



BOARD OF DIRECTORS MEETING

Arizona Capitol | Executive Tower
1700 W. Washington Street
2nd Floor Conference Room
Phoenix, AZ 85007
Tuesday November 30, 2010

Minutes

I. Call to Order

Chair, Governor Jan Brewer called the meeting to order at 10:02a.m. by welcoming members and guests. In addition the Governor recognized her other agency directors present that serve as technical advisors to the Board.

II. Roll Call

Board Members Present

Governor Jan Brewer, Chair

Jerry Colangelo, Co-Chair

Speaker Kirk Adams

Gary Abrams

Benito Almanza

Dr. Craig Barrett

Michael Bidwill

Drew Brown

Don Cardon

Steve Cowman

Dr. Michael Crow (*via phone*)

Jerry Fuentes

Dr. John Haeger

Dr. William Harris

Linda Hunt

Michael Ingram

Sherman Jennings

Michael Kennedy

Michael Manson

Dr. Vicki Panhuisse

Mary Peters

Doug Pruitt

Dr. Robert Shelton (*via phone*)

Victor Smith

Mo Stein

Pat Sullivan

Roy Vallee

Judy Wood

Board Members Absent

President Robert Burns

Richard Adkerson

Anne Mariucci

Dr. Patrick Soon-Shiong

Dr. Jeanne Swarthout

Members of the Public Present

Upon Request. _

III. Opening Remarks

Governor Brewer remarked that there is significant information to be reviewed at the meeting today including:

- Updates from Growth Sector Committee Chairs
- Review of Upcoming Legislative Session
- Next Steps for the Authority and Board

Governor Brewer also noted that public comment at today's meeting can be provided by using the materials at the back of the room.

Governor Brewer stated that the Board is aggressive and committed to advancing our State's competitiveness, the overall business climate and making real change critical to the future of this State, its economy for Arizonans. She acknowledged the need and urgency to find solutions and thanked the Board again for their dedication to serving the State.

Governor Brewer proceeded to acknowledge her Co-Chair, Jerry Colangelo, as a partner to usher in the new economy filled with success.

IV. Co-Chair Remarks

Co-Chairman Colangelo, thanked the Governor and started his remarks by asking for a MOTION to approve the meeting minutes of September 23rd. A MOTION was put forth, seconded by Mr. Stein and unanimously carried by the Board.

Co-Chair Colangelo advised that we would hear from (5) sectors providing preliminary recommendations that the Governor will utilize at the upcoming Legislative Session. It was noted that the recommendations being communicated today have been accomplished in a very short period of time and that the Sector Leaders will continue to work within their respective committees to bring additional recommendations to the Board in the future.

V. Governor Announcements

Governor Brewer then took the opportunity to recognize the importance of a statewide approach in the efforts to advance Arizona while acknowledging the Rural Business Advisory Council seated in the audience. The Council was created by Executive Order on September 9th to work with the ACA Board of Directors. Eddie Browning will serve as Chairman of this Council. The Governor advised that the Council was already active on the \$2M Rural Grant Program to serve the rural areas.

Governor Brewer then announced the official appointment of Don Cardon to the President & CEO position of the ACA. She thanked Don for helping us get to where we are today and for his willingness to continue to serve.

VI. President & CEO Report: Vision 2011-2012

Mr. Cardon accepted the position of President & CEO of the ACA and thanked the Governor, Mr. Colangelo, the ACA Board and the Commerce staff for their support. Mr. Cardon shared his vision for the ACA with the Board members.

VII. Growth Sector Committee Leader Presentations

Co-Chair Colangelo stated that the recommendations presented today are not intended to reflect a “comprehensive assessment” rather a snapshot of the issues facing our key growth sectors. The presenters were as follows:

Marty Shultz- Retention
Dr. Craig Barrett- Science & Technology
Dr. Vicki Panhuse- Aerospace & Defense
Michael Bidwill- Renewable Energy
Pat Sullivan- Small Business | Entrepreneurship

The complete report including the draft recommendations may be viewed at www.azcommerce.com under the title Growth Sector Overview Report.

Upon completion of the presentations, Co-Chair Colangelo thanked the Sector Leaders for their work along with the members of their respective committees. He proceeded to convey appreciation to the Governor for her aggressive agenda, encouraged the Governor and the legislative leadership to reward the ACA’s efforts to create a culture that holds a sense of urgency to get things done. Co-Chair Colangelo also again thanked Mr. Cardon for his leadership and his willingness to serve as President & CEO.

VIII. Legislative Session Update

Eileen Klein, Chief of Staff, presented the consensus agenda and then defined the organizational structure to execute:

New Paradigm

- Repeal ADOC, Replace with Arizona Commerce Authority
- Competitiveness Package: Goals and Objectives
 - Increase Arizona’s Long-Term Competitiveness for Business Attraction, Retention and Growth
 - Incent High-Value, High-Growth Export-Based Business
 - Recapture Arizona’s Position for Quality Job Creation
 - Enhance Capital Formation
 - Improve Arizona’s Tax Ranking Among Competitor States
 - Align with 2020 Educational Goals
- Guard Rails
 - Must Not Result in “Dead Weight Loss” to the State
 - Minimize Impact to State Budget
 - Phased in Approach for Tax Policy
 - Avoid Shifts to Homeowners
- Consensus Proposal
 - Attract New Base Industry Investments
 - Tax Credits
 - Modernize Enterprise Zone Property Reclassification
 - Long-Term Tax Policy
 - Establish and Fund ACA
 - Economic Development Toolbox
 - Competitiveness Package

IX. Closing Remarks

Governor Brewer thanked Ms. Klein and advised that all recommendations presented today will be seriously considered.

In closing, Governor Brewer reiterated her top priorities in the upcoming Session:

- Repeal the mandates and functions within the Department of Commerce and transition to a private Commerce Authority to the greatest degree possible.
- Establish funding model for the long-term advancement of Arizona's economy.
- Address need for tax reform and establish the creation and preservation of the economic tools that are vital to advance Arizona's global competitiveness.

X. Adjournment

Upon a MOTION made by Governor Brewer, seconded by Board Member, Dr. Craig Barrett and unanimously carried, the Board adjourned at 12:07p.m.