



CAPITAL MARKETS & PRIVATE EQUITY

Chairperson: Brian Friedman

Goals for CABC's Project Capital Markets & Private Equity Initiative

The **Project Capital Markets & Private Equity** initiative aims to harness Canadian investment to fuel Arizona's infrastructure growth and ensure sustainable development. To guide its efforts, the CABC has established the following goals:

1. Secure Canadian Capital for Arizona Infrastructure Projects

- **Objective:** Attract and direct Canadian institutional investors, including pension funds, investment banks, and private equity firms, to fund large-scale infrastructure projects in Arizona.
- **Key Metrics:**
 - Raise billions of dollars in investment capital for Arizona's infrastructure needs.
 - Facilitate direct investments into transportation, telecom, healthcare, housing, and utilities projects.

2. Strengthen Canada-Arizona Investment Networks

- **Objective:** Leverage CABC's longstanding relationships with Canadian financial institutions to facilitate ongoing, long-term investment partnerships.
- **Key Metrics:**
 - Establish formal partnerships with key Canadian investment firms.
 - Facilitate exclusive introductions between Canadian investors and Arizona-based projects.

3. Expand Arizona's Role in the USMCA Framework

- **Objective:** Capitalize on the **Canada-United States-Mexico Agreement (USMCA)** to promote Arizona as a strategic investment destination for Canadian capital, enhancing cross-border commerce and trade.

- **Key Metrics:**
 - Increase the volume of Canadian investments in Arizona and the Arizona-Sonora region.
 - Foster joint ventures that span across the three countries to address shared infrastructure needs.

4. Promote the “Real Money Movement” and Track Foreign Indirect Investment (FII)

- **Objective:** Develop a comprehensive tracking system for Canadian investments and their indirect impact on Arizona’s economy, including spending in luxury goods, real estate, and taxes.
- **Key Metrics:**
 - Monitor and report on the flow of Canadian capital in Arizona’s real estate, commercial, and luxury sectors.
 - Quantify the economic impact of Canadian FII through job creation, tax revenue, and local economic development.

5. Align Capital Projects with Arizona’s Long-Term Growth Strategy

- **Objective:** Ensure that Canadian capital investments align with Arizona’s strategic development priorities, focusing on sustainable growth and modern infrastructure.
- **Key Metrics:**
 - Develop a clear pipeline of priority infrastructure projects in Arizona.
 - Align Canadian investment with state and local government development plans.

6. Accelerate Infrastructure Development to Meet Growing Demand

- **Objective:** Fast-track the development of key infrastructure projects to meet Arizona’s rapidly increasing population and business demands.
- **Key Metrics:**
 - Ensure timely completion of transportation, telecom, housing, healthcare, and utilities projects.
 - Reduce project timelines by utilizing Canadian capital to quickly deploy resources.

7. Strengthen Arizona’s Position as a Global Investment Hub

- **Objective:** Position Arizona as a leading destination for global infrastructure investment, attracting not only Canadian capital but also international investors.
- **Key Metrics:**
 - Increase Arizona’s ranking as a top state for infrastructure investment in national and international reports.
 - Develop Arizona’s reputation as a stable, investment-friendly environment for large-scale infrastructure projects.

8. Foster Long-Term Economic and Social Benefits

- **Objective:** Ensure that Canadian investments deliver lasting social, environmental, and economic benefits to Arizona's communities.
- **Key Metrics:**
 - Prioritize investments that create jobs, improve quality of life, and enhance environmental sustainability.
 - Track the impact of investments on local employment, education, and community welfare.

9. Promote Innovation and Technology Integration in Infrastructure Projects

- **Objective:** Encourage the use of cutting-edge technologies and innovative solutions in Arizona's infrastructure development, making the state a leader in smart cities and sustainability.
- **Key Metrics:**
 - Integrate smart technologies in transportation, utilities, and housing projects.
 - Partner with tech firms and Canadian investors to drive innovation in infrastructure.

10. Enhance Transparency and Accountability in Investment Management

- **Objective:** Ensure that all investments are managed with transparency and accountability to build trust with Canadian investors and stakeholders in Arizona.
- **Key Metrics:**
 - Implement robust reporting systems to track investment performance and project outcomes.
 - Conduct regular audits and evaluations to ensure that funds are used efficiently and effectively.

Conclusion

By setting these specific goals, **CABC's Project Capital Markets & Private Equity Initiative** will not only strengthen Arizona's infrastructure but also foster long-term relationships with Canadian investors, supporting the state's growth into the future. These objectives aim to create a thriving economic environment, enhance quality of life for Arizona residents, and solidify the state's role as a hub for cross-border investment and innovation.

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Over the next two decades, Arizona is on course and continues to be one of the fastest growing states in the union. With the surge of new industries and businesses moving into the state, the planning for the next phase of growth is now. The challenge for local private and public sectors will be to raise the hundreds of billions of dollars to support the infrastructure needed at a very rapid pace. Capital markets and private equity continues to be a source of money that can infuse capital into infrastructure projects. The CABC's Project Capital Markets & Private Equity was created to utilize its decades of relationships with Canadian capital investment firms, banks and companies, ready and able to invest at an institutional level and assist in the growth of Arizona, while earning a competitive return on investment.

The CABC has been tracking, assisting and networking with Canadian pension funds, investment bankers and other large money institutions for over 20 years. Canadian pension funds have a mandate to search for solid investments in the United States and abroad. The CABC's goal through this initiative is to bring a heightened awareness to the opportunities in Arizona by capturing the attention of these Canadian investors, and to direct a percentage of that money to Arizona for institutional grade infrastructure investments. Through its one degree of separation with key decision makers in Canada, the CABC is the most equipped entity to do this.

Canadian investments have and continue to directly contribute to Arizona's growth. Canada-Arizona history is deep and dates back over a 100 years, when Canadians moved to Arizona via mining and commercial opportunities. CABC has always made it a priority to follow Canadian investments, specifically, the following of "real money movement" of initial commercial investments in land, buildings, equipment, materials and products. Additionally, foreign indirect investment (FII) is the by-product of the initial investment, which also contributes significant money to the state's revenue base through luxury spending, dining/entertainment, residential real estate, sales/property taxes and more. The capital market and FII actual statistics are difficult to track and are often overlooked when recognizing Canadian dollars that flow into the state. The CABC has its pulse on these transactions as they are significantly important to FDI in Arizona.

The Canada-United States-Mexico (USMCA) Agreement shows that there is support and intent from government agencies to build stronger trade and commerce. Arizona, Canada and Northern Mexico (Sonora) are a dynamic trio with their combined natural resources, supply chains, labor, goods/services, distribution and manufacturing capabilities. Investment dollars from Canada into Arizona-Sonora will accelerate, shorten and amplify the development timeline to finance and build out the new infrastructure in the Southwest.

Arizona is in a growth and development stage setting the ground for the future of the Southwest. The state now needs to expand and go to the next level of infrastructure to accommodate growth in transportation (railways, airports, freeways, bridges), telecom, hospitals, housing (affordable), educational institutes (traditional and trade), and utilities. Canada's capital markets have had a role and continue to move Arizona forward on the international stage.

CABC's Project Capital Markets & Private Equity is directly tethered to its other initiatives, specifically Project Hourglass (water augmentation), Project Exploration (mining), and Project Lift (airports/direct flights). CABC's role with Project Capital Markets & Private Equity is to continue conversations, matching investment opportunities in Arizona, and facilitate exclusive introductions for its members to the Canadian capital markets. Enhancing and protecting future and current investments in Arizona for decades to come.