



ARIZONA ASSOCIATION
FOR ECONOMIC DEVELOPMENT

THE NEW AAED

**Here's how the
Arizona Association
for Economic
Development plans
to evolve as it heads
into its 50th year**

Katie Hurst,
Executive director,
Arizona Association for
Economic Development



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HITMAKERS

Arizona's economic developers have enjoyed a multi-year stretch of success, but can it continue?

By KYLE BACKER

Arizona's economic development community has worked diligently in the past few years to attract massive projects such as LG Energy Solution's \$5.5 billion battery factory in Queen Creek and American Battery Factory's \$1.2 billion facility in Tucson. Doing so requires these professionals to show the merits of locating in Arizona, both in the short- and long-term.

AZRE magazine sat down with the following officers of AAED's board of directors to reflect on the economic conditions of 2023, the importance of workforce development for growth, and the intersection of water stewardship and economic development:

- Vincent "Skip" Becker, president of Becker Development and Consulting
- Wendy Bridges, economic development director for the City of Goodyear
- Jennifer Lindley, downtown development manager for the Town of Queen Creek
- Karla Moran, principal of economic development for SRP
- Heath Vescovi-Chiordi, director of economic development for Pima County

The following responses have been edited for clarity and length.

AZRE: *At the beginning of 2023, there was talk of recession, and issues with supply chain, inflation and labor were hampering economic development. Are these still factors as the year comes to a close?*

Karla Moran: Supply chain problems have definitely pushed out schedules and made them longer. Timelines for some of the electrical equipment — not even on the SRP side, but the client side — have gotten longer, so developers and construction companies have to be creative to get users up and running quicker.

As a utility, we've seen that lead times have only gotten longer in the past eight months and costs have also gone up. We're also seeing spec development slowing down a little bit, so there's hope that it might alleviate some of the supply chain issues. Labor has also been a challenge on the construction side with no end in sight.



Jennifer Lindley: From the perspective of the Town of Queen Creek, I'm in the throes of doing a lot of development agreements right now and developers are more cautious on the timeline, not only from a construction standpoint, but from a lending perspective, ensuring that permits and entitlement are in place before breaking ground.

While there are some timelines being affected by the labor shortage like Karla said, along with interest rates, I still think there's excitement. There are projects in the pipeline that are waiting for LG Energy Solution to break ground, and I think that will have a ripple effect on the state of Arizona.

Vincent "Skip" Becker: The inflation rate [as of September] in the U.S. was

3.7%. That was a 0.6% increase over July, and Arizona's inflation rate is actually 4.4%. With a steady rise in transportation costs, we are going to see more of what you'd call a recession.

That said, Arizona has created an incredible synergy in the technology industries, from chip manufacturing to electric vehicles, not to mention all the suppliers that are strategically relocating to support these industries, as Jennifer said. Arizona has experienced an unprecedented amount of direct foreign investment.

Wendy Bridges: On a bigger scale, we can't ignore the fact that there's an election coming up and that always affects people's comfort level in how they invest. As we get closer to the end of the year and into the new year, we may learn about changing sentiments for different industries depending on politics.

Transportation funding is another thing of interest for Arizona. I'm located in the West Valley, and we've seen lots of new investment as a result of the great transportation network we have. But that network is also underserved — there isn't the financing mechanism to help manage the number of vehicles on the road with the increase in industry, particularly logistics and manufacturing in the West Valley. That's why Prop 400 is very top of mind because the transportation network is something that literally moves development.

Heath Vescovi-Chiordi: I'm going to put my Southern Arizona hat on right now because we have a lot of Valley representation. Karla mentioned a slowdown in spec development, which is interesting because the Southern Arizona market has seen a marked increase in spec builds recently. Just between two projects — one in Marana and the other in the core of Tucson —

we're seeing almost 1.5 million square feet of spec space going up, which is something we haven't seen for many years. So, our developers are active in identifying where the opportunity is and how to take advantage of that even amongst all the critical issues that we're facing right now.

A unique thing about Tucson is that we're a tier-two market, and we know it. But we're seeing a lot of things that are going to be super beneficial for the state as a whole. We're going to have a groundbreaking down here for American Battery Factory soon, and that in and of itself is going to spin off a lot of upstream and downstream suppliers.

While everybody else is focusing on inflation and the labor market, it seems that Tucson and Pima County in general are about to start cutting our teeth in the midst of all this difficulty. We're always seen as problem children to a certain extent, but we're about to

grow up really quick as the rest of the state advances as well.

AZRE: *Labor shortages have come up a few times during our conversation. What is being done to promote workforce development?*

VSB: From my perspective in rural Arizona, I think we need to change our strategic play when we talk about workforce development. With inflation and the cost of capital, there are going to be businesses that fail. We have to position ourselves to pick up the employees from those businesses and retrain them or help them go support other projects that we're bringing in.

About five years ago, we had mines close in La Paz and Mojave Counties and some 3,000 workers were displaced. Now, miners are usually more transient than other workers, but we're going to see more situations like that moving forward.

WB: I'll add that AAED does a lot to support workforce development across the state. We have a committee that brings in speakers on a range of topics and best practices so we can inform our membership of the current trends and opportunities in workforce development. We also have professional development across a range of topics within AAED that's great for people in this field.

I'm in the West Valley, and there are so many more opportunities there than have ever existed before, not just with development, but also in education. We're fortunate to have to have Franklin Pierce University, but not everyone is going to take a college track. There's also technical education through West-MEC and career training through private colleges throughout the Phoenix Metro.

That's the amazing thing about Arizona — it meets you where you

COMING TO QUEEN CREEK: LG Energy Solution, a leading global manufacturer of lithium-ion batteries for electric vehicles, mobility, IT, and energy storage systems, announced in March that it will invest a total of \$5.5 billion to build a battery manufacturing complex in Queen Creek. The complex will consist of two manufacturing facilities — one for cylindrical batteries for electric vehicles and another for lithium iron phosphate pouch-type batteries for energy storage systems. The investment represents the largest single investment ever for a stand-alone battery manufacturing facility in North America. *(Rendering courtesy of Ware Malcomb)*



“As a utility, we’ve seen that lead times have only gotten longer in the past eight months and costs have also gone up.”

— Karla Moran

are. If you have a bunch of letters after your name, there are opportunities for you at the executive level. In Goodyear, Amazon is one of our largest private employers, with something like 3,000 employees at just one of its facilities here. Those jobs don’t require a lot of experience to get started, and that can be a career path, and there are a lot of other manufacturing positions that don’t require a college degree. So, I think we really do have something for everyone throughout the state.

HVC: Pima County, both as an individual organization and a region, is steeped in workforce development. My department — economic development — is in communication with our workforce development department literally every single day. What they do is informed by our department and vice versa. There’s a consistent feedback loop with businesses telling us what they need, and then we figure out how to create programs and projects to ensure we’re facilitating recertification, training, education,

apprenticeships and all the things needed for those specific industry sectors. It has been very successful so far, and we’re going to continue to build that up.

Over the last three or four years, we’ve gotten the University of Arizona directly involved in the economic development conversation. We know what type of engineers businesses need, so we can work with the College of Engineering to turn those people out. Now all the partners are at the table every single time we have a significant employer we’re looking to bring here.

I also want to give a special shout out to Pima Community College because they’ve done some amazing things, including the Drive48 program with the rest of the community college network. From the outside, it may look like it was created specifically for Lucid Motors, but it’s truly to help innovate in that growing sector.

JL: I just want to highlight the need for robust career exploration early on. One of the things that Queen Creek is doing in partnership with our chamber of commerce is getting into high schools, middle schools and even elementary schools to let those students discover what a job in a particular field would look like.

It’s important because by the time a student is in college, they’ve often made up their mind on a career path, even if it’s just getting a general business degree. Pivoting can be more work that someone wants to go through at that age, so it may be too late. We’re trying to get in front of those students way before they’re in high school and start making career decisions.

AZRE: *What should people know about the intersection of economic development and water stewardship across Arizona?*

WB: There’s a lot they should know, but the first part of the story is that Arizona has a long history of being water aware — sustaining our water supply in the desert is not new to us. Active water





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Vincent "Skip" Becker



Wendy Bridges



Jennifer Lindley



Karla Moran



Heath Vescovi-Chiordi

management has been going on for decades, to protect our communities and our residents.

The second part is that the designation of assured water supply, which many of our Arizona communities participate in, is an ongoing designation. They don't just have to show that they have 100 years of water once — they have to keep demonstrating that they have the supply to sustain development 100 years into the future. That allows communities to identify potential issues early on and time to proactively develop solutions.

Arizona also has a diverse water portfolio, with groundwater being just one source. There's lots to say on this topic, but I'll just add that I think our water system is doing exactly what it should be — identifying potential water concerns early so our leaders and water advocates can have the conversations and take action to not only prevent but mitigate any issues that arise.

HVC: When we talk about assured water supply, if I were to take a page out of [City of Tucson's Water Director] John Kmiec's book, he'd just say, "We're good," and walk out of the room. The reason for that is we've cultivated a culture of conservation because that's the vibe of Tucson, and that has put us in a strong position when it comes to water.

If you juxtapose that with what we're seeing from the context of the state as a whole, yes, we do get lumped into the idea that there's no more water. But once we sit down with people and we have the discussion about what's going on, not only can we clarify our position, but also help with the Phoenix area's position as well.

We're engaged in that discussion constantly, and it has not hurt our ability to attract companies; in fact, the companies that we court are actually very receptive to the cultural element we imbue in our discussions.

JL: Queen Creek has been working on diversifying our water supply, but

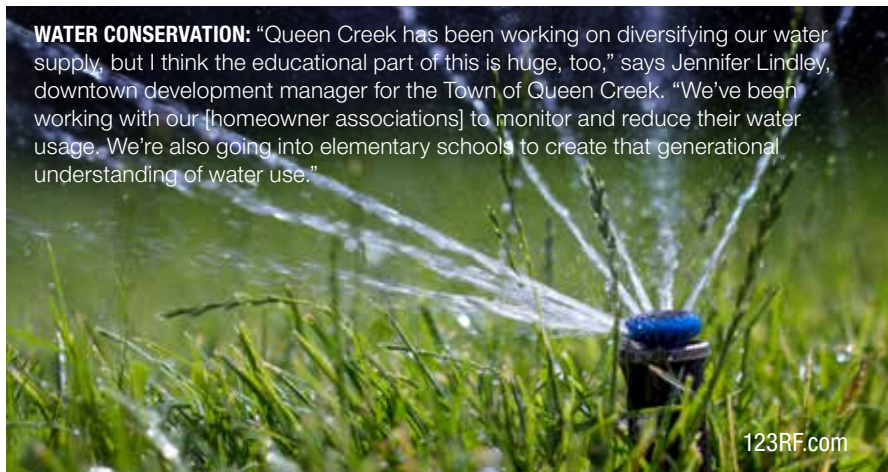
I think the educational part of this is huge too. We've been working with our [homeowner associations] to monitor and reduce their water usage. We're also going into elementary schools to create that generational understanding of water use.

VSB: In rural Arizona, you have to understand your client's need, but you also need to understand your natural resources and where you're locating these folks. Every inch of this state is different — you have different [active management areas (AMAs)] but you also have towns with 500 acre-feet of water. That's not a lot. When you get into agriculture projects, you have to be careful about the amount of water usage and understanding the aquifers in the rural areas. The political environment in rural Arizona is also interesting — people might be more misinformed than really understanding the resources that are available in the area.

KM: The recent Phoenix AMA groundwater study has helped spur conversation around the best use of water. What is the economic impact of that water use? Is it beneficial to the community? I think we have to continue that discussion on what type of industries are best suited for certain parts of the state. How does that affect Greater Phoenix, and how does each city want to approach that?

We've had a lot more conversations with end users that want to be sustainable, and they want to be good corporate citizens within our community. They have to understand that water is a precious resource and figure out how to reuse it, refine it, process it and return it to the aquifer.

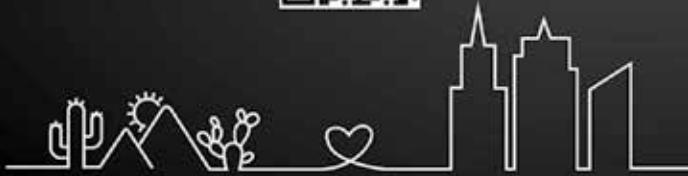
WATER CONSERVATION: "Queen Creek has been working on diversifying our water supply, but I think the educational part of this is huge, too," says Jennifer Lindley, downtown development manager for the Town of Queen Creek. "We've been working with our [homeowner associations] to monitor and reduce their water usage. We're also going into elementary schools to create that generational understanding of water use."



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SHAPING THE CITY: The \$125 million Goodyear Civic Square at GSQ is the first step in creating a traditional downtown area for a fast-growing city that is attracting companies from around the world. The developer of the project was Globe Corporation, the contractor was Ryan Companies US and the architect was Butler Design Group. *(Photo courtesy of City of Goodyear)*

AZRE: *Is there anything else you'd like readers to know about your communities or what's coming in 2024?*

HVC: There's a feeling of opportunity in the air, and that's what I want to leave you with. Not only is Southern Arizona in a favorable position because of the confluence of everything we've been talking about, but AAED is also in such a good spot, and we're only going to get better. We're making the correct moves and investing in the right things, so you're going to see AAED become even more preminent than it is.

My final shoutout: Bring your business to Southern Arizona!

WB: I don't just want to say, "What he said but insert the City of Goodyear," but I do think there's tremendous opportunity happening across the state. Just outside my office window, I'm seeing how our leadership is taking great care in creating Goodyear's first downtown.

We have some great buildings going up, a gorgeous library, a beautiful park and a great setting with lots of restaurants and office space coming. The chance to work in a community that's at a young stage with such great potential doesn't come along often in our careers, and I consider myself fortunate to be in this position.

JL: Sometimes, we need to step back and remember that it's a marathon and not a sprint — especially in economic development. We need a good plan, but there are roadblocks that are going to come up. Economic conditions could change, or something like COVID could hit and we'd have to pivot.

Economic development is not always glamorous. I've been working at the town for nine years, and there's a project that I've been working on for nine years. I just hope that before I leave the Town of Queen Creek that I get to see that come to fruition, but that's economic development. We land

these projects, hurdles come into place, we pivot, but we're in it for the long haul. It's a good mindset to have.

KM: The state is in a transition to more manufacturing, so we have to figure out how to help our workforce be prepared for that and be sure our infrastructure is ready for it. We're in the midst of some growing challenges now, but we can all learn from each other. There are different things going on in different localities, so we need to share those best practices with each other.

VSB: I want to end with speaking about AAED as a whole. If you look at our 500 members and our sponsors, we are the most dynamic association in Arizona. We touch nearly all projects that come into the state, and that's because of these professionals that this synergy has been created. We're so blessed to have our new executive director Katie Hurst coming on board to work with these folks. I'm blessed to be the old man in the room. ■■■



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SCAN HERE

NEW DIRECTOR, NEW DIRECTION

Meet Katie Hurst, the new executive director for the Arizona Association for Economic Development

By KYLE BACKER

In September, the Arizona Association for Economic Development (AAED) selected Katie Hurst as its new executive director. AZRE magazine sat down with Hurst to learn more about her career path and plans for AAED.

The following responses have been edited for clarity and length.

AZRE: *Tell me a bit about your background and how you ended up at AAED.*

Katie Hurst: I spent two years teaching history as part of Teach For America, which sparked my interest in helping nonprofits. Even though I was a paid teacher, we did a lot with the organization to break down some of the systemic issues in education, and I realized I had a passion for wanting to help nonprofits tell their stories. So, I moved to Arizona in 2007 because I wanted to attend grad school at Arizona State University to learn how to do public relations and evangelize for nonprofits.

AZRE: *That must've been a hard time to finish grad school and go out on the job hunt.*

KH: It was. Once I graduated, it was the Great Recession and nonprofits weren't doing well, and neither was public relations. But fortunately, there was a nonprofit coworking space in Chandler that I got connected to called Gangplank, and the founders Derek Neighbors and Jade Meskill were kind enough to take me on as a volunteer. I guess I was doing a good enough job that they brought me on as their first and only full-time hire at the time.

AZRE: *Why was working at Gangplank impactful for your career?*

KH: That job was important to me because we had a relationship with the City of Chandler. The city's economic development team was tasked with attracting and fostering entrepreneurship, and it was Gangplank's job to promote events and provide education. Back then, I was working with economic development powerhouses like Christine Mackay, Lori Collins and Jennifer Lindley, who's now on the board of AAED. That experience gave me respect for



LEADING THE WAY:

Katie Hurst, a longtime Arizona professional and catalyst for entrepreneurship and coworking in the state, was selected in September to lead the Arizona Association for Economic Development as its next executive director. (Photo by Mike Mertes, AZRE)

the economic development profession. I got to see how that profession impacts the local community early on in my career. I even briefly considered going into economic development, but it just wasn't in the cards at the time.

AZRE: *What came after your time at Gangplank?*

KH: After working with startups, I wanted to work for startups. And that's how I've spent the last decade — working with startup and enterprise businesses while honing my skills in operations, management and marketing. The reason AAED was particularly attractive to me is that after years of working in high growth and private equity, I wanted to return to my roots with nonprofits, and I felt that I had gained enough experience to bring something of value.

In addition to AAED being a nonprofit, it checks so many other boxes for me. It has a passionate and engaged membership base, the staff is fantastic and it's an opportunity to impact my local community. I moved back to Arizona after being in the Pacific Northwest for four years, because there's no place like here.

AZRE: *Sometimes nonprofits have a reputation of being stuck doing things like they always have, whereas startups are known for a "move fast and break things" mentality. How do you think working with startups is going to help you in this role?*

KH: First off, I'll say that part of the reason I was drawn to AAED is that there isn't that calcification, or the idea that "this is how we've always done and how we'll always do it." I'm already learning about the board's new ideas on how to serve membership.

But I do feel like my experience in enterprise, private equity and startup businesses does allow me to see how we can build and scale in ways that nonprofits aren't traditionally used to, and I think that does provide a lot of benefit. Sometimes it's nice to come from an outside perspective of running a business in a different way.

AZRE: *Are there any similarities between working with startups and with nonprofits such as AAED?*

KH: There are a lot of parallels. For example, tackling the problems of communication between a board of

directors and the committees trying to execute on their vision — that's the same problem as the C-suite trying to communicate with the directors running their individual departments. Some aspects are different though, such as funding channels and how to involve a volunteer membership base versus a paid staff.

AZRE: *There are lots of great economic development organizations, but AAED is unique in that it has a statewide focus — you're working with folks in rural areas and in the fifth largest city in the U.S. How is that a different challenge than what some of the other regionally based associations face?*

KH: I had the pleasure of working with Jeremy Babendure of the Arizona SciTech Festival way back when that was first getting started. I got to tag along and go to places like Florence to promote the festival, and that was my first taste of going to these Arizona towns and cities that I hadn't lived in and didn't know much about. Part of me taking on this role was about getting the chance to be more involved statewide. I'm an Arizonan to my core — I tell people this is my home state now.

But like you said, AAED is a

statewide organization and we're the voice of economic development professionals. We have the opportunity and obligation to make sure we're providing a diverse set of perspectives from across the state. That's something unique to us and a huge benefit for our organization.

To your point about the challenges, part of the reason why I think the board was interested in me is that I have a storytelling, communications and marketing background. I've worked with small stories and figured out ways to make them bigger and more impactful. That's something I bring to the executive director position — taking accomplishments that might not seem like they would be top level news, finding the unique aspects of it and showing the impact to the rest of the state.

AZRE: *That can be hard when Phoenix gets so much media attention, right?*

KH: Phoenix is Phoenix, and it does dominate a lot of the conversation because of the people moving here, all these high rankings we're getting, et cetera, but the things happening outside the city impact

Phoenix as much as the growth in Phoenix impacts the rest of the state. Finding those connections between the various parts of Arizona and celebrating that message is the way to go, versus focusing on what's just happening over in Chandler, then Tempe, then Tucson, then Flagstaff each in isolation. All those places have special and valuable profiles, but there's lots of ways to find the connections between what's happening in those various areas.

AZRE: *What direction do you plan to take AAED as you settle into the executive director role?*

KH: Well, I don't want to give too much away, but I'll talk generally about it. I'm really focused on reviewing and improving the foundational processes that support our members. The organization has done a tremendous job over the last couple of years to grow and expand. We have great education programs and we put on amazing events every year.

But there's a lot of manual work that takes members' and staff time that should be focused on evangelizing, messaging and focusing on how we can best help the state understand what economic development trends are out there.

We're investing in tools and software to streamline and automate processes so our members and staff can devote more time to creating insightful content, delivering impactful events and providing professional education that shapes the future of the profession. We're at a critical point of scale where the organization has a lot of potential, and my goal is to build the processes that help other teams succeed and elevate the message of AAED.

AZRE: *Is there anything else you'd like to share with readers?*

KH: In terms of leadership style, I really believe in being a servant leader. I'm here to remove barriers and act as an ambassador for our membership base because that's the one with the expertise they need to be heard. That's really my key goal in this role — find ways to empower this organization to be even more amazing than it already is. ■■■

About AAED

Serving as the leading statewide advocate for responsible economic development in Arizona since 1974, the foundation of the Arizona Association for Economic Development (AAED) has been rooted in three fundamental pillars that continue to affect positive change and increase Arizona's competitive position to attract investment and create jobs.

EDUCATE: Continued learning is paramount to ensure all practitioner and private sector members are current on new tools and programs that will enhance Arizona's competitiveness. Key educational components include workforce symposiums, the launch of the Arizona Economic Development Academy, Fall Forum, the AAED Spring Conference and the Tribal Economic Development Forum.

ADVOCATE: AAED is one of the leading advocates for legislative policy that contributes to a business-friendly operating environment.

COLLABORATE: AAED's monthly lunch programs, quarterly roundtables, symposiums and monthly mixers are all designed to encourage collaboration and the continued exchange of ideas and information. These events also allow for AAED members to engage with other economic development-focused professional groups within the state.

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RURAL RARITIES

How economic developers leverage the unique character of rural Arizona

By KYLE BACKER

VINTAGE ARIZONA: There are many Arizona wineries and tasting rooms on the Verde Valley Wine Trail that offer a variety of skillfully crafted wines to satisfy any wine taster's palate.

(Provided photo)

Arizona is the nation's sixth-largest state by area and offers residents a varied geography to enjoy, such as the world's largest contiguous ponderosa pine forest in the north and the subtle beauty of the Sonoran Desert in the south. Even though there is diversity of both communities and landscapes in Arizona, much of the economic development coverage focuses on the state's two largest population centers: Phoenix and Tucson. That's why on Sept. 28, the Arizona Association for Economic Development (AAED) hosted panelists to discuss economic development issues across the state, with one panel highlighting the obstacles rural areas face and the successes they've enjoyed.

"Economic development is considering the whole picture of

how you build a vibrant and cohesive community," explains Katie Hurst, executive director of AAED. "It's about attracting the right businesses for that particular city, state, county entity, or whatever it is, and making sure both the businesses and the community benefit. Part of the effort is having the infrastructure to support not only those companies, but the direct employees, supporting organizations, restaurants and schools to coordinate between those different entities to build a vibrant, scaling, growing community."

That said, there's nothing easy about economic development in rural areas, according to Mignonne Hollis, executive director of Arizona Regional Economic Development Foundation.


"We have the same challenges as the

urban areas, but they just look a bit different," she says. "We always say that if you've been to one rural community, you've been to one rural community — because they all feel different."


WORKING TOGETHER

Tom Pitts, owner of Tom Pitts Consulting, lives in Jerome but works across the Verde Valley region. He says Jerome is about as tiny and rural as a town can get, with a population of a little more than 400 residents. Despite having so few permanent residents, Jerome sees approximately 2 million visitors each year.

"With the population size and density we deal with, when it's time to put a major project together, it requires collaboration," Pitts says. "One of the cornerstones of AAED is collaboration,



“We’ve got wineries and vineyards all over the place — literally from all the way up in Jerome down through the Verde Valley.” — Tom Pitts



so it’s important to know how to take [a rural community’s] strengths and work with other folks to put together the appropriate package to make things happen. Bottom line is, you’re not going to build Lucid Motors or TSMC factories in Downtown Phoenix. You need some land to do that.”

Greater Phoenix represents about 65% of the state’s population — and political representation — but just 8% of Arizona’s total landmass.

“That means the rest of us have to figure out what to do with the remaining 35% of muscle when it comes to getting things done,” Pitts continues. “But we have all of that land and opportunity, and that’s where rural development really starts to make sense in Arizona.”

Building on a rural community’s strengths leads to success, says

Tim Suan, deputy town manager of Wickenburg, since there is no one-size-fits-all solution for growth.

“Not everyone wants a semiconductor manufacturing facility in their town,” he says. “Creating an economic development strategy is relative since your goals will be different [place to place].”

Communication and education are critical to marshalling support around a project, especially since new officials are frequently elected to all layers of government who are learning how to do what can be an overwhelming job. Sometimes, Pitts says, planning and zoning departments in smaller towns default to saying “no” to new developments because it feels like a safe choice since it doesn’t require getting buy-in from multiple stakeholders.

“The difference between just planning

and zoning and economic development is learning how to say yes,” Pitts says. “It’s about making a project move forward that positively affects the community.”

Breaking down any silos that may exist is important to understand the needs within the community and reaching out to other economic developers across the state can help projects materialize.

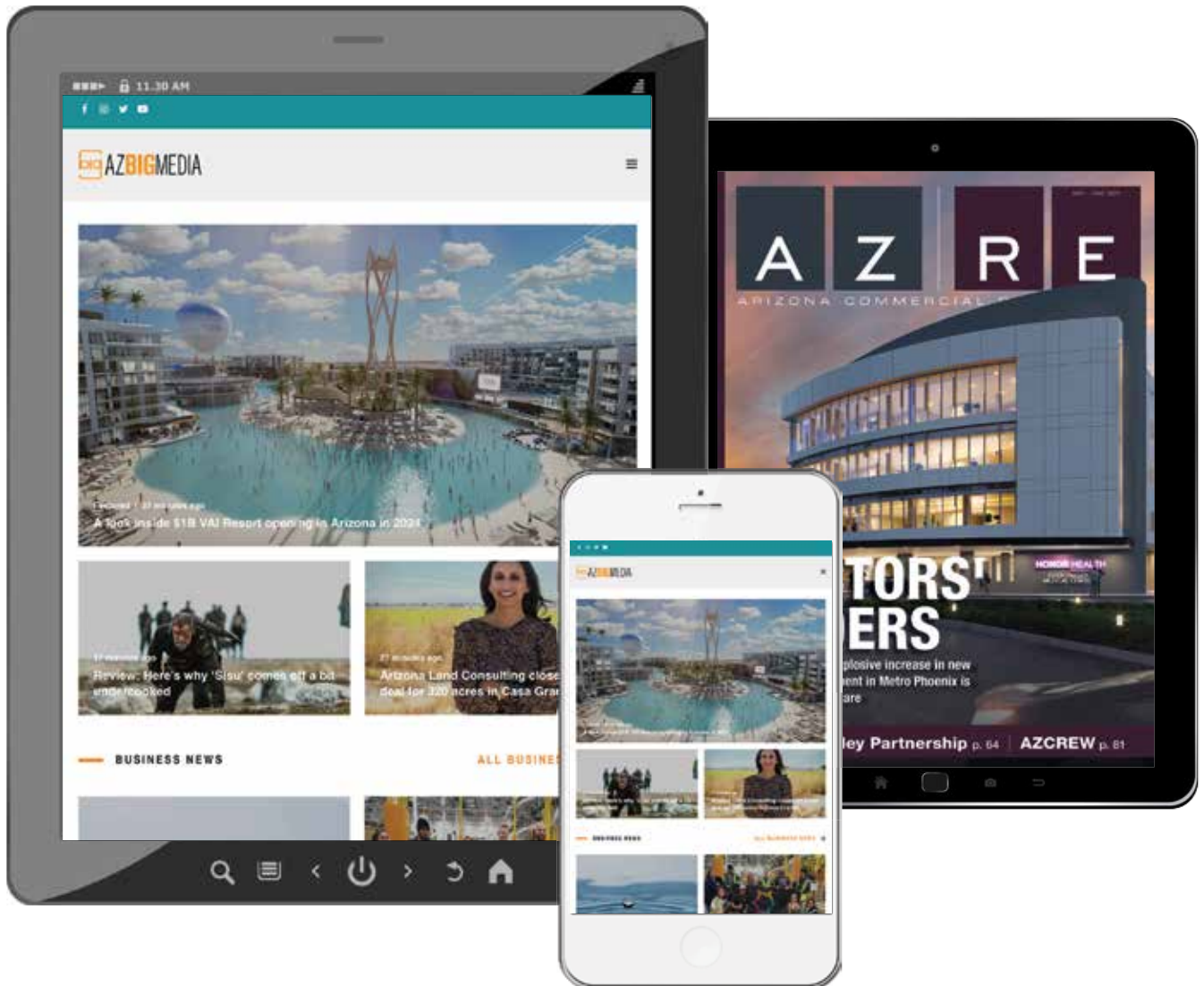
“I have more than 800 numbers in my phone,” Pitts notes. “When you’re trying to put a project together, knowing that you have people to call on for expertise helps things come together. You wear a lot of hats in rural Arizona, but you don’t have to do it all by yourself.”

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“It’s about attracting the right businesses for that particular city, state, county entity, or whatever it is, and making sure both the businesses and the community benefits.”

— Katie Hurst

the state. For example, Sedona’s natural — and what some consider to be supernatural — wonders are capitalized upon by Jeep adventures and vortex tours. That vibe is different from Wickenburg, known as the team roping capital of the world.

One of the great successes in Verde Valley is the growth of the wine industry there, which Pitts says is an industry created out of whole cloth in recent years. A Supreme Court ruling in 2005 invalidated sections of Arizona’s wine laws, and in 2006 a new state law came into effect that created the foundations for the industry today.

“Since that time, 156 new winery licenses have been issued,” Pitts continues. “Up in Verde Valley, we decided to take advantage of that opportunity and we got together with the Yavapai Community College to create workforce training. And it turned out that is the only viticulture and enology program between California and Texas. We thought we were training a workforce, but we ended up training a lot of entrepreneurs.”

The average age of students in the program was 43, and 100% of the students in the first five years of the program ended up working in the industry or creating their own company, resulting in 30 tasting rooms in Verde Valley.

“We’ve got wineries and vineyards all over the place — literally from all the way up in Jerome down through the Verde Valley,” Pitts notes.

One important winemaker in the region is Maynard James Keenan, frontman for Tool, Puscifer and A Perfect Circle, who opened Merkin Vineyards Hilltop Winery & Trattoria, Caduceus Cellars Hilltop Facility and VSC Ventura Room in Cottonwood on Oct. 6.

“In the many years I’ve been working towards this moment, one of the things I discovered when it comes to bridging the hurdle of exposing people to Arizona wine is context,” Keenan says in a press release. “So, by putting a place like this in the middle of Cottonwood with five acres of vines, to winery facilities with a full greenhouse and a full kitchen, all the context becomes visible, and you kind of break down the barriers of whatever preconceptions you have of Arizona wines.”

Today, Verde Valley, along with Wilcox and Sonoita, have been recognized by the federal government as American Viticultural Areas, signifying those regions as having special value in growing grapes.

“We’re talking about a brand-new industry to the state of Arizona,” Pitts concludes. “And it can only really happen in rural Arizona, because that’s where the grapes choose to grow.” ■■■



Mignonne Hollis



Tom Pitts



Tim Suan

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MEMBERS FIRST

Here's how AAED plans
to grow going into its
50th anniversary

By KYLE BACKER

123RF.com

The Arizona Association for Economic Development (AAED) is embracing a new approach as the organization prepares to celebrate its 50th anniversary in 2024. A new executive director, Katie Hurst, was selected in September — an addition that Vincent “Skip” Becker, president of Becker Development and Consulting and AAED, says is crucial as the organization enacts a new member blueprint.

“A big part of the interview process for our new executive director was recognizing the need for new strategies,” he says. “We realized that because of this transition period, we could bring on a dynamic person with the right level of business acumen to steer our new strategic plan into the future. We’ve got that with Katie, and we’re proud to have her.”

As far as what those changes may look like, Becker says that the

organization is going to adopt a more proactive approach, rather than waiting for folks in the industry to reach out.

“If you take a comprehensive look at our association, it’s made up of economic development professionals, service providers, utility companies, state agencies, municipalities and others,” he continues. “The members and sponsors of AAED have likely touched more than 90% of all projects coming into or are already under development in Arizona. That being said, how do we differentiate ourselves from other member-driven associations beyond being a statewide organization?”

One tactic is to be more proactive in engaging companies when projects are publicly announced, and Becker says delineating a clear and professional path for getting those businesses involved in AAED is key.

“This will provide a true, measurable

value-add not only to our membership and our sponsors, but to the projects and companies,” Becker continues.

Jennifer Lindley, downtown development manager for the Town of Queen Creek and vice president of AAED, adds that a historically underutilized resource for the organization has been its board of directors.

“Our board is plugged into different communities across the state and different sectors of our industry,” she explains. “Our executive committee goal is to plug into our board of directors and use their resources, skill set and knowledge to elevate AAED.”

Doing so will create a think tank of sorts for economic development that can leverage the knowledge of AAED’s membership, says Karla Moran, principal of economic development for SRP and president-elect of AAED. “We need to expose ourselves as being



Vincent "Skip" Becker



Braxton Hynes



Juliana Jervis



Jennifer Lindley



Karla Moran



Heath Vescovi-Chiordi

the economic development experts in the region and the state. [That way we can] influence more at the local and state level of lawmaking to benefit the growth of the state," she continues.

The board is just one source of untapped potential, according to Heath Vescovi-Chiordi, director of economic development for Pima County and secretary/treasurer of AAED.

"Our staff is phenomenal," he says. "Giving them the resources to continue what they're doing and listening to them has been instrumental in figuring out how the operational efficiencies are going to progress — and I have no doubt that Katie is going to push that forward for us. So not only do we have the leadership, we've got the operational capacity and talent to grow."

PROFESSIONAL DEVELOPMENT

Starting January 2024, AAED is offering a new way to earn its Arizona Economic Development Professional (AZED Pro) certification. Juliana Jervis, operations and events manager for AAED, explains that there are six required core courses and an elective class students must take to demonstrate professional-level proficiency in economic development. Historically, those wanting to earn the AZED Pro certification had to satisfy those requirements within a three-year timeframe but did so at their own pace.

"The cohort program is something new we're starting in January, and it's for people who want a group to take the certification classes together with," she continues. "We're also planning to have an experienced practitioner to help guide them throughout the process. The cohort is just a new way to get the certification — it's not a requirement."

Braxton Hynes, member engagement and development manager for AAED, says that earning the AZED Pro certification was valuable to someone new to the economic development field like herself, but says those with more experience will still yield useful insights from the coursework.

"The cohort program shows how relational AAED is as an organization and the value that it brings for members," she says. "Participating in a cohort — taking the same courses with the same people — will deepen those relationships. That is powerful not only for getting the certification, but networking in general."

Another option for members to get involved is through the organization's mentorship opportunities. AAED's emerging leader's committee — comprised of members 35 years old or younger and those with less than five years of experience in the industry — has an annual application

for emerging leaders to pair with an established professional within AAED whose interests align.

"We've had the mentorship program for three years and there's been phenomenal feedback, both from mentors and mentees," Hynes says. "It's up to the mentor and mentee to determine how formed or structured they want their meetings to be, but we encourage that they connect regularly." ■■■

UPCOMING EVENTS

- January 19** – Cornhole Tournament, Hole 9 Yards, Gilbert
- January 22-25** – Arizona Basic Economic Development Course
- February 13** – Phoenix Summit
- March 29** – Golf Tournament, Legacy Golf Club, Phoenix
- April 3** – Workforce Career Building Event with Phoenix Suns, Footprint Center, Phoenix
- April 23-26** – Spring Conference, London Bridge Resort, Lake Havasu



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23 ECONOMIC DEVELOPMENT WINS IN 2023

Here are some of Arizona's biggest economic development expansion and attraction projects in fiscal year 2023:

- **TSMC** announced a total \$40 billion investment and plans to build a second state-of-the-art semiconductor fab in Phoenix, creating 4,500 total jobs.
- **LG Energy Solution** announced a \$5.5 billion investment to build a battery manufacturing complex in Queen Creek, creating thousands of jobs.
- **American Battery Factory** announced plans to build a \$1.2 billion lithium iron phosphate battery cell manufacturing facility in Tucson, creating 1,000 jobs.
- **Republic Services** announced it will relocate its corporate headquarters to a newly- built facility in Phoenix, which will house 1,000 employees.
- **Discount Tire** announced plans to develop a new corporate headquarters in Phoenix, including a 300,000+ square-foot office building that will house 1,100 employees.
- **Virgin Galactic** announced a new Delta class spaceship manufacturing facility in Mesa, creating hundreds of aerospace engineering and manufacturing jobs.
- **Moov**, a marketplace for used semiconductor equipment, celebrated the grand opening of its new U.S. headquarters and office in Tempe, supporting hundreds of jobs.
- **Benchmark Electronics** celebrated the grand opening of its \$20 million Precision Technologies facility in Mesa, supporting up to 100 new jobs.
- **Procter & Gamble (P&G)**, a global consumer goods leader, announced plans to invest \$500 million to build a new fabric care product manufacturing facility in Coolidge, creating 500 new jobs.
- **Evelution Energy**, an electric vehicle battery materials processing company, announced plans to build a \$200 million cobalt sulfate



SOARING ECONOMY: Virgin Galactic Holdings announced it has signed a long-term lease for a new final assembly manufacturing facility for its next-generation Delta class spaceships. Located in Mesa adjacent to the Phoenix-Mesa Gateway Airport, the facility will be capable of producing up to six spaceships per year and will bring hundreds of highly skilled aerospace engineering and manufacturing jobs to the area. (Photo provided by Virgin Galactic)

production facility in Yuma County, creating 60 new jobs.

- **Blue Origin** celebrated the grand opening of its new avionics and systems engineering office in Phoenix, creating hundreds of new jobs.
- **Corning**, one of the world's leading innovators in materials science, announced plans to build a new optical cable manufacturing facility in Gilbert, creating 250 jobs.
- **FrameTec**, announced the commencement of construction on its new \$40 million framing truss manufacturing facility in Camp Verde, creating over 180 new jobs.
- **JA Solar** will invest \$60 million to establish its first solar module manufacturing facility in the U.S. in Phoenix, creating over 600 jobs.
- **Rehrig Pacific**, a manufacturer for the supply chain and environmental waste industries, broke ground on a new manufacturing facility in Buckeye, creating over 100 jobs.
- **Sion Power**, a leading technology developer of batteries for electric vehicles, announced an expansion of its battery manufacturing operations in Tucson, creating over 150 jobs.
- **Nucor**, the largest steel and steel products producer in the U.S., will invest \$100 million to expand its existing bar mill in Kingman, creating 140 new jobs.
- **JX Nippon Mining & Metals USA** broke ground on its new electronic materials manufacturing facility in Mesa, creating over 100 jobs once operational in 2024.
- **Chang Chun Arizona**, a leading petrochemical supplier based in Taiwan, broke ground on its \$300 million semiconductor chemical manufacturing facility in Casa Grande, creating over 200 new jobs.
- **Ecobat**, the global leader in battery recycling, announced plans to build a lithium-ion battery recycling facility in Casa Grande, creating over 60 new jobs.
- **Cirba Solutions**, a leading battery management and materials processor, announced plans to construct a lithium-ion battery recycling facility in Eloy, creating over 100 jobs.
- **HyRel Technologies**, a global provider of quick turn semiconductor modification solutions, commenced operations at its \$15 million manufacturing facility in Peoria, creating 50 new jobs. ■■■■

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