

DATE: July 1, 2025

MEMORANDUM TO: The Honorable Mayor & City Councilmembers

MEMORANDUM THRU: Bryant Powell, City Manager

Matt Busby, Assistant City Manager

MEMORANDUM FROM: Ryan Kaup, Economic Development Director

SUBJECT: Greater Phoenix Economic Council (GPEC) Contract

Renewal FY 25/26 and GPEC Board Recommendation

The City of Apache Junction and 21 other communities contract with the Greater Phoenix Economic Council (GPEC) on an annual basis to receive regional economic development services. The City of Apache Junction has partnered with GPEC for the previous 17 years. Key benefits of this partnership include prospect generation, marketing, and research analysis.

As part of the City partnership with GPEC, Economic Development staff participates in regional economic development activities, including responding to GPEC-originated business attraction prospects and assisting with the formulation of an Action Plan (Exhibit A). Staff also participates in the Economic Development Directors Team (EDDT) and attends strategic sales missions with GPEC staff.

The annual contract amount for GPEC is based on the State of Arizona Office of Economic Opportunity's 2024 population estimate for Apache Junction (41,643) multiplied by a fixed amount per capita (\$.4897). The City's contracted rate for FY2025-26 is thus \$20,392.

During the previous fiscal year, Economic Development staff responded to six Requests for Proposals (RFPs) generated by GPEC for new companies considering the Greater Phoenix region. These RFPs provided Apache Junction the opportunity to compete for projects with the potential to:

- Add up to 4,400 jobs
- Build/absorb up to 1.5M square feet of industrial space; and
- Invest more than \$11.8B in capital expenditures

Looking ahead, Economic Development staff is focused on bringing more speculative industrial space to Apache Junction, which will give the community a better opportunity to land GPEC-originated projects. As a reminder, most industrial companies moving to the region will select a building already completed or under construction. Additionally, Apache Junction is in a strong position with the State Land along both the US60 and SR24, which will give our community the

opportunity to get more looks from "build-to-suit" projects looking for large land sites, as other East Valley cities continue to approach buildout.

Councilmember Peter Heck has served on the GPEC Board of Directors for the previous three years. In FY 2025-26, this seat will be transitioned to Councilmember Bambi Johnson with the first quarterly board meeting taking place on September 18th, 2025.

Exhibits in the contract include an action plan, performance measures, target industries, reporting mechanism for contract fulfillment, insurance requirements, and a regional cooperation protocol policy. This item is anticipated to be on the consent agenda for the July 15, 2025 Regular Meeting.