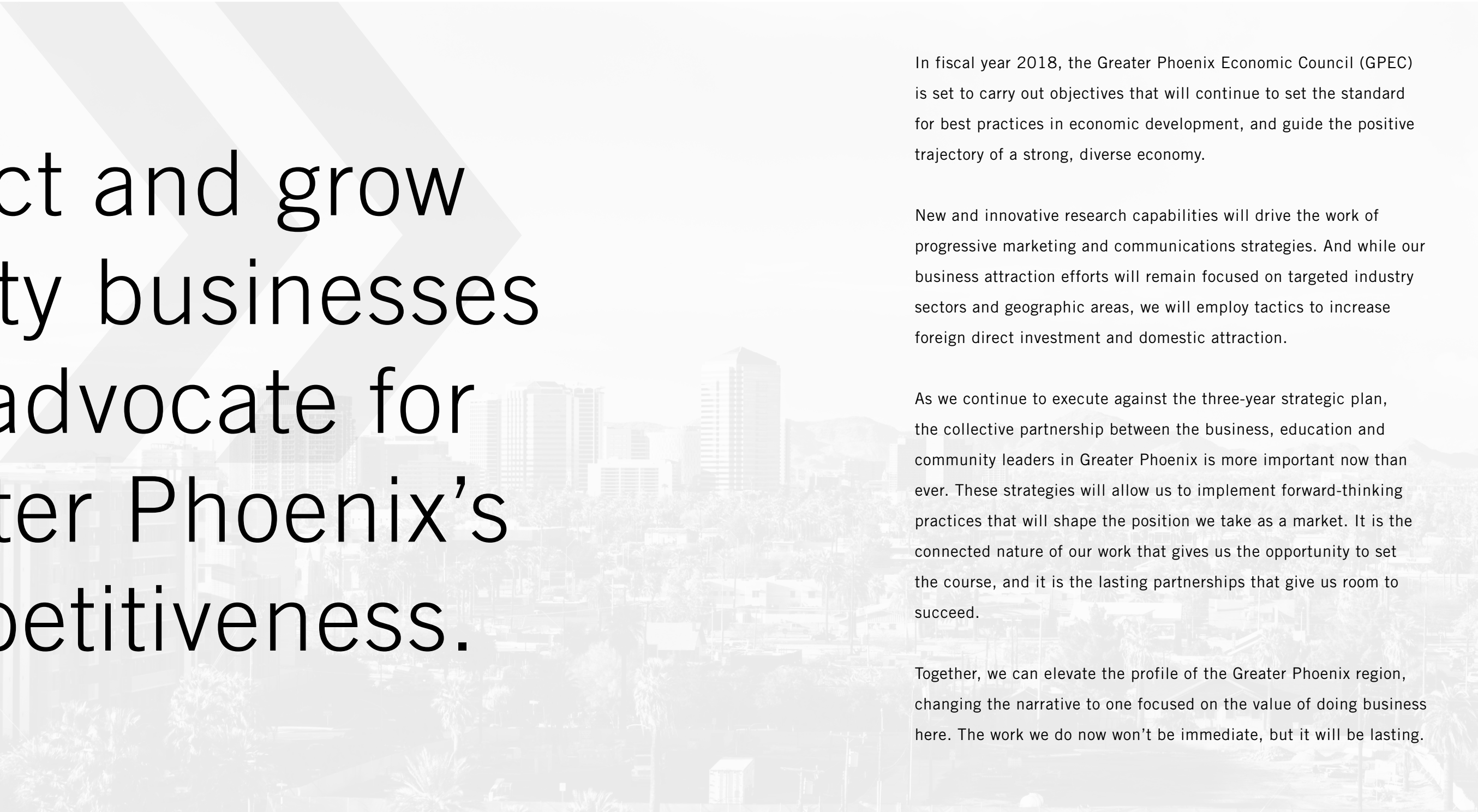
ERNST & YOUNG

GREATER PHOENIX ECONOMIC COUNCIL **ACTION PLAN**

FISCAL YEAR 2018



Greater Phoenix
ECONOMIC COUNCIL



Attract and grow
quality businesses
and advocate for
Greater Phoenix's
competitiveness.

GPEC MISSION

A LETTER FROM CHRIS CAMACHO

President & CEO, Greater Phoenix Economic Council

In fiscal year 2018, the Greater Phoenix Economic Council (GPEC) is set to carry out objectives that will continue to set the standard for best practices in economic development, and guide the positive trajectory of a strong, diverse economy.

New and innovative research capabilities will drive the work of progressive marketing and communications strategies. And while our business attraction efforts will remain focused on targeted industry sectors and geographic areas, we will employ tactics to increase foreign direct investment and domestic attraction.

As we continue to execute against the three-year strategic plan, the collective partnership between the business, education and community leaders in Greater Phoenix is more important now than ever. These strategies will allow us to implement forward-thinking practices that will shape the position we take as a market. It is the connected nature of our work that gives us the opportunity to set the course, and it is the lasting partnerships that give us room to succeed.

Together, we can elevate the profile of the Greater Phoenix region, changing the narrative to one focused on the value of doing business here. The work we do now won't be immediate, but it will be lasting.

METRICS AND BUDGET

	FY18		
	CONTRACT	TARGET	STRETCH
Payroll (in Millions)	\$326.60	\$359.26	\$413.15
Jobs	6,919	7,611	8,753
High Wage Jobs ¹	2,698	2,968	3,413
Average High Wage Salary	\$52,810	\$58,678	\$67,480
Qualified Prospects	229	252	277
Qualified International Prospects	38	42	46
GPEC Assists ²	10	12	14

FOOTNOTES FOR THE METRICS:

1. High Wage Jobs: High wage jobs are those that are over 125% of the Maricopa County Median Wage (currently \$44,700).
2. GPEC Assist: Companies that located in the region for which GPEC provided assistance that do not qualify as a locate, due to project size, for example; and would otherwise be listed as "non-reported locates." This replaces the Emerging Tech Assist metric from previous reports to better capture GPEC activities.

REVENUES	FY 2017 FORECAST	% OF TOTAL	FY 2018 BUDGET	% OF TOTAL	FY 2017 BUDGET	\$ CHANGE	% CHANGE
Public Funds	\$2,302,935	42.0%	\$2,329,000	42.7%	\$2,302,900	\$26,100	1.1%
Private Funds	2,545,000	46.4%	2,707,000	49.7%	2,545,000	162,000	6.4%
New Pledge Revenue	254,500	4.6%	250,000	4.6%	250,000	-	0.0%
In-Kind Pledges	77,000	1.4%	64,500	1.2%	77,000	(12,500)	(16.2%)
Events & Programs	103,600	1.9%	99,700	1.8%	99,700	-	0.0%
Sponsorships	114,369	2.1%	-	0.0%	50,000	(50,000)	(100.0%)
Grant Income	50,085	0.9%	-	0.0%	185,000	(185,000)	(100.0%)
Other	34,287	0.6%	1,300	0.0%	1,300	-	0.0%
TOTAL REVENUES	\$5,481,776	100.0%	\$5,451,500	100.0%	\$5,510,900	\$(59,400)	(1.1%)

OPERATING EXPENDITURES							
Business Development	405,947	8.0%	384,900	7.0%	454,600	(69,700)	(15.3%)
Marketing	182,665	3.6%	226,400	4.1%	215,100	11,300	5.3%
External Relations	247,425	4.9%	272,500	4.9%	272,600	(100)	(0.0%)
Research & Strategy	110,986	2.2%	190,200	3.4%	192,600	(2,400)	(1.2%)
Resource Management	260,481	5.1%	324,300	5.9%	218,200	106,100	48.6%
Personnel	3,071,394	60.4%	3,070,700	55.5%	3,318,600	(247,900)	(7.5%)
Facilities	447,133	8.8%	877,000	15.9%	512,300	364,700	71.2%
In-Kind	77,000	1.5%	64,500	1.2%	77,000	(12,500)	(16.2%)
Events & Programs	231,071	4.5%	120,000	2.2%	190,000	(70,000)	(36.8%)
TOTAL OPERATING EXPENDITURES	5,034,103	99.0%	5,530,500	100.0%	5,451,000	79,500	1.6%

NON-OPERATING EXPENDITURES							
Grant Expenses	50,085	1.0%	-	0.0%	-	-	100.0%
Total Expenses	\$5,084,188	100.0%	\$5,530,500	100.0%	\$5,451,000	\$79,500	1.5%
Net Gain (Loss)	\$397,588		\$(79,000)		\$59,900	\$(138,900)	
Less: Capital Expenditures	(81,000)		(15,000)		(95,000)	80,000	
Amortization of Deferred Rent	(64,000)		(110,000)		(63,600)	(46,400)	
Amortization of Capital Leases	(10,500)		-		(10,500)	10,500	
Add: Depreciation	26,000		436,200		50,300	385,900	
Changes from Operating Activities	-		41,125		12,400	28,725	
Net Cash Flows	268,088		273,325		(46,500)	319,825	
Beginning Cash	1,669,000		1,937,088		1,765,000	172,088	
ENDING CASH	\$1,937,088		\$2,210,413		\$1,718,500	\$491,913	

ACTION ITEMS AND FY2018 MILESTONES

01

SUMMARY

The core mission of GPEC to lead business attraction for Greater Phoenix will be supported by cutting-edge research and analytics methodologies as a way to increase new leads and drive deal flow.

Develop and utilize unique analytic tools and methodologies to drive both marketing approaches and identification of business development outreach targets.

TACTICS

- Develop and implement a data analytics model to drive better marketing approaches as well as business attraction strategies
- With the support of research, continue the work of the Corporate 100 Program – which is focused on connecting with companies in GPEC’s targeted industries in the Greater Phoenix region with headquarters outside the market.
- Conduct an evaluation of the industries that make up Greater Phoenix’s base, to align our attraction strategies with the industries that will drive the region’s future growth.
- Partner with the innovation and entrepreneurial ecosystem in Greater Phoenix to promote the innovation activity in the market to key venture capital firms as a channel for business development

MEASURES AND MILESTONES

- 45% of prospects sourced through GPEC direct prospect generation
- Implement an analytics-driven business attraction model
- Analysis conducted of the region’s current industry sectors, with recommendations for realignment of newly identified target industries

STRATEGIC PLAN OBJECTIVES

- Attract more scalable enterprises in advanced industries



02

Advance competitiveness priorities through regional collaboration

SUMMARY

Partnering with stakeholders in the public and private sector, GPEC will convey key messaging related to competitiveness issues.

TACTICS

- As a result of the recommendations of the Competitiveness Council, inform key decision makers on necessary and relevant tools, and economic development programs related to competitiveness, focused on enhancing regional economic dynamism through intensifying innovation, and modern infrastructure
- Advocate for a coordinated and industry-driven regional workforce system with emphasis on career pathways for middle and high-skilled workers by supporting PEI's focus on workforce development, through stakeholder engagement and social outreach
- Build support for regional economic development issues – including transportation, entrepreneurship, and trade – across peer organizations with united messaging on key issues

MEASURES AND MILESTONES

- Conduct ongoing meetings with identified top influencers in the region
- Generate a strategy for using key market leaders as conduits to emerging companies in the region
- Partner with or lead 3 regional events focused on the innovation ecosystem, such as Venture Madness or Startup Week

STRATEGIC PLAN OBJECTIVES

- Lead collaboration across peer organizations to leverage complementary assets and strengthen coordinated action
- Promote innovation and commercialization to support an advanced industry ecosystem
- Advocate for workforce development initiatives to support the growth of advanced industries
- Engage state and local policymakers on new economic development and competitiveness concepts

03

Partner with GPEC's member communities to evaluate community planning necessary for future projects, and enhance industry selling strategies through the development of cohesive messaging around the region's unique value propositions

SUMMARY

Together with the communities, GPEC will focus on key industry verticals in the Greater Phoenix region and refine the business development team's abilities to craft relevant narratives for business attraction.

TACTICS

- Continue the Community Partnership Program to develop and inform cohesive regional economic development strategies
- Refine current and new use cases, value propositioning and industry diversification strategies
- Partner with the communities to mobilize strategic opportunities identified in Market Intelligence reports

MEASURES AND MILESTONES

- Develop co-branded high impact district marketing pieces with communities as an outcome of CPP meetings
- Create and convey regional selling strategies across GPEC member communities
- Work with the member communities to respond to threats and opportunities discovered in Market Intelligence reports

STRATEGIC PLAN OBJECTIVES

- Refine the consultative model with a focus on specialized expertise and knowledge
- Partner with communities to deploy a regional Market Intelligence system

04

Target key audiences through strategic media placement and digital platforms to enhance Greater Phoenix's brand and drive lead generation for business attraction

SUMMARY

Digital marketing strategies will be deployed to elevate GPEC's outreach and business attraction efforts.

TACTICS

- Optimize the website to drive performance and lead generation
- Employ a marketing campaign focused on California, specific to high-growth and technology-based companies
- Implement lead-generation marketing through digital campaigns to increase direct sourced leads
- Continue a national and international media strategy around promoting the Greater Phoenix market position

MEASURES AND MILESTONES

- Deploy responsive content specific to California users on GPEC's website
- Increase the average user session duration on the GPEC website
- Launch a regional blog to enhance market position and thought leadership presence

STRATEGIC PLAN OBJECTIVES

- Engage targeted audiences through digital platforms to generate leads and establish GPEC as a thought leader and brand the region as a location of choice for Foreign Direct Investment

05

Implement strategies to heighten recognition of the Greater Phoenix region in targeted industries and markets identified by the Metro Phoenix Global Investment Plan

SUMMARY

Execution of the campaign, The Connected Place, to promote Greater Phoenix, USA globally.

TACTICS

- Conduct an outbound business attraction strategy focused on Internet of Things (IoT) and sensor technology enabled companies both nationally and internationally
- Enhance relationships with the region's largest trading partners to increase foreign direct investment (FDI)
- Brand the region as a hub for IoT and sensor enabled technology companies
- Engage existing IoT and sensor companies in the region to leverage international market connections

MEASURES AND MILESTONES

- Establish a baseline for IoT and sensor industry prospects
- Increase website visits to theconnectedplace.org
- Implementation of the FDI aftercare program
- Development of the Global Partnership Program
- Increase international traffic to GPEC website

STRATEGIC PLAN OBJECTIVES

- Brand the region as a location of choice for Foreign Direct Investment



LEADERSHIP COUNCILS AND ADVISORY GROUPS

The collective professional expertise of GPEC's councils and advisory groups help shape the organization's key initiatives, leverages connections to further job creation and competitiveness efforts and supports the implementation of programs.

GPEC NEXT LEADERSHIP COUNCIL
 Advises GPEC leadership and the board on the development of the strategic plan, annual action plan and metrics, and the Washington, D.C. Executive Mission.

COMMUNITY BUILDING CONSORTIUM
 Applies collective commercial real estate experience to help capture business development opportunities and increase the region's transactional capabilities.

MAYORS AND SUPERVISORS COUNCIL
 Convenes mayors of GPEC communities and county supervisors for regular updates on strategic initiatives.

INTERNATIONAL LEADERSHIP COUNCIL
 Advises on the direction and implementation of GPEC's export and foreign direct investment efforts, and provides guidance to increase program impacts.

ECONOMIC DEVELOPMENT DIRECTORS TEAM
 Advises the GPEC President & CEO, and staff on local economic development trends, offers insight on the pulse of city and town councils, and partners with GPEC to finalize location decisions.

HEALTHCARE INNOVATION COUNCIL
 Works to advance healthcare and bioscience initiatives for the region and establish Greater Phoenix as a center of excellence, anchored by innovative assets and world-class leadership.

GOVERNANCE >>

BOARD OF DIRECTORS
 Provides oversight of the organization and helps shape GPEC's influence as a regional thought leader.

EXECUTIVE COMMITTEE
 Acts on behalf of the board of directors, advising on strategic direction and overall performance of annual goals.

BOARD-LEVEL COMMITTEES

PERFORMANCE COMMITTEE
 Evaluates the performance of the organization and the President & CEO.

AMBASSADORS

At the foundation of GPEC's engagement activity are Ambassadors, whose broad range of professional backgrounds lend critical assistance to regional business climate improvement and business development efforts.

Ambassadors help communicate, educate, and inform stakeholders, policy-makers, citizens and media about key regional economic development issues.

CERTIFIED AMBASSADORS

Ambassadors who meet certain qualifications become certified to serve as an extension of the GPEC team and are given the opportunity to interface more closely with GPEC's staff and board on program initiatives and mission-critical efforts.

AMBASSADOR STEERING COMMITTEE

Advises on strategic direction of the Ambassadors Program; designs activities relevant to and in support of GPEC's mission; and, serves as a sounding board for emerging initiatives and supports implementation of programs.

AUDIT COMMITTEE

Assesses internal controls and oversees auditors and the annual audit.

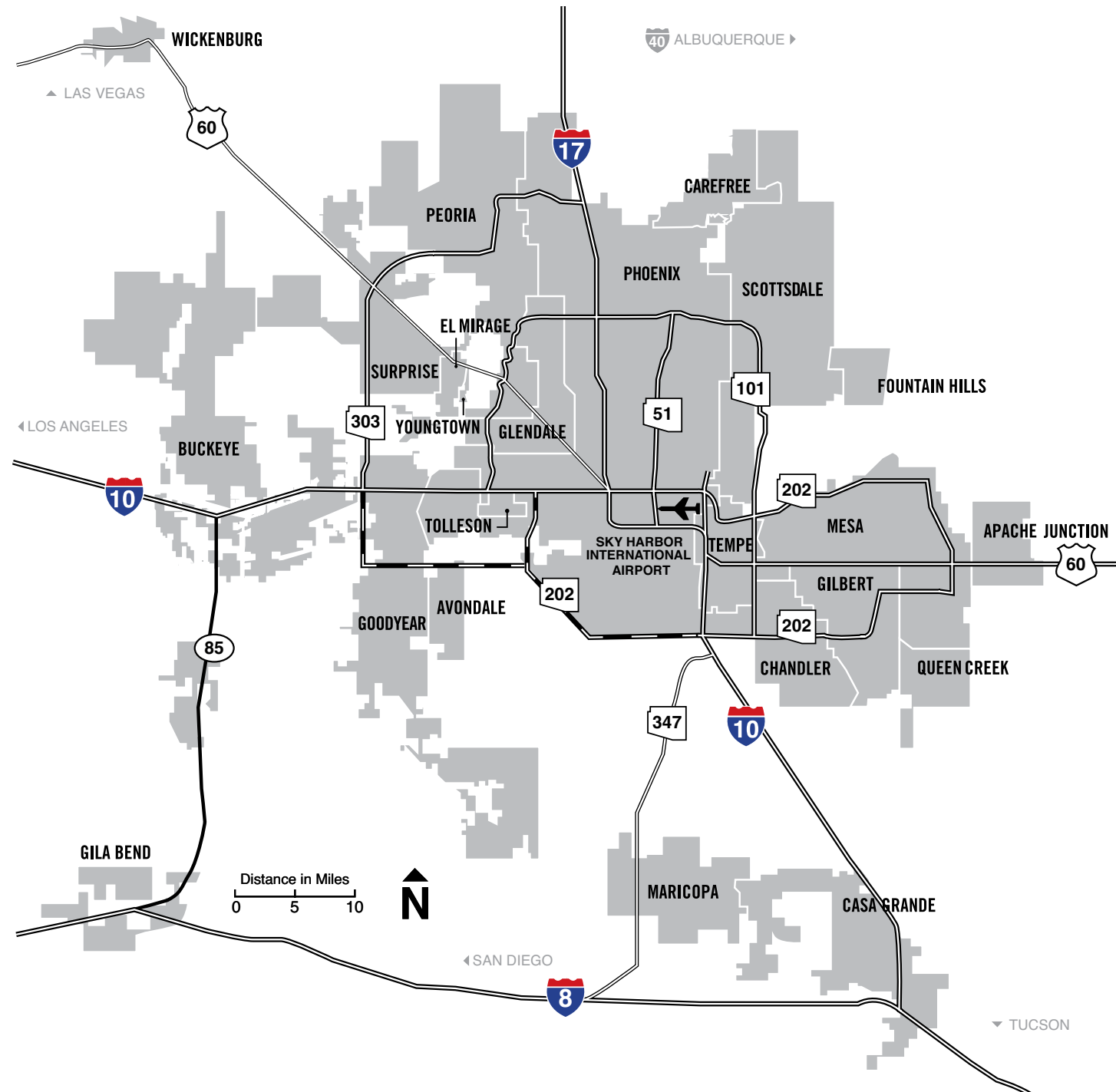
NOMINATING COMMITTEE

Nominates the at-large directors and board officers, and recommends candidates to the board for approval, based on nominations received from mayors and supervisors of member communities.

FINANCE COMMITTEE

Sets financial objectives for the organization and recommends the annual budgets as part of the Action Plan.

MEMBER COMMUNITIES



CHAIRMAN'S COUNCIL



CORPORATE COUNCIL



EXECUTIVE COUNCIL



DIRECTORS' COUNCIL

American Airlines	Chicanos Por La Causa	Freeport McMoRan Copper & Gold	Mayo Clinic	Polsinelli PC
Arizona Cardinals	CBRE	Goodwill of CentralArizona	MidFirst Bank	Quarles & Brady
Arizona Diamondbacks	Cousins Properties	Intel Corporation	Mortenson	RED Development
Bank of America	Dignity Health	Kitchell	Northern Trust	Republic Media
Banner Health	DMB Associates	Knight Transportation	OH Partners	Squire Patton Boggs
BBVA Compass	Empire Southwest	Maracay Homes	Perkins Coie LLP	University of Phoenix
Cancer Treatment Centers of America	Ernst & Young		Phoenix Suns	Valley Metro

LEADERSHIP COUNCIL

Aetna	D.L. Withers Construction	Jones Lang LaSalle	Renaissance Companies	TruPath
Alexander Building Company	Daedalus Real Estate Advisors	Kutak Rock	Rose Law Group	Turner Construction
Atmosphere Commercial Interiors	Deloitte	Layton Construction	Ryan Companies	University of Arizona
BDO	Deutsch Architecture Group	Lee & Associates	Savills-Studley	UPS
Blue Cross Blue Shield of Arizona	El Dorado Holdings	Lewis Roca Rothgerber	Siemens	USAA
BMO Harris Bank	Equity Health	Liberty Property Trust	Skanska USA Building	US Bank
Bryan Cave	Gammage & Burnham	Mainstreet	SmithGroup	VanTrust Real Estate
Brycon Construction	Goodmans Interior Structures	M+W Group	Snell & Wilmer	ViaWest Group
Caliente Construction	Green Loop Solutions	Meritage Homes	Southwest Gas Corporation	Ware Malcomb
Celgene Corporation	Hensley	Nationwide Realty Investors	Southwest Airlines	Weitz Company
CenturyLink	Hines	Newmark Grubb Knight Frank	Sunbelt Holdings	Wespac Construction
Colliers International	Homeowners Financial Group	Okland Construction	The Plaza Companies	Willmeng Construction
Crescent	Honeywell	Opus Development Company	Transwestern Commercial Services	Wist Office Products
CrownDistributing	JE Dunn Construction	Phoenix Children'sHospital	Tratt Properties	
Cushman & Wakefield			TriWest Healthcare Alliance	

AMBASSADOR

3rd Story Architecture	BNSF	Coe & Van Loo Consultants	Holualoa Companies	Midwestern University
Air Products & Chemicals	Bristol Global Mobility	Corporate Interior Systems	IRIS USA	MSS
Archicon L.C. Architecture	Bury	CoStar Group	Johnson Carlier	On Q Financial
Arizona Business Bank	Cenlar	Dircks Moving & Logistics	Keyser	Osborn Maledon
Arizona Community Foundation	Central Arizona Commerce Park	DIRTT	KTAR	Resolution Copper Mining
Avnet	CKS Advisors	Grant Thornton	Landmark Companies	St. Clair Technologies
	Clarius Partners		Macerich	Sunstate Equipment Company
	Clark Hill PLC		Merit Partners	



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