



# Greater Prescott Regional Economic Partnership

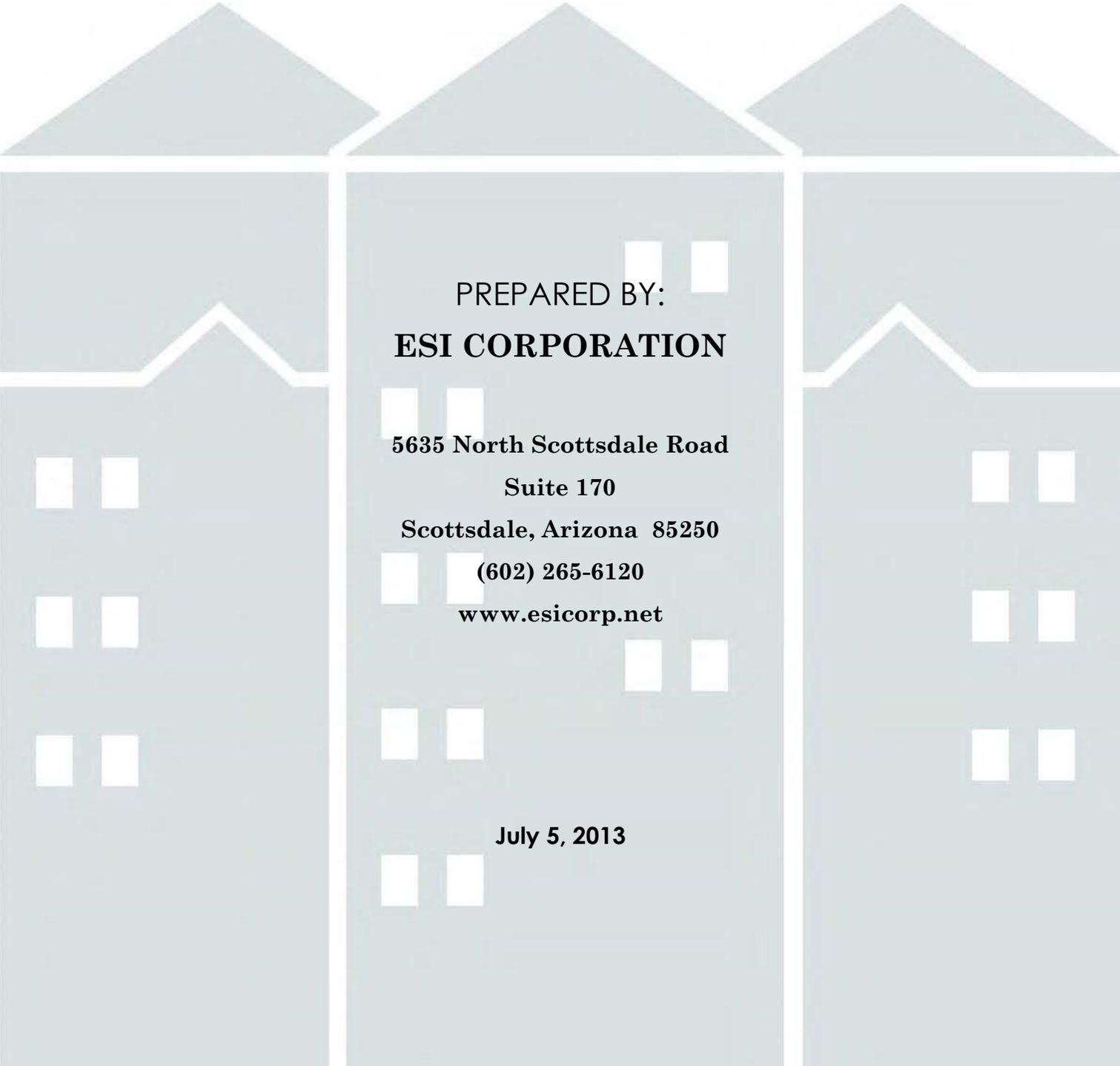
## Economic Development Action Plan 2013-2016

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# **Economic Development Action Plan**

## **For the Greater Prescott Regional Economic Partnership**



PREPARED BY:

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## Acknowledgements

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*This report was sponsored by Arizona Public Service to assist communities in understanding the economy of their region and help them develop a strategic plan that fits their circumstances.*

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### 1. EXECUTIVE SUMMARY

#### *Background*

Over the course of the last decade, the greater Prescott region has experienced significant population growth, which has outpaced both Yavapai County and Arizona as a whole. The three industry sectors that demonstrated the greatest employment gains from 2000 to 2010 include:

- Educational and Healthcare Services
- Retail Trade
- Finance, Insurance and Real Estate

The Prescott region has a strong competitive advantage in several industry clusters, including: Manufacturing, Defense and Security, Aviation and Aerospace, Transportation and Healthcare. The industry cluster that employs the most number of people in the region is Healthcare with over 6,100 jobs. This industry cluster also experienced the greatest employment growth at 57 percent over the 10 year time horizon. Manufacturing in the Prescott region has nearly two and one-half times the number of jobs than the state's average, but suffered a 3 percent decline over 10 years.

The civic and business leadership within the Prescott area recognize the importance of regionalism and have come together to create the Greater Prescott Regional Economic Partnership (GPREP). Crafting the economic development strategic plan for implementation is one of the first steps to be undertaken. This plan represents a three-year blueprint to enhance job creation for the region, and includes an action plan and cluster based strategies.

A Strength, Weaknesses, Opportunities and Threats (SWOT) assessment was conducted through interviews with TAC members and key stakeholders, along with supplemental desk research. Findings from these interviews provided insight into potential growth strategies, opportunities for collaboration, and market trends and gaps. These interviews also helped in understanding key success factors, local competition and barriers to economic development. Key findings of the SWOT provide a foundation for the development of the plan and include the following:

- The Prescott region image is centered around its Western history and known for tourism and retirement.
- Regional strengths include high concentration of higher education facilities, fabulous quality of life and the presence of the Prescott Regional Airport, i.e. Ernest A. Love Field.
- Weaknesses within the region include difficulty in attracting a skilled workforce, insufficient supply of affordable housing, the lack of jobs within base industry, availability of shovel ready land for development, and telecommunications infrastructure that has not kept pace with today's data applications.
- The biggest barrier as a region is lack of community cohesiveness and trust, which makes it difficult to come together on common goals.

### *Economic Development Action Plan*

The GPREP Economic Development Action Plan is predicated around five focus areas with an overarching goal for each area. Embodied within each goal are action items and benchmarks to measure success. These focus areas were formulated based on the results of the background research, interviews, and Technical Advisory Committee input. The order of the focus areas and their supportive goals, action items and implementation steps are not prioritized based on their value to the region. To achieve any measure of success in economic development, implementation of action items within all focus areas must be undertaken simultaneously.

Focus Area	Goal
<b>Marketing</b>	•Create a business brand and marketing campaign for the region designed to achieve the economic development actions.
<b>Recruitment</b>	•Enhance the regional job base by attracting companies within three industry clusters.
<b>Retention &amp; Expansion</b>	•Facilitate the expansion of local business and job creation/retention.
<b>Research &amp; Capacity Building</b>	•Develop and maintain a repository of data and information on the region and provide technical assistance to member communities.
<b>Investor Relations</b>	•Build public and private sector support for GPREP.

In addition to these five focus areas, the plan also identifies cluster based strategies. Research at the national level show that clusters drive economic vitality by generating jobs and wages for residents and expanding purchases of products and services from local suppliers, all resulting in a positive ripple effect to create benefits for every community within a region. The Technical Advisory Committee determined that GPREP would initially focus its economic development efforts on the following industry clusters:

- Manufacturing
- Aviation and Aerospace
- Defense and Security

### *Next Steps*

Launching a new regional economic development organization is a major endeavor and requires many steps including creating a non-profit organization and filing the articles of incorporation, conducting a fundraising campaign, and staffing the organization.

Next steps, outlined by the GPREP organization committee, include constituting the board of directors with both public and private sector representatives, continue the fundraising campaign and securing multi-year commitments from the quad cities, Yavapai County and the private sector. Finally, it is imperative to have people in place to begin implementing the three-year economic development Action Plan. In that regard a sub-committee was formed to begin discussions relating to hiring an Executive Director or retaining the services of a consultant.

## 2. GREATER PRESCOTT REGION

### BACKGROUND

The Greater Prescott Region is a rapidly growing area located 85 miles north of Phoenix in central Yavapai County. This area also known as the Quad-City Region includes Prescott, Prescott Valley, Chino Valley, and Dewey-Humboldt. With a current population of approximately 94,000, the greater Prescott region is one of the fastest growing areas in the state of Arizona, and Yavapai County. Known for its temperate climate and small town feel this area has become a very popular destination for many, especially retirees.

This area is also considered a great tourist destination thanks to its heritage and great natural environment. The city of Prescott was Arizona’s territorial capitol at the time of its founding in 1864, and there is a rich prehistoric history dating back 12,000 years. Surrounded by picturesque views of forests and mountains this area is also home to several different wildlife species. The characteristics of this region have provided it with the opportunity to attract new business opportunities that will enable the region to expand into a well established economic center.

### POPULATION GROWTH AND DEMOGRAPHICS

The population of the greater Prescott region has more than doubled since the 1990’s and has increased by 30 percent between 2000 and 2010, with an annual growth rate of 3 percent. Table 1 illustrates the population growth for the region for the years 1990 through 2010.

**Table 1 - GPREP Population Growth 1990-2010**

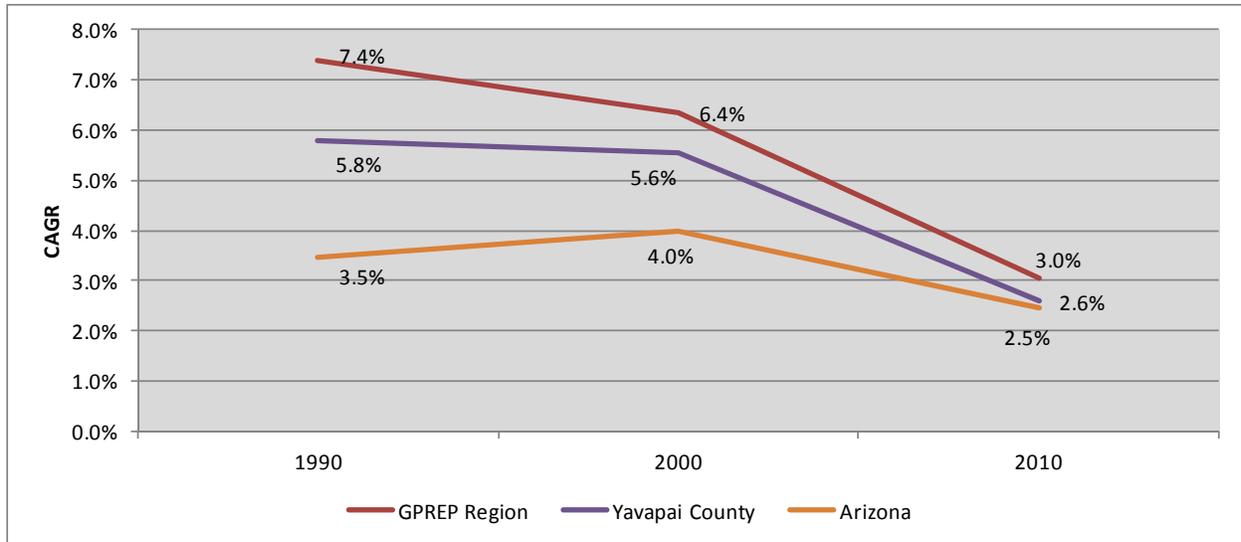
	Chino Valley	Dewey-Humboldt <sup>1</sup>	Prescott	Prescott Valley	Total	Annualized Growth
1990	4,837	3,640	26,455	8,858	43,790	---
2000	7,835	6,295	33,938	23,535	71,603	6.4%
2010	10,817	3,894	39,843	38,822	93,376	3.0%

Source: US Census 1990, 2000, and 2010

Note 1: 1990 and 2000 are figures are for Dewey-Humboldt CDP, the town of Dewey- Humboldt was incorporated in 2004 and has a smaller geographic area, and there was no actual drop in population.

Figure 1 illustrates that the annualized growth rate for the region is greater than the state of Arizona and Yavapai County over this same time period. Beginning in 2000, all geographies are growing, but at a slower growth rate, with the greater Prescott region at 3 percent compared to the State as a whole at 2.5 percent.

**Figure 1 - Greater Prescott Region Annual Growth Rates, 1990-2010**



Source: US Census 1990, 2000, and 2010

Note 1: Dewey-Humboldt CDP was not large enough to appear in the 1980 census

## AGE AND ETHNICITY

The greater Prescott region has a relatively older population due to the large amount of retirees that reside there. Table 2 shows that all of the towns in the region have experienced an increase in the median age over the last two decades.

**Table 2 - GPREP Median Age, 1990-2000**

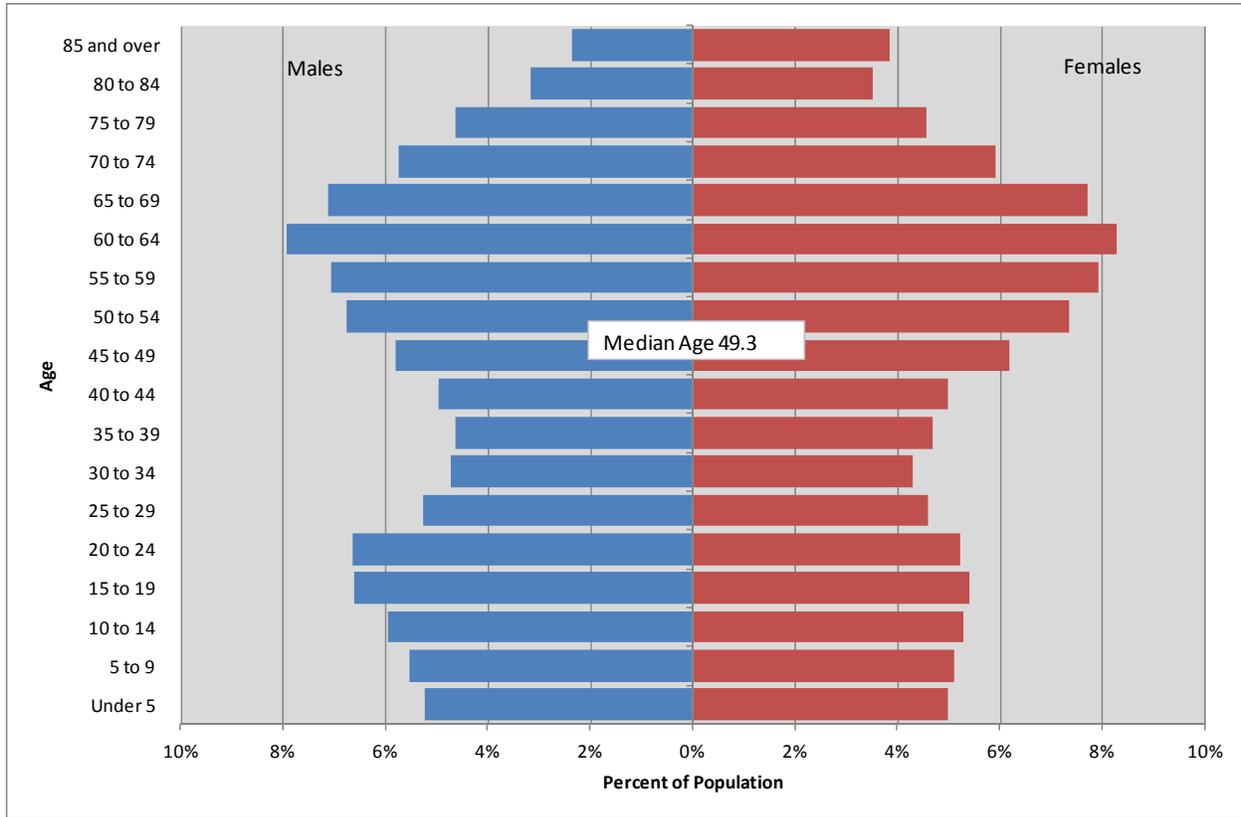
	Chino Valley	Dewey-Humboldt <sup>1</sup>	Prescott	Prescott Valley
1990	37.9	53.7	43.5	37.7
2000	39.8	53.9	47.8	37.3
2010	44.8	49.3	54.1	40.6

Source: US Census 1990, 2000, and 2010

Note 1: 1990 and 2000 figures are for Dewey-Humboldt CDP

A population pyramid is useful in analyzing the distribution of age and gender of the Quad-City region. Figure 2 illustrates the age and gender distribution of the region, and clearly shows the large proportion of retired individuals. An estimated median age for the quad cities area is 49.3 years old.

Figure 2 - GPREP Population Pyramid, 2010



Source: US Census 2010

The age pyramid illustrates a large bulge surrounding the 60 to 64 age cohort, while the prime working years, defined by those between the ages of 25 to 54, is small by comparison. This demographic can most likely be attributed to the large in-migration of retirees to the region.

The race and ethnic composition of the greater Prescott region is largely white, and has remained fairly steady since 1990. Table 3 gives a detailed breakdown of population by race, including an estimate of the Hispanic or Latino population. Since 2000 most categories with the exception of white have grown, making it evident that the population in this area is becoming more diverse.

**Table 3 - GPREP Population by Race and Ethnicity**

Race	1990		2000		2010	
	Count	Percent	Count	Percent	Count	Percent
<b>Total</b>	132,199	100.0%	71,603	100.0%	93,376	100.0%
White	118,270	89.5%	66,419	92.8%	84,082	90.0%
Black or African American	975	0.7%	317	0.4%	651	0.7%
American Indian/Alaska Native	1,497	1.1%	770	1.1%	1,044	1.1%
Asian	1,484	1.1%	445	0.6%	1,019	1.1%
Native Hawaiian/Pacific Islander	176	0.1%	63	0.1%	115	0.1%
Some Other Race	6,395	4.8%	2,319	3.2%	4,110	4.4%
Two or More Races	na	na	1,270	1.8%	2,355	2.5%
<b>Ethnicity</b>						
Hispanic or Latino (of any race)	18,444	14.0%	6,484	9.1%	11,960	12.8%

Source: US Census 1990, 2000, and 2010

Note 1: 1990 and 2000 figures are for Dewey-Humboldt CDP

**INCOME**

Residents of the greater Prescott region have median household income’s ranging from \$38,972 in Dewey-Humboldt to \$44,086 in Prescott Valley. Table 4 shows that all of the cities in the region have grown at a comparable rate to the county as a whole.

**Table 4 - GPREP Household Income 1990-2010**

	Chino Valley	Dewey-Humboldt <sup>1</sup>	Prescott	Prescott Valley	Yavapai County
1990	\$18,646	\$27,266	\$22,517	\$21,848	\$22,060
2000	\$32,289	\$36,839	\$35,446	\$34,341	\$34,901
2010	\$41,978	\$38,972	\$43,867	\$44,086	\$44,084

Source: US Census 1990, 2000, and 2010

Note 1: 1990 and 2000 figures are for Dewey-Humboldt CDP

**EDUCATIONAL ATTAINMENT**

Educational attainment levels in the greater Prescott region show a smaller share of the population with less than a four year degree compared to the State, as illustrated in

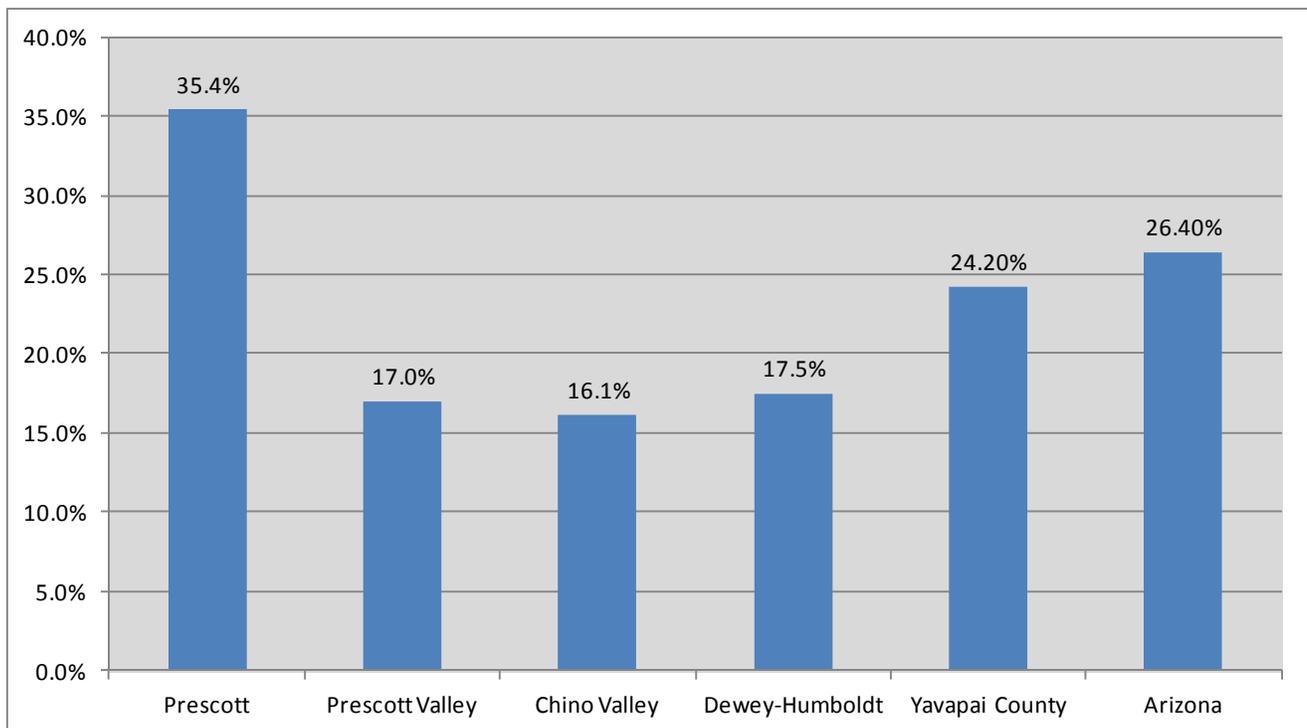
Figure 3. The exception is Prescott with 35.4 percent of the population with a four year degree. A notable percentage of the residents have some college with no degree, as shown in Table 5.

**Table 5 - GPREP Educational Attainment, 2011**

EDUCATIONAL ATTAINMENT	Prescott		Prescott Valley		Chino Valley		Dewey-Humboldt	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Population 25 years and over	31,146	31,146	25,510	25,510	7,599	7,599	2,730	2,730
Less than 9th grade	764	2.5%	1,049	4.1%	162	2.1%	23	0.8%
9th to 12th grade, no diploma	1,534	4.9%	1,903	7.5%	642	8.4%	224	8.2%
High school (or equivalency)	6,889	22.1%	7,096	27.8%	2,426	31.9%	719	26.3%
Some college, no degree	8,398	27.0%	8,961	35.1%	2,402	31.6%	1,141	41.8%
Associate's degree	2,549	8.2%	2,171	8.5%	742	9.8%	144	5.3%
Bachelor's degree	6,320	20.3%	3,046	11.9%	776	10.2%	304	11.1%
Graduate or professional degree	4,692	15.1%	1,284	5.0%	449	5.9%	175	6.4%
High school graduate or higher	---	92.6%	---	88.4%	---	89.4%	---	91.0%
Bachelor's degree or higher	---	35.4%	---	17.0%	---	16.1%	---	17.5%

Source: US Census, 2011 ACS 3 Year Estimate

**Figure 3 - GPREP, Yavapai County, and Arizona Percent Bachelor's Degree or Higher, 2011**



Source: US Census, 2011 ACS 3 Year Estimate

## LABOR FORCE AND EMPLOYMENT

The labor force in the greater Prescott region has increased significantly since 2000 as shown in Table 6. As illustrated the annual growth rate was nearly double that of Yavapai County between 2000 and 2010. The total growth of the region would be higher but the measurement for Dewey-Humboldt shows a decrease due to the fact that the 2000 data was taken for Dewey-Humboldt CDP, which had a larger geographic area than the currently incorporated town of Dewey-Humboldt.

**Table 6 - GPREP Labor Force Participation Rates**

	2000	2010	Annual Growth
GPREP Total	30,149	41,456	3.8%
Chino Valley	3,442	4,681	3.6%
Dewey-Humboldt <sup>1</sup>	2,417	1,748	-2.8%
Prescott	14,205	16,869	1.9%
Prescott Valley	10,085	18,158	8.0%
Yavapai County	71,822	87,953	2.2%

Source: US Census 2000, and 2010

Note 1: 2000 figure is for Dewey-Humboldt CDP which has a larger population, there was no actual drop in labor force

## EMPLOYMENT BY INDUSTRY

As shown in Table 7, employment in the greater Prescott region is concentrated in educational, health and social services, retail trade, arts, entertainment, recreation and food services. The construction industry is also close behind these other categories.

Chino Valley has a higher concentration of employment within manufacturing, transportation, warehousing, and utilities, and finance, insurance and real estate. Dewey-Humboldt leads the region in construction and public administration employment, while Prescott exceeds in information, professional and scientific, and educational, health and social service jobs. Finally, Prescott Valley has a higher concentration in retail trade, and arts, entertainment, food services and recreation.

**Table 7 - GPREP Industry Employment, 2010**

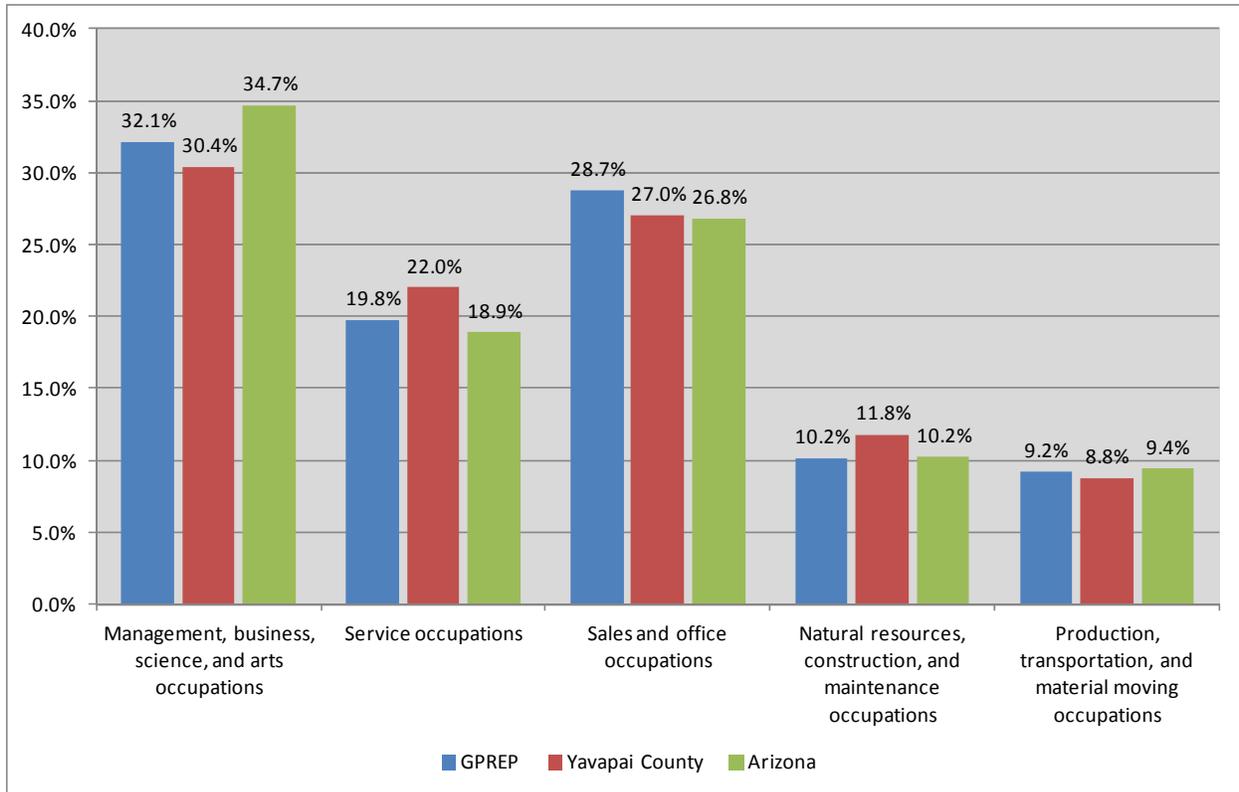
	Chino Valley	Dewey-Humboldt	Prescott	Prescott Valley	Total
Agriculture, forestry, fishing and hunting, and mining	1.2%	2.3%	1.5%	1.1%	1.3%
Construction	9.5%	12.5%	6.3%	11.3%	9.1%
Manufacturing	8.8%	8.2%	6.3%	5.2%	6.2%
Wholesale trade	3.3%	5.3%	1.5%	3.2%	2.6%
Retail trade	12.1%	11.0%	13.7%	18.5%	15.5%
Transportation and warehousing, and utilities	4.2%	0.8%	2.8%	4.0%	3.4%
Information	0.6%	0.4%	1.7%	1.1%	1.3%
Finance, insurance, real estate, and rental/ leasing	9.0%	5.3%	6.4%	5.0%	6.1%
Professional, scientific, and related occupations	6.0%	7.1%	8.5%	5.8%	7.0%
Educational, health and social services	26.0%	27.1%	31.5%	24.2%	27.5%
Arts, entertainment, recreation, and food services	8.5%	5.5%	10.8%	11.2%	10.5%
Other services (except public administration)	5.7%	3.8%	6.4%	4.8%	5.5%
Public administration	5.1%	10.8%	2.5%	4.5%	4.0%

Source: US Census 2010

## EMPLOYMENT BY OCCUPATION

The occupational concentration of the region is in management, business, science, and arts occupations, which is closely followed by sales and office occupations. Figure 4 shows that the region has an occupational structure very similar to Yavapai County and the State of Arizona.

**Figure 4 - Occupational Employment, 2010**



Source: US Census 2010

## 3. INDUSTRY CLUSTERS

### CLUSTER ANALYSIS

To understand the economic drivers of the Prescott region's economy, apart from Yavapai County as a whole, an industry cluster analysis was prepared. Industry clusters are defined as networks of firms within a region that benefit from business-to-business relationships and share common markets, labor pools, technologies, supplier industries, and institutional support services such as educational institutions or other specialized education and training programs. Without these economic drivers, a region would only circulate money already in the local economy, losing economic momentum over time.

By identifying industry clusters and concentrating on meeting their needs, a region can attract wealth and increase prosperity for all of its residents. A focus on clusters also can help a region adapt to economic change. If regional leaders, institutions, technology, capital and infrastructure, are attuned to the pressures facing key clusters, they will be in a better position to respond to cluster needs. Clusters are constantly responding to the market, so the number of distinct clusters in a region typically changes over time.

To begin, the greater Prescott region was geographically defined with an aggregation of 12 zip codes as noted in Table 8. Industries by NAICS codes were combined into industry clusters and an analysis of employment and industry data by NAICS was conducted to identify specialization within the region, cluster employment size, and employment growth. The most current data utilized in this analysis and comes from the U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, and IMPLAN. The data year for employment 2001 and 2011. Industries were categorized by the North American Industrial Classification System (NAICS) used in the United States, Canada, and Mexico.

Table 8 - GPREP Economic Region by Zip Code			
Prescott	Prescott Valley	Chino Valley	Dewey-Humboldt
86301	86312	86323	86327
86302	86314		86329
86303	86315		
86304			
86305			
86313			

Source: USPS

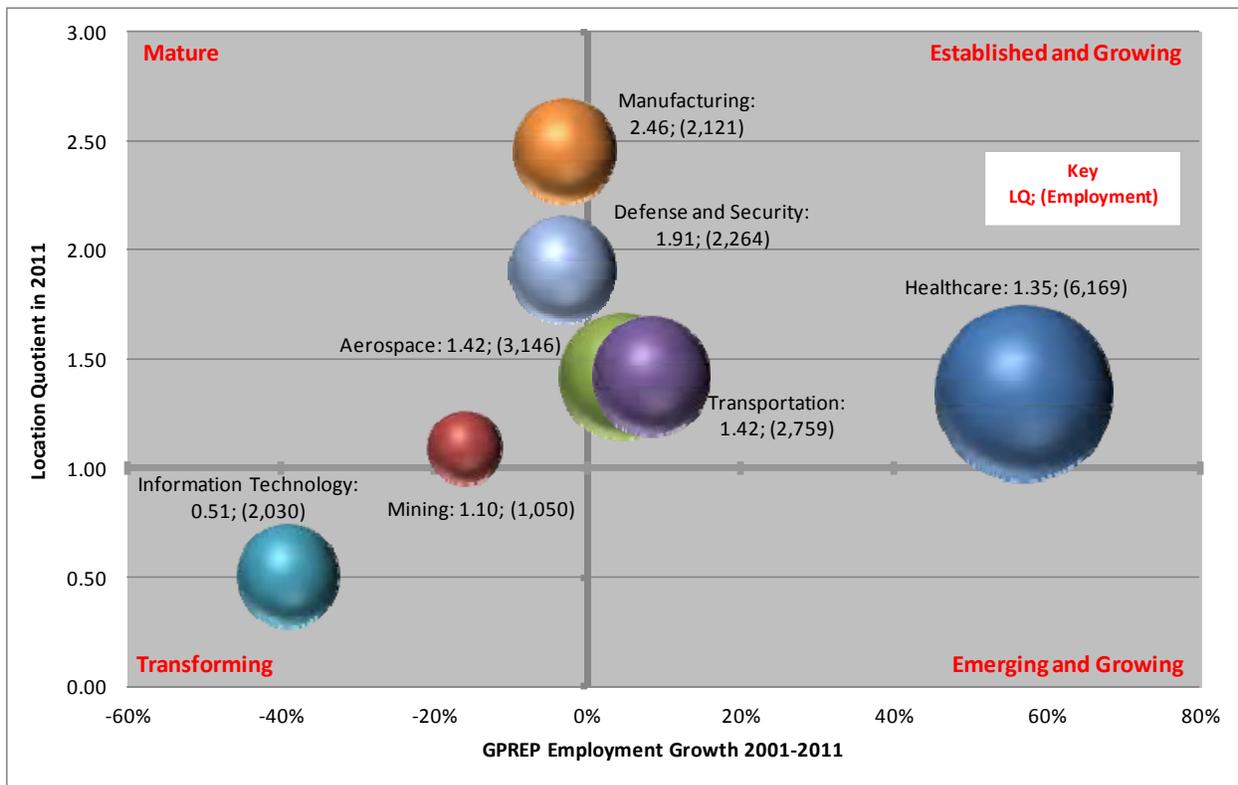
Several factors were utilized in evaluating the industry cluster, including the relative employment concentration, known as the location quotient (LQ), the number of jobs linked to each industry cluster, and employment growth. Location quotients were used to identify the relative concentration of local employment within a given business sector. A location quotient (LQ) was computed for each industry, cluster using the following mathematical formula:

$$LQ = \frac{\text{GPREP Region Industry Employment} / \text{GPREP Region Total Employment}}{\text{Arizona Industry Employment} / \text{Arizona Total Employment}}$$

An industry cluster graphic (Figure 5) was prepared for the region to help identify competitive strengths and weaknesses of the various clusters. The size of the bubble represents industry cluster by number of workers. The vertical axis represents the LQ which shows the relative concentration of that industry to Arizona as a whole. With the Arizona average being 1.0, anything above 1.0 reveals a greater concentration in employment than the state.

The horizontal axis represents employment growth from 2001 to 2011. The bubbles right of the vertical axis are driving the region's growth. Industries above the horizontal axis are more significant to the region than to the rest of the state (In terms of workers employed.)

**Figure 5 - GPREP Industry Clusters**



The four quadrants of the chart illustrates the industry's economic position within the region. As noted earlier, industries with a LQ greater than one have a high local concentration. Each quadrant of the chart tells a story.

**Upper right quadrant** - industries in this quadrant are more concentrated in the region and becoming more so over time. These industries, both large and small are established and growing.

**Lower right quadrant** - industries in this quadrant are not as concentrated relative to the county as a whole, but as they continue to emerge and grow they will contribute more to the region's economic base.

**Upper left quadrant** - these industries are mature and have a high concentration within the region, but their concentration is declining over time.

**Lower left quadrant** - industries in this quadrant are less concentrated relative to the state and are declining in employment, either due to industry-wide technological market changes or a declining competitive advantage.

As can be seen in Figure 5, the region has a strong competitive advantage in several industry clusters, including: Manufacturing, Defense and Security, Aviation and Aerospace, Transportation and Healthcare. The industry cluster that employs the most number of people in the region is Healthcare with over 6,100 jobs. This industry cluster also experienced the greatest employment growth over the 10 year time horizon at 57 percent. Aerospace and Transportation are also specialized in the greater Prescott region and saw an increase in job growth at 5 and 8 percent effectively.

Manufacturing has nearly two and one-half times the number of jobs than the state's average, but suffered a 3 percent decline in jobs over 10 years. Given the 29 percent decline in manufacturing jobs nationwide, a 3 percent reduction over 10 years is not significant. Manufacturing reports and recent developments within the industry indicate that a number of manufacturers are re-shoring back to the U.S. This trend can in part be attributed to rising labor costs in China, India and other Asian countries, which has eroded the industry's cost competitiveness.

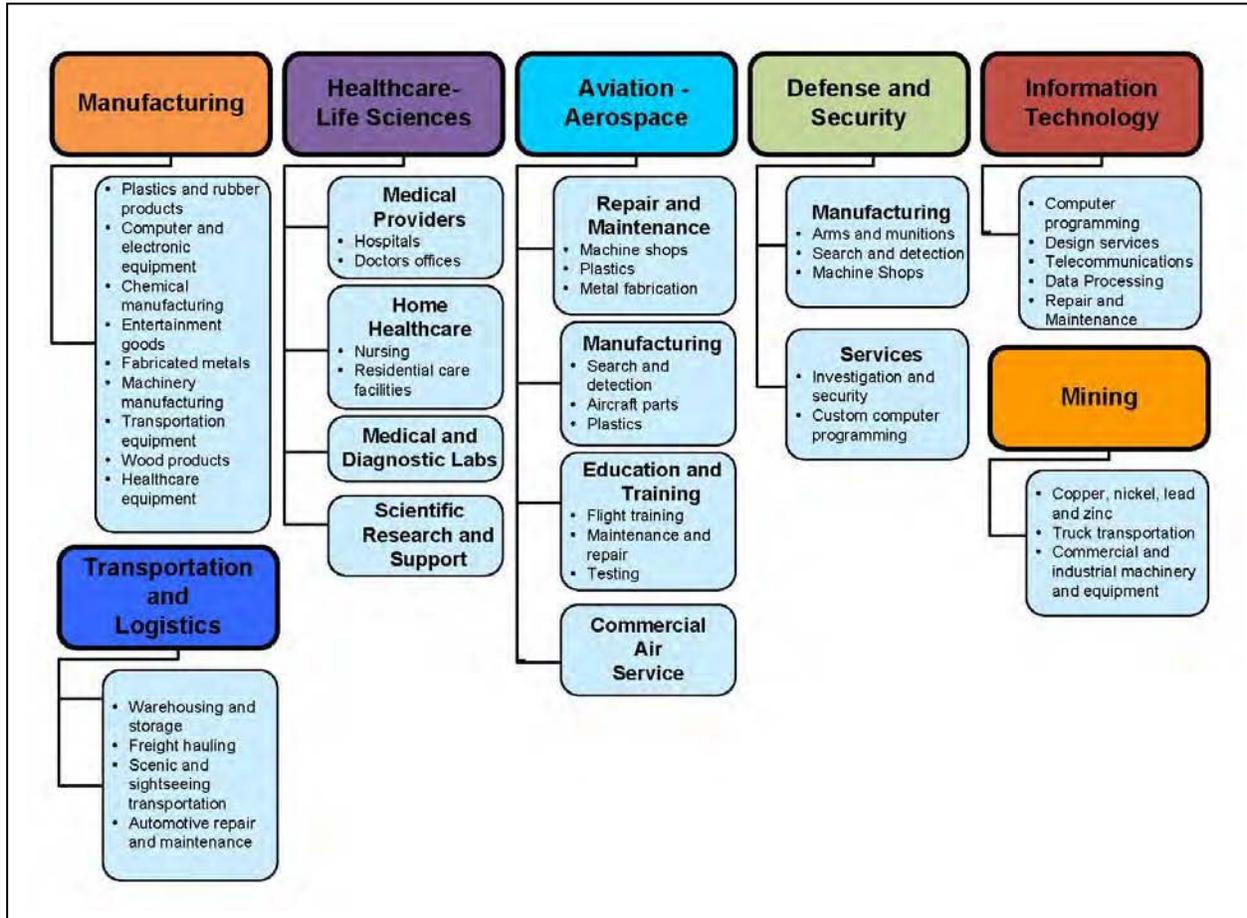
Aviation and Aerospace is also highly specialized in the Prescott region with a 1.42 LQ. This industry cluster also experienced a 3 percent decrease in jobs. Mining has a high concentration in the region, but employs the least number with a little over 1,000 workers. Last, Information Technology is a transforming cluster and not highly concentrated in the Prescott region. The number of jobs associated with this industry was reduced by 39 percent over the 10 year timeframe.

### *INDUSTRY CLUSTER FORMATION*

Seven industry clusters were identified within the greater Prescott area. As noted earlier, industry clusters are comprised of networks of firms within a region that benefit from business-to-business relationships and share common markets, labor pools, technologies, supplier industries, and institutional support services such as educational institutions or other specialized education and training programs. An industry cluster diagram was prepared to showcase the makeup of each of the seven clusters and is presented in Figure 6. It is important to note that some industries can be associated with more than one cluster, such as machine shops, which suggests the presence of a potential supply chain.

Clusters drive economic vitality, generating jobs and wages for residents and expanding purchases of products and services from local suppliers, all resulting in a positive ripple effect to create benefits for every community within the region.

Figure 6 - Industry Cluster Diagram



The Technical Advisory Committee met, reviewed, and discussed the industry clusters and determined that GPREP would initially focus its economic development efforts on the following industry clusters:

- Manufacturing
- Aviation and Aerospace
- Defense and Security

### 4. ECONOMIC DEVELOPMENT ACTION PLAN

In today's market the name of the economic development game is "regionalism." Successful economic development programs leverage regional assets, benefit from shared resources and encourage cohesiveness between the public and private sectors. This leads to the development of policies and programs designed to make the region more competitive in a national and global economy.

The civic and business leadership within the Prescott area recognize the importance of regionalism and have come together to create the Greater Prescott Regional Economic Partnership (GPREP). Crafting the economic development strategic plan for implementation is one of the first steps that is being undertaken. This plan represents a three-year blueprint to enhance job creation for the region, and includes an action plan and cluster based strategies.

#### *PLANNING PROCESS*

Arizona Public Service has been a champion of local economic development efforts by providing resources to assist communities in economic development planning through its Economic and Community Development Department. Leaders within the Prescott region approached APS and requested their support in an effort to organize a regional economic development program for the quad city area of Chino Valley, Dewey-Humboldt, Prescott and Prescott Valley. Several planning meetings were held with area leaders to discuss their goals and lay the groundwork for an economic development planning process.

#### *Early Stages*

Community leaders within the quad city area have long felt that a regional approach to economic development would yield greater results to the area economy and foster job creation. They requested the assistance of APS to facilitate meetings in order to help them organize their approach.

Initial meetings were held with the organizational team for GPREP and APS representatives. A survey of the group was conducted to learn if there would be support for implementing a regional economic development program, and to inquire about opinions on the organizational structure. Subsequent meetings were held to facilitate a dialogue to discover common ground as a region and discuss organizational structures, funding and next steps. Sub committees were created to focus on three areas: mission, finances and regional structure.

The organizing committee of GPREP agreed upon their next steps, which included the preparation of an economic development strategic plan to be implemented by GPREP. A mission statement was crafted for the new organization and a fund raising brochure was prepared.

#### *Economic Development Plan Creation*

To commence the economic development planning process a Technical Advisory Committee (TAC) was formed whose role was to provide input and be a sounding board to the development of the plan. The TAC met three times over the course of the process and consisted of 20 members. The committee included elected officials and municipal managers from each of the four communities, and representatives from Yavapai County, NACOG, higher education, the Tribe and the private sector.

Interviews were conducted over two days with representatives from the four cities as well as the private sector, noted below. The objective of the interviews was to gain a firsthand perspective regarding economic development opportunities and barriers, industry targets, role of the regional economic

development group, and perceptions of the region. These interviews resulted in a broad picture of the critical issues and opportunities surrounding economic development in the Prescott region and findings were used to prepare the SWOT analysis.

- Town of Chino Valley
- City of Prescott
- Town of Prescott Valley
- M&I Windows
- Cobham
- Ace Hardware Distribution
- Print Pak
- Prescott Aerospace
- Prescott College
- Yavapai College
- Embry Riddle Aeronautical University
- Yavapai Regional Medical Center
- Prescott Valley Economic Development Foundation

## KEY FINDINGS

Findings from these interviews provided insight into potential growth strategies, opportunities for collaboration, and market trends and gaps. They also helped in understanding key success factors, local competition and barriers to economic development. While subjective, this information is critical in giving GPREP the most up to date picture of the regional market including its strengths and weaknesses. The key findings from these interviews are detailed below. The full SWOT analysis is included in Appendix A of this report.

- **Area Image** - Based on input received during the interviews the perception of the region is rooted in its Western history, encompassing references to cowboys and Whiskey Row. The area is known for tourism and retirement, which were key themes enumerated several times by stakeholders during the interviews. In reality, the regional economy is much more diverse and boasts employment in key sectors such as manufacturing, aviation, aerospace, healthcare and education.
- **Regional Strengths to Leverage** - One of the key foundations that supports economic development is the presence of higher education facilities. The Prescott region have several colleges including Yavapai College, Prescott College, Northern Arizona University, and Embry Riddle Aeronautical University. Having three colleges within a market the size of the Prescott region is an enormous strength. The quality of life of the region is highly touted, including the climate, outdoor and recreational amenities, well maintained roads, and access to metropolitan Phoenix; all of which have been a magnet for retirees. The regional airport, Ernest A. Love Field is an underutilized asset and has not achieved its greatest potential. The addition of a modern terminal building, extension of the runway, regular and reliable commercial air service to key markets, and the attraction of aviation and aerospace related industry should be a major focus.
- **Weaknesses to Address** - Retaining recent graduates and attracting a skilled workforce has been challenging for the region. Drawbacks have included the lack of affordable housing and insufficient jobs within base industry, such as aerospace and manufacturing. From a business retention and recruitment standpoint, there is little shovel ready land available and the existing inventory of buildings is not of the size that is in demand by potential users. In addition to improvements to

Ernest A. Love Field, telecommunications infrastructure has not kept pace for data applications and transportation and utility costs are high.

- **Community Cohesiveness** - The general opinion is that there is little collaboration and a great deal of divisiveness among the four communities. The inability to come together on common goals for the region is due to past history, which manifests itself into mistrust. Finding common ground will be vital for the success of the region and job creation.

### OPPORTUNITIES

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Interviews resulted in the identification of several potential opportunities for the region. Key opportunities are noted below.

- **Unmanned Aerial Systems (UAS)** - By 2018 the projected growth of commercial unmanned aerial systems is over 700 percent.<sup>1</sup> As UAS technology trickles down from the military into commercial applications, such as implementing mapping, first responder support and surveillance of large areas, knowing which sectors are poised to grow the fastest will enable economic developers to stay ahead of the market as it emerges and capitalize on the coming expansion. The presence of Embry Riddle University combined with Yavapai College enables the region to create a foothold within this market, which encompasses research and development, manufacturing and pilot training.
- **Ernest A. Love Field** - The construction of a modern terminal building with amenities that travelers and pilots desire, as well as runway extension, airfield safety enhancements and regular and reliable commercial air service, could be a game changer for the greater Prescott Region. The elevation of Ernest A. Love Field is more conducive to flying year-round than the Flagstaff airport. With the proper investments Ernest A. Love Field could become a true regional commercial airport; something that is lacking in this part of Arizona. Airports have been catalysts for regional development, urban renewal as well as tourism and convention business. They support business operations and locations. Cultivating additional sources of revenue for the airport through the strategic development of land assets for aviation and aviation related development as well as non-aviation commercial development will be necessary. Consideration should be given to the establishment of a regional airport authority with bonding capabilities.
- **Career Technical Education (CTE)** - Aligning workforce development with industry clusters is crucial for the successful implementation of cluster strategies. This requires a clear understanding of the industries in the region and a common understanding of the knowledge and skills required to compete successfully. Potential gaps in education programs that were identified during the interviews include aviation maintenance, repair and overhaul (MRO), and medical technology. There are many existing educational programs offered in the region, but not all employers are aware of their existence. Expanding opportunities and building partnerships with business and education ensures that workforce needs are being met.

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<sup>1</sup>WinterGreen Research

- **Brand and Marketing Development** - Creating one cohesive economic development brand and marketing message for the region is much more powerful than a number of small voices. It is vitally important for local government, chambers of commerce, business groups and destination marketing organizations to work together to bring a message and brand to life. The Prescott region currently has a brand embodied in Western history, tourism and retirement. What can the region do to leverage the existing brand and parlay that into economic development marketing?

### **Branding is the art of differentiation**

Your brand is what sets you apart from everyone else. When someone mentions your community's name, what is the first thing that comes to mind? The name must become synonymous with the brand.

## ECONOMIC DEVELOPMENT ACTION PLAN

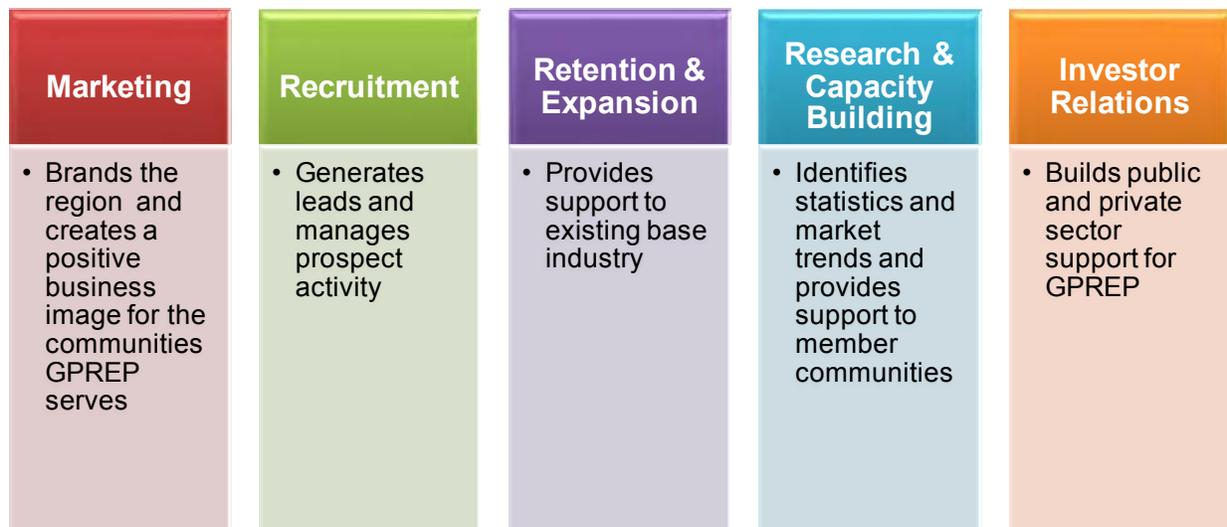
A mission statement was prepared by the GPREP leadership during the initial stages of formation of the organization. This mission statement is being used to guide the direction of the Economic Development Action Plan.

### Mission Statement

*To create a regional identity to help local companies expand, attract new quality businesses, and foster capital investment in the greater Prescott region, thereby making our region more competitive with other regions and ensuring a vibrant and self-sustaining regional economy.*

The GPREP Economic Development Action Plan is predicated around five focus areas, which are depicted in Figure 7. These focus areas were formulated based on the results of the background research, interviews, and Technical Advisory Committee input. The order of the focus areas and their supportive goals, action items and implementation steps are not prioritized based on their value to the region. To achieve any measure of success in economic development, implementation of action items within all focus areas must be undertaken simultaneously.

Figure 7 - Economic Development Action Plan Focus Areas



Each focus area of the following action plan has an overarching goal followed by action items and implementation steps. The three-year plan suggests which year an action item should commence. Preliminary benchmarks in which to measure performance have also been identified for each focus area. Once the plan is underway, GPREP leadership may want to modify the benchmarks that are used to track progress. Following the five focus area goals are cluster based strategies for implementation.

Table 9 - Economic Development Action Plan

Marketing Goal - Create a business brand and marketing campaign for the region designed to achieve the economic development actions.			
Actions:	Year 1	Year 2	Year 3
<b>1. Create a website to promote the region.</b>	X		
<ul style="list-style-type: none"> <li>Secure a domain name</li> <li>Retain the services of a web developer</li> <li>Gather the information and data to be included</li> <li>Update on a regular basis</li> </ul>			
<b>2. Develop a "business brand" for the region.</b>	X		
<ul style="list-style-type: none"> <li>Retain the services of a company that has experience in branding and marketing for economic development.</li> <li>Form a working sub-committee to develop a RFP and send it to a pre-qualified list of firms.</li> <li>Work with the selected firm and provide oversight and input.</li> <li>Arrange a roll out the completed brand to the local market.</li> </ul>			
<b>3. Develop marketing materials.</b>	X		
<ul style="list-style-type: none"> <li>Prepare a marketing brochure for the region and a 1-2 page promotional piece for each targeted industry cluster.</li> <li>Utilize the brand and templates provided from the branding initiative.</li> <li>Conduct the necessary research to determine what to include in the marketing pieces.</li> </ul>			
<b>4. Design a communications plan.</b>		X	
<ul style="list-style-type: none"> <li>Create a master calendar to plan and track marketing activities.</li> <li>Consider the development and deployment of an e-newsletter.</li> <li>Create and maintain a database of contacts to keep apprised of GPREP activities, events and regional successes.</li> </ul>			
<b>5. Foster a working relationship with the Arizona Commerce Authority (ACA).</b>	X		
<ul style="list-style-type: none"> <li>Include the ACA on a master distribution list of GPREP information/data</li> <li>Participate on applicable prospecting missions and trade shows initiated by the ACA</li> <li>Annually hold a FAM tour with representatives with ACA.</li> </ul>			
<b>6. Hold an annual meeting with community partners and donors to present results and information.</b>		X	
<ul style="list-style-type: none"> <li>Prepare an annual progress report of GPREP achievements, including number of active prospects, new jobs created/retained, etc.</li> <li>Work with community partners to organize a business lunch or dinner to present the annual report and outline upcoming objectives.</li> </ul>			
<b>Benchmarks:</b> Number of hits to website, launch of the GPREP brand, number of marketing materials distributed, participation in prospecting events, attendance at the annual GPREP meeting.			

<b>Business Recruitment Goal - Enhance the regional job base by attracting companies within three industry clusters.</b>			
<b>Actions:</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
<b>1. Generate leads within the industry clusters for the region.</b>	X		
<ul style="list-style-type: none"> <li>Focus on Aviation and Aerospace, Defense and Security and Manufacturing Clusters</li> <li>Work with community and Tribal partners to prepare a marketing outreach campaign, which could include direct sales calls, email blasts, direct mail, FAM tours, etc.</li> <li>Implement the program and track progress.</li> </ul>			
<b>2. Manage prospect activity.</b>	X		
<ul style="list-style-type: none"> <li>Develop a system for tracking prospect activity or acquire prospect tracking software .</li> <li>Create a monthly activity report to distribute to economic development partners.</li> <li>As appropriate brief Board members.</li> </ul>			
<b>3. Establish prospect handling protocol among the community partners.</b>	X		
<ul style="list-style-type: none"> <li>Create a sub-committee consisting of community partners and Tribal representatives to develop prospect handling procedures.</li> <li>Review protocols of other organizations and determine what will work best for GPREP.</li> <li>Formally adopt the procedures.</li> </ul>			
<b>4. Build relationships with Site Location Advisors.</b>		X	
<ul style="list-style-type: none"> <li>Prepare and maintain a list of site location advisors.</li> <li>Identify approaches to connect with these advisors, which could include trade shows, visit them on their own turf, hold special events, FAM tours, etc.</li> </ul>			
<b>Benchmarks:</b> Number of prospects or active deals in progress, number of sales calls made, jobs created, square feet of space absorbed or built, capital investment, increase in the average industry wage.			

<b>Business Retention and Expansion Goal - Facilitate the expansion of local business and job creation/retention.</b>			
<b>Actions:</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
<b>1. Support local business retention and expansion efforts currently underway by local economic development organizations and chambers of commerce.</b>		X	
<ul style="list-style-type: none"> <li>Following the B3 model used by Prescott and Prescott Valley, participate in one-on-one business calls and provide follow up services as needed/requested.</li> <li>Identify local business needs and level of satisfaction of doing business in the region, which could impact recruitment and retention efforts.</li> <li>When appropriate conduct visits to corporate headquarters</li> <li>Work with local, and if applicable, state economic development partners to effectuate change.</li> </ul>			
<b>2. Share data and information with BRE partners on the region as needed.</b>		X	
<ul style="list-style-type: none"> <li>Determine the type of data/information that may be useful to BRE efforts.</li> <li>Provide information periodically throughout the year or as requested.</li> </ul>			
<b>3. Hold business roundtables with local business establishments.</b>		X	
<ul style="list-style-type: none"> <li>In collaboration with the local economic development programs and chambers of commerce, organize/participate in regular roundtable meetings with local business establishments.</li> <li>As requested prepare information for presentation at the meeting.</li> </ul>			
<b>4. Partner with local organizations such as SBDC, NAU Business Assistance Center, and SCORE to provide support for Entrepreneurship Programs.</b>			X
<ul style="list-style-type: none"> <li>Refer companies/entrepreneurs to the SBDC who may need assistance in starting up or accelerating their company.</li> <li>Maintain a referral list of resources to provide upon request.</li> </ul>			
<b>5. Help implement Yavapai County Sector Strategies for the Prescott Region.</b>	X		
<ul style="list-style-type: none"> <li>Become a name sponsor of meetings that are designed to galvanize the business community into identifying opportunities and policies that are needed to become more competitive.</li> <li>In collaboration with others in the region and state, identify sector strategies and help drive the implementation of strategies that line up with the Prescott Region industry clusters, such as light manufacturing and healthcare.</li> <li>Participate in or co-chair sector strategy committee(s).</li> </ul>			
<b>Benchmarks:</b> Number of local business calls made, jobs retained or created, square feet of space absorbed or built, capital investment, number of attendees at business roundtable, number of referrals to the partner organizations.			

<b>Research and Capacity Building Goal - Develop and maintain a repository of data and information on the region and provide technical assistance to member communities.</b>			
<b>Actions:</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
<b>1. Conduct an asset inventory of the Greater Prescott Region.</b>	X		
<ul style="list-style-type: none"> <li>Review other region asset inventories to determine what data should be collected and maintained.</li> <li>Identify data sources , gather and format the data for distribution to community partners and prospects.</li> <li>Upload applicable information to the GPREP website.</li> <li>Update asset inventory at least annually.</li> </ul>			
<b>2. Meet with area partners on a regular basis.</b>	X		
<ul style="list-style-type: none"> <li>Prepare quarterly reports that track prospect and marketing activity and progress.</li> <li>Hold quarterly meetings to review and discuss progress reports.</li> <li>Identify additional data or research needed for the region and determine what should be collected and who should collect it.</li> </ul>			
<b>3. Provide technical assistance to community partners</b>		X	
<ul style="list-style-type: none"> <li>As requested, support community partners by providing technical assistance on matters pertaining to implementation, such as industrial park development.</li> <li>As needed, refer community partners to subject matter experts.</li> <li>Monitor and track progress.</li> </ul>			
<b>4. Enhance the knowledge and skill set of GPREP and its Community Partners.</b>			X
<ul style="list-style-type: none"> <li>Identify applicable economic development training sessions and workshops that would enhance the knowledge of GPREP staff as well as that of community partners.</li> <li>Attend economic development conferences to stay connected to new and innovative economic development ideas and strategies for implementation.</li> <li>Consider sponsoring /hosting a training session for community partners on subject matter(s) relevant to enhancing the knowledge base.</li> </ul>			
<b>Benchmarks:</b> Up-to-date asset inventory, dissemination of quarterly reports, level of community members' satisfaction.			

<b>Investor Relations Goal - Build public and private sector support for GPREP.</b>			
<b>Actions:</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
<b>1. Conduct an annual fundraising campaign.</b>	X		
<ul style="list-style-type: none"> <li>Meet with existing corporate and municipal donors as needed.</li> <li>Prepare a list of potential donors to pursue funding commitments.</li> <li>Update the fundraising brochure to showcase GPREP activities and job creation/retention successes.</li> <li>Establish a fundraising committee consisting of Board members, identify fundraising goals and launch the campaign.</li> </ul>			
<b>2. Operationalize GPREP</b>	X		
<ul style="list-style-type: none"> <li>Hire an Executive Director.</li> <li>Develop GPREP operating procedures manual.</li> <li>Develop and adopt an annual operating budget.</li> </ul>			
<b>3. Promote a culture among community leaders that motivates them to invest in the greater good of the region.</b>		X	
<ul style="list-style-type: none"> <li>Identify issues important to economic development and engage community leaders and stakeholders to advocate for GPREP.</li> <li>Make presentations at various public policy boards, commissions, and committees to provide a perspective and understanding of regional economic development issues and innovative solutions.</li> <li>Encourage non-profit organizations to become engaged in economic development.</li> </ul>			
<b>Benchmarks:</b> Fundraising goals achieved, board member participation in board and committee meetings.			

### CLUSTER BASED STRATEGIES

Industry clusters drive a region’s economic wealth by generating jobs and wages for residents and expanding purchases of products and services from local suppliers; all resulting in positive ripple effects to create benefits for every community in the region. By devising strategies to support clusters, the region can strengthen cluster firms as well as the overall economy.

Three of the seven clusters identified in Chapter 2 were chosen by the TAC for inclusion within the three-year Economic Development Action Plan. These include: Aviation and Aerospace, Defense and Security, and Manufacturing. These three clusters comprise 15 percent of the total employment in the region and represent 17 percent of the total payroll.

**Table 10 - Cluster Strategies**

<b>Goal 1: Build a stronger education pipeline of skilled workers</b>			
<b>Actions:</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
<b>1. Create seamless connections between the components of the system.</b>			X
<ul style="list-style-type: none"> <li>Identify by industry cluster the knowledge and skill demands of the workplace.</li> <li>Determine the gaps between primary, secondary and post secondary systems, between education and workforce programs and between these programs and the skill demands of the workplace.</li> <li>Collaborate with workforce providers to fill the gaps and provide a seamless system.</li> </ul>			
<b>2. Build partnerships between business and education.</b>			X
<ul style="list-style-type: none"> <li>Meet with business representatives to learn about their workforce needs.</li> <li>Provide information on existing training programs applicable to their business that are offered in the region.</li> <li>Work with primary and secondary education providers so that career ladders can be developed.</li> <li>Regularly review JTED courses for their relevance to industry clusters.</li> </ul>			
<b>3. Improve linkages between workforce and economic development.</b>			X
<ul style="list-style-type: none"> <li>Develop an outreach system to obtain data analysis and input from a wide variety of businesses.</li> <li>Integrate data sources to enhance labor market supply-demand information.</li> <li>Modify data so that it is useful to both government and private sector businesses.</li> </ul>			
<b>Benchmarks:</b> Number of jobs absorbed by local graduates, economic impact of graduates that stay in the area, local industry satisfaction with workforce.			

<b>Goal 2: Become an economic development center for Unmanned Aerial Systems (UAS).</b>			
<b>Actions:</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
<b>1. Create a UAS regional cluster network that includes industry, workforce and education representatives.</b>		X	
<ul style="list-style-type: none"> <li>• Convene a roundtable with the cluster network to discuss UAS and identify the top opportunities for the region, which could include research, development, testing, flight service, pilot training and manufacturing.</li> <li>• Develop specific strategies with measurable outcomes and implementation commitments.</li> <li>• Determine the future role of the UAS cluster network.</li> </ul>			
<b>2. Educate elected officials on the importance of this industry cluster.</b>		X	
<ul style="list-style-type: none"> <li>• Prepare an economic impact report on the UAS industry cluster and distribute it to local and statewide elected officials.</li> <li>• Conduct regular briefings with elected officials.</li> <li>• Prepare and distribute a fact sheet on the UAS cluster.</li> </ul>			
<b>3. Identify legislative issues important to the UAS industry cluster.</b>		X	
<ul style="list-style-type: none"> <li>• Monitor state and national legislation pertinent to this industry.</li> <li>• As appropriate collaborate with others within Arizona to author and support statewide legislation.</li> </ul>			
<b>4. Be proactive at the local, state and national levels.</b>		X	
<ul style="list-style-type: none"> <li>• Collaborate with other organizations in Arizona and the U.S. to further the objective of growing the UAS industry cluster.</li> <li>• Take on leadership role(s) when appropriate to enhance the visibility of the Prescott Region as a center for UAS.</li> </ul>			
<b>Benchmarks:</b> Creation of an unmanned aerial systems industry cluster, adoption of legislation important to this cluster, preparation of an economic impact analysis.			

<b>Goal 3: Identify policies at the local and state levels that strengthen the region's ability to be successful.</b>			
<b>Actions:</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
<b>1. When required identify weaknesses in the permitting process of member communities.</b>		X	
<ul style="list-style-type: none"> <li>Monitor the permitting process for flexibility, predictability, speed, and fees.</li> <li>Provide feedback and suggestions to each municipality.</li> </ul>			
<b>2. Identify incentives that promote economic development.</b>		X	
<ul style="list-style-type: none"> <li>Based on the needs of the industry clusters, conduct research on competitor city incentive programs.</li> <li>List local and state incentives that are currently in place that are being used or could be used.</li> <li>Establish a GPREP deal closing fund to stimulate local expansion and the recruitment of new business within the industry clusters.</li> <li>Closely monitor the use and return on investment of the deal closing fund (i.e. number of jobs created, average wages paid, overall contribution to the local tax base, etc.).</li> </ul>			
<b>3. Benchmark the Prescott Region to the competition.</b>		X	
<ul style="list-style-type: none"> <li>Identify key competitor cities and monitor the incentives that they offer.</li> <li>On a bi-annual basis research and compare the cost of doing business in the region against competitor areas. Include information such as wages, utilities, taxes, transportation costs, etc.</li> <li>Prepare a benchmark report and distribute to community partners and board members.</li> </ul>			
<b>4. Participate in Sector Strategy Meetings</b>	X		
<p><i>(cross referenced with Business Retention and Expansion Goal, Action item #5)</i></p> <ul style="list-style-type: none"> <li>Help identify legislative policy that will help the region become more competitive.</li> <li>Participate in or co-chair sector strategy committee(s).</li> </ul>			
<b>Benchmarks:</b> Services offered to community partners, competitor city analysis, return on investment from incentives.			

<b>Goal 4: Enhance the region's competitiveness through investments in catalyst projects.</b>			
<b>Actions:</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
<b>1. Develop Ernest A. Love Field into a robust employment center for the region.</b>			X
<ul style="list-style-type: none"> <li>• Compile a database of what economic development activity has been achieved at comparable airports around the country.</li> <li>• Identify approaches, financing mechanisms and other tools that have been utilized that could be emulated.</li> <li>• Develop a timeframe to implement recommendations from the Airport Master Plan.</li> <li>• Pursue Foreign Trade Zone designation at the airport.</li> <li>• Consider the creation of an Airport Authority.</li> </ul>			
<b>2. Increase the availability of industrial sites within the region.</b>		X	
<ul style="list-style-type: none"> <li>• Pursue plans for industrial park development at the airport as well as greenfield sites.</li> <li>• Based on industry clusters, determine the range of parcel sizes that would have the highest demand.</li> <li>• Identify infrastructure needs, associated costs and financing mechanisms in order to create "shovel ready" sites.</li> </ul>			
<b>Benchmarks:</b> Number of acres of fully serviced industrial sites, jobs generated by catalyst projects, value of capital investment, implementation of airport master plan.			

### 5. NEXT STEPS

Launching a new regional economic development organization is a major endeavor and requires many steps including the creation of the organizational structure, fundraising and staffing. The organizing committee for the GPREP has been actively working and have recently filed Articles of Incorporation with the Arizona Secretary of State's Office. At the last Technical Advisory Committee meeting held June 2013 several next steps were discussed and agreed upon.

#### *Board of Directors Composition*

The Board of Directors for GPREP will consist of 21 members and have an Executive Committee that would initially be three members and not to exceed seven members. The terms of office would be staggered and the composition of the Board of Directors would consist of representatives from both the public and private sectors. The objective is to have a diverse makeup of private sector members representing healthcare, finance/banking, education and private business. The board will meet quarterly with the Executive Committee meeting more frequently.

Preliminarily the Board would be comprised of the following government and business representatives.

#### **Government Representatives:**

- City of Prescott
- Town of Prescott Valley
- Town of Chino Valley
- Town of Dewey-Humboldt
- Yavapai County Board of Supervisors
- Yavapai Prescott Indian Tribe

#### **Business Representatives:**

- Healthcare
- Higher education
- Finance/Banking
- Private industry (8 to 12 members)

Individuals were assigned the task of contacting prospective Board members to solicit their interest and willingness to serve on the board.

#### *Fund Raising*

The GPREP Finance sub-committee has launched its fund raising drive. Based on an earlier business plan created for GPREP, the preliminary goal is to raise between \$200,000 to \$300,000 per year for the operations of the regional partnership by securing multi-year commitments from both the public and private sectors. A fund raising brochure was prepared and members of the organizing committee have prepared a list of prospects to begin calling on.

#### *Staffing*

The GPREP organizing committee agreed that in order to launch the regional organization it will be necessary to hire an executive director or retain a contractor immediately. Relying solely on volunteers for implementation is very difficult and showing early successes will be important for the regional effort.

An ad hoc sub-committee was formed to begin discussions relating to hiring an Executive Director or retaining the services of a consultant. At a minimum, a job opening notice should be created which summarizes the role and responsibilities of the position and the experience required. Background on GPREP should also be provided along with a discussion of preliminary expectations of the position. This information could be used for a job posting or solicitation of a contractor.

**APPENDIX A – SWOT ANALYSIS**

**GPREP SWOT Assessment - April 2013**

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Area has a moderate climate adding to the quality of life</li> <li>• Lack of congestion with well maintained roads and easy access to I-17</li> <li>• Existing Career Technical Education Programs, such as mining program, welding, and pre engineering, helicopter and fixed winged flight school</li> <li>• Good schools and universities</li> <li>• Good proximity to Phoenix, California and Mexico</li> <li>• Ready able and willing workforce</li> <li>• Industrial lease rates are competitive</li> <li>• The region is free from natural disasters</li> <li>• Strong bus system in the region</li> <li>• Aerospace and a regional airport structure with a tech focused park</li> <li>• Business friendly environment</li> <li>• Tourism as a major economic driver</li> <li>• Outdoor and recreational amenities</li> <li>• Existing 2+2 program and high school students matriculating right into community college.</li> <li>• Yavapai College is nimble and can quickly provide training in the areas that an industry needs.</li> <li>• On-line learning for post bachelorette , NAU, YCC and Embry Riddle</li> <li>• The charter schools have good STEM programs.</li> <li>• Existing and proposed business and industrial parks</li> </ul>	<ul style="list-style-type: none"> <li>• Availability of jobs to retain and attract young adults is a challenge; it's a tough social scene for the younger generation</li> <li>• Inability to come together on common goals for the betterment of the region</li> <li>• Lack of financial incentives or a deal closing fund to attract/retain business in order to be competitive</li> <li>• Availability of shovel ready sites within the region is limited</li> <li>• Limited supply of desirable industrial and office space at competitive lease rates</li> <li>• The region lacks a modern airport terminal with more dependable and reliable air service to destinations other than Los Angeles and Denver</li> <li>• Need additional work at the airport, such as safety and runway lengths.</li> <li>• Electric utility rates are high and the rate structure is complicated</li> <li>• Trucking transportation costs are high due to logistics; disincentive for manufacturers with bulky product</li> <li>• Area does not have the high end telecommunications infrastructure needed for data centers</li> <li>• The region is viewed as a retirement destination</li> <li>• The supplier base does not grow because they don't have or can't get the capitalization</li> <li>• There is no rail service</li> <li>• Area workforce is not that large</li> <li>• Recruiting for mid level jobs and college graduates is difficult</li> <li>• The K-12 school system is not as good as other areas of the country and the school is big for a rural area</li> <li>• There is not an effective transit system between the Prescott region and Phoenix and Flagstaff</li> </ul>

Opportunities	Threats
<ul style="list-style-type: none"> <li>• Center for UAV testing and training, with Yavapai College focusing on teaching piloting drones, and Embry Riddle on research and manufacturing</li> <li>• New terminal building at the airport with additional amenities</li> <li>• Creation of an aviation maintenance training program</li> <li>• Establish a medical residency program at YRMC</li> <li>• Designation of additional enterprise zones</li> <li>• Capitalize on job creation in aerospace, healthcare, logistics, small regional data centers and small backup support centers, data storage and bioinformatics, gun manufacturing</li> <li>• Designation of employment centers</li> <li>• Development of Greenfield industrial sites in Chino Valley and Prescott Valley</li> <li>• Expansion of job shops who are suppliers and support services such as maintenance of aircraft</li> <li>• Environmental test labs due to the region's elevation (high UV due to the sun)</li> <li>• Meeting the demand for medical facilities and services for the aging population</li> <li>• Adding medical technology programs at the college</li> <li>• Creating one cohesive economic development marketing message and program for the region</li> <li>• Attraction of major sporting tournaments</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of cooperation and divisiveness permeates the region</li> <li>• There is a "no growth" sentiment</li> <li>• Chino aquifer drops 6 feet a year and 90-95% of Prescott's water comes from the Chino watershed.</li> <li>• General population sees growth as negative because it attracts people</li> <li>• Availability of water, whether it is either real or perceived</li> <li>• Stigma of a retirement community</li> <li>• Taxing structure in AZ that disproportionately places burden on industry and equipment</li> <li>• Maintaining the quality of life (such as school system, affordable housing, etc.) in order to attract and retain talent</li> <li>• Great disparity in wealth and not a lot of disposable income</li> <li>• Municipal revenue structure with reliance on sales tax</li> </ul>

