Approved May 20, 2026

CITY OF SCOTTSDALE
ECONOMIC DEVELOPMENT
COMMITTEE REGULAR MEETING
MINUTES

Wednesday, March 25, 2026
One Civic Center, Suite 300
City Manager's Conference Room
7447 E. Indian School Rd.
Scottsdale, AZ 85251

PRESENT: Vice-Mayor Adam Kwasman, Chair
Councilwoman Jan Dubauskas
Councilwoman Solange Whitehead

STAFF: Greg Caton, City Manager
Kevin Burke, Economic Development & Tourism Director
Judy Doyle, Deputy City Manager
Amy Herring

CALL TO ORDER

Vice-Mayor Kwasman called the meeting to order at 3:07 p.m.

ROLL CALL

Members present as listed above.

PUBLIC COMMENT

There was no response to the call for public comment.

1. Approval of January 14, 2026, Summarized Minutes of Regular Meeting

COUNCILWOMAN WHITEHEAD MOVED THAT THE JANUARY 14, 2026, ECONOMIC DEVELOPMENT COMMITTEE MEETING MINUTES BE APPROVED AS WRITTEN. COUNCILWOMAN DUBAUSKAS SECONDED THE MOTION, WHICH CARRIED 3-0 WITH CHAIR KWASMAN AND COUNCILWOMEN DUBAUSKAS AND LITTLEFIELD VOTING IN THE AFFIRMATIVE. THERE WERE NO DISSENTING VOTES.

2. Greater Phoenix Economic Council

Christine Mackay, President and CEO of the Greater Phoenix Economic Council (GPEC), reviewed her personal and professional background. She spoke about working with the managers of various cities and towns. She conducted a slideshow presentation and reviewed slides with the following titles: GPEC Services; FY 2026 Quick Overview; Prospect Stats; FY 2026 Year-to-Date Prospect Activity; FY 2026 Prospects by Type and Operation; FY2026 Prospects by HQ Location; Recent Announcements; On the Horizon; Phoenix Sky Harbor Mural Installations; Economic Activity; Greater Phoenix Employment; Current Makeup of Industry; Job Forecast; Inflation and Prices; Composite Business Confidence; Households; Consumer Sentiment; Housing Sector; a New Regional Platform; and National/international campaign.

Ms. Mackay indicated GPEC was a public/private partnership formed in 1989, and though other areas' similar agencies were either entirely public or entirely provide, GPEC believed in keeping business and government together to make decisions. She noted the average salary for jobs attracted in the Phoenix area is $83,000, up from $38,000 ten years ago.

Responding to Committee member questions, Ms. Mackay remarked that the types of companies that make up the business in Phoenix include semiconductor supply chain companies, biotechnology companies, and those in cybersecurity, logistics, and construction, among others. She indicated that between 25 and 35 percent of the companies are internationally focused, up from 1 or 2 percent when she began. The lion's share of business is in light manufacturing, which was a change coming out of the Great Recession, when the focus was on warehouse distribution. She agreed with Councilwoman Dubauskas that call centers were very popular in the area, but regional leaders have created a place where business wants to be.

Ms. Mackay stressed the importance of the regulatory and tax environment of the State. Many businesses were surprised at how much GPEC stayed out of their businesses. What makes Arizona different is that it is not based on legacy, it helps new companies, and its economy was built on collaboration and innovation. She listed some of the companies that have moved to the area.

Ms. Mackay indicated that GPEC has 101,000 businesses in the greater Phoenix area consisting of 25 or fewer employees, including businesses like rideshare drivers; that makes up 99.3 percent of local businesses, which is critical to the local economy. She explained how GPEC helps cities with their business and retention expansion programs, adding that 80 percent of new jobs come from those smaller businesses. She talked about efforts other cities make to lure successful businesses away from Phoenix, which she is familiar with as she also engages in some of the same tactics.

In response to additional queries, Ms. Mackay said she believed Northern Virginia had the most data centers anywhere in the world, but she would follow up with confirmation. There are tax incentives on a state level that allow for a reduction of personal property taxes and an abatement of sales tax for computer- and energy-related equipment. The area's program has been ranked as one of the most beneficial tax programs in the nation. A discussion ensued regarding data centers.

Ms. Mackay opined that the trend seemed to be shifting away from gig-based workers and more to traditional employment. Economic development has also seen a shift toward workforce training. She talked about working with community colleges, which she described as workforce engines.

Chair Kwasman thought community colleges were valuable for certain industries like culinary arts and golf course management. A brief discussion ensued regarding the lack of culinary institutes in Arizona. Councilwoman Whitehead lauded the culinary program at Scottsdale Community College.

Ms. Mackay opined on reasons for the large influx of people from New York after the pandemic and discussed the differences in Texas' power grid from Arizona's. She talked about the process of trying to attract businesses to the area, both GPEC's role and times when the State might get involved. She brought up her work on Project GR, a corporate headquarter relocation of a financial institution to Scottsdale, and how GPEC works with Maricopa County on some of these matters. She listed some of the new businesses in the valley and the types of businesses GPEC hoped to attract in the future, such as those involved in aerospace and defense, AI and quantum computing, and bioscience and healthcare. It is important, she continued, to help companies grow so they do not relocate to other states.

Ms. Mackay noted the area's unemployment rate is around 4 percent, with an increase in jobs of around 21,000 each year. She anticipated job growth would level out based on the number of layoff warning notices provided to the State by businesses with more than 50 employees. Some of these are due to AI and downsizing. Business and consumer confidence are shrinking, she noted, though some industries are growing. She pointed out that the area was below the national average in terms of cost of living. She spoke about a project that Arizona is competing with the State of Utah to attract. She discussed GPEC's "A New Way to City" campaign, which focuses on people. The campaign will include a website and a social media presence, as well as national placement in competitive markets.

Responding to additional Committee member questions, Ms. Mackay indicated that one concern among prospective businesses is Scottsdale's ability to find the necessary construction workforce, though they liked the lack of regulations. Businesses also want to be in areas where they will be supported by elected officials, and where they have access to as much power as they need. Councilwoman Whitehead wondered whether data exists regarding water usage by sector.

Ms. Mackay stated GPEC was wrapping up year one of its three-year strategic plan, and while they do not plan to alter the full strategic plan, it wants the Board's authority to augment it with consideration for biosciences, healthcare, aerospace, defense, and AI. Topics such as power and the Colorado River water allocation will take place during the Board retreat. However, GPEC has no intention of raising its costs this year.

3. Economic Development Update

Kevin Burke, Sr. Director of Economic Development and Tourism, conducted a slideshow presentation and reviewed slides with the following titles: Strategic Plan; Goals; Marketing and Attraction Program; Brand Strength; and Best Practices.

Mr. Burke noted the Strategic Plan adopted in 2021 has run its course. One asset Scottsdale has, he continued, is the strength of its existing brand. He promoted the organization's website and social media accounts. He discussed the lifecycle of economic development. This engagement takes the form of mission trips, industry trade shows, site selector events, and industry events. He noted the City is not interested in every industry, but instead is targeting certain industries, such as IT services, financial services, healthcare services, and tourism.

Mr. Burke distributed a document to the Committee members and mentioned the department works with the Greater Phoenix Economic Council (GPEC) and the Arizona Commerce Authority (ACA) to determine where it should focus its efforts. He highlighted some recent engagement efforts in which the department participated and two upcoming events, both featuring many international companies.

Councilwoman Dubasukas listed several conferences and events that she thought would be appropriate to target. Chair Kwasman wondered about conferences that take place outside the United States. Mr. Burke believed they had the resources to consider those but wanted to ensure that they used those resources wisely. He intended for the department to be more engaged in travel opportunities. He spoke about the two types of trade missions, those hosted by municipalities and those hosted by groups like GPEC and the ACA. He believed there would be regional interest in a trade mission targeting Europe, specifically the Netherlands. Councilwoman Whitehead pointed out that Scottsdale previously targeted displaced companies.

Chair Kwasman wondered why the City of Scottsdale needed GPEC and could not handle this on their own. Mr. Burke responded that his team was good, but it was small, and planning an international trip would be a challenge. Discussion ensued regarding the possibility of partnering with the City with respect to an Israeli-American Tech Council that is currently recruiting. Chair Kwasman thought Scottsdale needed to start looking at itself as the crown jewel and an economic powerhouse in the west. Councilwoman Dubauskas requested an item at the next meeting to include the Israeli-American Tech Council.

Councilwoman Whitehead thought it was important to balance those types of things with supporting small local businesses. Mr. Burke noted the first goal of the department is to focus on local businesses. Should the department choose to lead its own trade mission, he wanted to be very intentional and give it the attention it deserves.

Mr. Burke concluded the presentation by reviewing the following slides: Direct Engagement; Compete on Strengths; and Performance Management. He explained that the purpose of larger events unique to Scottsdale, such as the Waste Management Open and spring training, was to make direct connections with business leaders. Councilwoman Dubauskas spoke about the advertising done by Talking Stick Resort for spring training.

Mr. Burke discussed the number of leads generated and the process by which the City researched them and ultimately expressed interest in 25 of the 158 original leads. The requirements for each industry are different, and the vast majority of leads come from GPEC and the ACA. He reviewed the document he distributed, noting that the project leads are included in the leads they receive. All the information from the document is factored into the department's key performance metrics that are shared with the Committee and the Council each year.

Mr. Burke indicated that staff conducts third-party economic impact analyses on the projects in Scottsdale for which contracts with the companies are executed. Those analyses provide direct and indirect economic impacts of the projects. Each project listed contains one or more sites. Councilwoman Whitehead thought it would be prudent to learn the reasons why companies do not choose Scottsdale or Arizona. Mr. Burke responded that those reasons are not always known. He encouraged the Committee members to provide input on the types of things that staff should track in their report.

In response to additional questions, Mr. Burke stated the year was not yet over, and staff was still working on various fronts to attract certain businesses. He thought it would be arbitrary to have a goal consisting of specific project numbers or new job figures. He chose instead to focus on areas that can be controlled, such as the City's turnaround time on the leads they receive. Councilwoman Dubauskas agreed, pointing out that Scottsdale is not the type of area that wants or is equipped to handle 50 new businesses a year. Mr. Burke replied that through its Strategic Plan, the City needs to determine its goals and the performance metrics by which to measure progress.

Chair Kwasman wondered whether staff follows up with businesses that do not choose Scottsdale. Mr. Burke said GPEC does quite a bit of that, but it is difficult sometimes to get feedback about those decisions. He confirmed that the site selector could be questioned in those situations. The City counts it as a win whenever a public announcement is made regarding an agreement between it, GPEC, and a company on a project.

4. <u>Open Call to the Public</u>

There was no call for public comment.

5. <u>Identification of Future Agenda Items</u>

Kevin Burke, Sr. Director of Economic Development and Tourism, indicated he wanted to have a discussion on the topic of business retention and expansion during the Committee's July meeting. He also thought an item should be agendized concerning Fiesta Sports Foundation, and he noted that discussions regarding the Strategic Plan would continue.

<u>ADJOURNMENT</u>

There was no motion to adjourn.

With no further business to discuss, being duly moved and seconded, the meeting adjourned at 4:30 p.m.

Recorded and transcribed by eScribers, LLC.