

#32  
JUL 31 2008



**MEMORANDUM**                      **Economic Development – Council Memo ED09-007**

**DATE:**            July 16, 2008

**TO:**                MAYOR AND COUNCIL

**THRU:**            W. MARK PENTZ, CITY MANAGER  
                         PATRICK MCDERMOTT, ASSISTANT CITY MANAGER

**FROM:**            CHRISTINE MACKAY, ACTING ECONOMIC DEVELOPMENT  
                         DIRECTOR

**SUBJECT:**        GREATER PHOENIX ECONOMIC COUNCIL CONTRACT  
                         FOR FISCAL YEAR 2008-09

RECOMMENDATION: Staff recommends approval of the proposed Fiscal Year 2008-2009 contract for regional economic development services with the Greater Phoenix Economic Council (GPEC) in the amount of \$93,998, and authorize the Mayor to sign the contract approved by the City Attorney.

BACKGROUND/DISCUSSION: The City of Chandler and other communities in Maricopa County contract with GPEC on an annual basis to provide regional economic development services. The City of Chandler and other major cities have contracted with GPEC since 1989 to conduct marketing and business lead generation activities for the Greater Phoenix market.

City Economic Development staff participates with GPEC on regional economic development activities, including formulating GPEC's Action Plan for FY 2008-2009. Staff participates on the Economic Development Director's Team (EDDT), made up of economic development professional from each member organization (19 communities, Arizona State University, Maricopa Community College District, Arizona Department of Commerce, Arizona Public Service and Salt River Project).

The EDDT Team works with GPEC to market and attract new quality employers to the market and to develop and implement competitiveness strategies for the region. With input from the EDDT Team, GPEC's performance measures have evolved over the past

several years to focus less on quantity and more on quality indicators, such as targeting companies that create higher average salary jobs and higher capital investment.

As part of the City's contract with GPEC, Chandler receives two GPEC Board of Director's appointments (Mayor Dunn and Jason Bagley with Intel). Additionally, Patrice Krause, Intergovernmental Affairs Coordinator, is currently Chairman of the GPEC Policy Development Team.

The annual contract amount for GPEC is determined by 2007 Maricopa Association of Governments ("MAG") population estimate multiplied by a fixed amount per capita. Chandler's proportionate share, based on the MAG 2007 population estimate is \$93,988.

GPEC and the City of Chandler have partnered on two corporate locate projects this fiscal year (CDW Corporation and Qualcomm), as well as eleven more since 2002. This has generated the following outcomes:

- 7,450 new jobs in Chandler from GPEC-assisted locates
- \$3.46 billion in capital investment
- \$361 million in new payrolls
- Absorption of 3,258,300 sq. ft. in new and existing industrial, office and distribution space

The proposed FY08-09 contract has identifiable and measurable performance targets for GPEC, with monthly and quarterly reporting mechanisms built in. Exhibits to the contract include a scope of work with specific activities identified, performance targets, community industry targets, reporting mechanisms and insurance requirements.

Staff has reviewed the proposed contract and recommends continued support of GPEC's regional economic development efforts.

### **Financial Implications**

The contract amount of \$93,988 is budgeted in the Economic Development Division Cost Center (1520).

### **Proposed Motion**

Move to approve the contract with the Greater Phoenix Economic Council for FY08-09 in the amount of \$93,988, and authorize the Mayor to sign the contract approved by the City Attorney.

**AGREEMENT BETWEEN  
THE GREATER PHOENIX ECONOMIC COUNCIL  
AND THE CITY OF CHANDLER**

City Contract No. \_\_\_\_\_

The City Council of the CITY OF CHANDLER, a municipal corporation (the "City"), has approved participation in and support of the regional economic development program of the GREATER PHOENIX ECONOMIC COUNCIL ("GPEC"), an Arizona non-profit corporation. The purpose of this agreement ("Agreement") is to set forth the regional economic development program that GPEC agrees to undertake, the support that the City agrees to provide, the respective roles of GPEC and the City and the payments of the City to GPEC for the fiscal year July 1, 2008 - June 30, 2009.

**NOW, THEREFORE**, in consideration of the mutual promises contained herein, the CITY and GPEC agree as follows:

**I. RESPONSIBILITIES OF GPEC**

- A. MISSION:** GPEC works to attract quality businesses to the Greater Phoenix Region from around the world, and advocate and champion foundational effects to improve the region's competitiveness.
  
- B. GOALS:** GPEC is guided by and strategically focused on two specific long-range goals:
  - 1. Marketing the region to generate qualified business/industry prospects in targeted economic clusters
  
  - 2. Leveraging public and private allies and resources to locate qualified prospects, improve overall competitiveness, and sustain organizational vitality
  
- C. RETENTION AND EXPANSION POLICY:**
  - 1. GPEC's primary role is image building, marketing and new business attraction for the Greater Phoenix region.
  
  - 2. Retention and expansion of existing businesses is primarily a local issue.

3. GPEC can add value to retention and expansion of existing businesses through regional support and research on key retention and expansion projects.
4. GPEC has a responsibility to advise the City when an existing company contacts GPEC regarding a retention or expansion issue.

**D. ACTION PLAN AND BUDGET:** In accordance with the Mission, Goals and Retention Policy set forth above and subject to the availability of adequate funding, GPEC shall implement the Action Plan and Budget adopted by GPEC's Board of Directors, a copy of which has been delivered to the City, receipt of which is hereby acknowledged. A summary of the Action Plan is attached hereto as **Exhibit A** ("GPEC Action Plan"). The City shall be informed of any changes in the adopted Action Plan which will materially affect or alter the priorities established therein. Such notification will be in writing and will be made prior to implementation of such changes. Notwithstanding the foregoing, the City acknowledges and agrees that GPEC may, in its reasonable judgment in accordance with its own practices and procedures, substitute, change, reschedule, cancel or defer certain events or activities described in the Action Plan as required by a result of changing market conditions, funding availability, unforeseen expenses or other circumstances beyond GPEC's reasonable control. GPEC shall solicit the input of the City on the formulation of future marketing strategies and advertisements. The Action Plan will be revised to reflect any agreed upon changes to the Action Plan.

**E. PERFORMANCE TARGETS:** Specific performance targets, established by GPEC's Executive Committee and Board of Directors, are attached hereto as **Exhibit B** ("GPEC Performance Measures") and shall be used to evaluate and report progress on GPEC's implementation of the Action Plan. In the event of changing market conditions, funding availability, unforeseen expenses or other circumstances beyond GPEC's reasonable control, these performance targets may be revised with the City's prior written approval, or with the prior written approval of a majority of the designated members of GPEC's Economic Development Directors Team ("EDDT"). GPEC will provide monthly reports to the City discussing in detail its progress in implementing the Action Plan as well as reporting the numerical results for each performance measurement set forth in Exhibit B. GPEC shall provide a copy of its annual external audit for the preceding fiscal year to the City no later than December 31, 2008.

In the case of any benchmark which is not met, GPEC will meet with the EDDT to provide an explanation of the relevant factors and circumstances and discuss the approach to be taken in order to achieve the

target(s). Failure to meet a performance target will not, by itself, constitute an event of default hereunder unless GPEC (i) fails to inform the City of such event or (ii) fails to meet with EDDT to present a plan for improving its performance during the balance of the term of the Agreement will constitute an event of default for which the City may terminate this Agreement pursuant to paragraph IV.J. below.

## **II. RESPONSIBILITIES OF THE CITY**

- A. STAFF SUPPORT OF GPEC EFFORTS:** The City shall provide staff support to GPEC's economic development efforts as follows:
1. The City shall respond to leads or prospects referred by GPEC in a professional manner within the time frame specified by the lead or prospect if the City desires to compete and if the lead is appropriate for the City. When available, the City agrees to provide its response in the format developed jointly by EDDT and GPEC;
  2. The City shall provide appropriate local hospitality, tours and briefings for prospects visiting sites in the City;
  3. The City shall provide an official economic development representative to represent the City on the EDDT, which advises GPEC's President and CEO;
  4. The City shall cooperate in the implementation of GPEC/EDDT process improvement recommendations including the use of common presentation formats, exchange of information on prospects with GPEC's staff, the use of shared data systems, land and building data bases and private sector real estate industry interfaces;
  5. The City shall use its best efforts to respond to special requests by GPEC for particularized information about the City within three business days after the receipt of such request;
  6. In order to enable GPEC to be more sensitive to the City's requirements, the City shall, at its sole option, deliver to GPEC copies of any City approved economic development strategies, work plan, programs and evaluation criteria. GPEC shall not disclose the same to the other participants in GPEC or their representatives;
  7. The City shall utilize its best good faith efforts to cause an economic development professional representing the City to attend all marketing events and other functions to which the City has committed itself;
  8. The City agrees to work with GPEC to improve the City's Competitiveness and market readiness to support the growth and

expansion of the targeted industries as identified for the City in **Exhibit C** (Targeted Industries);

- B. RECOGNITION OF GPEC:** The City agrees to recognize GPEC as the City's officially designated regional economic development organization for marketing the Greater Phoenix region.

### **III. ADDITIONAL AGREEMENTS OF THE PARTIES:**

- A. PARTICIPATION IN MARKETING EVENTS AND PROVISION OF TECHNICAL ASSISTANCE:** Representative(s) of the City shall be entitled to participate in GPEC's marketing events provided that such participation shall not be at GPEC's expense. When requested and appropriate, GPEC will use its best efforts to provide technical assistance and support to City economic development staff for business location prospects identified and qualified by the City and assist the City with presentations to the prospect in the City or their corporate location.

**B. COMPENSATION:**

1. The City agrees to pay **\$93,998** for services to be provided by GPEC pursuant to the Agreement during the fiscal year ending on June 30, 2009, as set forth in this Agreement. This amount is based on approximately \$.39 per capita, based upon the 2007 Maricopa Association of Governments ("MAG") population estimate, which listed the City as having a population of **241,205**. The payment by the City may, upon the mutual and discretionary approval of the board of directors of GPEC and the City Council, be increased or decreased from time to time during the term hereof in accordance with the increases or decreases of general application in the per capita payments to GPEC by other municipalities which support GPEC.
2. Funding of this Agreement shall be subject to the annual appropriations of funds for this activity by the City Council pursuant to the required budget process of the City;
3. Nothing herein shall preclude the City from contracting separately with GPEC for services to be provided in addition to those to be provided hereunder, upon terms and conditions to be negotiated by the City and GPEC; and
4. GPEC shall submit invoices for payment on a quarterly basis. The foregoing notwithstanding, if GPEC has not provided the City with

the audit required pursuant to paragraph I.E above no later than December 31, 2008, no payments shall be made hereunder until the City receives the audit report. Invoices and monthly activity reports, substantially in the form of **Exhibit D** ("Reporting Mechanism for Contract Fulfillment") attached hereto, are to be submitted to the address listed under paragraph IV.P.

**C. COOPERATION:**

1. The parties acknowledge that GPEC is a cooperative organization effort between GPEC and the City. Accordingly, the City and GPEC covenant and agree to work together in a productive and harmonious working relationship, to cooperate in furthering GPEC's goals for the 2008-2009 fiscal year.
2. The City agrees to work with GPEC, as necessary or appropriate, to revise the performance measures, and/or benchmarks, and/or goals for the FY 2009-2010 contract.
3. The City agrees to work with GPEC during the FY2008-2009 program year to develop a revised public sector funding plan, including a regional allocation formula for FY2009-2010, if determined to be necessary or appropriate.

**IV. GENERAL PROVISIONS:**

- A. COVENANT AGAINST CONTINGENT FEES:** GPEC warrants that no person or selling agent has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee. For a breach or violation of this warranty, the City shall have the right to terminate this Agreement without liability or, in its discretion, to deduct the commission, brokerage or contingent fee from its payment to GPEC.
- B. PAYMENT DEDUCTION OFFSET PROVISION:** GPEC recognizes the provisions of the City Code of the City of Chandler which require and demand that no payment be made to any contractor as long as there is any outstanding obligation due to the City, and directs that any such obligation be offset against payment due to GPEC.
- C. ASSIGNMENT PROHIBITED:** No party to this agreement may assign any right or obligation pursuant to this Agreement. Any attempted or purported assignment of any right or obligation pursuant to this Agreement shall be void and no effect.
- D. INDEPENDENT CONTRACTOR; NO AGENCY:** Nothing contained in this Agreement creates any partnership, joint venture or agency relationship

between the City and GPEC. At all times during the term of this Agreement, GPEC shall be an independent contractor and shall not be an employee of City. City shall have the right to control GPEC only insofar as to the results of GPEC's services rendered pursuant to this Agreement. GPEC shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. GPEC shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

- E. INDEMNIFICATION AND HOLD HARMLESS:** During the term of this Contract, GPEC shall indemnify, defend, hold, protect and save harmless the City and any and all of its Councilmembers, officers and employees from and against any and all actions, suits, proceedings, claims and demands, loss, liens, costs, expense and liability of any kind and nature whatsoever, for injury to or death of persons, or damage to property, including property owned by City, brought, made, filed against, imposed upon or sustained by the City, its officers, or employees in and arising from or attributable to or caused directly or indirectly by the negligence, wrongful acts, omissions or from operations conducted by GPEC, its directors, officers, agents or employees acting on behalf of GPEC and with GPEC's knowledge and consent.

Any party entitled to indemnity shall notify GPEC in writing of the existence of any claim, demand or other matter to which GPEC's indemnification obligations would apply, and shall give to GPEC a reasonable opportunity to defend the same at its own expense and with counsel reasonably satisfactory to the indemnified party.

Nothing in this Subsection E shall be deemed to provide indemnification to any indemnified party with respect to any liabilities arising from the fraud, negligence, omissions or willful misconduct of such indemnified party.

- F. INSURANCE:** GPEC shall procure and maintain for the duration of this Agreement, at GPEC's own cost and expense, insurance against claims for injuries to persons or damages to property which may arise from or in connection with this Agreement by GPEC, its agents, representatives, employees or contractors, in accordance with the Insurance Requirements set forth in **Exhibit E** ("Insurance Requirements"), attached hereto. The City acknowledges that it has received and reviewed evidence of GPEC's insurance coverage in effect as of the execution of this Agreement.
- G. GRATUITIES.** The City may, by written notice to GPEC, terminate the right of GPEC to proceed under this Agreement upon one (1) calendar day notice, if it is found that gratuities in the form of entertainment, gifts, or otherwise were offered or given by GPEC, or any agent or representative of GPEC, to any officer or employee of the City with a view toward securing a contract or securing favorable treatment with respect to the awarding or

amending, or the making of any determinations with respect to the performance of such contract; provided that the existence of the facts upon which the City makes such findings shall be an issue and may be reviewed in any competent court. In the event of such termination, the City shall be entitled to pursue all legal and equitable remedies against GPEC available to the City.

**H. EQUAL EMPLOYMENT OPPORTUNITY.** During the performance of this Agreement, GPEC agrees as follows:

1. GPEC will not discriminate against any employee or applicant for employment because of race, color, religion, gender, sexual orientation, national origin, age or disability. GPEC shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, gender, sexual orientation, national origin, age or disability. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. GPEC agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
2. GPEC will, in all solicitations or advertisements for employees place by or on behalf of GPEC, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, gender, sexual orientation, national origin, age or disability.
3. GPEC will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement, provided that the foregoing provisions shall not apply to Agreements or subcontracts for standard commercial supplies or new materials.
4. Upon request by the City, GPEC shall provide City with information and data concerning action taken and results obtained in regard to GPEC's Equal Employment Opportunity efforts performed during the term of this Agreement. Such reports shall be accomplished upon forms furnished by the City or in such other format as the City shall prescribe.

**I. COMPLIANCE WITH FEDERAL LAWS REQUIRED.** GPEC understands and acknowledges the applicability of the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989 and agrees to comply therewith in performing under any resultant agreement and to permit City inspection of its records to verify such compliance.

**J. TERMINATION.** City shall have the right to terminate this Agreement if GPEC shall fail to duly perform, observe or comply with any covenant,

condition or agreement on its part under this Agreement and such failure continues for a period of 30 days (or such shorter period as may be expressly provided herein) after the date on which written notice requiring the failure to be remedied shall have been given to GPEC by the City; provided, however, that if such performance, observation or compliance requires work to be done, action to be taken or conditions to be remedied which, by their nature, cannot reasonably be accomplished within 30 days, no event of default shall be deemed to have occurred or to exist if, and so long as, GPEC shall commence such action within that period and diligently and continuously prosecute the same to completion within 90 days or such longer period as the City may approve in writing. The foregoing notwithstanding, in the event of circumstances which render GPEC incapable of providing the services required to be performed hereunder, including, but not limited to, insolvency or an award of monetary damages against GPEC in excess of its available insurance coverage and assets, the City may immediately and without further notice terminate this Agreement.

- K. RESPONSIBILITY FOR COMPLIANCE WITH LEGAL REQUIREMENTS.** GPEC's performance hereunder shall be in material compliance with all applicable federal, state and local health, environmental, and safety laws, regulations, standards, and ordinances in effect during the performance of this Agreement.
- L. INSTITUTION OF LEGAL ACTIONS.** Any legal actions instituted pursuant to this Agreement must be filed in the county of Maricopa, State of Arizona, or in the Federal District Court in the District of Arizona. In any legal action, the prevailing party in such action will be entitled to reimbursement by the other party for all costs and expenses of such action, including reasonable attorneys' fees as may be fixed by the Court.
- M. APPLICABLE LAW.** Any and all disputes arising under any Agreement to be awarded hereunder or out of the proposals herein called for, which cannot be administratively resolved, shall be tried according to the laws of the State of Arizona, and GPEC shall agree that the venue for any such action shall be in the State of Arizona.
- N. CONTINUATION DURING DISPUTES.** GPEC agrees that, notwithstanding the existence of any dispute between the parties, each party shall continue to perform the obligations required of it during the continuation of any such dispute, unless enjoined or prohibited by an Arizona court of competent jurisdiction.
- O. CITY REVIEW OF GPEC RECORDS.** GPEC must keep all Agreement records separate and make them available for audit by City personnel upon request.

**P. NOTICES.** Any notice, consent or other communication required or permitted under this Agreement shall be in writing and shall be deemed received at the time it is personally delivered, on the day it is sent by facsimile transmission, on the second day after its deposit with any commercial air courier or express service or, if mailed, three (3) days after the notice is deposited in the United States mail addressed as follows:

If to City: Christine Mackay  
Sr. Economic Development Specialist  
City of Chandler  
PO Box 4008, MS 416  
Chandler, Arizona 85244  
Phone: 480-782-3035  
FAX: 480-782-3040

If to GPEC: Barry Broome  
President and Chief Executive Officer  
Greater Phoenix Economic Council  
Two North Central Avenue, Suite 2500  
Phoenix, Arizona 85004-4469  
(602) 256-7700  
FAX: (602) 256-7744

Any time period stated in a notice shall be computed from the time the notice is deemed received. Either party may change its mailing address or the person to receive notice by notifying the other party as provided in this paragraph.

**Q. TRANSACTIONAL CONFLICT OF INTEREST.** All parties hereto acknowledge that this Agreement is subject to cancellation by the City pursuant to the provisions of Section 38-511, Arizona Revised Statutes.

**R. NONLIABILITY OF OFFICIALS AND EMPLOYEES.** No member, official or employee of the City will be personally liable to GPEC, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to GPEC or successor, or on any obligation under the terms of this Agreement. No member, official or employee of GPEC will be personally liable to the City, or any successor in interest, in the event of any default or breach by the GPEC or for any amount which may become due to the City or successor, or on any obligation under the terms of this Agreement.

**S. NO WAIVER.** Except as otherwise expressly provided in this Agreement, any failure or delay by any party in asserting any of its rights or remedies as to any default, will not operate as a waiver of any default, or of any such rights or remedies, or deprive any such party of its right to institute and

maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

- T. SEVERABILITY.** If any provision of this Agreement shall be found invalid or unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement will not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law, provided that the fundamental purposes of this Agreement are not defeated by such severability.
- U. CAPTIONS.** The captions contained in this Agreement are merely a reference and are not to be used to construe or limit the text.
- V. NO THIRD PARTY BENEFICIARIES.** No creditor of either party or other individual or entity shall have any rights, whether as a third-party beneficiary or otherwise, by reason of any provision of this Agreement.
- W. ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS.** This Agreement may be executed in up to three (3) duplicate originals, each of which is deemed to be an original. This Agreement, including eleven (11) pages of text and the below-listed exhibits which are incorporated herein by this reference, constitutes the entire understanding and agreement of the parties.

Exhibit A – GPEC Action Plan

Exhibit B - GPEC Performance Measures

Exhibit C - Targeted Industries

Exhibit D - Reporting Mechanism for Contract Fulfillment

Exhibit E - Insurance Requirements

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.

All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the City or GPEC, and all amendments hereto must be in writing and signed by the appropriate authorities of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed the Agreement this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

CITY OF CHANDLER, a municipal corporation  
The Honorable Boyd Dunn, Mayor

By: \_\_\_\_\_

Its: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_

Its: City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_ *MSV*

Its: City Attorney

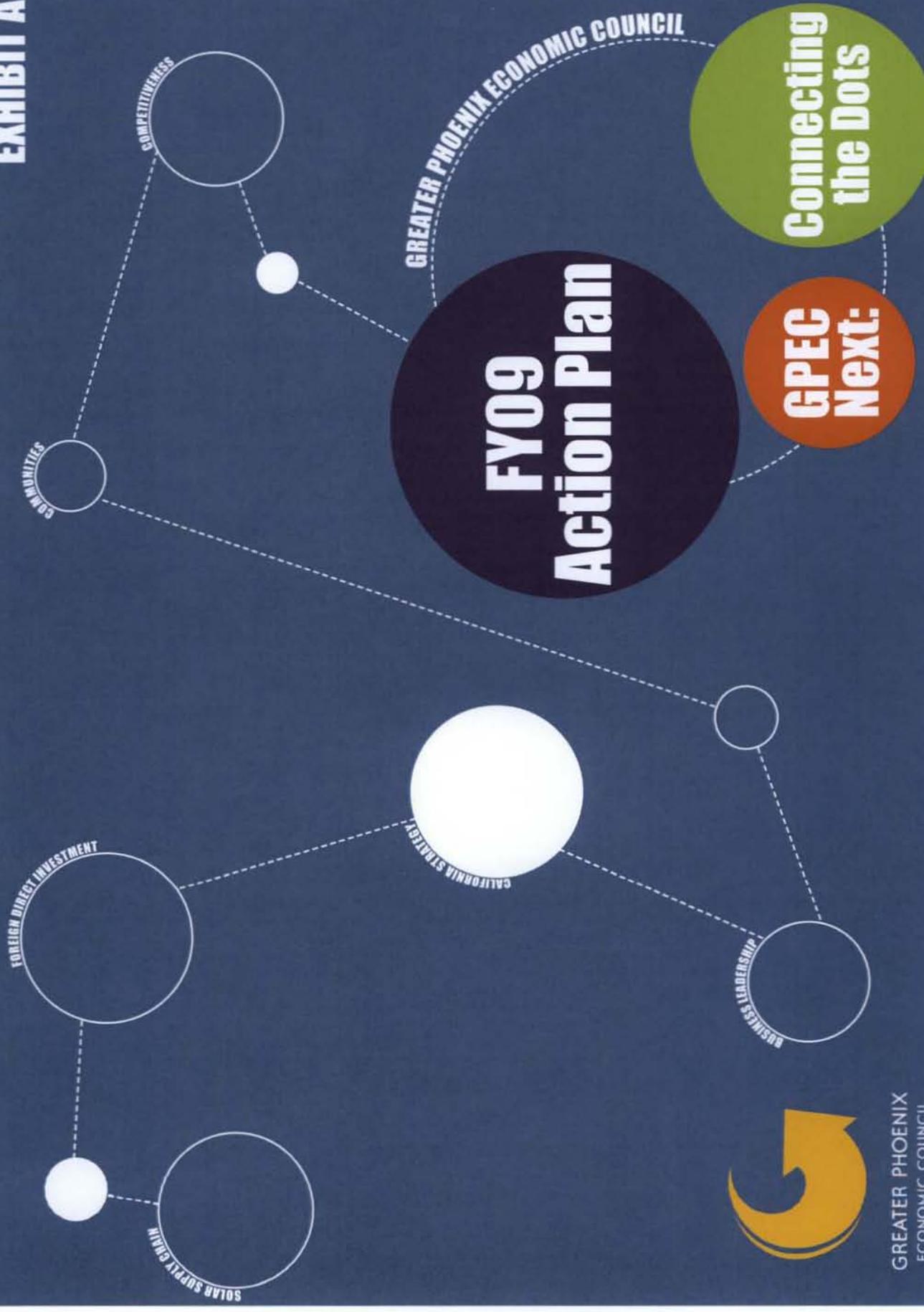
GREATER PHOENIX ECONOMIC COUNCIL,  
an Arizona nonprofit corporation

By: *Barry Broome* \_\_\_\_\_

Barry Broome

President & Chief Executive Officer

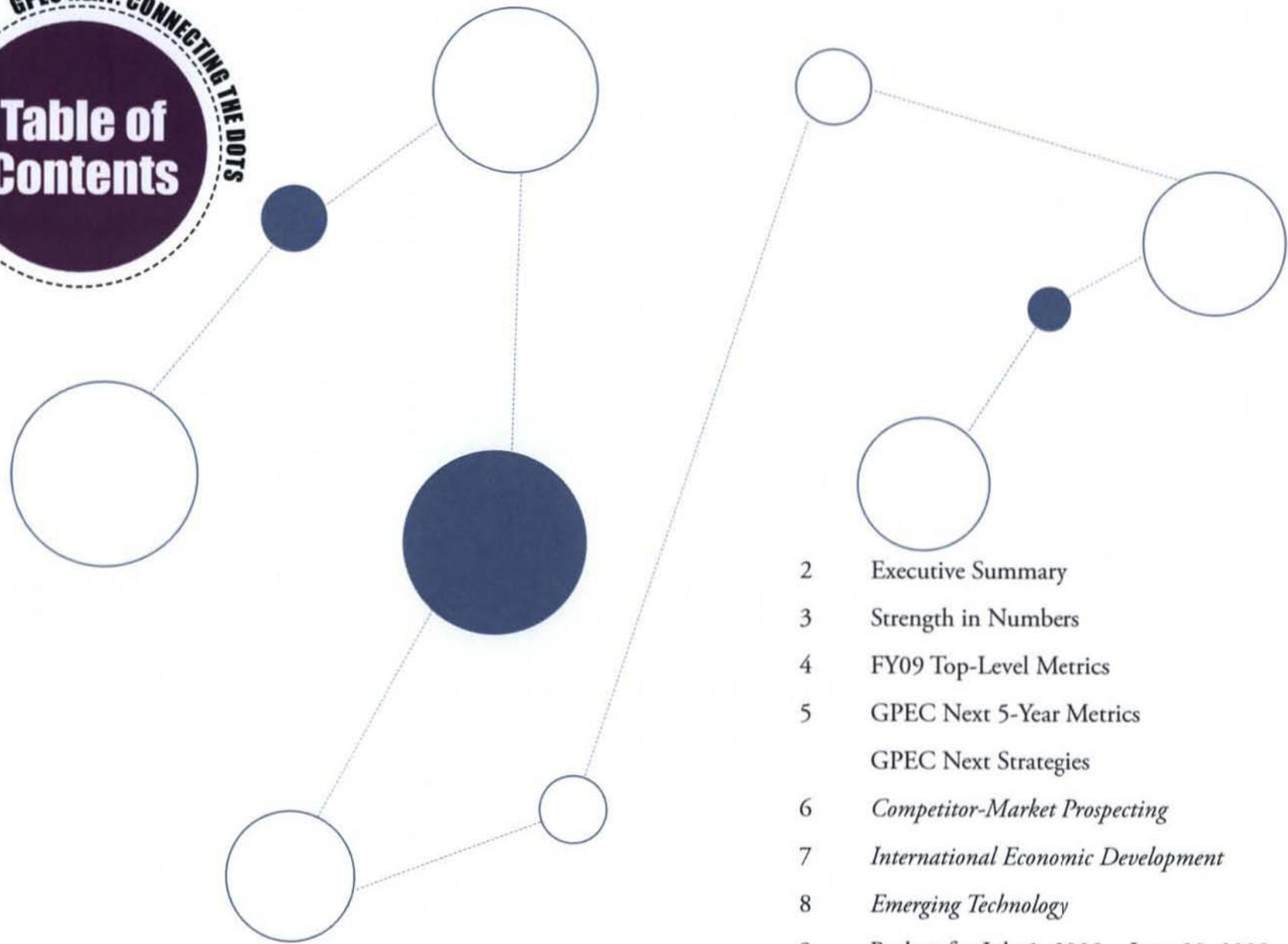
# EXHIBIT A



GREATER PHOENIX  
ECONOMIC COUNCIL

**GPEC NEXT: CONNECTING THE DOTS**

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**GPEC NEXT: CONNECTING THE DOTS**

**Executive Summary**

**Articulating why the GPEC Next model matters in developing a comprehensive regional economy.**

Competitiveness.

It's a noun. In our realm of economic development, it defines whether or not we have an adequate ability to attract jobs and investment to our community.

It determines our position—how we stack up against other markets, domestic and international. It is *not* a constant. Regions and states can alter it, negatively or positively.

Continuous improvement is necessary to maintain it. And strong leadership and a sense of immediacy is necessary to elevate it to reach our region's potential.

GPEC Next is a behavior that we've adopted. A model that entwines and integrates our business attraction, marketing, research, resource development and stakeholder engagement activities to achieve greater outcomes. Simply put, it connects the dots.

On May 8, 2008, *Moody's Economy.com* confirmed what many local and state economists have been stating for several months: Greater Phoenix is in a recession.

During an economic downturn, it's easy to retract plans that would otherwise make financial sense. However, it is critical to maintain existing and even consider new investments that will later provide a soft landing and a quicker rebound.

Such investments include:

*International attraction and a foreign direct investment program*  
 More than 64,000 Arizona jobs are at foreign-owned companies, with over 19,000 in manufacturing. Our proximity to California and favorable business climate make the region and state an attractive destination for foreign companies.

(And much of GPEC's current international pipeline happens to be in solar, so again, we connect the dots.)

*Sustainable / solar technology strategy*  
 Arizona has operating cost advantages over California, a large semiconductor workforce with transferable skills, unique inventory in existing semiconductor facilities, sustainable R&D capabilities at ASU, a sizable market for solar products, and abundant sun.

Extraordinary efforts and leadership are needed now. GPEC's Board of Directors, stakeholders and partners are encouraged to support the action items in the proceeding pages and embrace your respective roles.

Together, we must connect the dots. The competitiveness of Greater Phoenix is in our hands.

**What You'll Find**

**FY08 Milestones**

Discover the progress we've made in the last year—successes achieved and benchmarks established.

**FY09 Action Items**

See how we intend to connect the dots through activities that will drive the region's competitiveness.

**Leadership Role**

Find out how stakeholder engagement helps fulfill outcomes and results.

**Outcomes and Results**

Link our activities to GPEC's overall performance metrics and determine status through Key Progress Indicators (KPIs).



**FY09  
Top-Level  
Metrics**

Outlining the threshold, target and stretch goals of the organization's projected performance.

**Threshold**

**Target**

**Stretch**

<b>Payroll Generated</b>	<b>\$131M</b>	<b>\$146M</b>	<b>\$161M</b>
<b>Number of Jobs</b>	<b>3,015</b>	<b>3,350</b>	<b>3,685</b>
<b>Jobs in High-Wage Industries</b>			
<b>High-Wage Jobs</b>	<b>1,480</b>	<b>1,645</b>	<b>1,809</b>
<b>Average High-Wage Salary</b>	<b>\$49,313</b>	<b>\$54,793</b>	<b>\$60,272</b>
<b>Emerging Technology Assists</b>	<b>8</b>	<b>10</b>	<b>12</b>
<b>Total Number of Qualified Prospects</b>	<b>166</b>	<b>185</b>	<b>203</b>
<b>Total Number of Qualified International Prospects</b>	<b>8</b>	<b>10</b>	<b>12</b>
<b>Total Reach of Editorial Placements</b>	<b>13M</b>	<b>14M</b>	<b>15M</b>
<b>Value of Editorial Impact</b>	<b>\$1M</b>	<b>\$2M</b>	<b>\$3M</b>
<b>Stakeholder Satisfaction with Product Marketing</b>	<b>7.0*</b>	<b>7.3*</b>	<b>7.6*</b>
<b>Competitive Position Progress</b>	<b>**</b>	<b>**</b>	<b>**</b>
<b>Meet or Exceed Cash Reserve Target</b>	<b>98%</b>	<b>100%</b>	<b>102%</b>

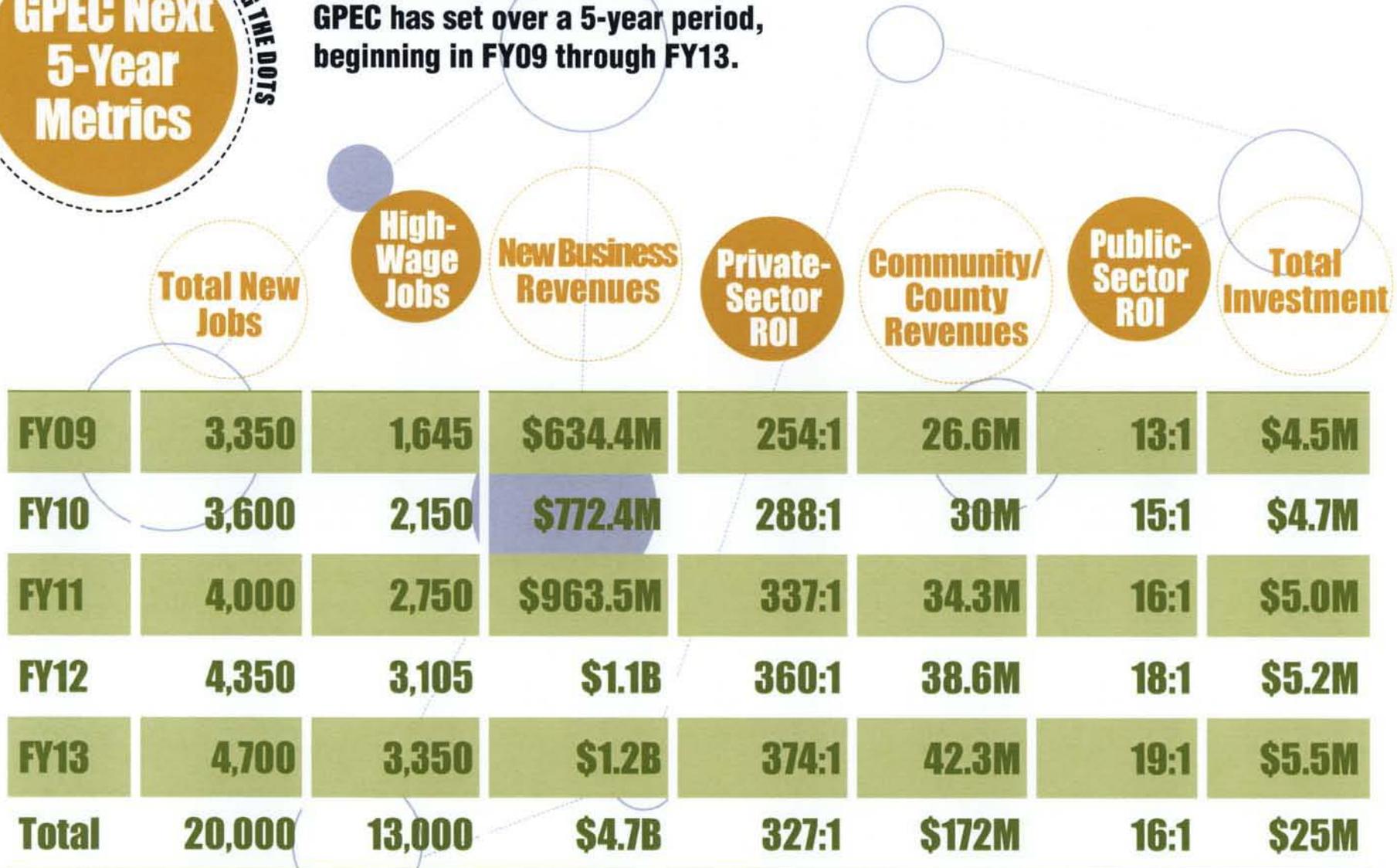
\* Based on a scale of 1 to 10.

\*\* As determined by the Executive Committee.

**GPEC NEXT: CONNECTING THE DOTS**

**GPEC Next  
5-Year  
Metrics**

Representing regional impact goals GPEC has set over a 5-year period, beginning in FY09 through FY13.



Revenue estimates are from the Greater Phoenix Consensus Impact Model. In 1999, GPEC and our members developed the region's first-ever consensus-based revenue and economic impact model. Based on nationally accepted multiplier data provided by IMPLAN, the model is customized to calculate economic and revenue benefits for GPEC's members and the State of Arizona.

**GPEC NEXT: CONNECTING THE DOTS**

**Competitor-Market Prospecting**

**Delivering quality transactions from key domestic markets through repeat activity and a direct-sell strategy.**

**FY08 Milestones**

**Increased competitiveness.**

Launched <90-Day Certified Permitting and Shovel-Ready programs to national site-selection network. GPEC promotes over 60 Shovel-Ready sites regionwide.

**Gained stronger connectivity to the real estate development community.**

Initiated in-market road show to increase transactional activity with local brokerage firms. The program has generated more than 7 leads.

**Celebrated Super Bowl XLII success.**

Hosted 35 executives from 24 companies representing aerospace, solar, bioscience and high-tech, as well as site-selection firms and foreign direct investment.

**Achieved greater community integration.**

Created Community Partnership Program to deliver additional value to GPEC's member communities. Our competitiveness group works with economic development staff from each member community to explore ways to better align local priorities with regional initiatives.

**FY09 Action Items**

**Exercise California option.**

Continue strategic activities in California, integrating a planned emerging technology and international approach into sales missions, trade shows and conferences.

**Scale California.**

Duplicate integrated business attraction practice in other markets, and measure results to determine effectiveness and value.

**Better leverage networks.**

Mine local relationships for connectivity to opportunities in domestic markets.

**Seek out and act.**

Conduct proactive market intelligence on competitor markets, and identify companies poised for growth and expansion. Employ direct-marketing and direct-selling tactics.

**Go green.**

Launch the Community Building Consortium's (CBC) third major initiative on championing LEED-Certified development and promoting "green" Shovel-Ready sites.

**Leadership Role**

**Directors, CBC and Ambassadors**

- Provide competitor-market expertise, and communicate opportunities to expand GPEC's reach.
- Connect GPEC to high-level decision-makers.
- Maintain relationships with locates and support community integration.
- Host prospects around regional assets including arts and cultural venues and sporting events.

**Economic Development Directors Team**

- Facilitate deal closures.
- Encourage prospect introductions to mayors, city council and local industry leaders where appropriate.

**Outcomes and Results**

**Helps achieve FY09 metrics:**

- Pipeline of qualified prospects
- Total number of jobs created
- Number of high-wage jobs created
- Payroll generated

**KPIs**

- Increase conversion rate of prospect to locate using integrated California strategy.
- Assist 5 companies through < 90-Day Certified Permitting program.
- Market 10 Shovel-Ready sites to decision-makers annually.

**GPEC NEXT: CONNECTING THE DOTS**

# International Economic Development

**Bridging economic development opportunities by entering target global markets with a turnkey, strategic approach.**

## **FY08 Milestones**

### **Capitalized on global economy.**

Sought aggressive outreach to international firms looking to maximize investment in the U.S. Effort led to 3 UK-based locates and a more robust pipeline of foreign companies.

### **Developed valuable relationship with Dubai.**

Established key relationships with Dubai government, industry and investment officials. Conducted 2 high-level trips and hosted a delegation, resulting in investment interest by Dubai, specifically in real estate and with the City of Phoenix and Arizona State University.

### **Kicked off international road show.**

Embarked on direct-sell strategy in London and Montreal/Toronto to promote business and investment opportunities in Greater Phoenix and Arizona.

### **Worked expertise overseas.**

Leveraged Arizona Global Network (AGN) contracts in Western Europe and Asia/Pacific region to drive performance and lead-generation activity.

## **FY09 Action Items**

### **Gain global exposure.**

Amplify international road show strategy (compensating for lack of AGN contracts) to promote investment opportunities in Greater Phoenix and Arizona through repeat trips to Montreal and London, and the possibility of new markets in Western Europe and Asia/Pacific.

### **Maximize connections.**

Partner with peer economic development and investment agencies in foreign markets, Arizona Department of Commerce and U.S. Department of Commerce, higher education institutions and stakeholders to gain introductions and leverage relationships with companies seeking expansion in the U.S.

### **Employ capital-markets strategy.**

Take advantage of global stock exchange interest in Greater Phoenix and assess flow of capital originating overseas.

## **Leadership Role**

### **International Leadership Council, Directors CBC and Ambassadors**

- Provide leadership as “market captains” during international road shows.
- Connect GPEC with decision-makers in target markets.
- Communicate opportunities to expand GPEC’s reach.
- Maintain relationships with locates and support community integration.
- Host prospects around regional assets including arts and cultural venues and sporting events.
- Participate in road shows by facilitating introductions, traveling to markets and contributing in meetings, and sponsoring events overseas.

### **Economic Development Directors Team**

- Facilitate deal closures.
- Encourage prospect introductions to mayors, city council and local industry leaders where appropriate.

## **Outcomes and Results**

### **Helps achieve FY09 metrics:**

- Number of international prospects
- Pipeline of qualified prospects
- Number of high-wage jobs created
- Average high-wage salary

### **KPIs**

- Support Phoenix Sky Harbor International Airport’s efforts to secure a direct international flight.
- Continue working with Phoenix-Mesa Gateway Airport to develop an international logistics hub strategy.
- Increase number and quality of leads received through the GPEC’s strategic international partners.
- Complete due diligence on leads from AGN contractors.
- Conduct 8 international road shows.
- Tailor marketing strategy for global prospecting.



## Diversifying the regional economy by attracting sustainable and emerging technologies that offer long-term value.

### FY08 Milestones

#### Realized unprecedented collaboration.

Assisted Abraxis Bioscience in expanding oncology research and pharmaceutical operations to the region, and took it one step further. Facilitated strategic introduction to TGen, followed by an aggressive pursuit for additional investment, and end result brought \$14M donation to launch Catapult Bio.

#### Leveraged university asset to attract 1,000 jobs.

Promoted SkySong and ASU relationship to attract UK-based Locallife and bring 1,000 jobs to the region. The information communications technology firm has located its U.S. headquarters at the innovation center in Scottsdale.

#### Organized collaborative healthcare effort.

Developed the Healthcare Strategy Group to focus on industry gaps, attract quality companies and prepare communities for needs associated with future growth.

### FY09 Action Items

#### Pursue solar supply chain.

Pursue solar supply chain. Build a systems approach that supports solar: R&D → engineering → testing → materials → manufacturing → distribution → installation, maintenance, repair → generation → headquarters.

#### Shape healthcare industry.

Match community needs with prospective joint ventures and revenue generation opportunities of private-sector healthcare partners.

#### Affect business climate.

Develop and promote solutions to policy barriers that prohibit the region from attracting solar projects.

#### Leverage higher education.

Engage the Maricopa Community Colleges in dialogue with sustainability industry to develop a green-collar workforce, and promote Arizona State University's efforts around sustainable and replacement technologies.

### Leadership Role

#### Directors and Ambassadors

- Support legislation around economic development efforts that increase the region's ability to actively compete for and attract projects.
- Conduct outreach (to policy-makers and peers) regarding barriers and solutions toward emerging technology growth.
- Maintain relationships with locates and support community integration.
- Host prospects around regional assets including arts and cultural venues and sporting events.

#### CBC

- Support solar attraction by championing LEED-Certified development.

#### Healthcare Strategy Group

- Connect GPEC and member communities to opportunities for expansion or joint venture with partners.

#### Economic Development Directors Team

- Provide expertise on community assets and priorities.

### Outcomes and Results

#### Helps achieve FY09 metrics:

- Number of emerging-tech assists
- Pipeline of qualified prospects
- Competitive position progress by supporting commercialization and facilitating industry-university linkages

#### KPIs

- Partner with County Board of Supervisors, APS, SRP and Arizona Corporation Commission to increase capability to secure solar technology projects by promoting awareness and changes to state policy.
- Work with partners like SCF Arizona, Greater Phoenix Leadership, Science Foundation Arizona and Arizona Department of Commerce to establish a venture capital strategy that addresses lack of early-stage funding and fund-management talent.
- Connect communities with healthcare partners to increase leads and identify niche markets within the industry.

**GPEC NEXT: CONNECTING THE DOTS**

**Budget**  
July 1, 2008-June 30, 2009

**Operating the organization with fiscal responsibility and transparency.**

<b>Revenues</b>	<b>FY08 Budget</b>	<b>FY08 Forecast*</b>	<b>% of total</b>	<b>FY09</b>	<b>% of total</b>	<b>Variance**</b>	<b>Change</b>
Public Funds	\$ 2,014,919	\$ 2,035,393	46.1%	\$ 2,048,661	44.9%	\$ 13,268	0.7%
Private Funds	2,348,000	2,334,605	52.8%	2,478,000	54.3%	143,395	6.1%
Other Income	60,000	48,000	1.1%	33,000	0.7%	(15,000)	-31.3%
<b>Total Revenues</b>	<b>\$ 4,422,919</b>	<b>\$ 4,417,998</b>	<b>100.0%</b>	<b>\$ 4,559,661</b>	<b>100.0%</b>	<b>\$ 141,663</b>	<b>3.2%</b>
<b>Operating Expenditures</b>							
Business Attraction	\$ 2,746,506	\$ 2,739,889	62.0%	\$ 3,010,622	66.0%	\$ 270,733	9.9%
Competitive Position	722,612	717,392	16.2%	599,474	13.1%	(117,918)	-16.4%
Resource Management	961,582	966,557	21.9%	1,019,154	22.4%	52,597	5.4%
<b>Expenses</b>	<b>\$ 4,430,700</b>	<b>\$ 4,423,838</b>	<b>100.1%</b>	<b>\$ 4,629,250</b>	<b>101.5%</b>	<b>\$ 205,412</b>	<b>4.6%</b>
<b>Net Income/(Loss)</b>	<b>\$ (7,781)</b>	<b>\$ (5,840)</b>	<b>-0.1%</b>	<b>\$ (69,589)</b>	<b>-1.5%</b>	<b>\$ (63,749)</b>	<b>1091.6%</b>
Less: Fixed Assets	(40,000)	(40,000)	-0.9%	(33,500)	-0.7%	6,500	-16.3%
Add: Depreciation	50,000	50,000	1.1%	108,000	2.4%	58,000	116.0%
<b>Net Cash Movement - Operations</b>	<b>2,219</b>	<b>4,160</b>	<b>0.1%</b>	<b>4,911</b>	<b>0.1%</b>	<b>\$ 751</b>	<b>18.1%</b>
<b>Additional Non-Recurring Expenditures</b>							
Research to support new initiatives <sup>1</sup>	\$ 60,000	\$ 50,000		\$ 55,000		\$ 5,000	10.0%
Information Technology <sup>2</sup>	\$ 267,000	\$ 229,750		\$ 33,500		(196,250)	-85.4%
<b>Net change in cash reserves</b>	<b>\$ (324,781)</b>	<b>\$ (275,590)</b>		<b>\$ (83,589)</b>		<b>\$ 192,001</b>	<b>-69.7%</b>

Notes

<sup>1</sup> Research in support of new initiatives (Economic Development Toolkit, International, Competitive Position)

<sup>2</sup> IT Initiative to modernize systems approved by Executive Committee in September 2007

\* Forecasted results as of March 31, 2008

\*\* Variance FY09 budget vs. FY08 actual

GPEC NEXT: CONNECTING THE DOTS

# Leading the Way

**Guiding the organization, championing initiatives and providing meaningful, regional leadership.**

## Board of Directors

Provides effective oversight of the organization.

## Policy Development Team

Provides insight into current public policy issues affecting economic development and offers approaches for broaching these complex issues.

## Ambassadors

Leverages the broad range of expertise of our stakeholder network to provide assistance in the areas of business climate improvement, business attraction and overall program support.

## Executive Committee

Acts on behalf of GPEC's Board of Directors to align performance with organizational goals.

## Leadership Councils

Guides CEO on strategic initiatives and supports advancement of program implementation.

## EDDTs

Advises CEO on economic development trends and partners with GPEC on locating companies.

## Board Committees

Evaluates performance of organization on audit and financial responsibilities, and monitors board appointments and compensation of CEO and staff.

## CBC

Applies the collective knowledge and expertise of private-sector real estate professional to help Greater Phoenix communities increase transaction capabilities.

**EXHIBIT B**  
GPEC PERFORMANCE MEASURES  
FY 2008-2009

Specific performance targets as established by the GPEC Executive Committee and Board of Directors:

<b>1. Payroll Generated</b>	<b>\$131M</b>
<b>2. Total Number of Jobs Created</b>	<b>3,015</b>
<b>3. Total Number of High-Wage Jobs *</b>	<b>1,480</b>
<b>4. Average High-Wage Salary</b>	<b>\$49,313</b>
<b>5. Number of Qualified Prospects</b>	<b>166</b>
<b>6. Total Reach of Editorial Placements/Exposures</b>	<b>13M</b>
<b>7. Value of Editorial Exposure</b>	<b>\$1,000,000</b>

\* Jobs in high-wage industries (advanced business services, aerospace, bioscience, sustainability, high-tech)

# EXHIBIT C

## TARGETED INDUSTRIES

### FY2008-2009

GPEC and our member communities have identified targeted industries on a local and regional level, incorporating these industries into a regional economic development plan. For fiscal year 2008-2009, GPEC will increase emphasis on the following: advanced business services, advanced manufacturing, aerospace/aviation, bioscience, high tech/software and sustainability.

Member communities will target the following:

#### **Apache Junction**

Business services; environmental technologies (research and manufacturing); standard and advanced manufacturing; regional and corporate centers; medical institutions; mining support facilities; resort/tourist-oriented development; filmmaking (location shooting)

#### **Avondale**

Business services and software; high-tech electronics; aerospace and advanced materials; bioscience and senior industries; food, fiber and natural products; transportation/distribution; standard manufacturing; environmental technology

#### **Buckeye**

Bioscience and senior industries; food, fiber and natural products; transportation/distribution; standard manufacturing; environmental technology

#### **Chandler**

Business services and software; high-tech electronics; aerospace and advanced materials; bioscience

#### **Fountain Hills**

Business services and software; bioscience and senior industries; post-secondary institutions; tourism

#### **Gilbert**

Advanced financial/business services; high-tech/software (R&D, data center and services); high-tech/next generation electronics; aerospace R&D/aviation; bioscience (research, drug development, treatment, medical diagnosis); corporate/regional headquarters; sustainability (environmental); advanced material/plastics

#### **Glendale**

Aviation/aerospace; software development; sports and entertainment; high-tech consultants; research and development; defense; financial services and insurance headquarters; resorts; healthcare and medical services; engineering and architectural

#### **Goodyear**

Advanced financial/business services; high-tech electronics and software development; aerospace/aviation; advanced materials; biosciences (treatment, medical diagnostics, research) and senior industries; food, fiber and natural products; transportation/distribution; standard manufacturing; environmental technology; sustainability

#### **Maricopa (City)**

Business services and software; high-tech electronics; aerospace and advanced materials; agri-bio; transportation/distribution; standard manufacturing; environmental technology

#### **Maricopa County**

Food, fiber and natural products; transportation/distribution; standard manufacturing; environmental technology

#### **Mesa**

Advanced business services; regional and corporate centers; aerospace/aviation; environmental technology; research & development; bioscience; medical and educational institutions; healthcare; sustainability

#### **Peoria**

Business services; information technology; healthcare technology and advanced medical services; educational institutions; standard manufacturing; environmental technology

#### **Phoenix**

Business services and software; high-tech electronics; aerospace/aviation; advanced materials; bioscience and senior industries; food, fiber and natural products; transportation/distribution; advanced manufacturing; standard manufacturing; environmental; sustainability

**Queen Creek**

Aerospace and aviation; health and wellness; advanced financial/business services; arts, culture and experience; education; specialty realty

**Scottsdale**

Advanced business services (financial services); bioscience (research, drug development, treatment, medical products); high-tech/software; sustainability (environmental); corporate/regional headquarters

**Surprise**

Advanced business services; advanced manufacturing; bioscience; high-tech/software; sustainability

**Tempe**

Advanced business services (financial services); high tech/software (R&D, data center and services); high-tech/next generation electronics; aerospace R&D/aviation; bioscience (research, drug development, treatment, medical diagnostics); corporate/regional headquarters; sustainability (environmental); advanced materials/plastics; senior industries

**Tolleson**

Aerospace and advanced materials; food, fiber and natural products; transportation/distribution; standard manufacturing; environmental technology; sustainability

**Wickenburg**

Transportation/ distribution; standard manufacturing; environmental technology; food, fiber & natural products; advanced business services

# EXHIBIT D

FY2008-2009

REPORTING MECHANISM FOR CONTRACT FULFILLMENT

Monthly Activity Report - Month, Year

## Business Attraction Performance Metrics:

GPEC Progress Toward Goals

Targeted Opportunities	Annual Contract Goal	Actual YTD	Goal YTD	% of Goal YTD
<b>PAYROLL GENERATED (MILLIONS)</b>				
<b>NUMBER OF JOBS</b>				
<b>JOBS IN HIGH-WAGE INDUSTRIES*</b>				
<b>NUMBER OF HIGH-WAGE JOBS</b>				
<b>AVERAGE HIGH WAGE SALARY</b>				
<b>EMERGING TECHNOLOGY ASSISTS</b>				
<b>QUALIFIED PROSPECTS</b>				
<b>INTERNATIONAL PROSPECTS</b>				
<b>TOTAL REACH OF EDITORIAL PLACEMENTS</b>				
<b>VALUE OF EDITORIAL IMPACT</b>				

\* High-Wage Industries include Advanced Business Services, Aerospace, Bioscience, Sustainability, High-Tech.

## KEY BUSINESS ATTRACTION ACTIVITIES AND OTHER GPEC ACTIVITIES

**EXHIBIT E**  
INSURANCE REQUIREMENTS

The City's insurance requirements are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement. The City in no way warrants that the minimum limits required of GPEC are sufficient to protect GPEC from liabilities that might arise out of this Agreement for GPEC, its agents, representatives, employees or Contractors and GPEC is free to purchase such additional insurance as may be determined necessary.

**A. Minimum Scope and Limits of Insurance.** GPEC shall provide coverage at least as broad as the categories set forth below with limits of liability in amounts acceptable to the City.

**1. Commercial General Liability - Occurrence Form**  
(Form CG 0001, ed. 10/93 or any replacements thereof)

General Aggregate/ per Project  
Products-Completed Operations Aggregate  
Personal & Advertising Injury  
Each Occurrence  
Fire Damage (Any one fire)  
Directors and Officers  
Medical Expense (Any one person) Optional

**2. Automobile Liability** B Any Auto or Owned, Hired and Non-Owned  
Vehicles (Form CA 0001, ed. 12/93 or any replacement thereof) Combined  
Single Limit Per Accident for Bodily Injury and Property Damage

**3. Workers' Compensation and Employers' Liability**

Workers' Compensation Statutory  
Employers' Liability

**B. Self-insured Retentions.** Any self-insured retentions must be declared to and approved by the City. If not approved, the City may request that the insurer reduce or eliminate such self-insured retentions with respect to City, its officers, officials, agents, employees and volunteers.

C. **Other Insurance Requirements.** The policies are to contain, or be endorsed to contain, the following provisions:

1. **Commercial General Liability**

a. The City, its officers, officials, agents, employees and volunteers are to be named as additional insureds with respect to liability arising out of: activities performed by or on behalf of GPEC, including the City's general supervision of GPEC; products and completed operations of GPEC; and automobiles owned, leased, hired or borrowed by GPEC.

b. GPEC's insurance shall include broad form contractual liability coverage.

c. The City, its officers, officials, agents, employees and volunteers shall be additional insureds to the full limits of liability purchased by GPEC, even if those limits of liability are in excess of those required by this Agreement.

d. GPEC's insurance coverage shall be primary insurance with respect to City, its officers, officials, agents, employees and volunteers. Any insurance or self-insurance maintained by City, its officers, officials, employees or volunteers shall be in excess of GPEC's insurance and shall not contribute to it.

e. GPEC's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

f. Coverage provided by GPEC shall not be limited to the liability assumed under the indemnification provisions of this Agreement.

g. The policies shall contain a waiver of subrogation against City, its officers, officials, agents, employees and volunteers for losses arising from work performed by GPEC for the City.

2. **Workers' Compensation and Employers' Liability Coverage.** The insurer shall agree to waive all rights of subrogation against City, its officers, officials, agents, employees and volunteers for any and all losses arising from work performed by the Contractor for the City.

**D. Notice of Cancellation.** Each insurance policy required by the insurance provisions of this Agreement shall provide the required coverage and shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice has been sent to City at the address provided herein for the giving of notice. Such notice shall be by certified mail, return receipt requested.

**E. Acceptability of Insurers.** Insurance is to be placed with insurers duly licensed or approved unlicensed companies in the State of Arizona and with a "Best's" rating of not less than A-:VII. City in no way warrants that the above required minimum insurer rating is sufficient to protect GPEC from potential insurer insolvency.

**F. Verification of Coverage.** GPEC shall furnish City with Certificates of Insurance (ACORD form or equivalent approved by City) and with original endorsements effecting coverage as required by this Agreement. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. Any policy endorsements that restrict or limit coverage shall be clearly noted on the Certificate of Insurance.

All certificates and endorsements are to be received and approved by City before work commences. Each insurance policy required by this Agreement must be in effect at or prior to commencement of work under this Agreement and remain in effect for the duration of the project.

All certificates of insurance required by this Agreement shall be sent directly to City at the address and in the manner provided in this Agreement for the giving of notice. City's Agreement/Agreement number, GPEC's name and description of the Agreement shall be provided on the Certificates of Insurance. City reserves the right to require complete certified copies of all insurance policies required by this Agreement, at any time.

**G. Approval.** During the term of this Agreement, no modification may be made to any of GPEC's insurance policies which will reduce the nature, scope or limits of coverage which were in effect and approved by the City prior to execution of this Agreement.