

Central Arizona Governments Economic Development District Comprehensive Economic Development Strategy 2015



This report was a collaborative effort of the Central Arizona Governments and its members and stakeholders. This report was prepared under an award from the United States Department of Commerce, Economic Development Administration.



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Introduction

Overview. The Central Arizona Governments (CAG) is one of six planning regions within the State of Arizona and was incorporated under the statutes of the State of Arizona on July 31, 1975, as a private, non-profit corporation. Upon incorporation, the governmental entities within Gila and Pinal Counties together comprised the following mission statement:

- Encourage and permit local units of government to join and cooperate with one another to improve the health, safety and general welfare of their citizens and to plan for the future development of the region, and
- Develop and implement constructive and workable policies and programs for meeting and solving the region-wide problems of local government.

CAG provides regional planning services in transportation, economic development, Community Development Block Grant (CDBG), environmental planning, workforce training, information services, and public facilitation.

Economic Development. CAG has been designated by the US Economic Development Administration (EDA) as an Economic Development District (EDD) since 1975. The EDD serves CAG’s entire region, which includes 2 Counties, 17 incorporated governments and 3 Indian Communities. Municipalities include Globe, Hayden, Miami, Payson, Star Valley, and Winkelman in Gila County, and Apache Junction, Casa Grande, Coolidge, Eloy, Florence, Kearny, Mammoth, Marana, Maricopa, Queen Creek, and Superior in Pinal County. Indian Community members include the San Carlos Apache Tribe in Gila County, and the Ak-Chin and Gila River Communities in Pinal County.

Comprehensive Economic Development Strategy (CEDS).

The EDA developed the CEDS program as a means of evaluating and quantifying Districts across the country. The purpose of a CEDS is to assist EDA and the EDD in establishing regional priorities for projects and investments. A CEDS is intended to promote economic development and opportunity, to foster effective transportation systems, to enhance and protect the environment, and to balance resources through sound management of development.

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2015 CEDS Update & Revision. 2011’s CEDS Report was a major revision of the Comprehensive Economic Development Strategy. It was dramatically shorted to make it readable for a wider audience of elected officials and professionals. It incorporated many recommendations of the EDA-funded Employment Centers Adjustment Strategy, and it further laid out a factual context for understanding the CAG EDD as both a regional and sub-regional economy. Whereas last year’s CEDS focused on facts, this year’s CEDS focuses on process. Building on those facts and their strategic conclusions, this year’s CEDS completely revises Goals/ Objectives, Plan of Action, and FY2014 Work Plan. These revisions are based upon the engagement of CAG’s CEDS Committee, which has contributed to and commented upon a dialogue about what is needed now to support the Region’s economic development practitioners. This dialogue began with a workshop on “the who, what, where” of economic development in the CAG Region (April

CAG EDD Board, May 2015			
Chairman Louis Manuel Jr.	Ak-Chin Indian Community	Mayor Don Jones	Mammoth
Mayor John Insalaco	Apache Junction	Mayor Ed Honea	Marana
Mayor Bob Jackson	Casa Grande	Councilman Vincent Manfredi	Maricopa
Andrew Clegg, Acting Ex. Dir.	Central AZ Regional Econ. Dev. Foundation	Mayor Darryl Dalley	Miami
Mayor JonThompson	Coolidge	Karalea Cox	So. Gila County Econ. Dev. Corp.
Mayor Joel Belloc	Eloy	Mayor Kenny Evans	Payson
Mayor Tom Rankin	Florence	Supervisor Peter Rios	Pinal County
Supervisor Mike Pastor	Gila County	Councilmember Robin Benning	Queen Creek
Councilmember Barney Enos, Jr.	Gila River Indian Community	Don Breiland	Salt River Project
Mayor Terry Wheeler	Globe	Chairman Terry Rambler	San Carlos Apache Tribe
Mayor Bobby Smith	Hayden	Mayor Ronnie McDaniel	Star Valley
Mayor Sam Hosler	Kearny	Mayor Jayme Valenzuela	Superior
		Mayor Louis Brocamonte	Winkelman

CAG Economic Development Committee, May 2015			
Elan Vallender	Apache Junction	Sam Hosler	Kearny
Sally Odette	Arizona Public Service	Vacant	Mammoth
Richard Wilkie, Sr., Vice Chair	Casa Grande	Sylvia Kerlock	Winkelman
Jim Rhodes,	Central Arizona College	Denyse Airheart	Maricopa
Zenia Comejo	Eloy	Jerry Miles	Northern Gila County EDC
Rick Miller	Coolidge	Bobby Davis	Payson
Bill Bolin	Copper Corridor EDC	Tim Kanavel	Pinal County
Belinda Akes, Chair	Economic Development Group of Eloy	Sandie Smith	Pinal Partnership
Terry Strain	Western Bank	Marissa Garnett	Queen Creek
Jennifer Evans	Florence	Caryn Sanchez	Salt River Project
Chris Colopy	City of Globe	Karalea Cox	Southern Gila County EDC

2012) that continued through the review and adoption process. This year's CEDS Report revision is a consensus of a more engaged CEDS Committee.

Community and Private Sector Participation. CAG's economic development planning is directed by an EDD Board, which consists of Regional Council plus five at-large members. The CEDS 2015 has been overseen by the economic development committee (CEDS Committee), representing both municipalities and counties within the EDD, and stakeholders representing the private sector and Indian Communities.

Physical Characteristics & Land Ownership

Figure 1



The CAG District's physical characteristics directly affect its regional economic development. The District has an exceptionally large geographic extent, which is further complicated by the variation in physical environment and land ownership. These combine to create distinct sub-regions within the District.

Size, Elevation & Soils. The CAG District contains a total of 10,096 square miles, which is approximately the same as the State of Maryland (Figure 1) and which creates exceptionally long distances between communities. For example, it is 175 miles from Star Valley, the District's most northern community, to Marana, its most southern community.

The Region falls into three distinct elevations: low-lying desert in most of western Pinal County, steep hills and mountains in eastern Pinal County and southern Gila County, and a distinct physical break to higher elevations – the Mogollon Rim – in northern Gila County. (Figure 2)

Figure 2



Further, there is variation in soils that limits physical developability in large portions of the District. In general, there are more developable soils in the western portions of the District. (Figure 3)

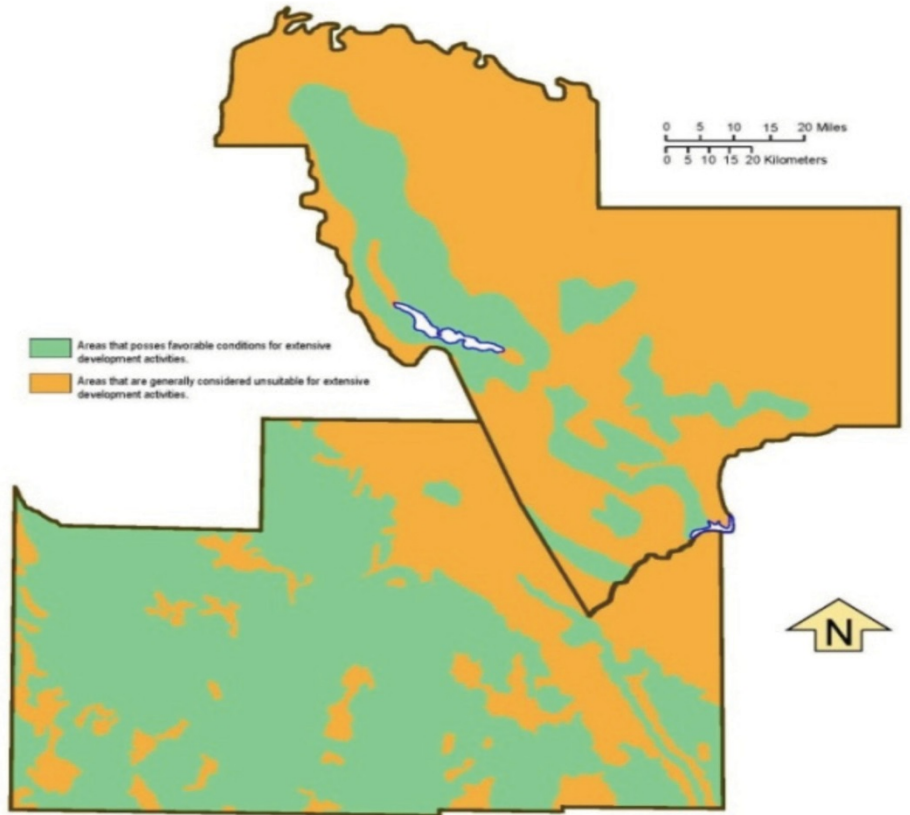
Land Ownership. The pattern of land ownership is another factor that distinguishes sub-regions throughout the District. (Figure 4)

There are, in general, four broad categories of land ownership. Land development is constrained, depending on ownership:

- Federal lands – not developable (37% of District land area)
- Indian Communities – only nonresidential development (29% of District land area)
- Arizona State Lands Department – developable, though most is raw land without infrastructure (19% of District land area)
- Privately-owned – developable, especially private lands with water rights (15% of District land area)

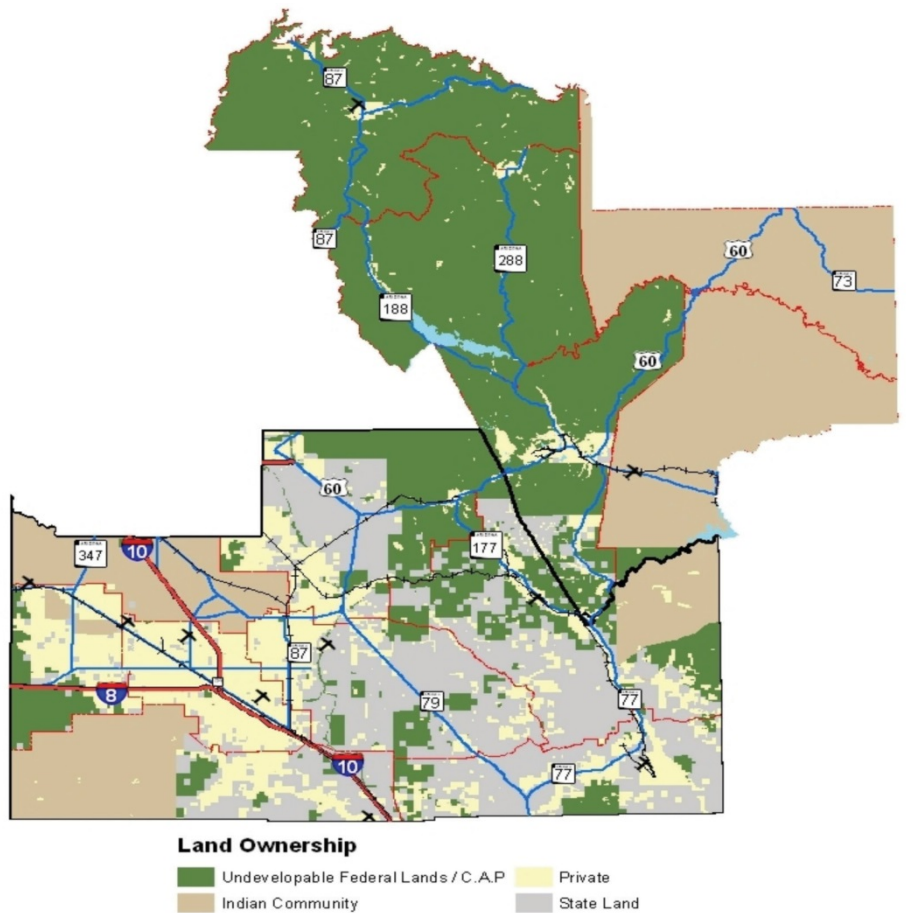
These land ownership patterns mean that much of eastern Pinal County and the great majority of Gila County are, in effect, land-locked. The existing pattern of small communities in the eastern part of the CAG District will continue in the future. Though their physical expansion is limited, they have opportunities to improve the quality of their economies. Much of Pinal County, especially in its west and south, have opportunities for significantly greater physical expansion and urbanized growth.

Figure 3



SOIL SUITABILITY FOR DEVELOPMENT WITHIN THE CAAG DISTRICT

Figure 4



CAG District Market Areas

Elevation, soils and land ownership patterns suggest that the very large CAG District has sub-regions with different types of market opportunity and long-term development future. This is reinforced by the reality of different economic markets.

Statewide Economic Study. Precipitated by the previous jobs recession caused by the speculative dot-com bubble of 1995-2000, the State of Arizona completed a major study in 2002 that was to be the basis for a statewide economic development strategy. Part of that work included much research and local outreach to define market-based economic regions in Arizona.

The CAG District falls into three such economic regions (Figure 5):

- Northern Gila County is part of a Plateau Region that includes the southern parts of Navajo and Apache counties.
- Eastern Pinal and southern Gila County are part of a Mining Region that also includes Graham and Greenlee counties.
- Western Pinal is part of the Central Region, which also includes Maricopa County.

CAG Economic Adjustment Strategy. In 2008, CAG further refined the District’s market areas as part of the Economic Adjustment Strategy, funded by EDA. The research included additional information, including a closer analysis of market and workforce access based on existing transportation networks and on new growth patterns beginning in the late 1990’s, as shown in the map below. (Figure 6).

There are four conclusions:

1. The entire CAG District is affected by Sun Corridor proximity.

- Portions of Pinal County are contiguous with metro Phoenix and Tucson and are anticipated to more greatly urbanize in the future.
- Eastern Pinal and Gila County contain the first ring of rural communities around the mega-region and will also benefit by this proximity.

2. There are two District regions in which development has been caused primarily from the expansion of urban areas in other counties.

- The “Pinal Crescent” from northeast to northwest Pinal County has private landownership with water rights and strong transportation links to Maricopa County. It will continue to be part of metro Phoenix’s physical expansion.
- Southern Pinal County has direct transportation links to Pima County, and will be part of metro Tucson’s physical expansion.

3. Eastern Pinal and Southern Gila County are resource-based economies, like those counties eastward through New Mexico. This sub-region will benefit by proximity to the mega-region, most clearly through experience industry development.

4. Northern Gila County is part of a larger linear corridor of Mogollon Rim communities. The Payson-Star Valley area is about 90 minutes from metro Phoenix and is in a higher, cooler elevation with a different biotic environment. It appeals both to day-trip tourists and to certain owner-managed companies.

Figure 5

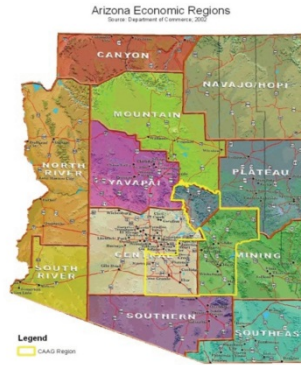
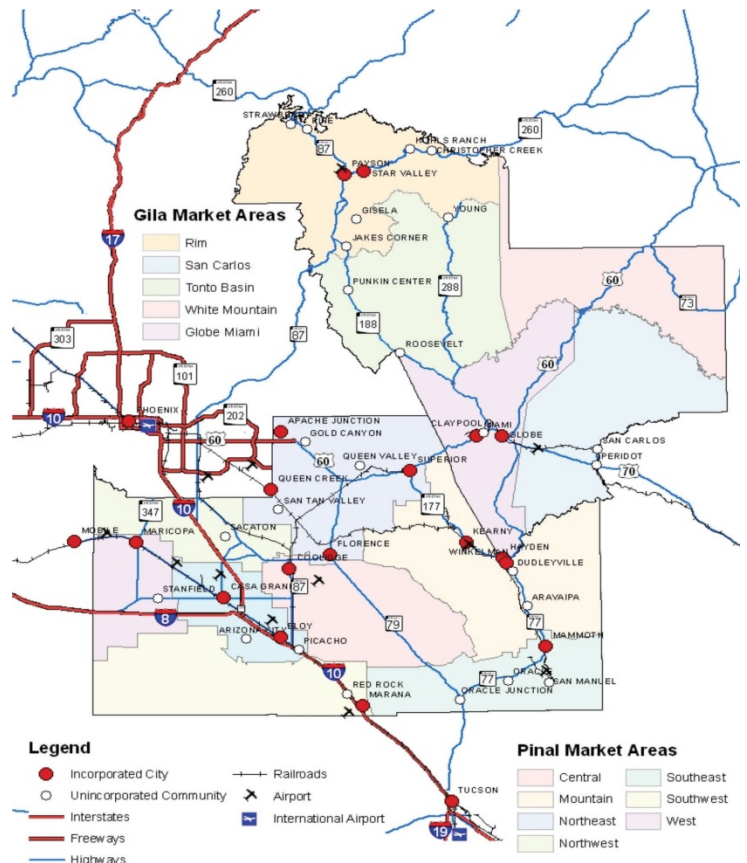


Figure 6



Sun Corridor Mega-region Includes CAG EDD

Global Economy & Mega-regions. As metropolitan regions continued to expand throughout the second half of the 20th century their boundaries began to blur, creating a new scale of geography now known as the mega-region. Interlocking economic systems, shared natural resources and ecosystems, and common

“No one “planned” this economic interdependence on a continental scale. The most powerful drivers of economic change were corporate strategies and structures. What flows across Arizona’s international borders are not mainly finished goods, but inputs and raw materials into complex, cross-border production systems.”

–North American Opportunities and the Sun Corridor, Arizona State University, September 2009.

transportation systems link these population centers together. In the global economy, mega-regions are the sites for most of the world’s economic activity.

Most of the nation’s rapid population growth, and an even larger share of its economic expansion, is expected to occur in 10 or more emerging mega-regions: large networks of metropolitan regions, each mega-region covering thousands of square miles and located in every part of the country.

Sun Corridor. Perhaps the best long-term development opportunity for the CAG District is that it is a part of one of the major mega-regions in the United States – the Sun Corridor. By 2050, the Sun Corridor is anticipated to double in size and contain 85 percent of Arizona’s population and jobs (Figure 7).

The CAG District’s west, which is contiguous with metro Phoenix and metro Tucson, would benefit directly. The District’s eastern communities will benefit in that they are the first ring of rural communities proximate to the Sun Corridor, about 1 ½ hour’s travel time from this huge market.

The Sun Corridor is geographically positioned to trade with both world regions and with other regions in the United States (Figure 8).

- Internationally, with Mexico/Latin America and with the Asia Pacific
- Nationally, with the Pacific Coast, the Intermountain West, the Midwest, and the South.

These economic development opportunities will require billions in infrastructure investments to come to fruition. In December 2009, the three Councils of Governments (including CAG) that are the regional planning agencies for the Sun Corridor counties agreed by resolution to form the Joint Planning Advisory Council (JPAC), to more formally cooperate in regional planning at an integrated mega-region scale.

Sun Corridor mega-region planning has focused on transportation improvements that would stimulate and support significant economic development opportunities. These include:

- Three studies on Sun Corridor mega-region opportunities, by Arizona State University, the Brookings Institution, and AECOM.
- Planning for a new Interstate – I-11 – that would connect Mexico to British Columbia, a CANAMEX corridor that passes through the CAG District. A coalition has been formed to lobby for I-11.
- A freight study to understand whether pass-through trucking and rail movement could generate inland port and other freight-related economic development opportunities for the entire Sun Corridor.

Beyond transportation, it is likely that future JPAC regional planning activities will include mega-region economic development planning.

Figure 7

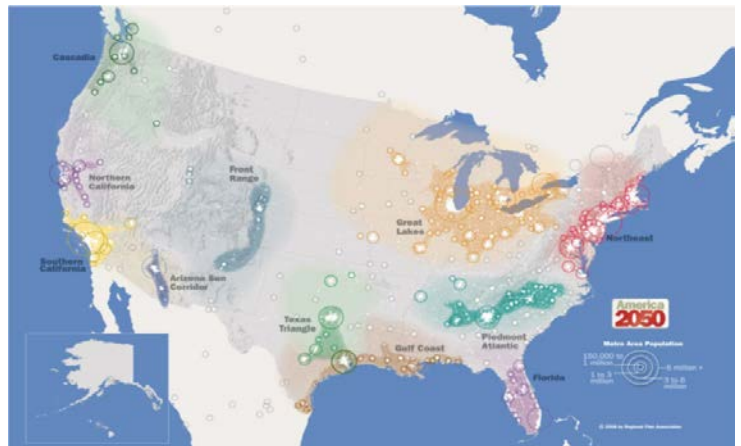
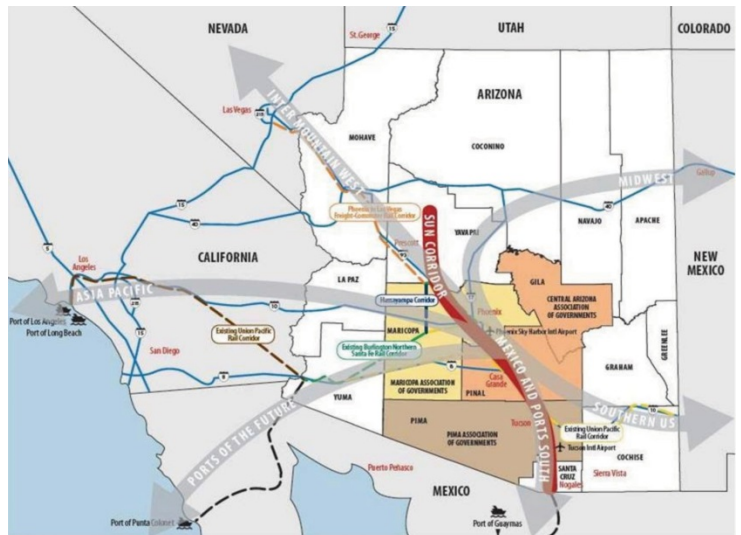


Figure 8



Regional Patterns of Development

The current pattern and most recent trends in Sun Corridor development patterns are evident by comparing Census counts of 2000 and 2010. The maps on the next page show market areas across the Sun Corridor and CAG District.

Total population in 2010 (Figure 9) shows that western Pinal County has the largest population in the CAG District.

- In western Pinal, the existing urban form of metro Phoenix expanded into northern Pinal County – its “Pinal Crescent.” Metro Tucson also expanded into southeast Pinal County in the Saddlebrooke-Oracle area.
- The two areas of Gila County that have the largest population are also the closest to metro Phoenix – the Payson-Star Valley area of northern Gila, and the Globe-centered mining region of southern Gila.

Looking at 2010 population density (Figure 10), the CAG District’s recent urbanization has made it an exurban part of the Sun Corridor mega-region. The Pinal Crescent areas wrapping around the Gila River Indian Community are similar in size to other urban fringe areas in Maricopa and Pima Counties. The balance of the CAG District – its majority – has rural densities.

The absolute change in population between Census 2000 and Census 2010 (Figure 11) shows the most recent patterns of change.

- In general, the exurban parts of the two metro areas grew the fastest. This includes both western Pinal County, but also Maricopa County’s west and north valley areas, and Pima County’s northern and southeastern areas.

The decade change also shows areas of decline. These include metro Phoenix’s urban core and older suburbs in the Maricopa County near-east valley, the mining-based economies of eastern Pinal-southern Gila Counties, and the Tohono O’odham Nation in western Pima and southeastern Pinal counties.

The percentage change in population (Figure 12) clearly shows that the most recent Sun Corridor urban expansion has been on its fringe areas.

- The fast-growth areas are Maricopa County’s far west and far north valley areas, far-southeast Pima Counties, plus Pinal County’s San Tan Valley, Maricopa City, and southern county areas.
- Other high-growth areas of the CAG District include the remainder of the Pinal Crescent.

Figure 9

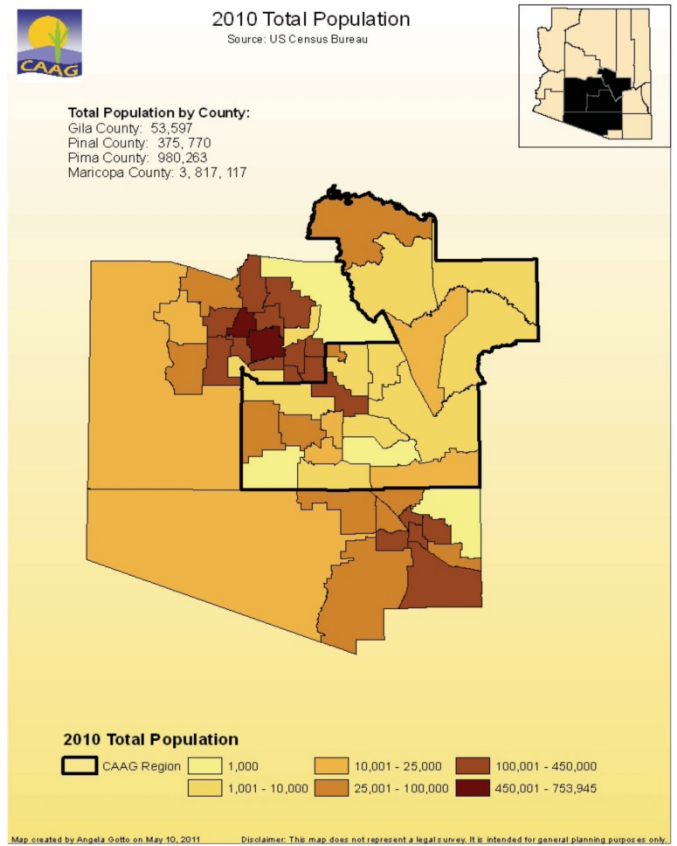


Figure 10

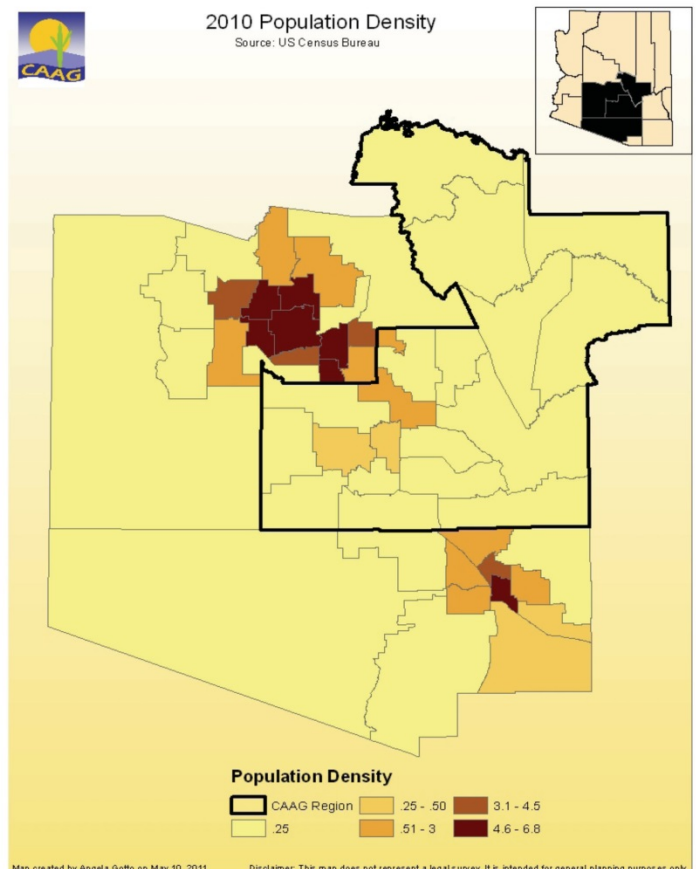
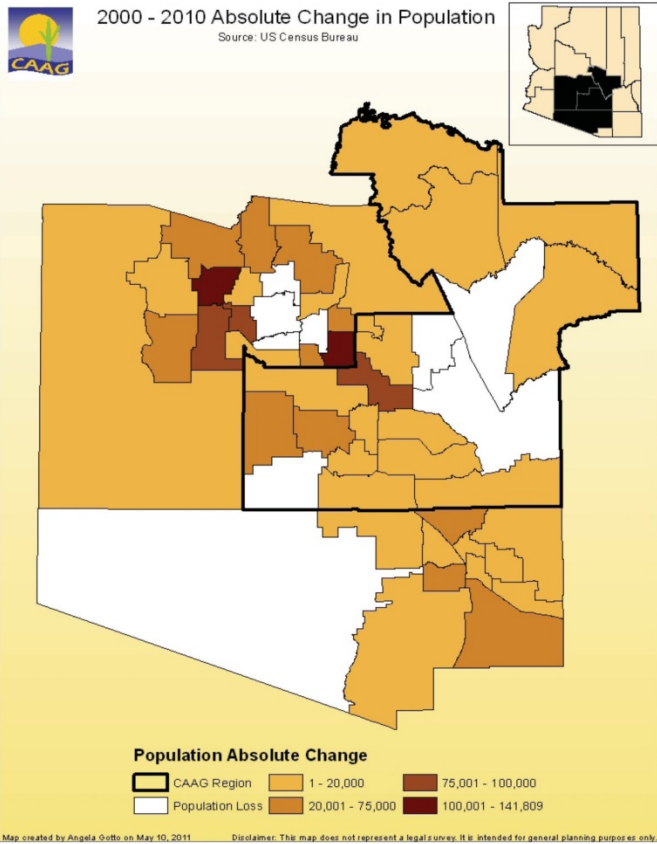


Figure 11



Regional Analysis

This section addresses the most important facts about the CAG Region that apply to its regional economic development. Trends and patterns about the District itself are presented, as well as trends and patterns that place the District in its larger geographic context.

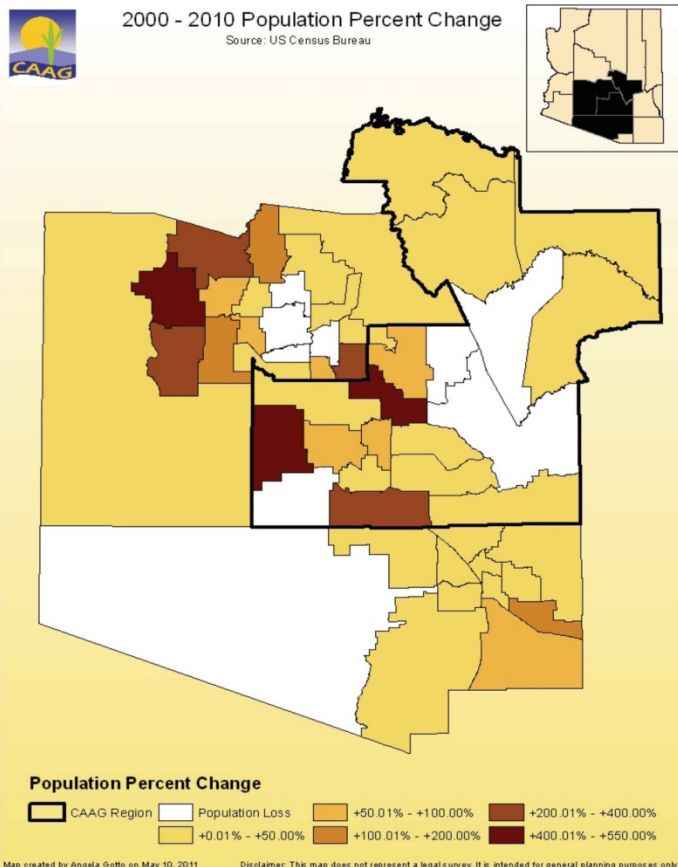
Total Population

The CAG District's population growth over the last decade has been unlike any of its history. Starting in the late 1990's, the first of a series of land development projects from the expansion of the metro Phoenix urban form were entitled in Pinal. Combined with the nation's housing bubble, a wave of residential development in western Pinal County created the highest population growth the CAG District ever experienced.

This is clearly shown in the population growth index chart (Figure 13), which shows the growth rates of the CAG Region, its counties, Arizona, and the Sun Corridor. Using 1970 as the base index year, the chart clearly shows the exceptional growth in Pinal County, contrasted to the more historically normal growth of Gila County, and by far outpacing the growth of both Arizona and the Sun Corridor.

As the chart (Figure 14) shows, by 2010, the CAG District's population was 429,367 persons – 375,770 in Pinal County and 53,597 in Gila. The table to the right reports population and housing for all incorporated and larger unincorporated communities, all Indian Communities, and the two Counties of the District. The District's population grew by 86% between 2000 and 2010, led by Pinal County's 109% increase. In contrast, Gila County's population expanded by 4.4%.

Figure 12



There is a wide variation of growth at the local levels (Figure 15).

- At one extreme is the boom growth of communities such as Maricopa City and San Tan Valley, which grew at an astounding 4,081% and 3,014%, respectively, during the decade.
- At the other extreme, there were population declines in many of the eastern Pinal-southern Gila resource-based communities and in two of the Indian Communities.

Jobs by Place of Work

In 2010, the CAG District totalled 66,700 wage & salary jobs, with 52,400 in Pinal County and 14,300 in Gila County. The region does not have a strong economy, as measured by wage & salary jobs by place of work. Looking at the twenty-year history from 1990 to 2010 (Figure 16), there have been four periods.

Figure 13

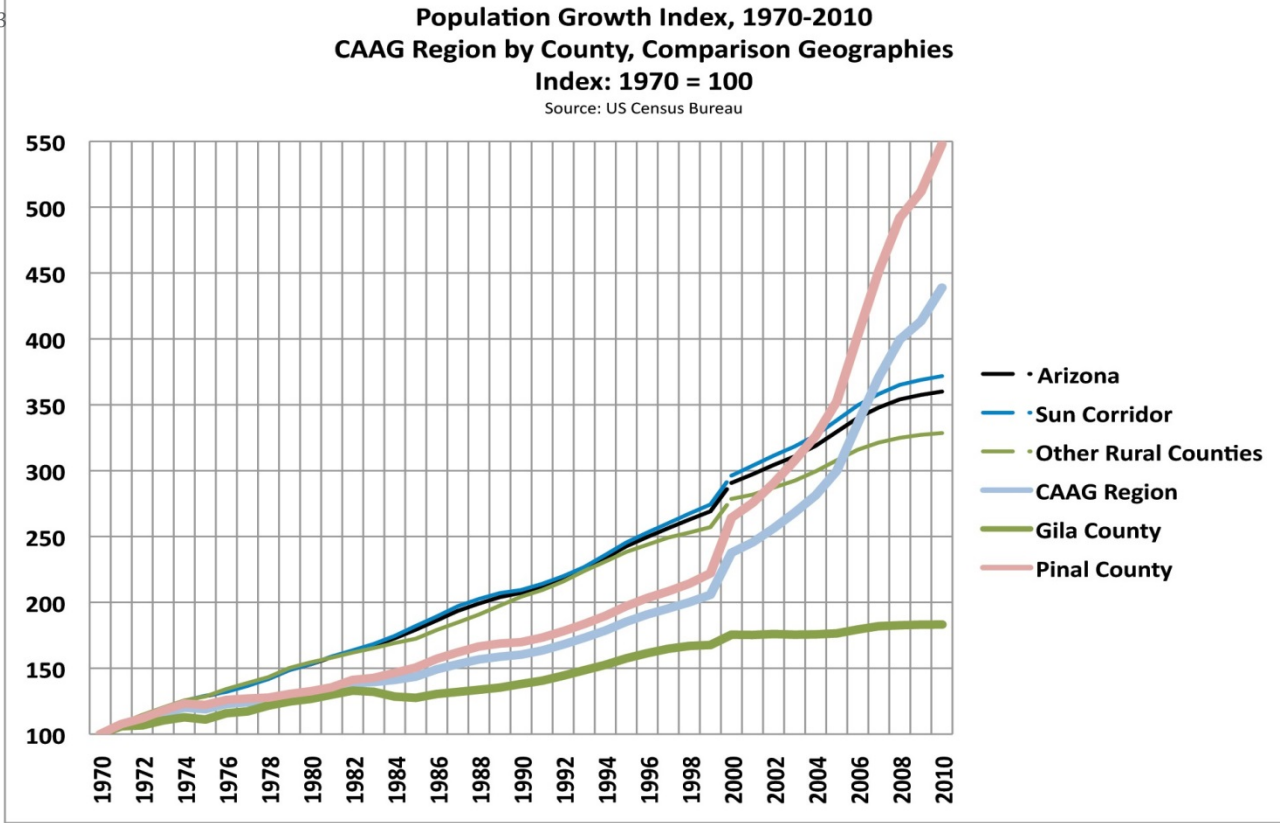


Figure 14

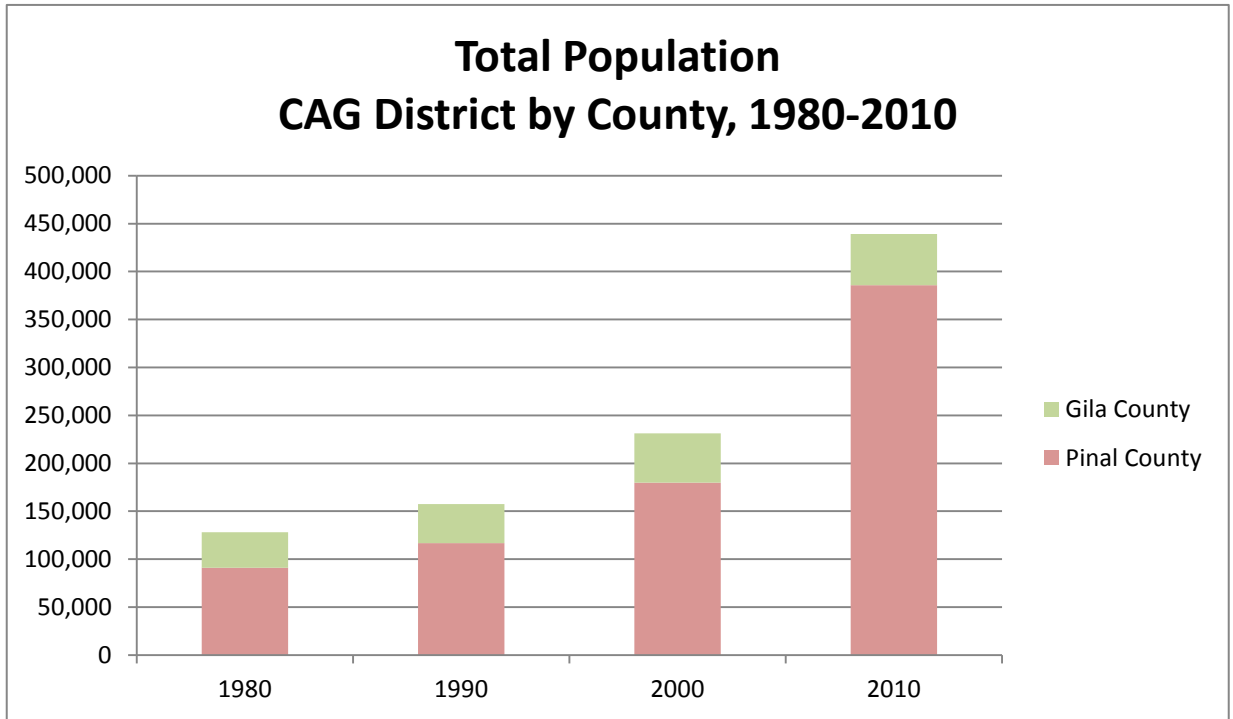


Figure 15

	Total Population & Housing Units, CAG Region 2000 and 2010					
	Total Population			Total Housing Units		
	2000	2010	% Change	2000	2010	% Change
CAG REGION	231,062	429,367	86%	109,343	191,920	81%
GILA COUNTY	51,335	53,597	4%	28,189	32,698	9%
Municipalities	26,409	27,995	6%	13,218	15,312	10%
Globe	7,486	7,532	1%	3,181	3,386	3%
Hayden	892	662	-26%	325	301	-17%
Miami	1,936	1,837	-5%	944	973	-1%
Payson	13,620	15,301	12%	7,279	8,958	15%
Star Valley	2,036	2,310	14%	1,296	1,531	20%
Winkelman	439	353	-20%	193	163	-15%
Indian Communities	6,430	7,086	10%	1,855	1,957	7%
Fort Apache IC	1,514	1,678	11%	429	460	11%
San Carlos IC	4,784	5,288	11%	1,388	1,455	5%
Tonto Apache IC	132	120	-9%	38	42	8%
Uninc. County	18,496	18,516	.10%	13,116	15,429	9%
PINAL COUNTY	179,727	375,770	109%	81,154	159,222	105%
Municipalities	100,408	188,253	88%	45,919	78,763	84%
Apache Junction	31,541	35,546	13%	22,443	22,271	13%
Casa Grande	25,224	48,571	93%	10,936	22,400	98%
Coolidge	7,786	11,825	52%	3,179	4,796	52%
Eloy	10,375	16,631	60%	2,737	3,691	21%
Florence	17,054	25,536	50%	3,255	5,224	49%
Kearny	2,249	1,950	-13%	871	878	-4%
Mammoth	1,762	1,426	-19%	679	635	-13%
Maricopa	1,040	43,482	4081%	286	17,240	5258%
Queen Creek	119	449	277%	52	163	228%
Superior	3,254	2,837	-13%	1,480	1,465	-11%
Indian Communities	10,095	10,322	2%	2,681	2,909	8%
Ak-Chin IC	742	1,001	35%	234	299	31%
Gila River IC	8,558	8,718	2%	2,216	2,403	9%
Tohono O'odham IC	795	603	-24%	230	206	-20%
Uninc. County	69,224	177,195	156%	32,554	77,550	140%
Arizona City CDP	4,385	10,475	139%	2,169	5,064	128%
Gold Canyon CDP	6,029	10,159	69%	4,095	6,874	798%
Oracle CDP	3,563	3,686	4%	1,571	1,772	11%
Saddlebrooke CDP	4,727	9,614	103%	2,711	5,671	104%
San Manuel CDP	4,375	3,551	-19%	1,832	1,541	-9%
San Tan Valley CDP	2,611	81,321	3015%	889	29,417	31559%

Source: US Census Bureau

- From 1990 to 1996, jobs by employers located in the District expanded by 13%.
- From 1996 to 2002, jobs dropped by 1%.
- Between 2002 and 2008, when the region’s housing boom took effect, jobs grew 40%.
- In 2009, the number of jobs dropped by 5.7%.

The CAG District’s jobs economy is still not recovering, though like the jobs economy of Arizona as a whole, the region appears to be climbing out of the deepest hole of the Great Recession.

The next chart (Figure 17) is a monthly series from January 2002 through March 2011. It measures the percent change for each month, compared to the same month of the previous year. It shows a more detailed look at the CAG District’s experience during the housing boom, its collapse, and since.

- Wage & salary jobs grew steadily from January 2002 to the Region’s peak in March 2007. During this growth boom, seasonal cyclically caused some monthly variation.
- December 2007 to April 2008 was a period of rapid decline, followed by equally rapid growth until July 2008.
- A major collapse occurred in the 13 months from July 2008 to August 2009, the depth of the local

jobs recession.

- After, though still shrinking, the rate of decrease began slowing, and the region’s economy finally grew positively in June 2010.
- Since, it has somewhat leveled, though bouncing from minor decreases to minor increases.

Labor Force

Between 2000 and 2010, the CAG District’s labor force increased from 89,782 to 148,583 participants. There are two notable facts about the Region’s labor force:

- It has a low labor force participation rate.
- It has high unemployment.

The last chart (Figure 18) compares the District’s labor force participation rate with Arizona’s. The state’s rate bounces between 47% and 50%. The CAG District’s rate peaked in 2002 at 40% and has fallen to 35%.

The Region’s pattern is caused by Pinal County, because of its larger population. Gila County’s rate is distinctly different. Starting a bit higher than Pinal, during the 2000’s, Gila’s rate has grown to 43%.

Unemployment

High unemployment is a national and state problem. However, in the late 2000’s the CAG District’s monthly unemployment rate

Figure 16

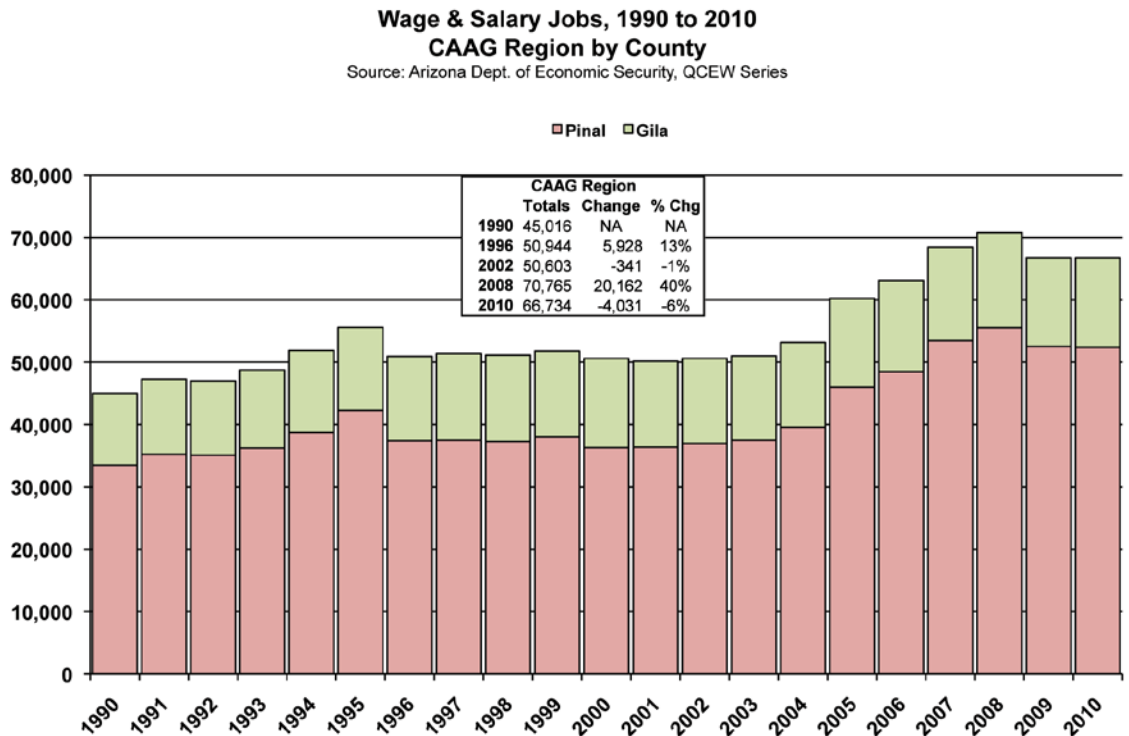


Figure 17

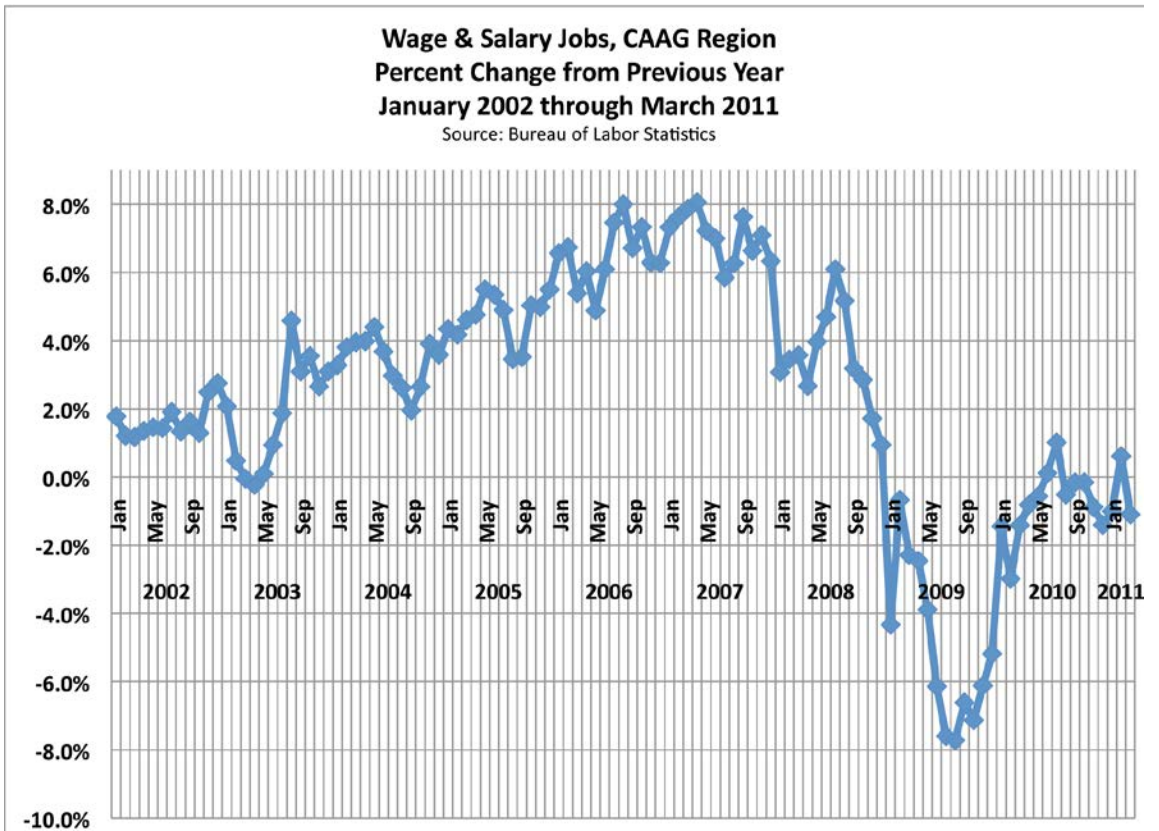
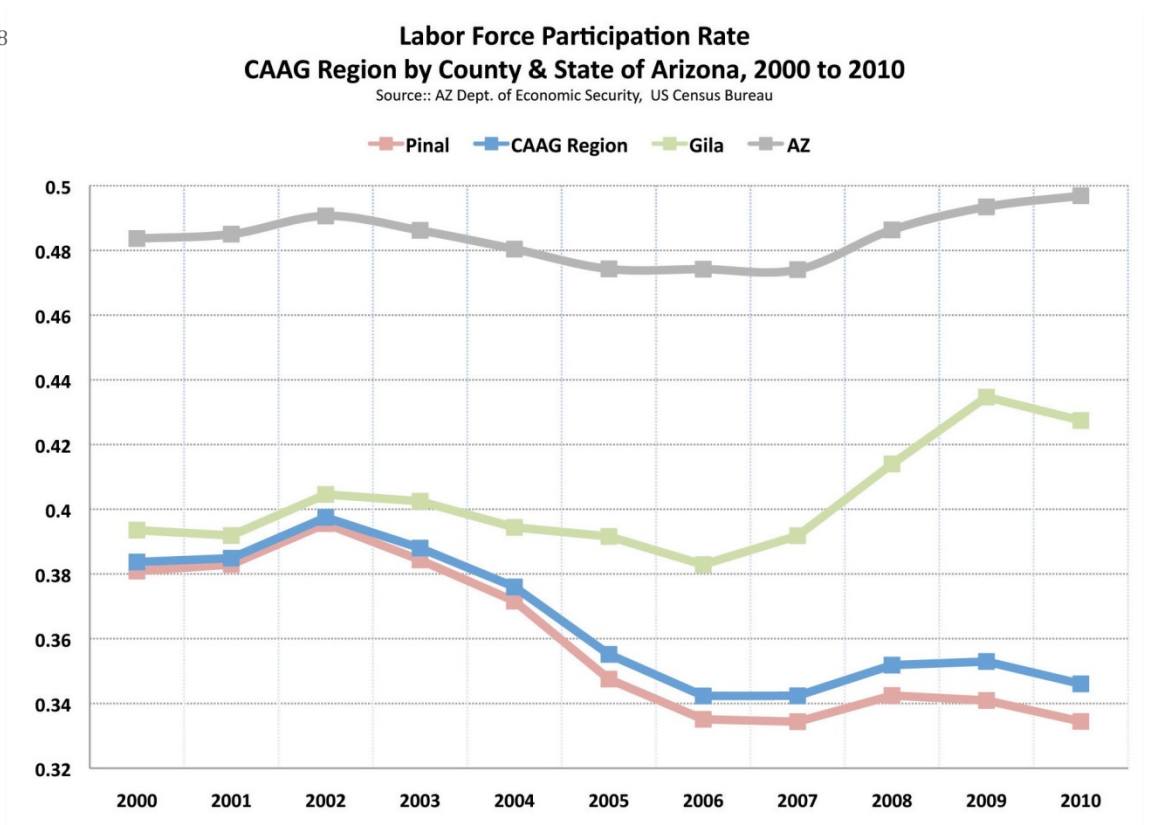


Figure 18



Jobs by Place of Work

has been higher than the US for all but a very few months, as the chart shows. (Figure 19) The last time the District's rate was lower than the nation's was in March 2007, at the Region's peak. Such

consistency is indicative of a structural problem for the District. Yet, the nation and the state have serious economic problems that are beyond the District's control.

Relationship of Population & Economy

There is a growing gap between the CAG District's resident population with jobs its employers create. Figure 20 is a 29 year history of the difference between total population and total jobs in the region. During that period, the CAG District added 54,400 jobs. However, the region also added 307,000 residents, nearly six times greater than jobs.

Figure 21 shows the same time series converted to jobs per capita. The US, state, and both metro counties of the Sun Corridor average about ½ jobs per capita, or one job for each two persons. In 1970, jobs-capita for the CAG District was a ratio of 0.37 jobs per person. This ratio held relative steadily until the late 1990's, when it began dropping quickly due to Pinal County population growth. Gila County's ratio, somewhat higher than Pinal for most of the history, increased after 2004, dropping slightly in the current jobs recession.

Figure 22 shows jobs per capita for the District's larger communities (both incorporated and unincorporated) and for its Indian Communities.

Lower than economically sustainable jobs-capita measures are endemic throughout the Region, and decreased in some communities between 2004 and 2008.

- Six communities have ratios at least twice as large as the District. Two are Indian Communities, Hayden has a large mining operation, Globe and Casa Grande are the Region's two largest homegrown trade centers, and Florence has the State prisons.
- On the low end of the scale are communities that gained the largest residential growth of the 2000's. These include Saddlebrooke, San Tan Valley, Arizona City, Maricopa and Gold Canyon.

Income by Major Component

The components of personal income are important because they measure most completely the entire regional and county economy:

- Dividends, interest and rent measure income from investments by people and businesses.
- Transfer payments measure government payments to people and businesses.
- Earned income measures income from working individuals, whether wage & salaried employees or self-employed partners and proprietors.
- Earned income is further broken down into earnings from jobs located inside the county, and earnings from commuting to jobs in other counties.

Figure 22

Jobs per Capita, 2004-08 CAG Member Agencies & Largest Unincorporated Communities						
Area	Population		Jobs		Jobs-Capita	
	2008	2004-8 % Change	2008	2004-8 % Change	2008	Change
Ak-Chin	742	0%	1,204	4%	1.62	0.069
Hayden	841	-3%	778	56%	0.92	0.531
GRIC	8,286	0%	3,666	16%	0.44	0.071
Globe	8,185	6%	3,281	6%	0.4	-0.002
Casa Grande	44,310	24%	17,166	23%	0.39	-0.005
Florence	24,131	28%	9,192	37%	0.38	0.046
Payson	17,962	11%	5,105	17%	0.28	0.019
Gila County	58,888	6%	14,567	15%	0.25	0.023
Oracle-San Manuel	6,289	7%	1,255	21%	0.2	0.029
Mammoth	1,742	1%	346	51%	0.2	0.099
Miami	1,953	0%	386	51%	0.2	0.102
Winkelman	433	-1%	45	-102%	0.2	0.102
Other Uninc Pinal	69,686	23%	12,622	17%	0.18	-0.015
CAG District	403,811	31%	71,754	17%	0.18	-0.037
Coolidge	12,099	32%	2,141	0%	0.18	-0.083
Unincorporated Gila	27,280	-4%	4,734	11%	0.17	0.025
Apache Junction	37,346	6%	6,347	7%	0.17	0.002
Pinal County	344,924	35%	57,187	17%	0.17	-0.047
Kearny	2,277	1%	347	5%	0.15	0.006
Eloy	16,015	32%	2,369	-9%	0.15	-0.088
Star Valley	2,233	0%	238	5%	0.11	NA
Superior	3,393	2%	339	6%	0.1	0.004
Gold Canyon	14,219	26%	1,139	-17%	0.08	-0.046
Maricopa	37,196	83%	2,171	22%	0.06	-0.213
Arizona City	9,737	36%	465	-6%	0.05	-0.032
San Tan Valley	51,760	68%	1,046	-40%	0.02	-0.067
Saddlebrooke	14,219	26%	242	-74%	0.02	-0.023
Marana	0	0%	0	0%	0	0
Queen Creek	501	28%	0	0%	0	-0.025

Figure 19

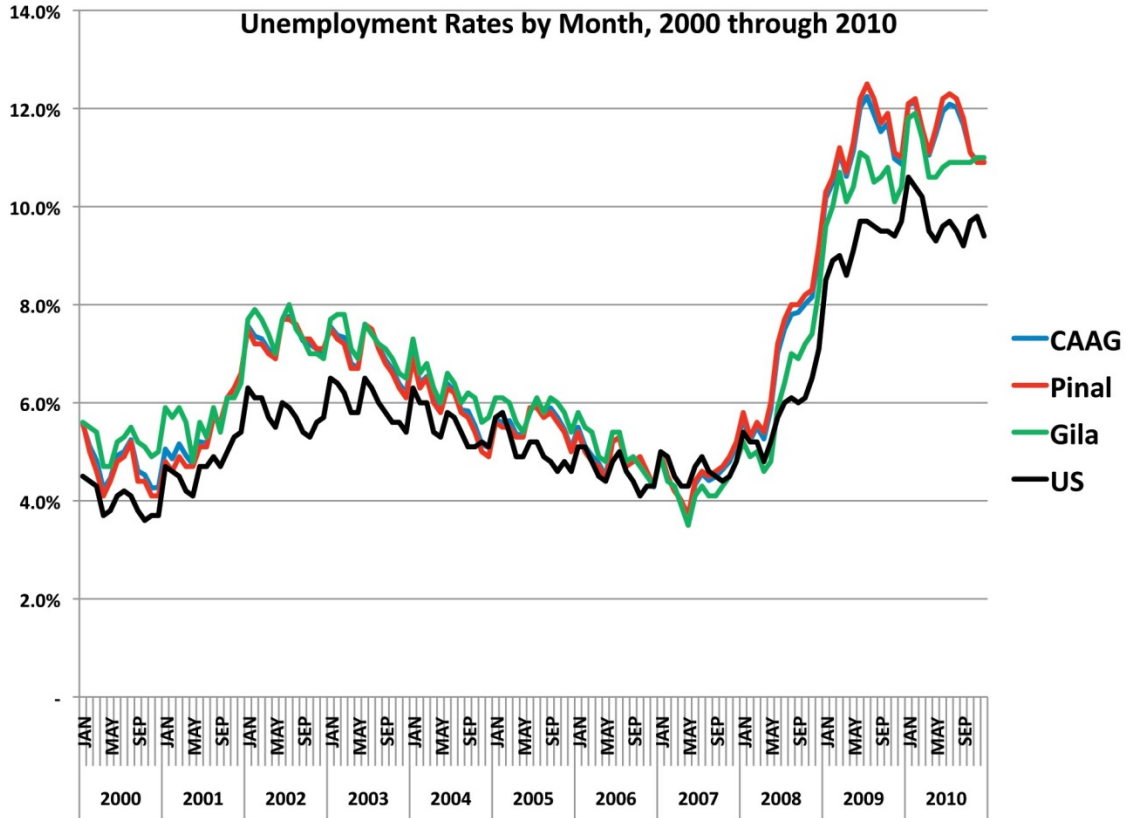


Figure 20

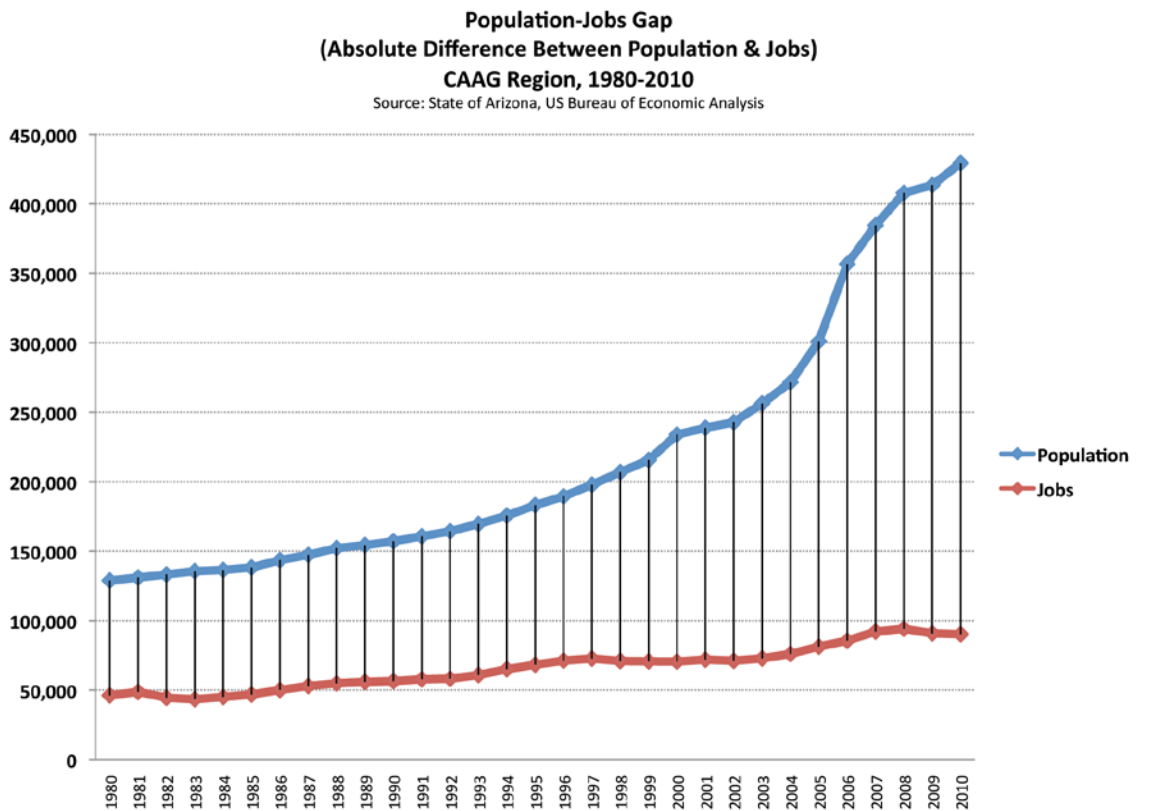
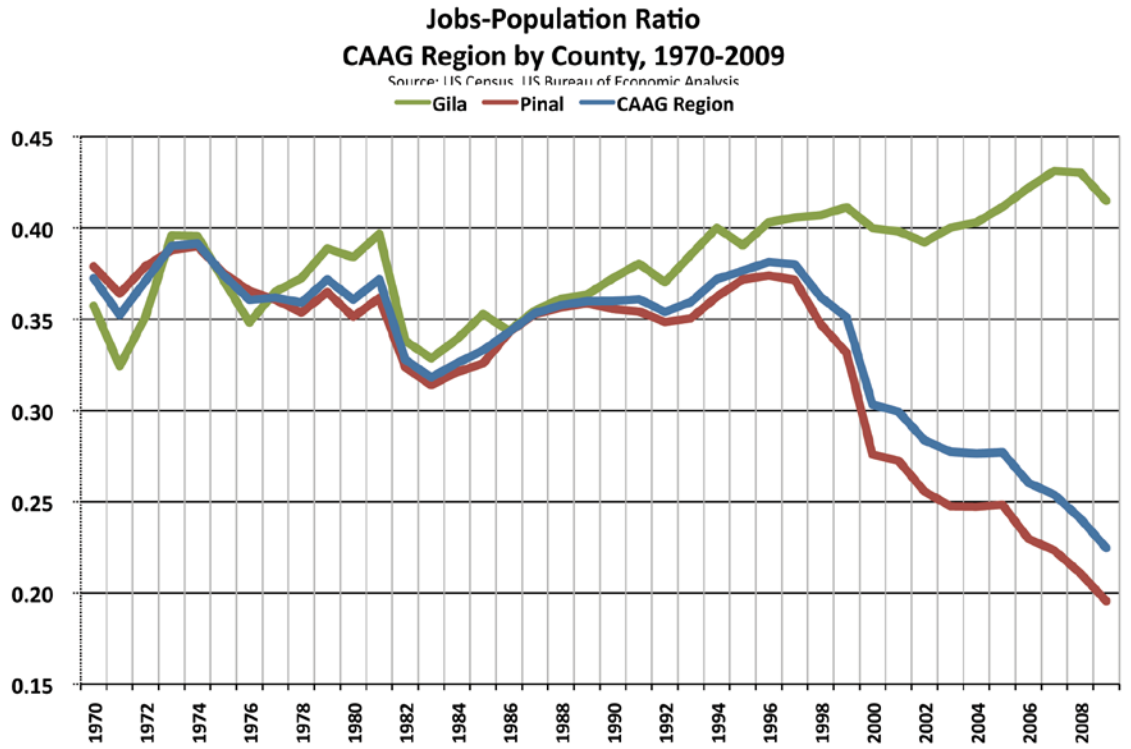


Figure 21



Unemployment

Relationship of Population & Economy

Looking at Figure 23, income from investments are 18% of the CAG District's total personal income, just above Arizona's 17%. Gila county is the highest share at 19%.

The District has much greater dependence on transfer payments than the state – 36% for the District compared to 19% for Arizona. Both counties in the region share this attribute, and it is a long-term trend. Transfer payments began growing in the region after 1981. The largest components are medical benefits & retirement-disability insurance benefits.

Finally, the CAG District has much greater dependence on out-of-county earnings. This is another long-term trend, which began in 1998, soon after Pinal County residential growth started. It is indicative of the region's economic imbalance – much more population than jobs.

Per capita income (Figure 24) is an economic quality of life measure. It is a frequently-required measure for federal and state grant funding. Per capita income in the CAG District was 63% that of the US in 2010. This is another long-term structural trend. The Region has been lower than the nation for the entire recorded time series beginning in 1969, when the District was about 75% that of the US. The District dropped to 66% of the nation in 1982 and has gradually trended downward to its present 63%. In the current recession, per capita income dropped for the nation, state, District, and each county in 2009.

One reason for persistently lower per capita income in the CAG District is its lower wages (Figure 25). This is another long-term condition.

- In the second quarter of 2010, CAG District wage & salary workers earned at an annual rate of \$38,525, substantially below the US (\$44,957) and Arizona (\$42,682). The problem is worst for Gila County, which has the lowest wages of all regions.
- Moreover, the CAG District's wages have been growing more slowly for twenty years. From 1990 to 2010, wages in the District grew 87%, compared to the US at 95% and Arizona at 101%. Gila County wages grew 73%, and Pinal County wages grew 91%.

Figure 23

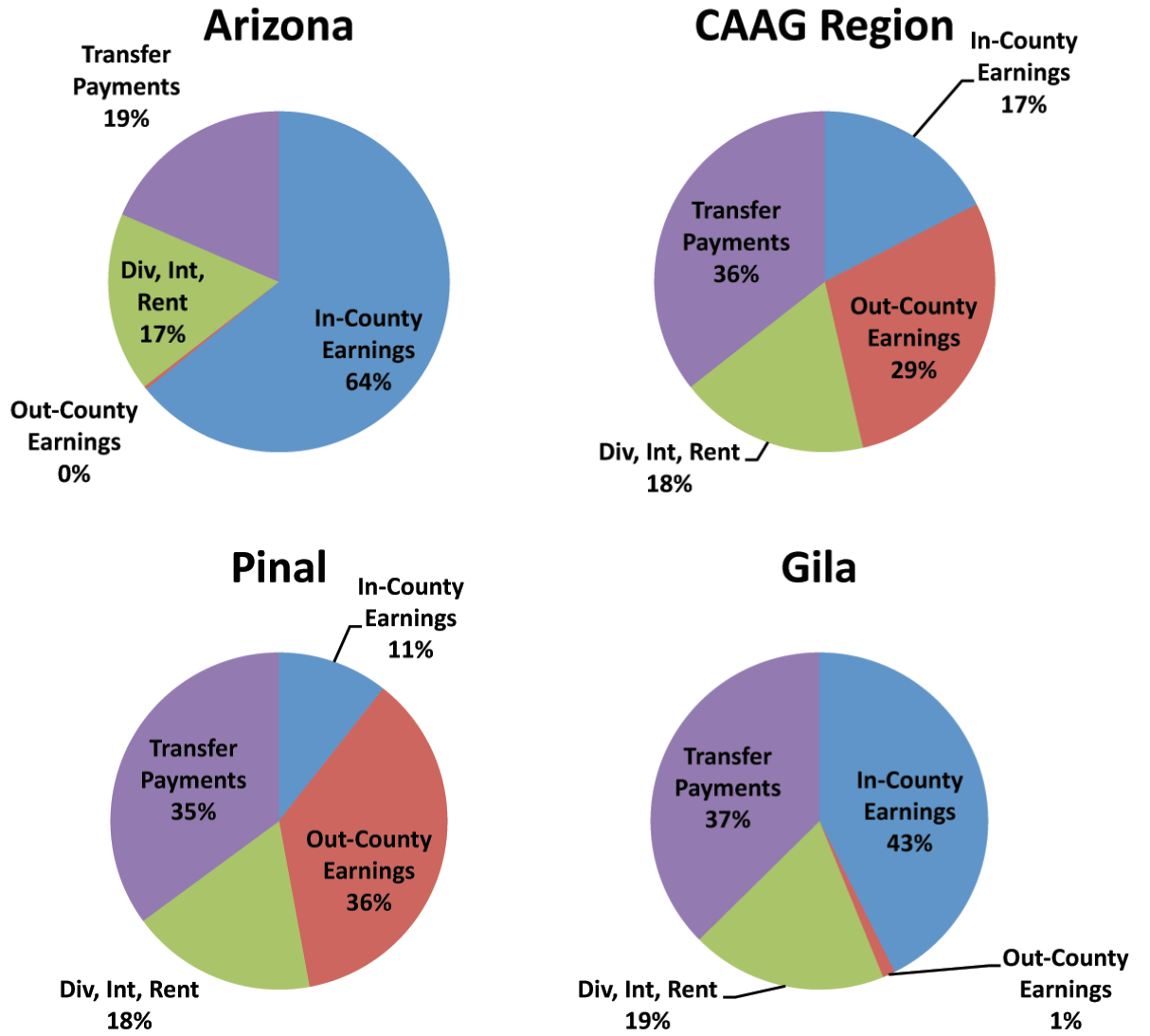


Figure 24

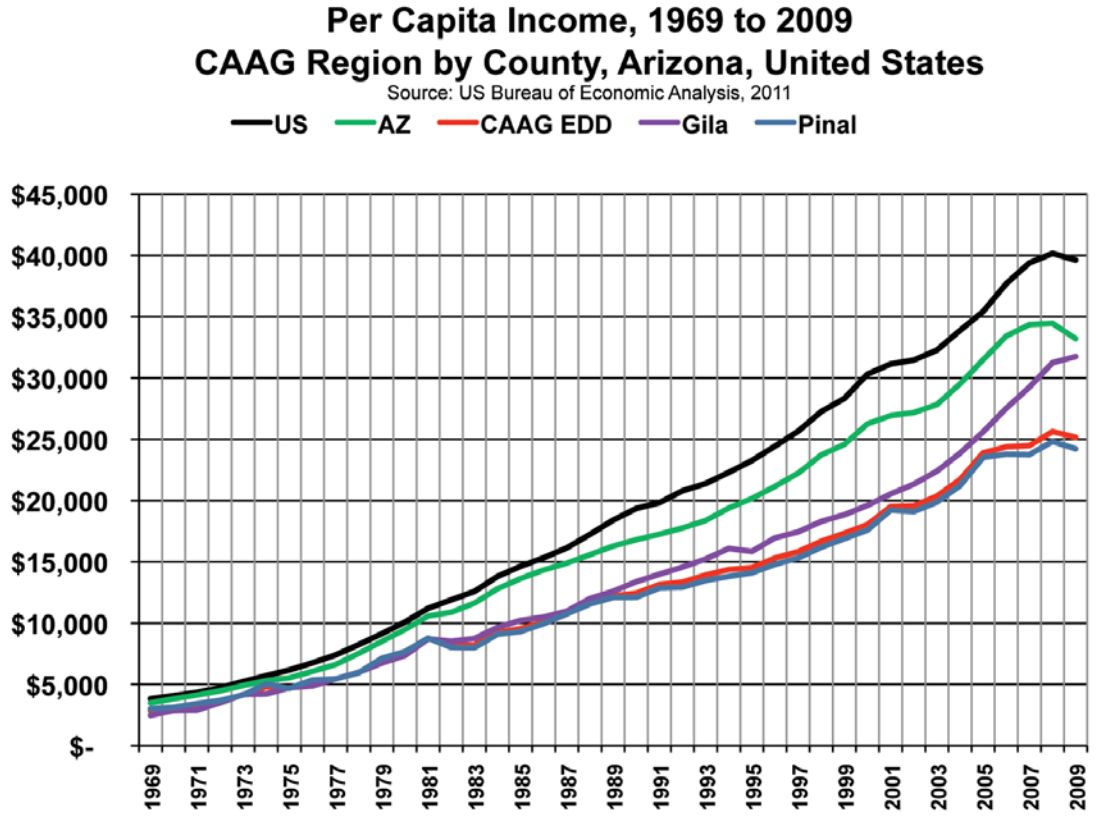
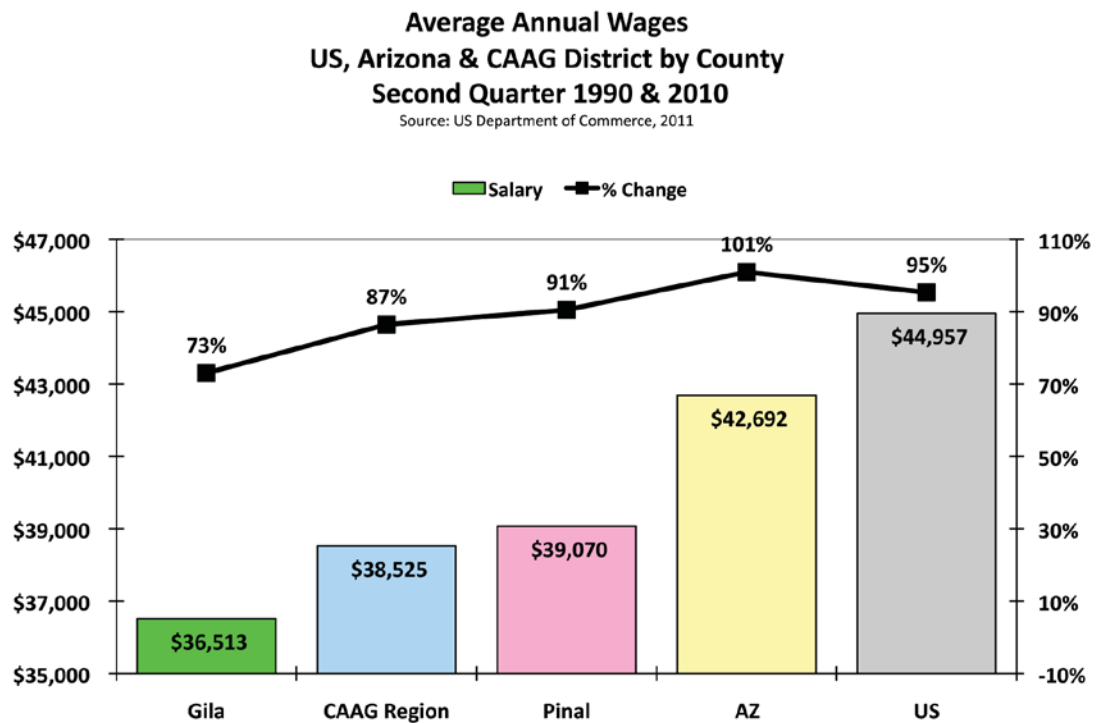


Figure 25



Income by Major Component

Industry Structure

The CAG District's economy is highly concentrated, with just six major industry sectors providing 69% of all jobs in 2008, as shown in the chart (Figure 26).

As Figure 27 shows, when looking at the most specific industry detail this concentration is revealed to be even stronger. There are 16 specific industries that provide nearly 50% of all jobs located in the CAG District. Almost all of these are industries selling to local consumer markets – the Region's own population.

Between 2004 and 2008, CAG District industries grew by 11,700 jobs. As Figure 28 shows, government accounted for 48% of this growth, and the top five major sectors accounted for 90%.

A highly significant finding (Figure 29) is that, according to the US Bureau of Economic Analysis, self-employed workers are approaching 25% of all jobs in the CAG District, as shown by the graph in the upper left. This is a long-term structural trend for all levels of geography – nation, state, and region.

The State has had a higher share of self-employed than the US since 1969 – the entire period for which data is available. The Region has been outpacing the US since the early 1980's, and in the 2000's it was a higher share than the State. This is a possible building block for the District's economy in the future.

The Federal data is corroborated by data (Figure 30) from the CAG Planning Department. Although only available for Pinal County, it shows that in 2008, 8.5% of all jobs were located at a residential address. The chart below, which reports work-at-home shares by industry, shows that six industries have rates higher than 10%. This further suggests that a CAG District "Entrepreneurial Development Program" may be fruitful.

Figure 27

Specific Industries With Most Jobs CAG Region, 2008		
NAICS	Specific Industry	Cumulative Share of Total Jobs
921150	Elementary and Secondary Schools	11%
922140	American Indian and Alaska Native Tribal Governments	16%
212234	Executive and Legislative Offices, Combined	20%
611110	Correctional Institutions	24%
561210	Copper Ore and Nickel Ore Mining	27%
921140	Warehouse Clubs and Supercenters	31%
452910	Facilities Support Services	34%
921190	Full-Service Restaurants	36%
713290	Limited-Service Restaurants	39%
926110	Supermarkets and Other Grocery (ex Convenience) Stores	41%
237120	Other General Government Support	43%
922190	General Medical and Surgical Hospitals	45%
236115	Other Gambling Industries	47%
922120	Offices of Physicians (except Mental Health Specialists)	48%

Figure 26

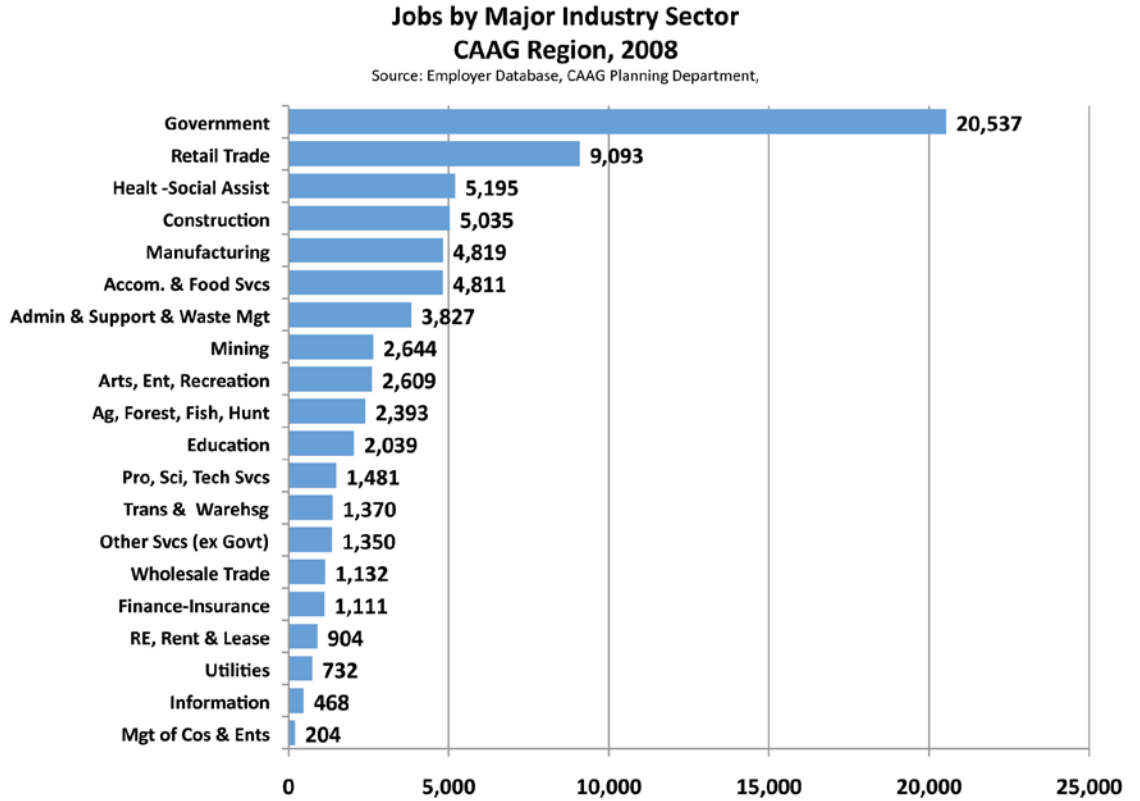


Figure 28

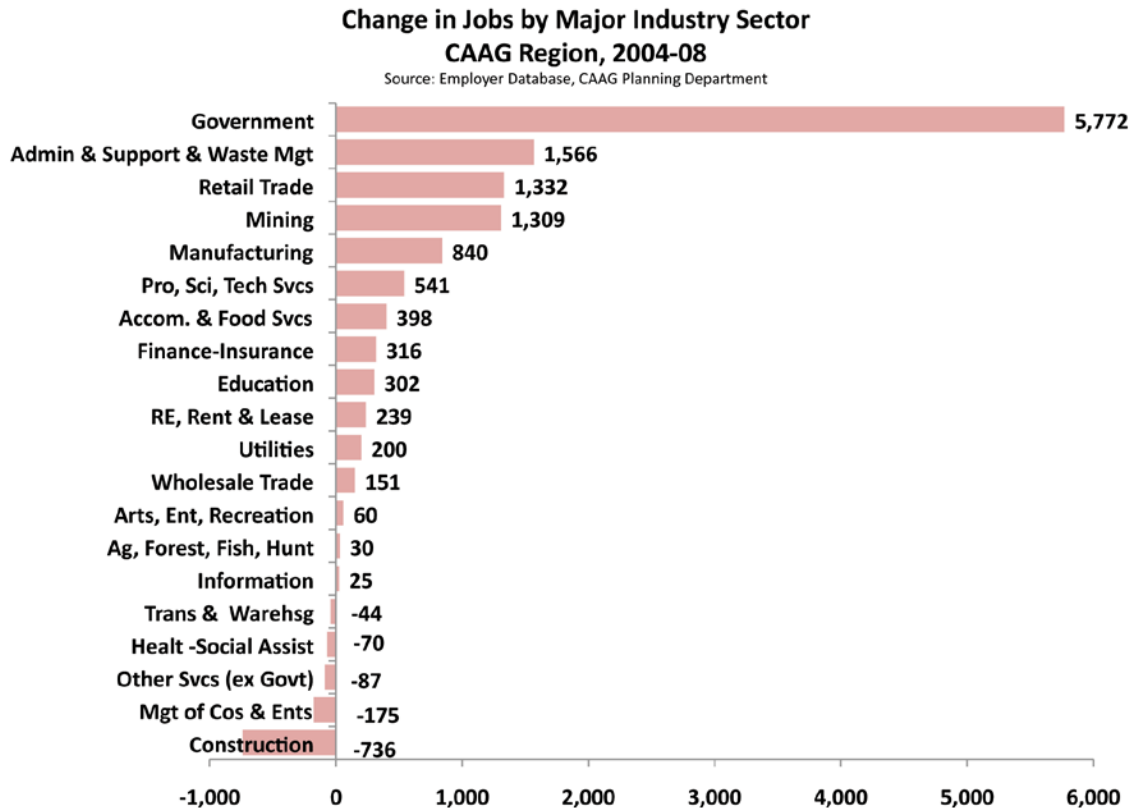


Figure 29

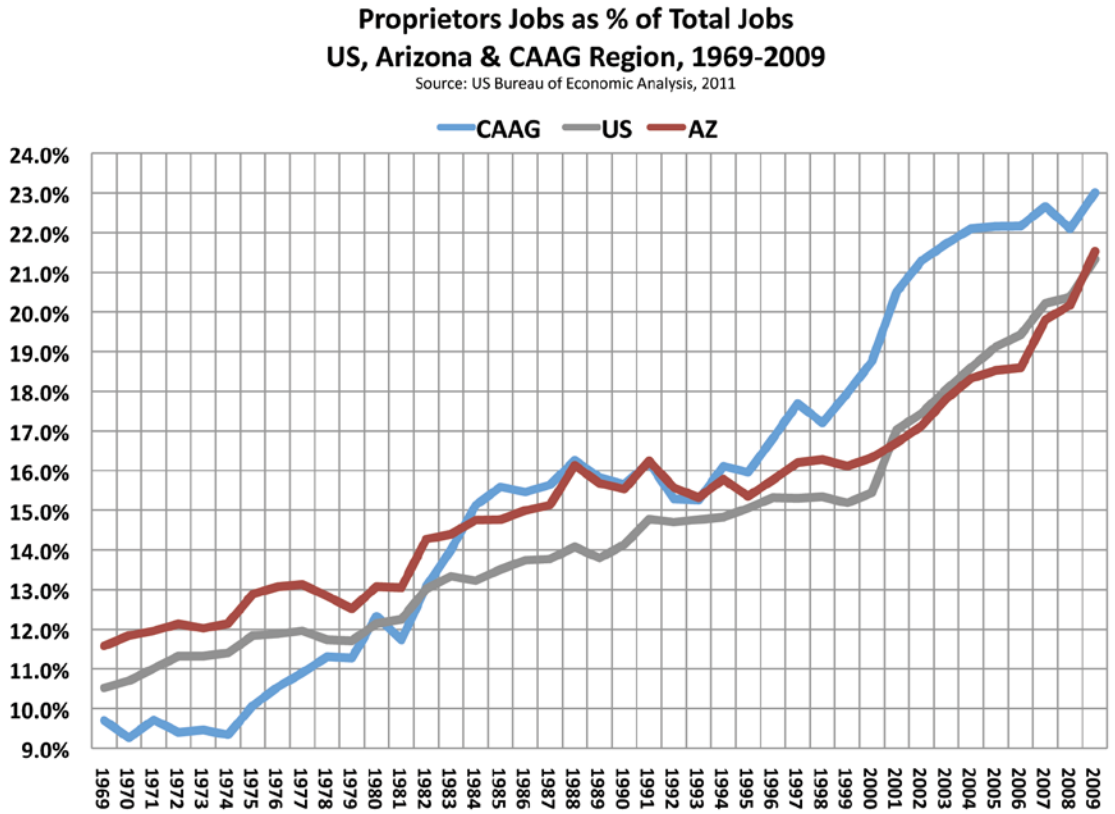
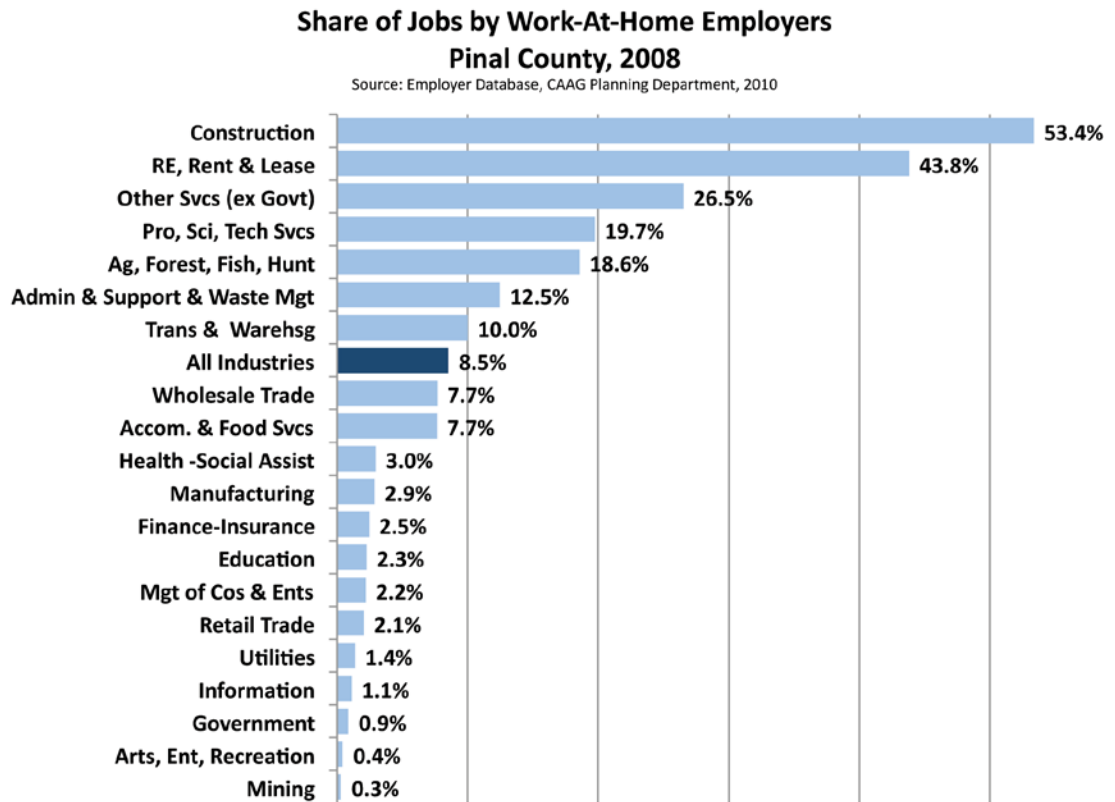


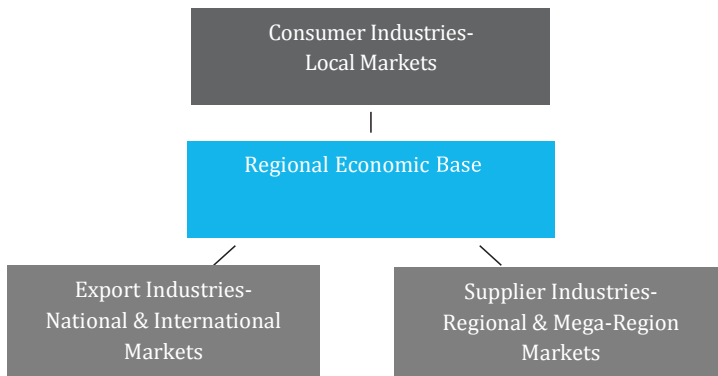
Figure 30



Industry Structure

Economic Base

For this CEDS update, CAG conducted an economic base analysis of the District's economy. An economic base analysis identifies the industry "drivers" of a regional economy like the CAG District.



What makes a region's economy grow in a sustainable fashion? As the schematic below illustrates, a region's economy consists of three industry categories, which vary depending on the market to which they sell products/services:

- Consumer industries sell to local markets – the resident population of the region. Presently, the District's economy has many of these. There are possible opportunities for the District in closing "trade gaps" of its residents shopping in Maricopa and Pima Counties.
- Supplier industries do not sell to consumers, but provide intermediate goods and services to other businesses. There are possible opportunities for CAG District suppliers to industries in the region, but also to the larger Sun Corridor market.
- Export industries are the true "drivers" of a region's economy, as they sell to customers located outside the region, thus bringing in new income. The development of export industries that sell to national and international markets is the most fundamentally sound way of building a sustainable economy in the CAG District.

Using standard regional economics techniques for the economic base analysis, CAG computed "excess jobs" for both major industries and specific industries. "Excess jobs" are those for which the CAG District has a disproportionately higher share, compared to the nation.

Figure 31 shows the results for major industries. Major findings:

- "Excess jobs" decreased to 33,400 jobs in 2008, 2,150 jobs fewer than 2004. Their share of total jobs decreased to 46%. This is not a positive sign, as the decline occurred during a growth period.
- There is significant concentration for "excess jobs," like for total jobs. Government accounts for about a third of all excess jobs, not a positive sign given the serious revenue situation for all state and local public jurisdictions in Arizona in the coming fiscal year.

possible export industries among 445 detailed industries within the District, shown in Figure 32. Major findings:

- "Excess jobs" are highly concentrated. Eighteen specific industries in the CAG District had over 65% of all "excess jobs."
- Most of these specific industries sell to the Region's consumer markets, and are not true export base industries.
- Four specific industries sell to non-local markets. These include two related to prisons and courts, plus gambling, plus oil-gas pipeline construction.

The economic base analysis also revealed specific industries that hint towards possible new industries for economic development, as shown in the table below.

The economic base analysis for this CEDS update identifies

Figure 31

Specific Industries with Largest Number of Excess Jobs CAG Region, 2008			
NAICS	Industry	Market Type	Cum. % - Reg. Tot.
922140	American Indian and Alaska Native Tribal Governments	Local	12%
611110	Correctional Institutions	State	19%
561210	Copper Ore and Nickel Ore Mining	International	26%
921150	Elementary and Secondary Schools	Local	32%
452910	Facilities Support Services	Local	38%
212234	Executive and Legislative Offices, Combined	Local	44%
921140	Warehouse Clubs and Supercenters	Local	48%
237120	Other General Government Support	Local	52%
236115	Other Gambling Industries	Regional	55%
713910	Administration of General Economic Programs	Local	57%
327320	Oil and Gas Pipeline and Related Structures Construction	Regional	59%
445110	Other Justice, Public Order, and Safety Activities	Local-State	60%
447190	New Single-Family Housing Construction (ex Op Builders)	Local	61%
922160	Police Protection	Local	62%
447110	Fire Protection	Local	63%
623220	Golf Courses and Country Clubs	Local	64%
221320	Other Gasoline Stations	Local	65%

Figure 32

Industry	Excess Jobs				Excess as % Total	
	2004	2008	2004-08 Chg	2004-08 % Chg	2004	2008
All Industries	35,590	33,437	-2,153	-6%	59%	46%
Government	9,277	11,474	2,197	24%	87%	77%
Manufacturing	3,074	3,712	637	21%	77%	77%
Mining	1,253	2,518	1,266	101%	96%	96%
Retail Trade	2,849	2,400	-449	-16%	37%	26%
Construction	3,617	2,263	-1,354	-37%	63%	45%
Education	4,611	2,192	-2,419	-53%	79%	28%
Admin & Support & Waste Mgt	389	2,157	1,768	454%	17%	57%
Ag, Forest, Fish, Hunt	2,005	2,057	53	3%	85%	86%
Arts, Ent, Recreation	1,725	1,965	241	14%	68%	75%
Pro, Sci, Tech Svcs	348	541	193	56%	26%	32%
Utilities	320	442	122	38%	60%	60%
Health -Social Assist	2,698	375	-2,322	-86%	51%	7%
Trans & Warehsg	482	319	-163	-34%	34%	23%
Other Svcs (ex Govt)	773	277	-497	-64%	54%	20%
RE, Rent & Lease	134	274	140	105%	20%	30%
Wholesale Trade	335	251	-84	-25%	34%	22%
Accom. & Food Svcs	1,673	174	-1,499	-90%	38%	4%
Information	20	37	18	89%	4%	8%
Finance-Insurance	8	6	-2	-22%	1%	1%

Possible “Nuggets”

Polystyrene Foam Product Manufacturing
Glass Product Manufacturing Made of Purchased Glass
Concrete Block and Brick Manufacturing
Other Concrete Product Manufacturing
Mineral Wool Manufacturing
Iron and Steel Pipe and Tube Manufacturing from Purchased Steel
Other Support Activities for Air Transportation
Research and Development in the Social Sciences and Humanities
Electronic Coil, Transformer, and Other Inductor Manufacturing
Search, Detection, Navigation, Guidance, Aeronautical, and Nautical System and Instrument Manufacturing
Automatic Environmental Control Manufacturing for Residential, Commercial, and Appliance Use
Blind and Shade Manufacturing
Flight Training
Bed-and-Breakfast Inns
All Other Amusement and Recreation Industries
Marketing Research and Public Opinion Polling
Other Snack Food Manufacturing
Ethyl Alcohol Manufacturing
Iron and Steel Mills
Polish and Other Sanitation Good Manufacturing
Wood Office Furniture Manufacturing

These possible “nuggets” are industries that are currently small in size, but have a large share of “excess jobs.” These might be industries that could be developed into larger clusters. They are:

- Not the top industries – those already exist in the District
- Not suppliers for residential and urban development – Arizona is already specialized in these industries.
- Not consumer industries – these will come with more population growth.

What is an industry cluster?

A cluster is defined as geographic concentration of inter-connected companies and institutions working in a common industry. In addition, clusters encompass an array of collaborating and competing services and providers that create a specialized infrastructure, which supports the cluster’s industry. Finally, clusters draw upon a shared talent pool of specialized skilled labor.

–Michael Porter; *Cluster and the New Economics of Competitions*, Harvard Business Review, Nov. – Dec. 1998.

Industry Clusters

For this CEDS update, CAG has also developed a map of “excess jobs” by industry cluster, shown in Figure 34.

Industry clusters are a major emphasis of EDA. Cluster industries are geographically concentrated and inter-connected by the flow of goods and services, which is stronger than the flow linking them to the rest of the economy. Cluster development is a response to the global economy. It is a development strategy for the mega-regions across the world that trade with each other.

Combining CAG’s database of individual employer records with the definition of industry clusters by Harvard Business School’s Institute for Strategy & Competitiveness, a first look at CAG District clusters are shown in the bubble chart (Figure 35).

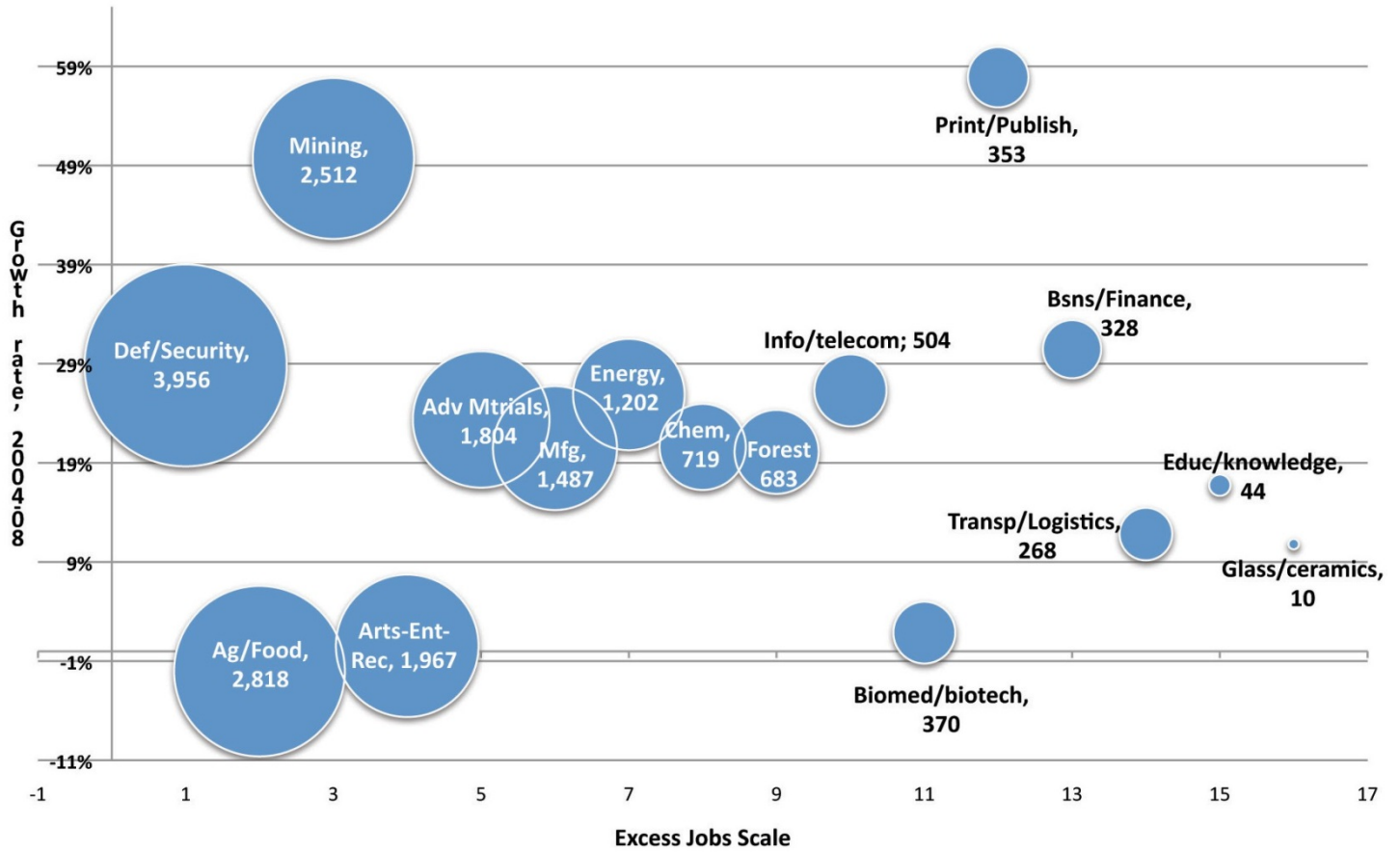
- The number of “excess jobs” in 2008 for each cluster is indicated by the bubble’s size.
- The growth rate of each cluster from 2004 to 2008 is shown by the bubble’s height, with more rapid growth at the top.

The CAG District had 16 industry clusters in 2008 that truly export from the Region. The largest are defense/security, agriculture/food, mining, and arts-entertainment-recreation. Beyond these, the cluster map identifies other nascent clusters that are presently small in size. However, some of these may have potential to develop into larger clusters to drive the CAG District’s regional economy in the future.

Figure 34

Excess Jobs by Industry Cluster Pinal County, 2008

Source: CAAG



Population Characteristics

Population Characteristics

Population by Age. The CAG District and State’s population have a similar 2010 age distribution. The District’s counties, however, show significant differences:

- Gila County, which grew by 4.4% over the decade, has much lower shares in younger age groups and much higher shares in older age groups. Persons 55 and older were the fastest-growing age groups in Gila County, by far (Figure 35).

Population by Race & Ethnicity. Again, the District and State’s population are similar, though the District has a higher share of American Indians and a slightly lower share of Hispanics. Again, there are differences by county, as shown in Figures 36, 37, 38 and 39.

- Gila County has higher shares of White, American Indian, and non-Hispanic populations. Minorities – Black, American Indian, Asian, and Hispanic populations – grew faster than overall population in Gila during the 2000’s.
- Pinal County has higher shares of all minorities, though it is over 70% White and non-Hispanic. White, Black, Asian, and non-Hispanic populations grew faster than overall population in Pinal during the 2000’s.

Figure 35

	14 & younger	15 to 24	25 to 54	55 to 64	65 & older
Arizona	21%	14%	40%	11%	14%
District	22%	12%	39%	11%	15%
Gila	17%	11%	32%	16%	23%
Pinal	23%	12%	40%	11%	14%

Figure 36

	White	Black	American Indian	Asian	All Other	Hispanic	Not Hispanic
Arizona	73%	4%	5%	3%	16%	30%	70%
District	73%	4%	7%	2%	15%	27%	73%
Gila	77%	4%	15%	1%	7%	18%	82%
Pinal	72%	5%	6%	2%	16%	29%	72%

Figure 37

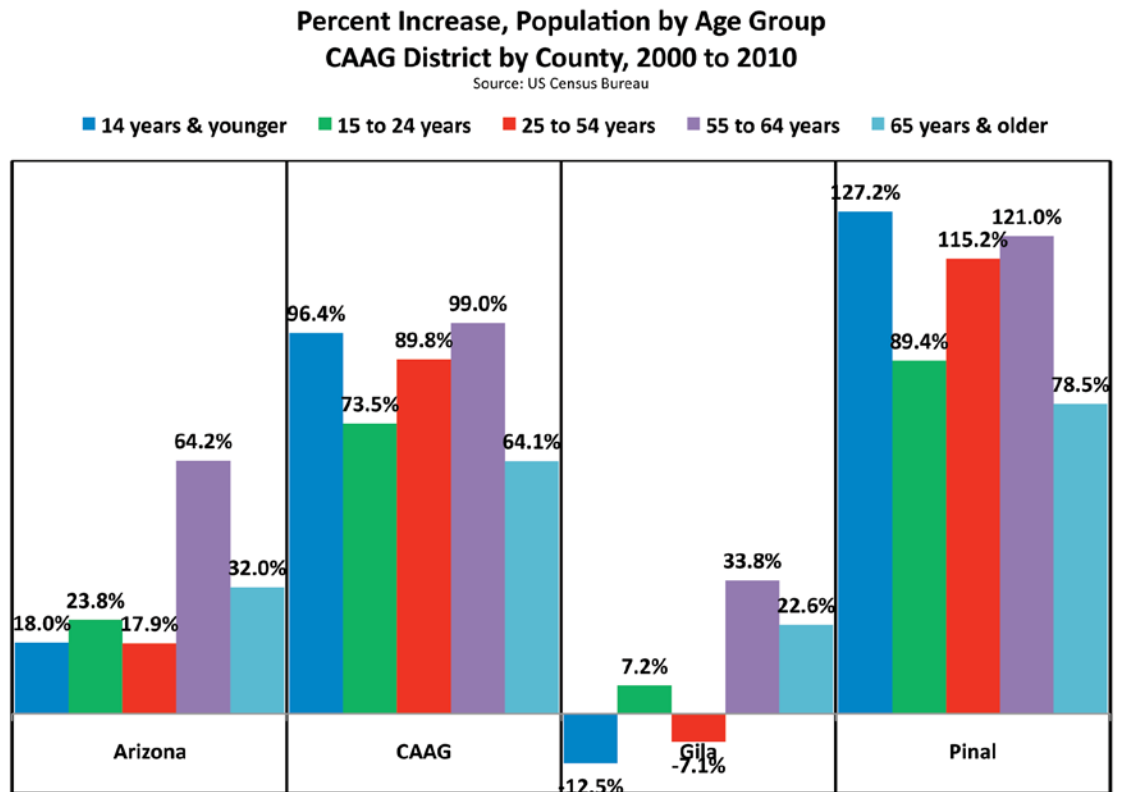


Figure 38

Percent Change, Hispanic & Non-Hispanic Population Arizona & CAAG District by County, 2000-10

Source: US Census Bureau

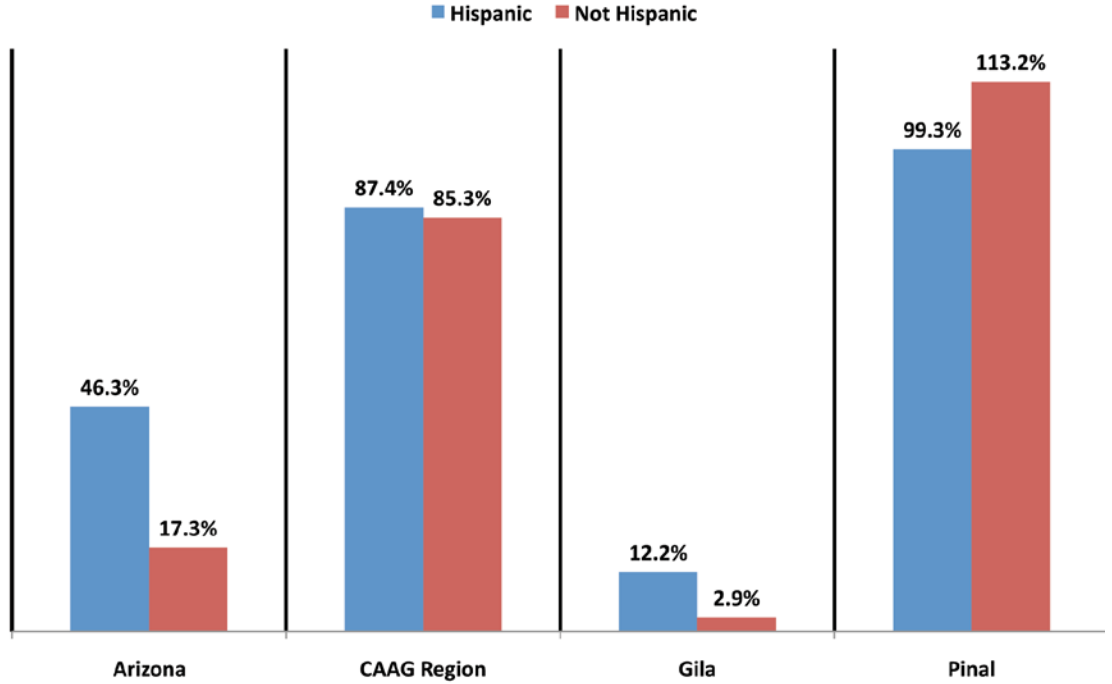
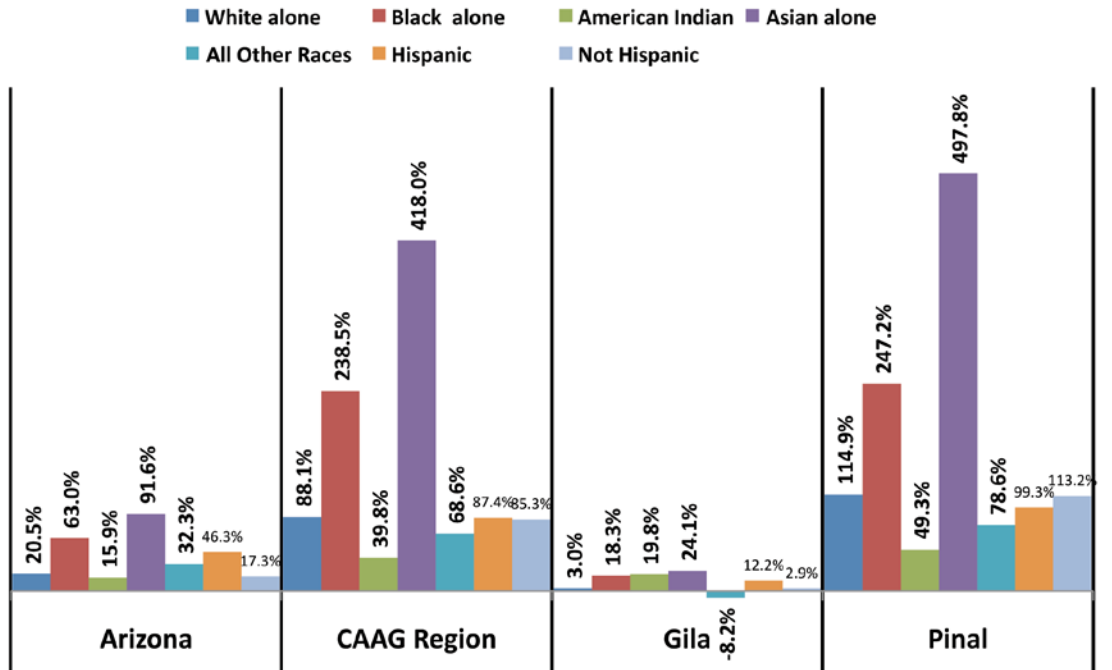


Figure 39

Percent Change, Population by Race Arizona & CAAG District by County, 2000-2010

Source: US Census Bureau



Work Force Characteristics

Work Force Characteristics

Education. In 2007, the large majority of the District’s adult population had education levels of associate degree or below. Those with less than high school were 17% of the adult population. Those with high school degrees were 31%, those with some college/ associate degrees were 35%, and those with college degrees were 17%, as shown in Figure 40.

Figure 40

Educational Attainment, Population 25 Years & Over CAG Region, 2000 & 2007					
	2007	Distr., 2007	2000-07 Change	% Chg. 2000-07	Share of Change
Population 25 & over	230,547	100%	76,295	33%	100%
No HS degree	38,474	17%	-1,693	-4%	-2%
HS (incl. equiv.)	70,632	31%	24,290	34%	32%
Some college	60,935	26%	21,177	35%	28%
Associate degree	20,323	9%	11,385	56%	15%
Bachelor’s degree	26,863	12%	14,928	56%	20%
Master’s degree	10,008	4%	4,980	50%	7%
Professional degree	2,055	1%	696	34%	1%
Doctorate degree	1,257	1%	532	42%	1%

However, new migrants during the 2000’s had more education - 28% of the population change from 2000 to 2007 consisted of adults with college degrees. The fastest growing education levels were associate degree, bachelor’s degree, master’s degree, doctorate degree, and some college (Figure 41).

A major new development opportunity for the District in education is the establishment of a new Arizona State University campus in Payson. The campus is designed to be a 6,000 student campus, and is geared towards research and development in renewable energy and other fields. Active planning and design is underway for the 260 acre site, and the college is expected to open in 2013. The university is also planning a 200-acre research and development business park.

Occupations. In 2007, 48% of employed CAG District residents were in five occupational categories – professional, office & administrative support, management, sales & related, and business/ financial operations. Nearly 36% of residents were in blue-collar and pink-collar occupations, as shown in Figure 42.

There were 12 occupational categories that grew more rapidly than the total’s 67% increase between 2000 and 2007. The greatest growth was in high-skilled occupations:

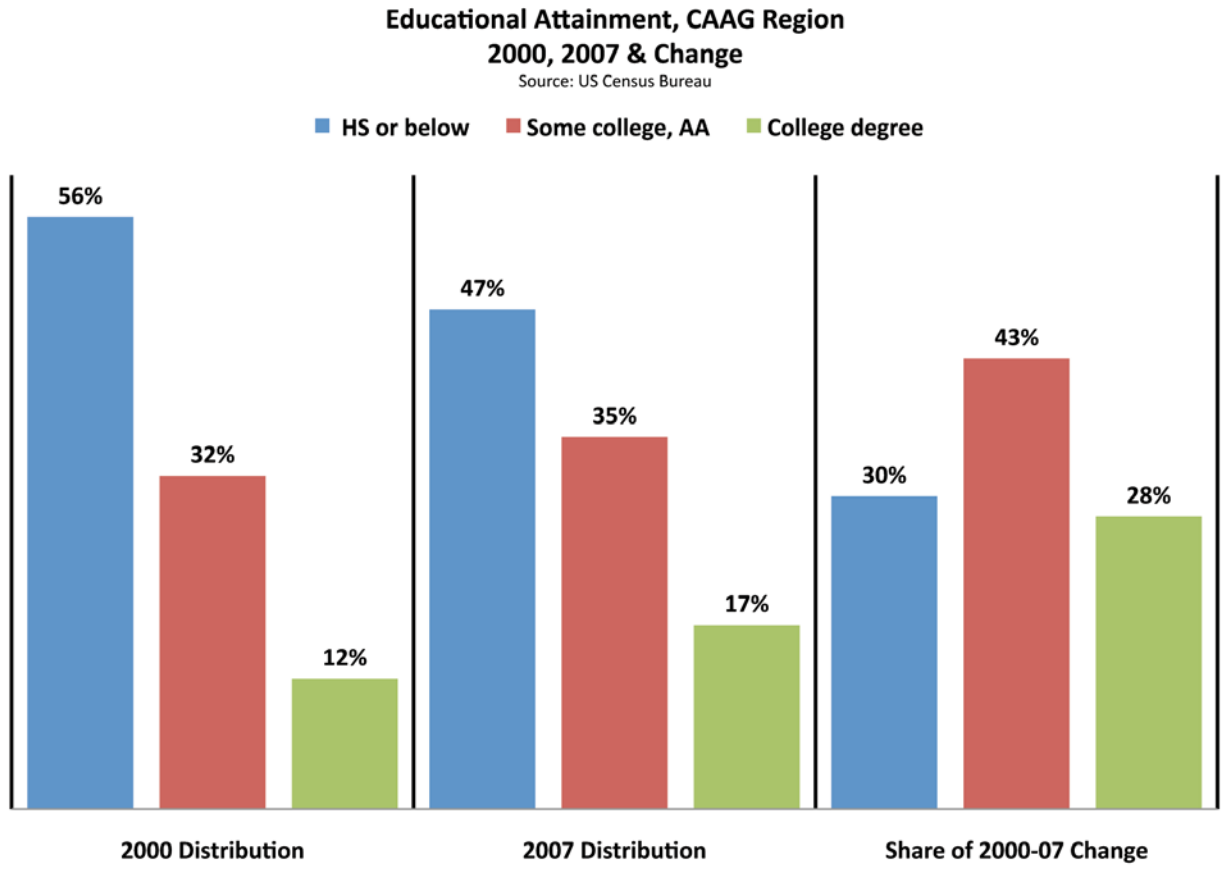
- Computer & mathematical (318% increase)
- Business & financial operations (200%)
- Community & social services (180%)
- Architecture & engineering (135%)
- Management (126%)
- Life, physical, & social sciences (120%)

- Professional & related (110%)
- Personal care & service (85%)
- Arts, design, entertainment, sports, media (80%)
- Sales & related (79%)
- Healthcare support (78%)
- Office & administrative support (72%)

Figure 42

Employed Workforce by Place of Residence CAG Region 2000 & 2007							
Occupation	Employed Residents				Distribution		
	2000	2007	Change	%Change	2000	2007	Change
Professional & Related	10,993	23,070	12,077	109.9%	11.8%	14.9%	3.0%
Office and admin support	11,585	19,958	8,373	72.3%	12.5%	12.9%	0.4%
Management	5,168	11,672	6,504	125.9%	5.6%	7.5%	2.0%
Sales & Related	7,833	13,982	6,149	78.5%	8.4%	9.0%	0.6%
Business & Financial Operations	1,748	5,238	3,490	199.7%	1.9%	3.4%	1.5%
Construction & Extraction	7,401	10,319	2,918	39.4%	8.0%	6.7%	-1.3%
Trans. & material moving	5,053	7,665	2,612	51.7%	5.4%	4.9%	-0.5%
Education, training, & library	3,793	6,153	2,360	62.2%	4.1%	4.0%	-0.1%
Personal care & service	2,605	4,814	2,209	84.8%	2.8%	3.1%	0.3%
Installation, maint. & repair	4,285	6,200	1,915	44.7%	4.6%	4.0%	-0.6%
Architecture & Engineering	1,345	3,173	1,828	135.9%	1.4%	2.0%	0.6%
Community & social services	1,006	2,834	1,828	181.7%	1.1%	1.8%	0.7%
Computer & mathematical	550	2,295	1,745	317.3%	0.6%	1.5%	0.9%
Bldg & grounds cleaning & maint.	3,448	4,934	1,486	43.1%	3.7%	3.2%	-0.5%
Healthcare support	1,561	2,780	1,219	78.1%	1.7%	1.8%	0.1%
Production	5,908	7,069	1,161	19.7%	6.4%	4.6%	-1.8%
Food prep. & serving related	5,205	6,249	1,044	20.1%	5.6%	4.0%	-1.6%
Protective service	4,735	5,757	1,022	21.6%	5.1%	3.7%	-1.4%
Arts, design, ent., sports, media	890	1,606	716	80.4%	1.0%	1.0%	0.1%
Farming, fishing & forestry	1,814	2,296	482	26.6%	2.0%	1.5%	-0.5%
Life, physical & social science	379	834	455	120.1%	0.4%	0.5%	0.1%
Health practitioner & technical	5,132	5,559	427	8.3%	5.5%	3.6%	-1.9%
Legal	464	616	152	32.8%	0.5%	0.4%	-0.1%

Figure 41



Employed Residents by Industry

Employed Residents by Industry

In 2007, 132,000 CAG District residents were employed. Sixty percent of employed residents held jobs in six broad industries – in rank order, retail, health, construction, manufacturing, government, and education (Figure 43).

Between 2000 and 2007, there were 52,660 more employed residents in the region, a 38% increase from 2000. Again, 60% of the gain was in six industries – in descending order, retail, health, construction, education, manufacturing, and finance-insurance (Figure 44).

The District has an exceptionally high proportion of residents that commute to jobs located in other counties. Its high levels of resident work force out-commuting could be an economic development asset for the region, as this demonstrates work force supply (Figure 45).

In 2007 57% of the District’s residents commuted to jobs located outside the region. The highest out-commuting rates in 2007 were for more highly-skilled industries – information, professional, scientific & technical services, and finance-insurance. High out-commuting rates are also evident in real estate, transportation-warehousing, other private services, health, wholesale trade, manufacturing, and construction.

Figure 43

Jobs by Place of Work & by Place of Residence CAG Region, 2007				
Occupation	By Place of Work	By Place of Residence	Commuting Outside County	% Commuting
TOTAL JOBS	57,230	132,003	74,773	57%
Information	323	2,111	1,788	85%
Pro-sci-tech svcs	868	5,023	4,155	83%
Finance-insurance	938	5,164	4,226	82%
RE, rent, lease	720	3,426	2,706	79%
Trans- warehousing	1239	5,552	4,313	78%
Other svcs ex govt	1,517	5,817	4,300	74%
Health- social assistance	3,941	14,432	10,491	73%
Wholesale trade	959	3,366	2,407	72%
Manufacturing	4,106	12,513	8,407	67%
Construction	4,382	13,143	8,761	67%
Mining	1,053	2,698	1,645	61%
Utilities	627	1,570	943	60%
Arts- entertain-recreation	1,583	3,686	2,103	57%
Retail trade	6,941	15,815	8,874	56%
Accom-food svcs	3,925	8,182	4,257	52%
Adm-support-waste mgt	2,876	4,691	1,815	39%
Education	7,228	10,529	3,301	31%
Ag, forest, fish, hunt	2,386	3,302	916	28%
Government	11,282	10,870	-412	-4%
Mgt of cos & enterprises	336	113	-223	-197%



Some of the industries in the region, including (Clockwise from left) the emerging energy production industry (Pinal Energy outside of Maricopa), mining (ASARCO, Hayden), tourism (Noftsgar Hill Bed & Breakfast, Globe), and dairying farming (farms outside of Casa Grande).

Figure 44

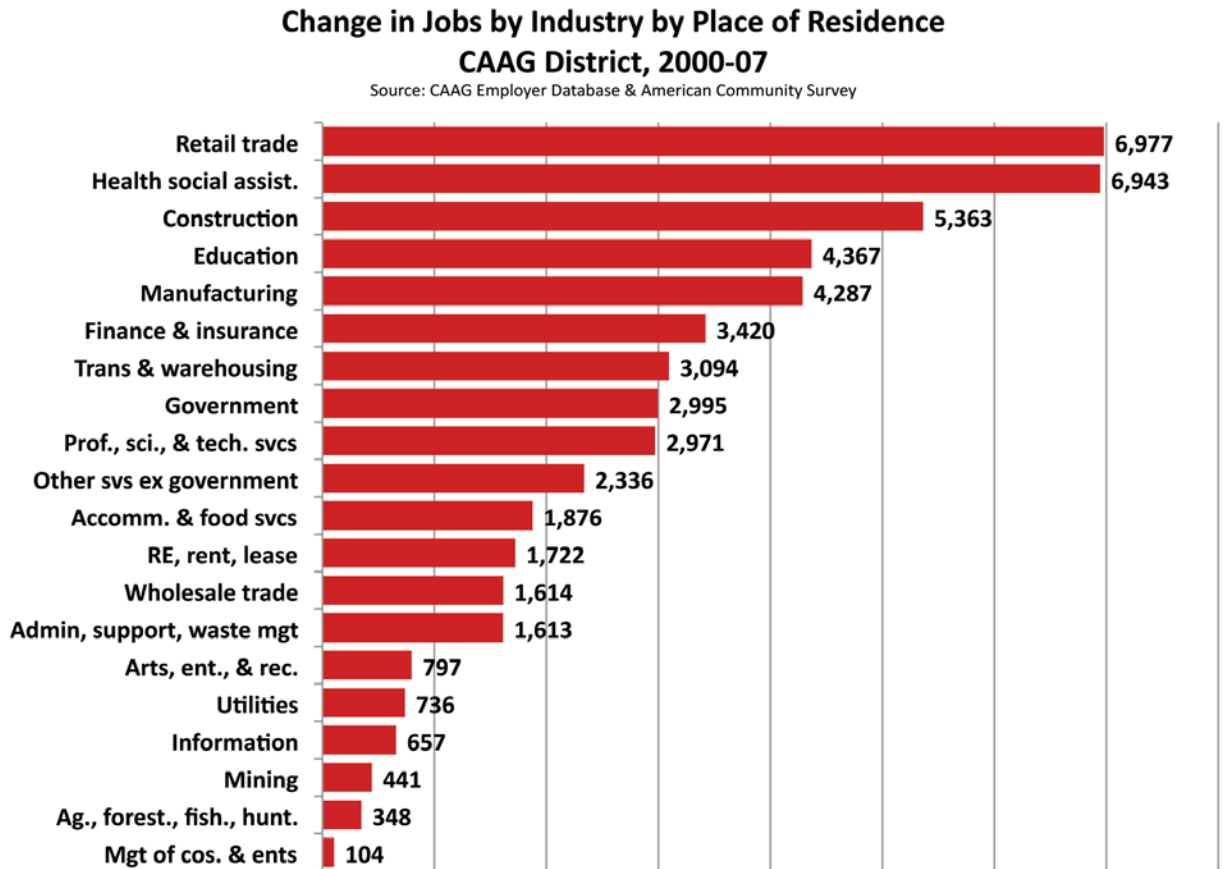
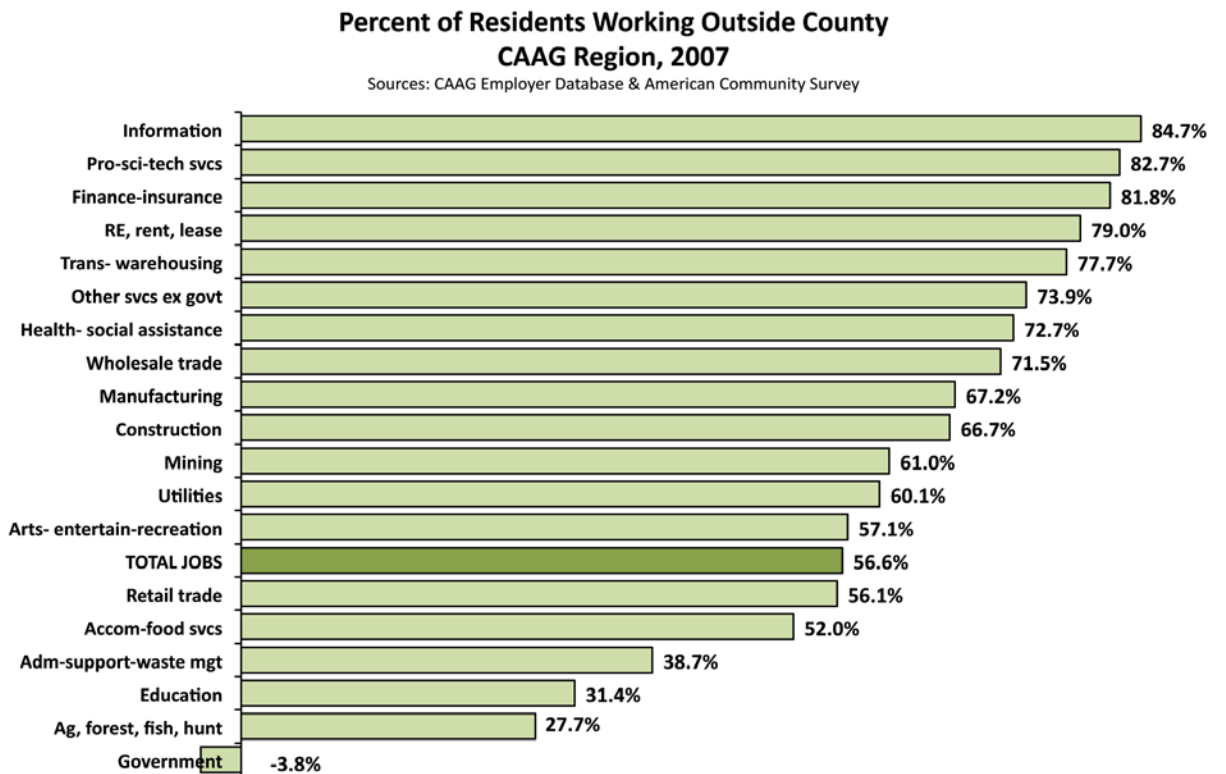


Figure 45



Housing Market & Anticipated Future Growth

Housing Market & Anticipated Future Growth

The CAG District’s housing market is a challenge for its economic growth. Presently, the Arizona housing market is the worst in its postwar history, and the CAG District shares this serious problem.

Economic growth in Arizona, for most of sixty years, has been dominated by new housing construction in anticipation of continued high levels of population in-migration. With the crash of the housing bubble in 2009, combined with the consequent Great Recession, in-migration has dramatically slowed.

This is demonstrated by the 2010 Census, which revealed lower population than anticipated across much of Arizona. The lack of employment opportunities here, combined with “upside-down” housing values across the nation, means that prospective movers from other states have less motivation and ability to migrate to Arizona.

CAG Growth Tied to Housing Price Bubble. The CAG District was dramatically affected by the housing price bubble and its crash. Starting in the late 1990’s, housing price appreciation in the neighboring metros created a “drive to qualify” housing market for less costly housing in western Pinal County. In fact, the greatest amount of new housing construction in the District occurred between 2004 and 2008, which exactly corresponded temporally to the fastest rate of increase of housing prices.

This relationship can be seen in Figure 46. Since the crash, new housing completions in the District have been at pre-bubble price crash levels.

Excess Housing Supply. The housing price crash has caused a significant over-supply of housing in the CAG District. According to the 2010 Census, there are 44,330 vacant housing units in the CAG District. The Region has a high level of winter seasonal residents, but not counting vacant units for seasonal use, there is enough vacant housing for sale or for rent to hold nearly enough people to cover anticipated District population growth to approximately mid-decade.

There will be little market need for higher levels of new housing construction in the District until population growth increases again, the timing of which is presently uncertain. Increased jobs in construction, real estate, and related development-new housing suppliers do not appear to be on the near-term horizon.

High Foreclosures. Compounding the Region’s housing market are foreclosures that both depress housing prices and create more vacancies. As of March 2011 (Figure 47), the foreclosure rate of the CAG District foreclosure rate is nearly double the Arizona rate and is nearly five times greater than the US rate. This is primarily a problem in Pinal County, which has a foreclosure rate six times greater than Gila County.

Impact on Public Revenues. According to the Census Bureau Figure 48), total tax collections by the State fell 29% by 2010, compared to the 2007 peak. The housing price crash combined with the jobs recession caused property taxes to fall 16% from peak and sales taxes to fall 25% from peak – the main source of local government revenues in Arizona. Severe budget cuts have been made in response, and will continue for at least the next year.

Figure 46

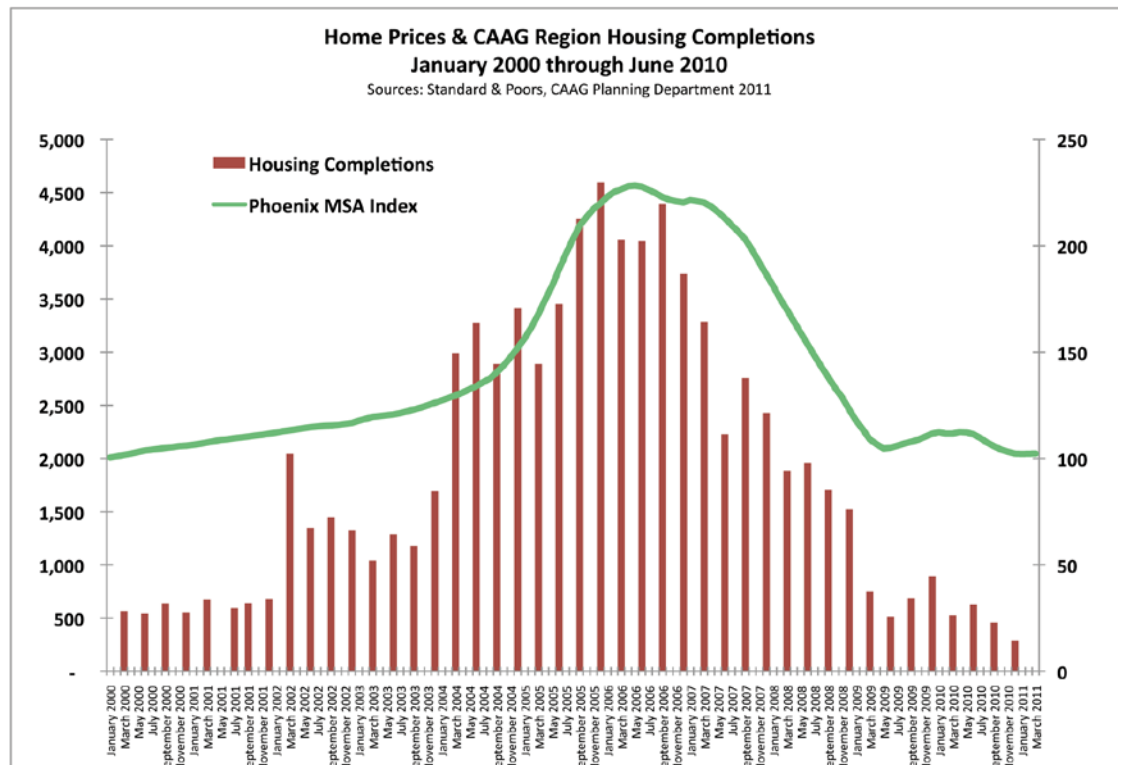


Figure 47

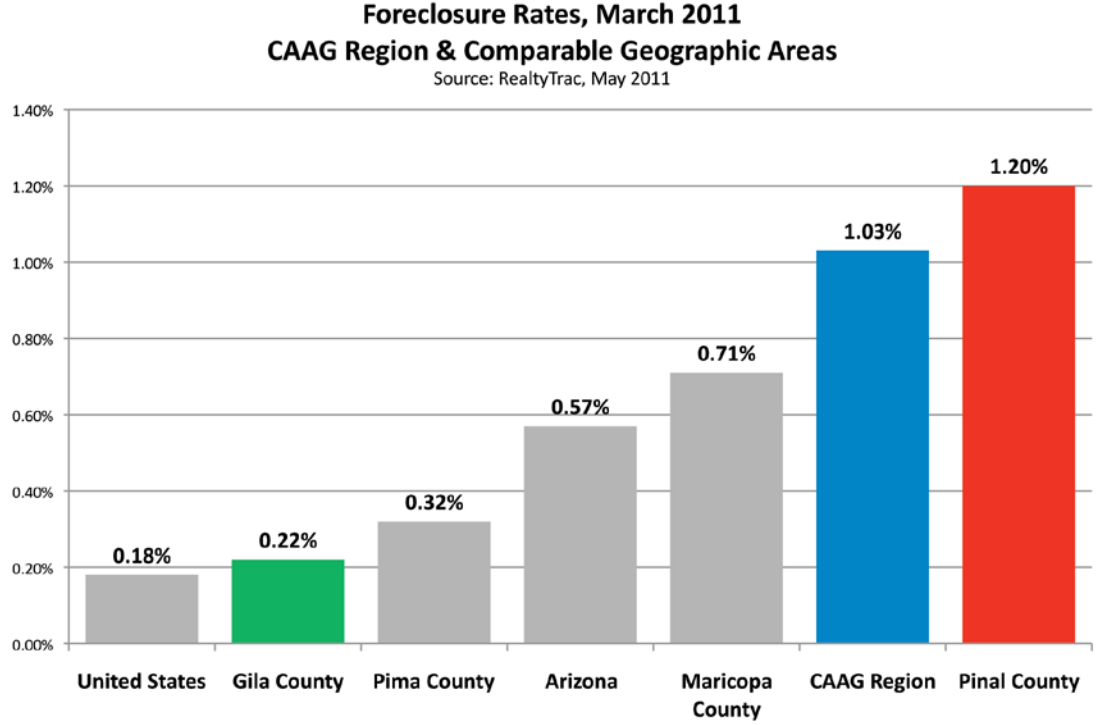
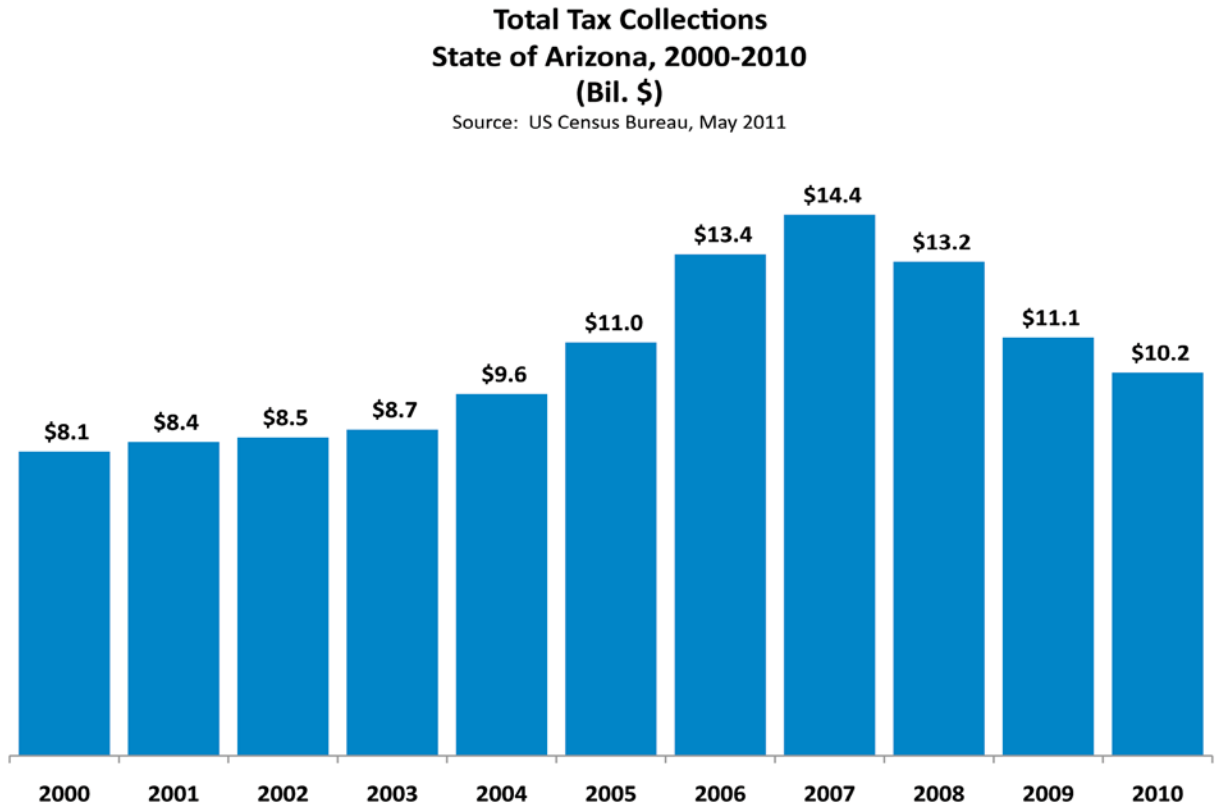


Figure 48



Lowering of Anticipated Future Growth. The housing crash combined with the jobs recession has had a significant impact on Arizona growth. Population reported in the 2010 Census is lower than anticipated, and population change is lower than that from 1990-2000. This is the first drop in population change in 40 years, since the decade of the 1960's. Further, the percent increase of population during the 2000's, though still high at 25%, is a substantial drop from the previous decade's 40%. This drop is the greatest since the 1930's.

Census 2010 results and three years of the "Great Recession" has caused a re-thinking of Arizona's anticipated future growth (Figure 49).

- The general expectation is that Arizona will continue to be a growth destination. However, the consensus is that pre-Great Recession growth levels will not occur for several years.
- A dampening of the size of future population and employment projections is also occurring. While growth may come, it may not be at such high levels.

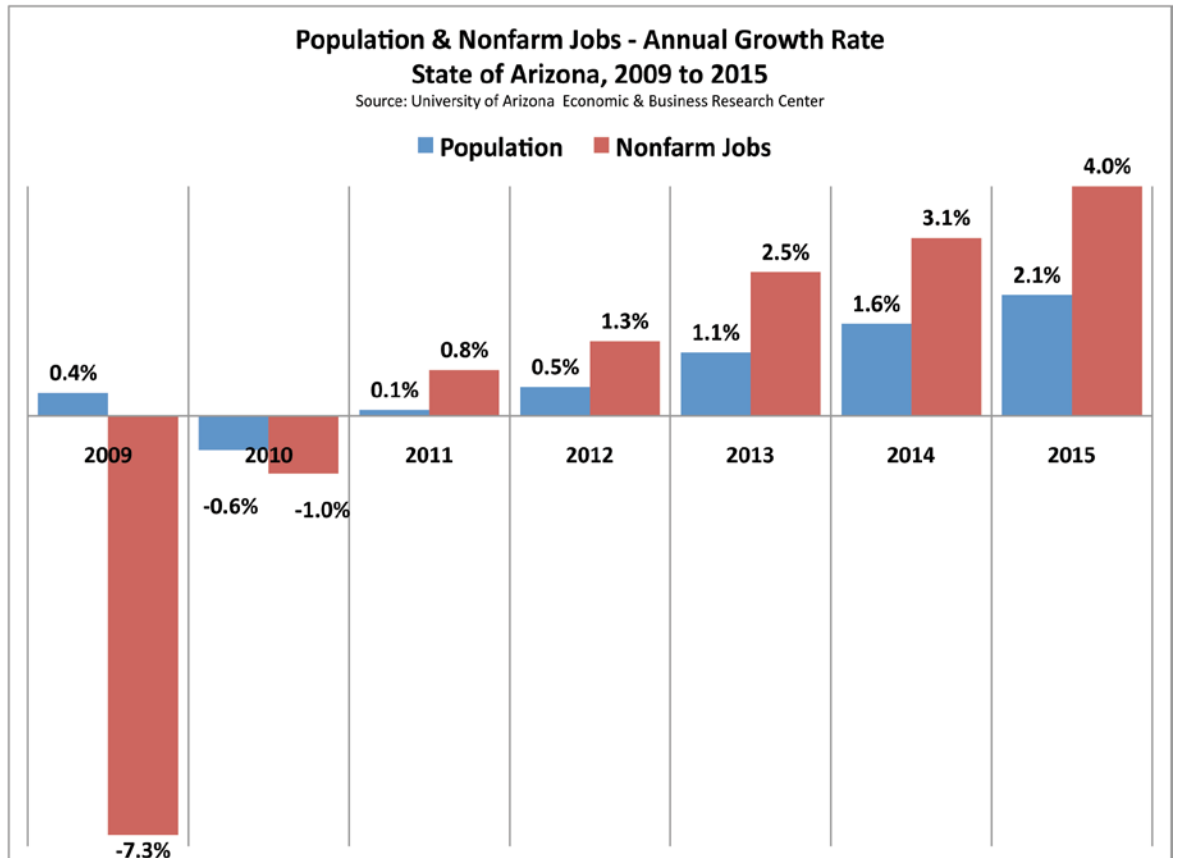
Lower projections are illustrated in the chart (Figure 50). This is the latest long-term projections by the University of Arizona's Business and Research Center, an authoritative source for projections. It compares their current to their prior projections. The red curve clearly illustrates dampened future expectations.



Example of the District's hyper-growth. In 2000, the area known as Maricopa (above) was a primarily agricultural area with a population of about 1,500. The City of Maricopa, 2010 (below) is now over 40,000 residents strong.

Current Growth Expectations. This is a challenging period

Figure 49



for Arizona, which has experienced sixty years performance of sustained high levels of population and economic growth. Currently, the State is lagging the nation in terms of full recovery, but in 2010 it was a leader in the rate of recovery. The general consensus is for “normal” to “near-normal” growth to return about mid-decade. The chart (Figure 50), by the University of Arizona, describes an economy that will slowly grow out of recession.

The CAG District is anticipated to recover more slowly than Arizona. The CAG Region contains an exurban part of the two large metros, plus rural areas in its east. There is a general expectation that the more central portions of the two neighboring large metros will recover more quickly than their exurban parts. This is because of current (lower) housing prices, combined with shorter work travel trips in the central metros

According to Elliot D. Pollack & Co., a long-time local economics and real estate consulting firm, the CAG District should not expect recovery until much later in the decade.

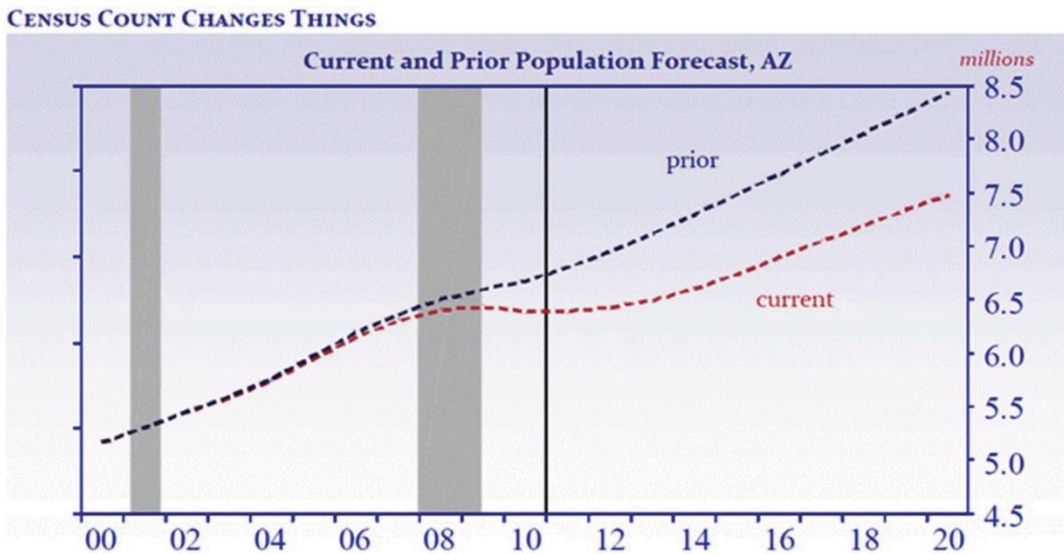
and sustainable economy, both Statewide and in the CAG District. To respond with effective regional economic development programs means that the nature of the challenge must be realistically understood. There are four that stand out as serious external challenges for the CAG District:

- A lengthy recovery of the jobs recession
- Structural unemployment
- Higher gasoline prices
- Marketplace competition from neighbors

External Challenges

The jobs recession, housing bubble crash, reduced consumer spending, and resulting lower public revenues have caused a renewed focus upon economic development and a more diversified

Figure 50



External Challenges

Lengthy Jobs Recession

Figure 51 shows the current jobs recession is the deepest since 1948. It is also one of the longest since the Great Depression. Moreover, the longest job recessions on record have all occurred since 1990. This is an effect of globalization. Multinational corporations operate in a global market, and are making fewer US investments, and more investments overseas. This is no longer a matter of seeking lower-cost labor, but is now as much about serving markets in newly growing economies overseas. This fact points to the need for “economic gardening” in the CAG District as an important adjunct to recruiting corporate investments in the Region.

Structural Unemployment

Presently, the US is experiencing the highest long-term unemployment rates in the postwar period. As Figure 52 shows, as of March 2011, the number of civilians who have been unemployed for 27 or more weeks has skyrocketed in the past two years. Considering that corporate investments for entire industries are being made overseas, this may indicate long-term structural unemployment within many industries and occupations in the nation. This points to the importance for the CAG District to choose target industries for long term development, and to closely integrate work force training with economic development.

Higher Gasoline Prices

Another external challenge is increased gasoline prices for the US and Arizona, as shown in Figure 53. Gasoline prices rose rapidly in the past few months, the second rapid increase since 2007. Given the demand for energy compared to supply, it is likely that increased prices are another long-term structural trend.

Increased travel costs from higher fuel prices will have a negative effect on the Region. The “drive to qualify” population growth of the 2000’s will not work in a period of high fuel prices and low housing prices. Also, given the great distances between populated areas in CAG Region, higher fuel costs can be expected to affect the District’s rural communities. This points to the long-term need for mass transit in the Region.

Figure 51

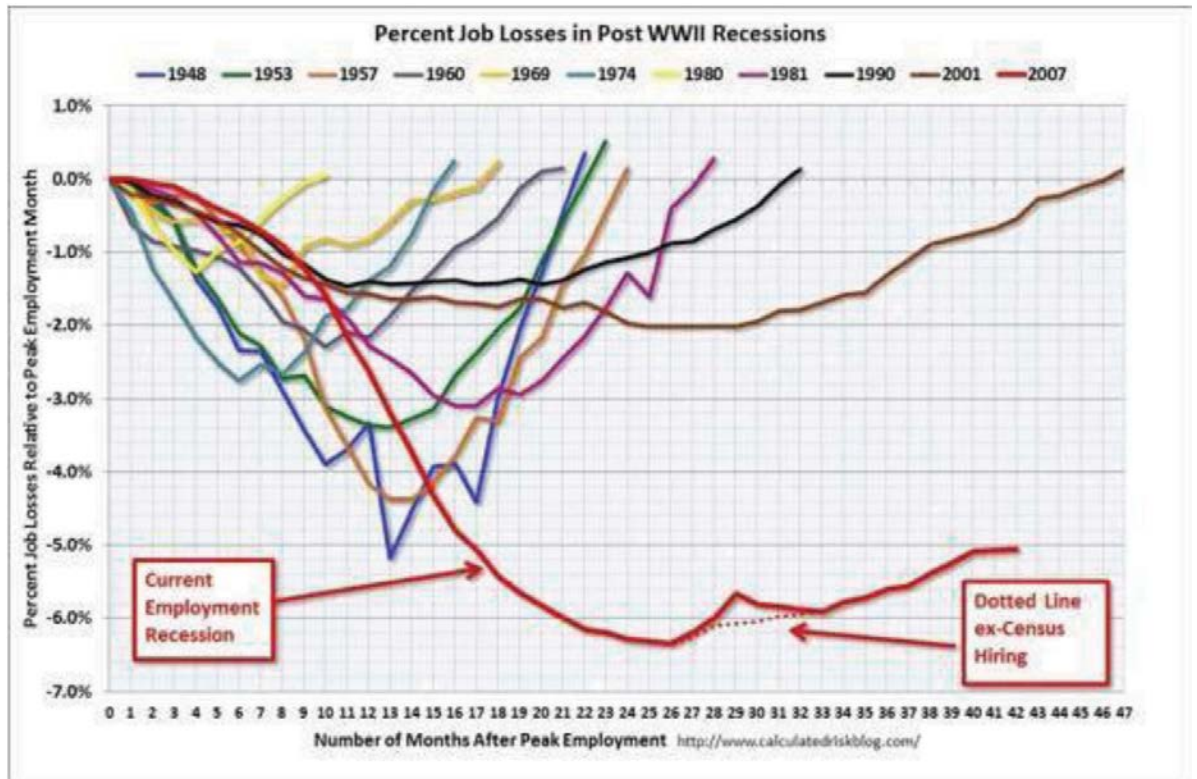


Figure 52

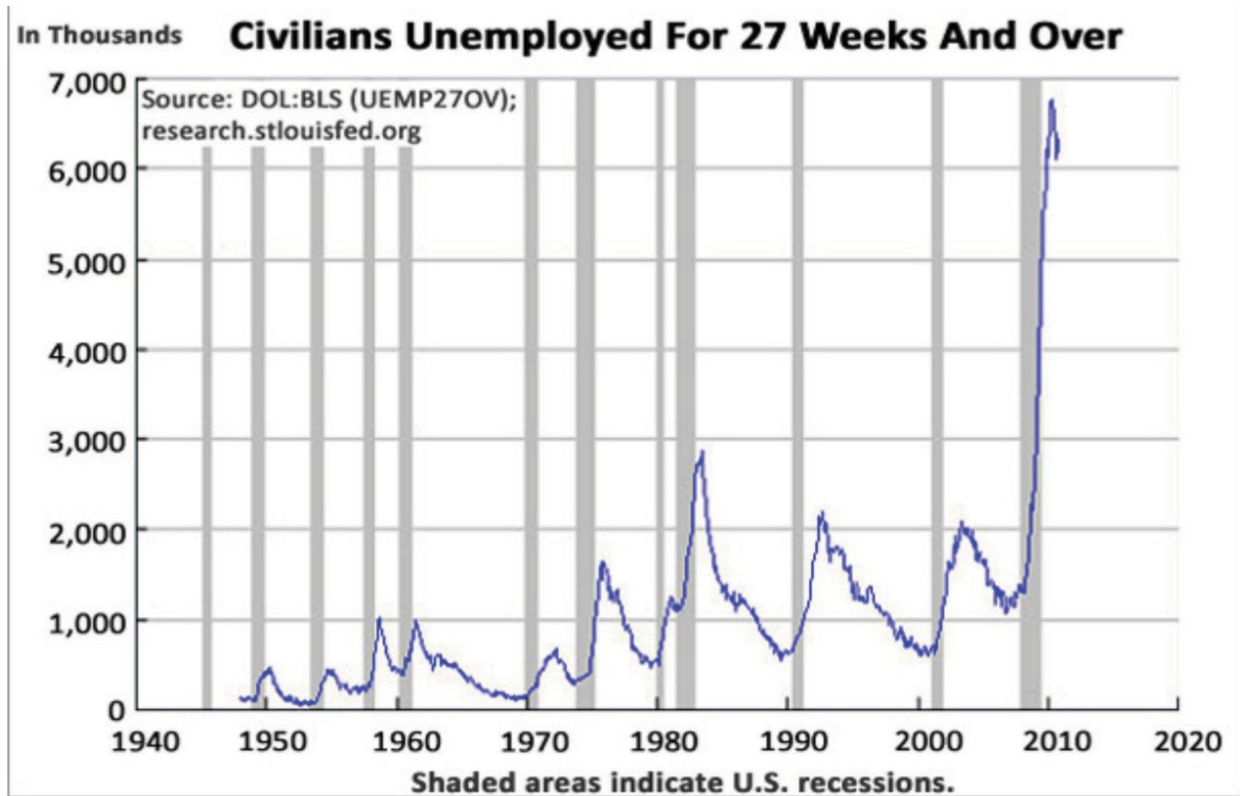
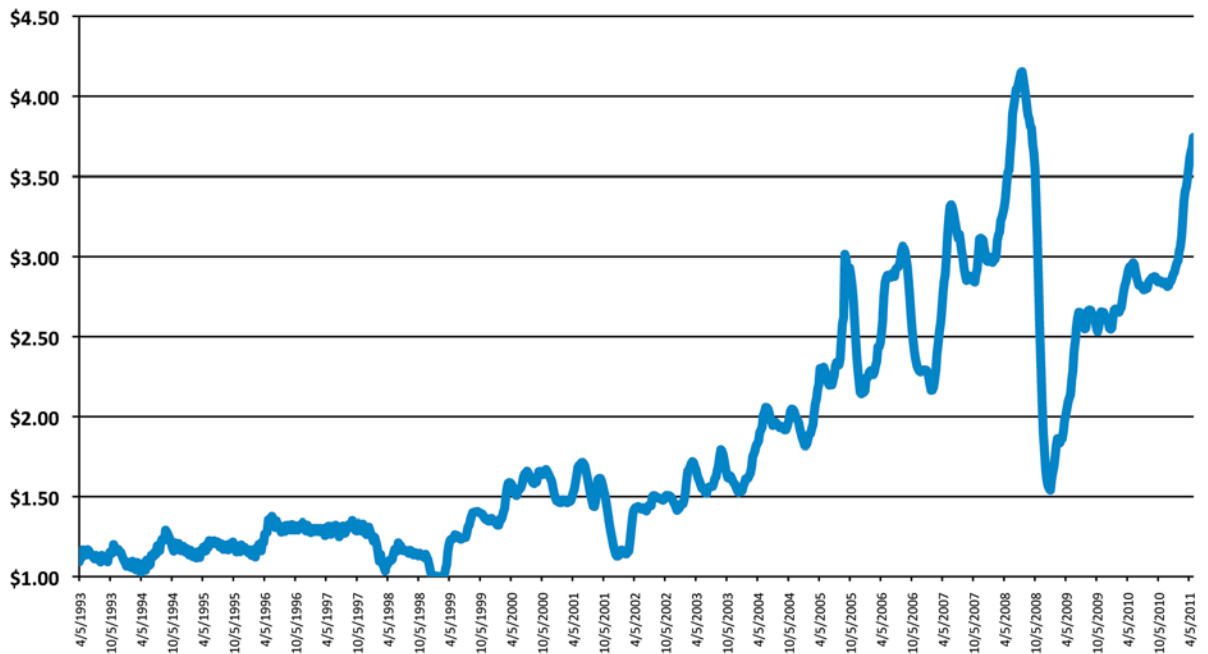


Figure 53

**All Grades All Formulations Retail Gasoline Prices, Weekly
Rocky Mountain Region, 1993-2011
(Dollars per Gallon)**

Source: US Energy Information Administration



Regional SWOT Analysis and Future Challenges

SWOT Analysis

The CAG region has a variety of economic and demographic profiles, but common themes were identified after an initial discussion by the CEDS Committee. Following is a general summary of regional strengths, weaknesses, opportunities, and threats.

Strengths

- Outdoor recreation
- Land availability and affordability for commercial, industrial, and residential
- Interstate 10 and 8 access in western Pinal County
- Historic buildings and downtowns
- Population growth
- Copper industry and mining activities
- Natural resources and beauty
- Arizona Trail
- Copper Corridor Economic Development Coalition
- Tourist destination for nearby Phoenix metro – CAG region serves as gateway and attraction
- Seasonal visitors
- US-60 and Loop 202 access
- Proximity to Phoenix Sky Harbor Airport
- Central Arizona College and associated programs
- Gila Community College
- Eastern Arizona College – Satellite locations
- Arizona Renaissance Festival
- Growing construction market

Opportunities

- Outdoor recreation promotion
- Phoenix Mart
- Red Rock Rail
- Healthcare service expansion
- Entrepreneurial Development
- Alternative energy production and employment
- Agritourism/Agritainment growth
- Community partnerships
- Marketing of tourism assets and promoting partnership attractions
- Provision of access to natural features and tourism amenities with the potential for scenic/eco-tourism
- Access to Arizona Trail from Copper Corridor
- At home business growth with broadband expansion
- Combining marketing and branding for the region as a tourist destination
- Develop stronger relationship with Economic Development Organizations throughout the region
- Downtown revitalization
- Development of resorts and leisure businesses
- North/South Corridor – Connection between US-60 and Interstate 10

Weaknesses

- Small business support services
- Sales tax leakage
- Distance to major transportation corridors for rural areas
- Lack of broadband service, especially in rural areas
- “Landlocked” communities surrounded by state lands
- Lack of adequate basic infrastructure to attract industrial development, i.e. water, sewer, adequate roads
- Building supply is not competitive with surrounding areas
- Mines provide little to tax base
- Aging infrastructure
- Fewer job opportunities in smaller communities
- Lack of public transportation

Threats

- Recession recovery sluggish in rural areas
- Current workforce skills do not meet needs of technology driven companies
- Image of the State of Arizona
- Focused development in Maricopa and Pima Counties
- Current market is for buildings, not sites
- Lack of demographics to support large-scale retail in some areas
- International market fluctuations with respect to resource extraction
- Lack of cooperation between towns and businesses
- Arizona’s tax structure and budget and the effects on small towns and schools
- Availability and access to water
- Small town population loss
- Lack of current and accessible demographic and economic information

Regional Challenges

There is a new Federal emphasis on the Livability Principles, as noted in the introduction to this report. One outcome is Federal support and greater funding for mass transit and densification. This is a policy response to climate change and oil imports. According to the US Energy Information Administration, better public transit and community planning has the largest impact on energy demand, as motor vehicle travel consumes the greatest share of oil (Figure 54).

The implementation of more transit combined with densification can affect the shape of urban form by making it less land intensive. This could make centrally-located areas of the Sun Corridor mega-region more competitive, and they are already making the shift to transit planning and operations.

- In Maricopa County, expanded bus operations is already in place, along with completion of the funded portion of its light rail system. Further, an expanded light rail and commuter rail system has been studied, but is not yet adopted.
- In Pima County, expanded bus operations are in place, and a light rail system is planned.

Beyond the District’s large metro neighbors, the State is leading a study to choose a transit rail alignment that will connect the airports in Phoenix and Tucson, and that will pass through the CAG Region. A combination of both high-speed and commuter rail is being studied.

Within the CAG District, mass transit operations and planning are in early stages. Pinal County approved a non-funded regional mass transit plan in April 2011, and the communities of Coolidge and Maricopa each operate regional bus systems. CAG’s Regional Transportation Plan, anticipated to be completed in 2014, is a multi-modal plan that includes mass transit.

However, within the Sun Corridor, planning is already underway to address higher densities along light rail corridors in Maricopa County. The Maricopa Association of Governments (MAG) is conducting a Sustainable Transportation-Land Use Study that focuses on land uses within planned light rail corridors. The study includes a stakeholder group comprised of land use and transportation planners from MAG member communities.

The objective of the MAG study is to identify and evaluate the mix of necessities to support light rail transit, and to prepare a set of tools and guidelines for local communities to implement, should they choose. Among the “transit-supportive” necessities is planning for high-density, mixed-use zoning within corridors. Figure 55 shows both the funded light rail system and the fully-planned system, along with currently-planned land uses within a half-mile on either side of rail alignments. Presently, 80% of those land uses are not “transit-supportive.”

The combination of rail transit with higher density/mixed-use land uses in the larger metros could make Sun Corridor areas that are transit-served more competitive for future growth, especially

Figure 54

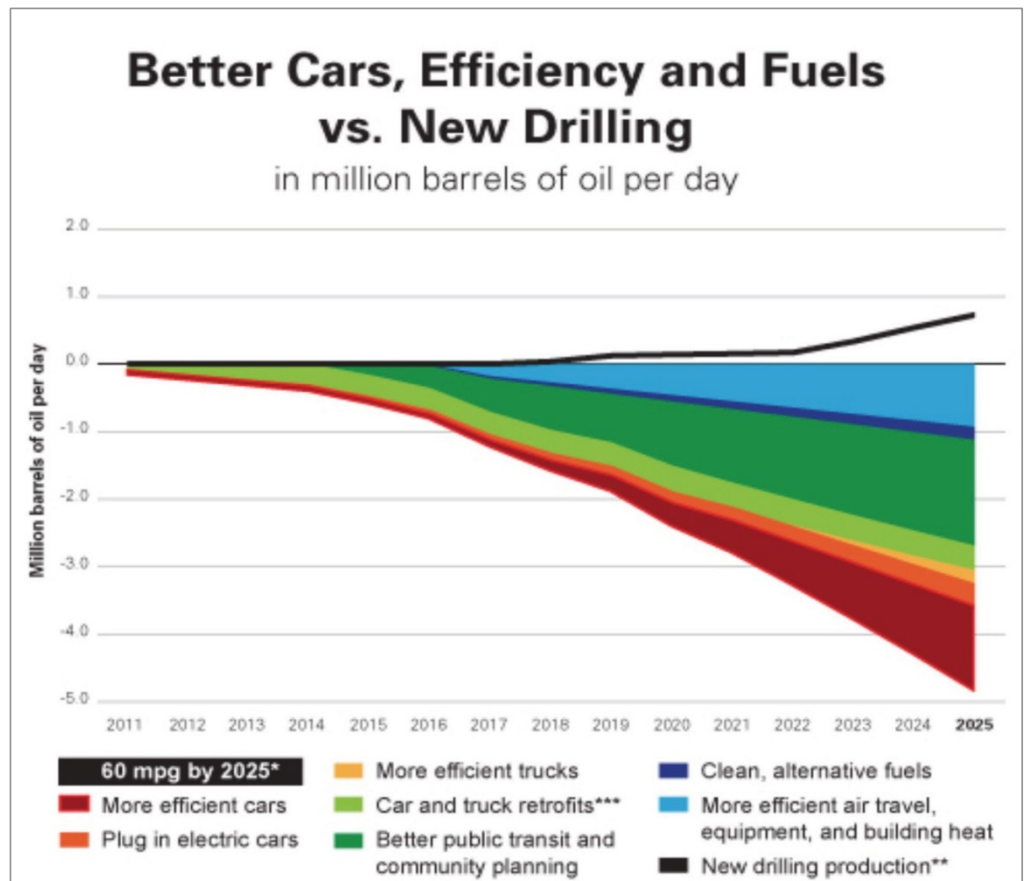
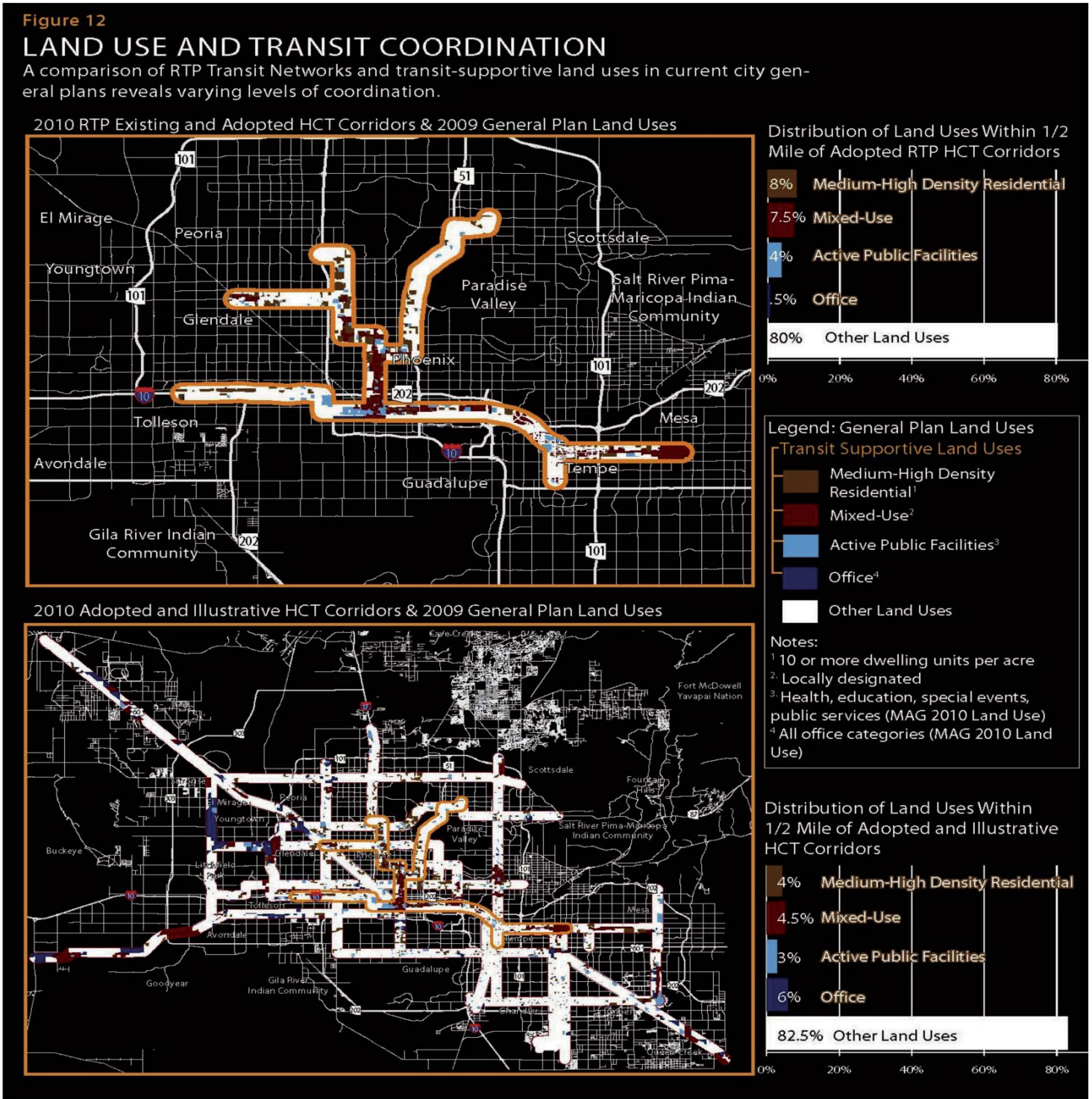


Figure 55



central city cores and older, more dense suburbs. The development implications for exurban/rural areas like the CAG Region and Maricopa County's West Valley are not positive, other than that an appropriate regional transportation, land use, and economic development response will be needed. It could mean directing growth, as possible, into the District's mixed-use activity centers.

CAG District Development Challenges

Two years ago, the CAG District completed and adopted its Employment Centers Economic Adjustment Strategy, in which a major theme is "planning in uncertainty." Though some trends have firmed, the economic environment is still largely uncertain.

It is clear, however, that the "business as usual" growth-driven economy of Arizona and the CAG District is on hiatus. After the boom-bust cycle of the 2000's, the District's greatest need is to develop a strong economic base and sustainable economy. This report's economic assessment shows that there are serious weaknesses in the Region's economy. What are the appropriate economic development responses?

Regionalism. In the global economy, mega-regions are the locus of the world's economic activity. The District is part of the Sun Corridor mega-region, and clearly needs to leverage that opportunity for its own economic benefit.

Multiple Approaches. The District consists of multiple small-to-mid size communities contained in its major sub-regional economies. This implies multiple economic development approaches for the four (or perhaps five) sub-regions.

Integrated Development. The District's has a weak economic base, inadequate infrastructure, and high unemployment/low per capita income. The most effective long-term approach for the Region's economic development is one of integrated regional development:

- — Regional transportation development, which provides accessibility for economic development
- — Regional economic development, which provides jobs for residents
- — Regional work force development, which would support higher-quality economic development

Build from Existing. The Great Recession's impacts of a long jobs recession, housing price bust, and structural unemployment are national problems. However, the effect on Arizona is profound. This has called the expectation of continual high levels of future growth into question. A conservative approach is to build upon what presently exists. Specifically, this means focusing on investing in existing employment/activity centers for immediate

short-term development. Existing centers in each of the District's counties are shown in the maps as Figure 56 and Figure 57.

Economic Gardening. The long-term structural trend of increased self-employment is an opportunity. As identified in the Economic Adjustment Strategy, an "entrepreneurial development program" that combines business incubators with revolving loan funds is appropriate.

Industry Cluster Development. To develop a diversified, sustainable economy from today's starting point requires long-term focus and consistency. The District has a real opportunity in being part of the Sun Corridor. There is a strong need to understand the best-fit industry clusters for the mega-region, and to understand the CAG District's best fit within the Sun Corridor.

Work Force integration. The District's high unemployment and low per-capita income, combined with the nation's structural unemployment, demonstrate that work force development is a pressing need. Moreover, the District's imbalance between population and jobs and its consequent high levels of out-commuting imply that work force development could be an economic development asset. These point to the need for close integration of economic and work force development.

Response to Transit-Density Changes. The likelihood of higher future gasoline prices is a significant challenge for the exurban-rural CAG District. The Federal emphasis on combining high-density mixed-use development with mass transit is being planned by the District's large metro neighbors. The District needs to evaluate its long term planning response to these changes.

CEDS Committee Workshop - Issues & Recommendations

On April 19, 2012 CAG's CEDS Committee held a facilitated workshop that focused on the following topics:

- As a scan of our region, who is doing what directly in, or in support of, economic development?
- Where are there gaps and can we identify inefficient duplication of effort?
- What is CAG's role? What can CAG do to best support economic development efforts in the region?

Major themes that are the consensus of participants resulted from this CEDS Committee workshop. The following sections are structured according to the facilitated discussion comments on these major themes. They are the basis for a major re-configuration of the Goals & Objectives, CEDS Plan of Action and CAG FY2012-13 Work Program in the balance of this CEDS report.

Many Groups in the CAG Region Economic Development Landscape

The table on the following page is the result of brainstorming by

Figure 56

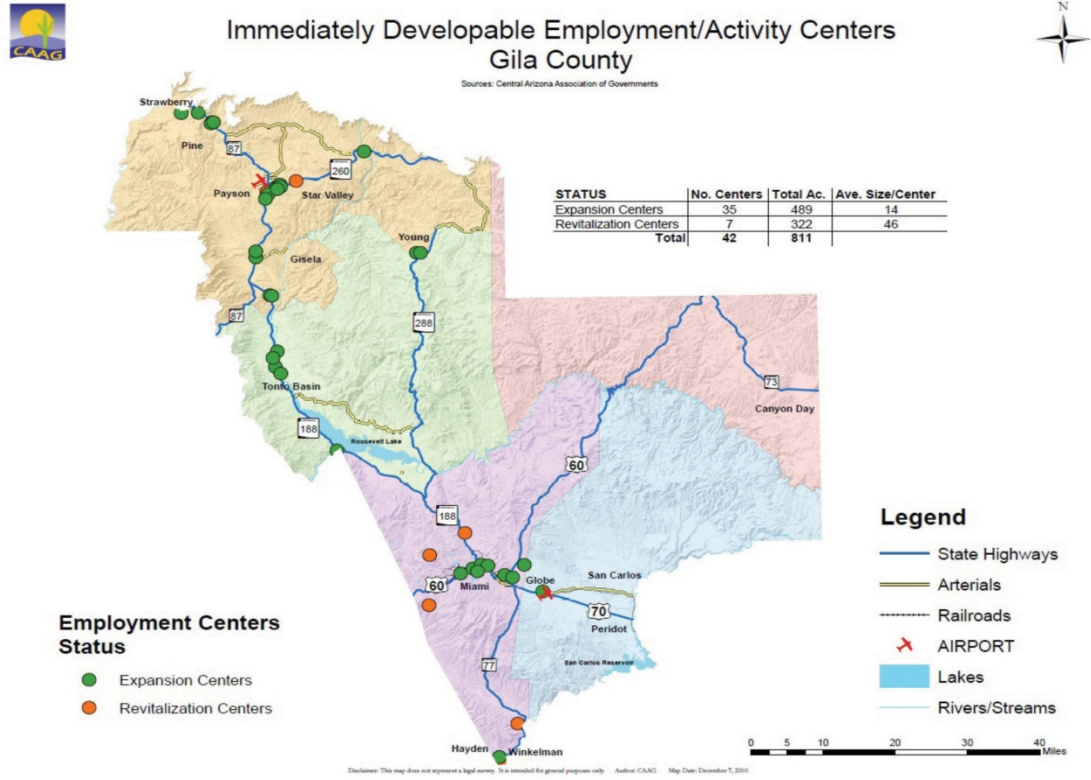
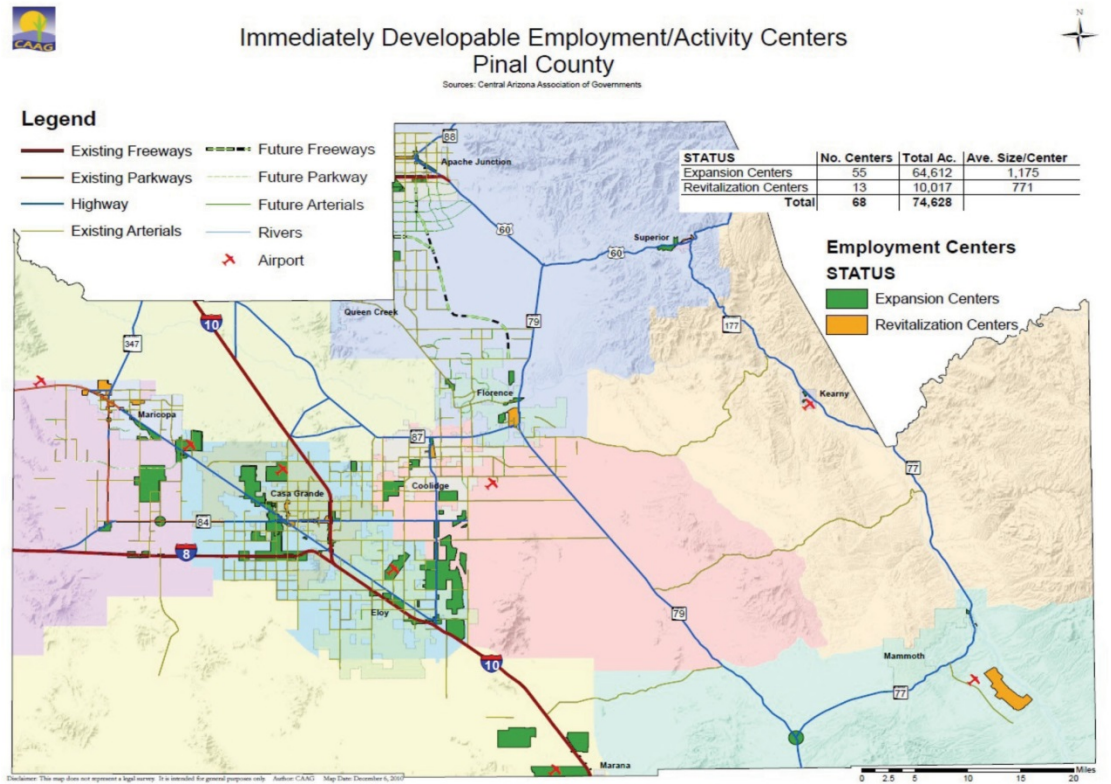


Figure 57



meeting participants at the workshop, and follow-up research conducted and vetted afterward. The table lists 72 organizations with which CAG Region economic practitioners must coordinate on a routine working basis. The balance of this section describes an inventory of all organizations within the CAG economic development landscape. Comments by workshop participants are also included.

Thirty-one entities in the CAG Region provide economic development services for their own territories. Of these, 11 are CAG Region communities that provide direct economic development services for their own territories.

- These include 9 cities/towns in Pinal County, plus Pinal County itself. Payson is the only community in Gila County that directly funds its own economic development.

- Miami, Globe and Gila County itself do not provide direct economic development services. Gila County has historically invested in funding the two regional economic development organizations in the past, but has not done so since FY2010-11.

Five Indian Communities provide direct economic development services for their own territories and (under Proposition 202) are to provide funding for economic development in municipalities and counties.

- Workshop attendees commented that the Indian Communities do not act regionally, participating only when it is for their own benefit.

- Attendees expressed frustration about obtaining Proposition 202 funding from Indian Communities.

Fifteen community-based non-municipal organizations also participate, to greater or lesser degrees, in economic development.

- The private sector is most involved through chambers and business associations, and a recent trend towards 501(c) 3 economic development organizations. There are 23 chambers, business associations and community EDO's.

- There are 13 chambers in Pinal County, and 4 in Gila County. Most chambers provide supportive services to economic development with the two exceptions of Coolidge (CEDC) and Eloy (EDGE), which have roles in developing and servicing active leads.

- Economic development leadership
- Technical assistance to community economic development practitioners
- Project management
- There is also an active business association in Gold Canyon. In Maricopa, a 501(c) 3 – the Maricopa ED Alliance – is active.
- In addition to these formal organizations, many other community businesses and community groups lead single-issue initiatives or form ad-hoc groups to lobby single-issues.
- There are 7 Industrial Development Authorities (IDA's) in the region – Pinal County IDA, Gila County IDA, Casa Grande IDA,

Maricopa IDA, Coolidge IDA, Apache Junction ID and Florence IDA. In general, participants thought the IDA's could play a more active role, as they have in the past. For example, the Apache Junction IDA was the mechanism through a two-story office building was constructed; the Coolidge IDA has been involved in land purchases but is not regularly active. A comment regarding the presently low IDA activity is that it is largely due to issues related to the capital market. The most presently active IDA's

- A number of communities work through the Pinal IDA.
- One member commented that the Florence IDA is one of the most active community IDAs in the State.
- The Casa Grande IDA helped the City of Casa Grande pay for part of its membership in GPEC last year.
- In addition to these, some banks and media are also somewhat-or-sometimes involved in economic development.

Meeting participants agreed that the large size of the CAG Region (approximately as large as Maryland), coupled with the long distances between communities, works against regional economic development collaboration. Instead, communities focus on their own smaller territories according to their own community cultures and priorities. Workshop participants perceive this to be a serious problem for regional economic development.

In addition to the plethora of community-based groups, the Region's economic development practitioners must also coordinate with two sets of regional organizations on a routine working basis. There are 25 such regional organizations.

The first set of regional organizations are those that are either formed for economic development in the region, plus regional organizations located outside the CAG Region that include it as part of their own larger mission and territory. There are 14 of these.

There are 4 Regional Economic Development Organizations (Regional EDO's) that represent most, but not all, of the CAG Region. Their advantage is that their membership and boards include both the private and public sectors. Their disadvantages are that all have funding problems and are consequently under-resourced, and that they do not represent the entirety of the CAG Region or either county.

- Most notably, northeastern Pinal County is not represented by a locally-based Regional EDO, and CAG Region border communities are members of either the Greater Phoenix Economic Council (GPEC), based in Maricopa County, or of Tucson Regional Economic Opportunities, Inc. (TREO), based in Pima County. Northeast Pinal County had a Regional EDO, the Northeastern Pinal Economic Partnership, but it was funded primarily by Pinal County, which redirected that funding to help establish its own Economic Development Manager in FY2010-11.
- The Central Arizona Economic Development Foundation (CAREDF) represents Casa Grande, Coolidge, Eloy and surrounding areas of Pinal County since 1984.

As it is a public- private partnership, CAREDF's funding is provided by Pinal County, the 3 municipalities and numerous companies from the private sector. Workshop participants expressed a concern that CAREDF is losing some of its funding resources and is therefore more vulnerable to competition from the better-resourced GPEC. The economic downturn has significantly affected CAREDF's resources, with both a loss of private and public membership, and smaller funding levels from the local governments. Workshop participants clarified that CAREDF's loss of membership in the recent past was not due to an either-or choice between CAREDF and GPEC. Rather, it was an issue of performance as cited by some City Councils. CAREDF is presently preparing its own regional economic development strategy, which should address a number of the performance issues.

- The Copper Corridor Economic Development Coalition (CCEDC) represents the CAG Region's mining communities in both eastern Pinal and southern Gila counties – Globe, Miami, Superior, Kearny, Hayden, Winkelman, Mammoth, San Manuel and Oracle. CCEDC is a community volunteer organization that depends on grant funding and funding of \$50,000 from Pinal County.

- Two Regional EDO's represent Gila County, which both have historically been funded by the County. However, Gila County has not funded either EDO

since FY2009-10. Northern Gila County Economic Development Corporation (NGCEDC) represents the county's Rim region. Payson withdrew from NGCEDC in the past year, leaving NGCEDC with smaller unincorporated communities. Southern Gila County Economic Development Corporation (SGCEDC) represents the Globe-Miami area and the San Carlos Indian Community. Both EDO's have recently focused on economic gardening. Lack of funding threatens both EDO's. walkable neighborhoods – rural, urban, or suburban.

- There are eight organizations that have strong economic development activities and which operate on behalf of communities in the CAG Region.

- GPEC and TREO are the prominent Regional EDO's in Arizona for business attraction and product improvement support. Both have strong private sector leadership, and GPEC in particular is well resourced. Maricopa, Casa Grande, Queen Creek and Apache Junction are GPEC members; Marana is a TREO member.

- The County of Pinal's Economic Development represents all of Pinal County, both incorporated and unincorporated communities. Presently, it is staffed by a single individual, but also provides funding for CAREDF and the Sun Corridor Partnership. The complexity and needs of Pinal County's economic development requires greater resources and support than its single staff economic development practitioner can provide. The Sun Corridor Partnership is a joint marketing initiative for business attraction marketing outside of Arizona on behalf of funding partners its funding partners: Pinal County, GPEC (Greater Phoenix Economic Council), - TREO (Tucson Regional Economic Opportunities), GYEDC (Greater Yuma Economic Development Corporation) and the City of Flagstaff. Pinal County also provides funding of \$50,000 each to both CAREDF and CCEDC.

- Arizona Public Service (APS) and Salt River Project (SRP) are the most prominent utilities in Arizona that are actively involved in both State and regional economic development business attraction and support. Both APS and SRP represent the CAG Region. Workshop members commented that the CAG Region has a large number of small electric utilities, which are not active in economic development.

CAG Region Economic Development Landscape

Cities, Towns & Counties	Apache Junction	Regional ED Entities that Operate on Behalf of More than One of Our Regional Markets	Arizona Public Service
	Casa Grande		Salt River Project
	CECDC (Coolidge)		Banks
	EDGE (Eloy)		Media
	Florence		Central AZ Regional EDF
	Marana		Northern Gila County EDC
	Maricopa		Southern Gila County EDC
	Payson		Copper Corridor EDC
	Pinal County		Greater Phoenix Economic Council
	Queen Creek		Tucson Regional Economic Opportunities
Tribal Communities	Superior	Superstition Area Networking & Dev.	Central AZ College
	Tohono O-odham Nation	Central AZ College	CAG
	Gila River	CAG	Pinal County
	Ak-Chin	Pinal County	Sun Corridor Partnership
	San Carlos Apache	Sun Corridor Partnership	Pinal Partnership
White Mountain Apache	Pinal Partnership		
Entities Established for ED in a Community, but Not a Community Entity	Chamber - 9 in Pinal; 4 in Gila	Neighboring ED Entities that Informally Overlay Our Region	US Dept. of Agriculture
	Gold Canyon Business Association		US Economic Development Admin
	Maricopa ED Alliance		US Small Business Admin
	Pinal County IDA		AZ Commerce Authority
	Gila County IDA		AZ State Parks
	Florence IDA		Arizona Public Service
	Coolidge IDA		Salt River Project
	Maricopa IDA		Southwest Gas
	Apache Junction IDA		El Paso Gas
	Casa Grande IDA		Greater Phoenix Economic Council
	Ad Hoc Groups & Initiatives		Tucson Regional Economic Opportunities
	Private Companies (Bring Leads)		AZ Association for Economic Development
	Brokers/Developers (Bring Leads)		Union Pacific RR
			East Valley Partnership
			Valley Partnership
	Indian Communities (Prop 202)		

Chambers of Commerce	
Apache Junction Chamber	Maricopa Chamber
Arizona City Chamber	Pine-Strawberry Business Community
Casa Grande Chamber	Queen Creek Chamber
Eloy Chamber	Rim Country Regional Chamber
Florence Chamber	San Manuel / Oracle Chamber
Globe-Miami Chamber	San Tan Valley Chamber
Gold Canyon Chamber	Superior Chamber
Greater San Tan Valley Chamber	Tonto Basin Chamber

- SRP is presently completing a strategic plan that is anticipated to put greater emphasis on economic development support across its territory and beyond. Though not yet completed, the approach is to redirect efforts at what can be called “growth management”
 - A combination of actively promoting economic development among existing and potential customers, demand side management, pricing and distributed generation that can lead to more efficient use of our resources. There are some teams currently working on defining what this all means and SRP hopes to have some objectives communicated soon.
 - For communities in its service territory, APS provides the following programs and services:
 - Site selection support with prospects from APS economic development, energy delivery, and customer service teams
 - APS Focused Future Series—Award-winning grassroots strategic planning process in economic development, building consensus among community leaders and outlining implementation action steps with measurable results (by pre-screen and reservation)
 - AZProspector – On-line land and building database for communities since 2003; provides an affordable, world-class uniform tool for communities to utilize and customize in presenting their areas to potential new business and industry
 - Building Bridges to Business – Community-based business retention and expansion program which is a survey and data-driven tool since 2001. Provides an analytical process to assess their existing businesses, build on their strengths, and uncover potential challenges to address
 - Tools for Business Success – Packaged on-line how-to-do-business tool since 2011 for use by existing local businesses in partnership with Chambers of Commerce statewide (fee-based)
 - General economic development consultation
 - Southwest Gas and El Paso Gas both have economic development departments, which actively market to their own customer base – users that need large natural gas supplies. The Region’s economic development practitioners are involved with these companies’ economic development representatives when such industrial users are CAG Region prospects.
 - The Union Pacific Railroad (UPR) is another important economic development partner, for two reasons. First, like the natural gas providers, UPR is a nation-wide economic development practitioner in its own right, focusing on industries that require rail-served property. Second, UPR’s Red Rock facility is a major investment, a game-changer for the CAG Region that will stimulate logistics/distribution and associated industries.
 - There are two community colleges in the CAG Region, each serving their respective counties.
 - Central Arizona College (CAC) is an educational **institution with which economic development** practitioners cooperate, primarily through its Small Business Development Center, which supports economic gardening. Workshop participants had more comments about CAC in later sections of this report.
 - Gila Community College (GCC), like CAC also has a Small Business Development Center. GCC has much more limited resources and staff than CAC. GCC is also a sub-entity of Eastern Arizona College, located in Thatcher. GCC’s distance from the EAC headquarters and its limited resources works against its effective delivery of economic development support.
 - Besides the community colleges, one public school district should be mentioned. Central Arizona Valley Institute of Technology (CAVIT). CAVIT works in partnership with eight area high schools where 11th and 12th grade students can begin preparing for higher wage, in-demand jobs while still attending high school
 - Practitioners also cooperate with Pinal Partnership, which has the largest private-public membership in the Region, primarily real estate/development companies. Workshop participants indicate that networking with real estate/development and businesses its greatest value to them.
 - **CAG’s own Economic Development District (EDD)** is the only organization that includes the entirety of the two-county region. Workshop participants made many recommendations to improve the value-added of the EDD, addressed in later sections of this report.
- The second set of regional organizations is those that informally overlap with the CAG Region, though their focus is much larger than the region itself.
- Economic development practitioners work most closely with three federal agencies: US Dept. of Agriculture – Rural Development (USDA), US Economic Development Administration (EDA) and US Small Business Administration (SBA).
 - At the state level, practitioners work most closely with the Arizona Commerce Authority (ACA), which is the state’s first private-public economic development corporation.
 - Workshop participants expressed skepticism that ACA will be funded in the future at its initial level, which came from the federal stimulus program of 2009. The skepticism was about Arizona’s private sector investments replacing the State’s initial funding.
 - This led to a discussion regarding the lack of private sector headquarters in Arizona and the CAG Region. The consensus is that this lack limits private sector engagement in state and regional economic development activities and support.
 - Workshop participants also expressed dissatisfaction with ACA’s rural economic development activities. The consensus was that ACA is biased towards economic development in the two major metropolitan areas.

- This led to a discussion of the middle set of counties, such as Pinal, Yuma and Yavapai, that are no longer rural, but are urbanizing. These urbanizing counties are no longer primarily rural, and need a separate, targeted type of support from ACA.
- Participants discussed the need by smaller rural communities for support and assistance from better-resourced economic development agencies, including those larger ones in the CAG Region itself.
- **The Arizona Association for Economic Development (AAED)** –which has a statewide territory is highly prized by workshop participants. There are three major reasons, which contrast to their concerns about ACA:
 - AAED has a strong focus and program for rural economic development and rural counties/communities.
 - AAED has a strong educational program to elevate the knowledge and skills of economic development practitioners.
 - AAED is an excellent organization for networking.
- Workshop participants value two other associations with territories outside the CAG Region for their networking value. Like Pinal Partnership, both of these have significant private sector participation, both real estate/developers, but also private industry.
 - **The East Valley Partnership (EVP)** covers the Maricopa County Southeast Valley, including the “Pinal Crescent.” EVP has coordinated a major regional plan for Superstition Vistas in northeast Pinal County for several years,
 - **Valley Partnership (VP)** is a larger association that covers all of Maricopa County. It has been previously involved in planning activities for Pinal County.
- There is much overlap among organizations on leads/prospects
 - multiple entities are involved, not always coming from same page. This leads to mistrust and paranoia.
- There is a need for intra-regional protocols regarding lead-sharing and follow-up actions.
- Workshop participants perceive the lack of coordination, focus on smaller territories, and resulting mistrust to be a serious problem for regional economic development.
- Regarding the last point, it was suggested that a possible model for regional economic development coordination could be a combination of Region-wide initiatives and activities, combined with the recognition of economic sub-regions. The latter could stimulate sub-regional initiatives and activities and thus encourage greater participation of communities. There are four or five such economic sub-regions:
 - Northern Gila County,
 - The mining community belt from Globe-Miami and including eastern Pinal County,
 - A southern Pinal County sub-region with closer linkages to Metro Tucson, and
 - The northern “Pinal Crescent” sub-region with closer linkages to Metro Phoenix
- It may be more effective to segment the Pinal Crescent into a northeast region linked primarily to the larger East Valley via US 60, and a northwest region linked along I-10 and I-8.
- The following sections report discussions of larger issues that the region’s practitioners have encountered in the course of their economic development work.

Need for Better Education/Workforce Development, Connected to Economic Development

In further discussions on economic development issues, there was a very strong consensus by workshop participants for a much higher quality education/workforce development practice, one directly connected to regional economic development. Themes expressed by representative comments include the following:

Major Conclusions about Large Number of Organizations

The lengthy discussions about the large number of economic development entities and players in the CAG Region’s landscape set the stage in the April 2012 CEDS Committee Workshop for more focused discussions and recommendations about specific issues that the region’s economic development practitioners encounter.

The major conclusions by participants about the large number of entities in the CAG Region landscape:

- The large size of the CAG Region and the long distances between communities works against regional economic development collaboration. Instead, communities focus on their own smaller territories according to their own community cultures and priorities.
- There is undoubtedly duplication of effort, with separate organizations and initiatives doing the same things. Duplication of effort is not necessarily bad, but it is worth looking into where inefficiencies exist.
- There is no overall coordination among the many players in the economic development landscape
- Brain Drain. The Region has a brain drain – it is losing its youth and young adults who cannot locally get the higher education they want, so go to college elsewhere. This is probably Arizona State University (ASU) in Metro Phoenix, or the University of Arizona (UA) in Metro Tucson.
- Education Gap. “There is an education cap in the Region.” The school districts are not preparing children and youth for the education needed for quality economic development in the Region. “The Workforce Investment Board (WIB), the Region’s communities, its community colleges and school districts all should be doing more.”
- WIB & Community College “Structural Challenges”. Workshop participants expressed dissatisfaction with the Region’s WIB and community colleges. There is a regional need for workforce development more completely integrated with economic development, a need that includes higher education. Participants

mentioned that CAC does not have a Center for Workforce Development similar to the Maricopa Community College District's (MCCD). CAC's Small Business Development Center could help with some of the same goals, but if workforce development is going to be a priority in the CAG Region, the MCCCD Center for Workforce Development (CWD) might have some additional ideas from which to borrow.

The vision of the MCCD CWD is "to ensure that the Greater Phoenix economy has a skilled labor pool which meets the existing and emerging workforce needs of the employer community."

Following from this vision, the MCCD CWD is the recognized leader in Greater Phoenix for regional workforce development initiatives that fulfill the job training needs of employers. The CWD plays a vital role in enhancing the region's competitive strength by connecting the programs, resources, and services of the ten Community Colleges and two skill centers of the MCCD with the region's employers. Partnerships between CWD and employer communities in Maricopa County include workforce training, economic development initiatives, and industry data availability in key industry clusters.

- **School System Dissatisfaction.** Workshop participants also identified an education gap in the school system –the region needs charter high schools. "Charter high schools need more investment." "The entire education system needs to be connected, even charter schools."
- **Disconnect Between Education/Workforce Development and Economic Development.** "CAC and school districts are players, but there are serious needs in the region for better coordination with economic development." "CAC is not talking to economic development practitioners." Presently, "the community colleges and economic development practitioners are not connected."
- **Desire for Colleges/Universities.** Communities around CAC would like to have a college/university. Gateway ASU Polytech is a good example, as will be Payson's ASU campus. Both bring research and development through the university's physical facilities and both will have associated employer parks for economic development surrounding the campus.
- **Need to Address Education/Workforce Development Regionally.** Workshop participants had a strong consensus that the Region needs to address workforce development on a regional level. "There is a much greater need than Casa Grande and CAREDF are able to do alone." "Other Arizona regions are way ahead of ours" – NACOG, WACOG, and the Yuma Private industry Council (PIC).
- **Need for One Regional Plan of Action.** There was a strongly expressed consensus among workforce participants that the CAG Region needs to have one regional plan of action that includes both education/workforce development and economic development. "The Yuma PIC did it right." "We are so far behind, it's not funny."

Need for Economic Gardening

The discussion about economic development practitioners' desire for colleges and universities and the need for education/workforce development connected to economic development led to another discussion –the need for economic gardening.

- It was pointed out that one of Arizona's most serious economic development weaknesses is its lack of private sector corporate headquarters and the economic development leadership that home-based industry brings. "This could be the reason for weak private sector participation in economic development here."
- The Region needs regional strategies that include economic gardening –helping future business headquarters grow. "USDA is pushing technology transfer to entrepreneurs, and California kicking our tails on this – economic gardening."
- There is a regional need to develop strong finance tools (venture capital, revolving loan funds). Workshop participants would like to "see CAG get into RLF's." "CAG has a role in RLF's, but we also need an expanded role with other communities (banks, etc.)." "We need a regional venture capital group."

Need for Better Measurement of Economic Development Success

The workshop discussion on economic gardening led to another regarding the measurement of economic development success by community leaders. "Are we not doing a regional plan of action and economic gardening because of the pressure for jobs?"

There was strong engagement of all workshop participants on this subject, and dismay of misunderstanding by local elected officials (LEDO's) of economic development reality, and of jobs being their measurement of success.

- "How many jobs did you create in my community? How much revenue did you bring in? This is where LEO's come in."
- "Also, they measure the number of jobs, not the value of the jobs."

Workshop participants expressed dismay with community leaders not understanding that jobs by a business created in another community probably means jobs for the residents of their own community. "They need to understand the regional nature of economic development."

This discussion concluded with a strong consensus of the need to educate LEO's about economic development, and of better measuring economic development indicators and results.

Need for Leadership

The previous discussion led to the lack of economic development leadership across communities and agencies in the CAG Region.

- "Where are our LEO's?"
- "Getting LEO's educated on economic development needs to happen."

- As an example, it was pointed out that, representing public agencies on the CAREDF Board, only managers and LEO's are invited, not staff economic development practitioners.
- The lack of economic development leadership is "apparent right here, since NGCEDC is the only one here at this meeting from Gila County."

There was a strong consensus by workshop participants that economic development leadership needs to come from across the full community, not just public agency managers and LEO's.

- "We need to identify and create industry groups to be involved in economic development."
- "There should be greater local involvement/support for economic development – both leadership and funneling leads."
- "IDA's should do more." "Banks should funnel economic development leads."
- "We need creative ways to fund economic development organizations."
- "CAG –with its centralizing and regionalizing functions– could provide some effective form of regional economic development leadership." "But that means reinventing CAG's Economic Development District Board and its CEDS Committee."

Need for Regional Approach to Help Practitioners

A consistent background theme throughout the workshop was explicitly discussed: the need for a regional approach to help economic development practitioners.

- "People are pulling out of CAREDF – who will people go to?"
- "We need a go-to entity to navigate many groups involved in/funding economic development."
- "This could be a single policy group."
- "Who is the go-to group for business attraction services?"
- "Business attraction services need a forum for discussion and cooperation, and for creating intra-region protocols regarding leads."
- "No one is working on a few key regional initiatives – we need to quit doing it all and partner in 2-3 specific initiatives in a regional way."
- "ACA is stepping on toes, yet missing opportunities."
- "A good thing is AAED's rural emphasis – helping smaller rural communities."

CEDS Committee Workshop - Recommendations for CAG

The April 2012 workshop discussion concluded with participant suggestions for the best appropriate role for CAG in regional economic development. This topic was discussed after the preceding themes emerged through the workshop comments on economic development gaps and duplications. There was a strong consensus by workshop participants on the following recommendations.

These recommendations have been used to completely revise the most important parts of the EDA Comprehensive Economic Development Strategy for 2012 – the CAG EDD's goals and objectives, and its work plan for FY2012/13. The latter will be incorporated as the work scope of CAG's contract with EDA for FY2012/13.

CAG Economic Development Structure

The Economic Development District Board should be separate from Regional Council, and be comprised of its own Board. The hope is to create an EDD Board that would be more engaged in regional economic development, and provide stronger regional economic development leadership.

- EDD Board members should be a mix of the public agencies, organizations and business initiatives leadership, not just LEO's of member agencies. It should include private businesses, CAG Region community and regional economic development players identified in section 4.1, education/workforce development providers, banks, IDA's, electric utilities, ACA, AAED, and Indian Communities.
- The EDD Board should meet on a different schedule than Regional Council.

The CEDS committee is misnamed. CEDS is an annual reporting requirement of EDA. It is not the function of CAG's economic development committee. The committee should be changed to an advisory group for the EDD Board to avoid restrictive by-laws. The CAG economic development advisory group should be focused on adding value for economic development practitioners. Two suggestions:

- Keynote speakers who are knowledgeable in various economic development tools and approaches at every advisory group meeting, in addition to other agenda items.
- Hold structured events, educational workshops, and educational webinars

CAG Roles – Economic Development Support Functions

This was the last item discussed at the workshop. Building on all the previous discussions, participants quickly itemized a focused economic development role for CAG.

Data Clearing House. CAG is the best agency in the Region to provide information for economic development. Building on its Planning Research Department, which has six years investment in equipment, software, staff and creating regional planning databases, CAG should now create another set of information that is needed by economic development practitioners in the course of their daily work activity for business attraction.

- In essence, CAG should become the research company for regional and community economic development for the Region
- The economic development information should include data (using existing federal/state and other available datasets), newly original databases on the Region and its communities, and it should include GIS capability for mapping. Business Analyst, which is an ESRI GIS software, was recommended as the standard platform for drive-time mapping.
- Regional ED players need the same data points on ED information for communities, a single common platform. A single set of approved databases (such as Dunn & Bradstreet) should be acquired and used. The best practice for this is Littleton, CO, which provides data for metro Denver. Littleton has invested \$80,000 in a single source of relevant databases. Kevin Burke, who is now with Flagstaff, was instrumental in developing the Littleton information capability, and should be consulted as an advisor.
- A strong need by practitioners is the ability to create drive-time information for business prospects, such as showing the number of McDonald's restaurants within X miles from a given community in the CAG Region.
- Besides standard economic development information, practitioners also need data and research on business companies. They need this to qualify prospects, to understand if a lead is worth the investment of their time to assist them, or if the lead is "blowing smoke."
- For CAG to support economic development practitioners as a research company, a change in CAG culture is required. The need is not merely to provide information, but also to provide it on short notice and with quick turnaround. Short-notice and timely response is needed because prospects often ask for information to be delivered to them for their decision-making needs within short-notice and fast deadlines. This is the routine working reality of economic development practitioners.

Work Force Development. The need for workforce development on a regional level, the need to address education/workforce development in a unified way, and the need for workforce development aligned with economic development is a major weakness of the CAG Region. Other areas of the state are superior to the CAG Region, such as NACOG, WACOG and the Yuma PIC. A regional void is large. Casa Grande and CAREDF in northwest Pinal County have a task force that is presently working on meeting that local community's workforce needs. However, the regional need is much larger than those two organizations alone can possibly fill, and perhaps there is an opportunity to take advantage of the Casa Grande- model.

- As the single planning agency for the entirety of the Region, CAG should focus on creating a functional system to align education/workforce development with economic development.
- This does not necessarily mean that CAG would be the agency that operationalizes this function. CAG is, however, appropriate to facilitate and seed the right kind of education/workforce agency that will provide high-quality operations.

Economic Gardening. Workshop participants are supportive of CAG's enter into Revolving Loan Funds (RLF) through its grant application for the USDA Intermediary Revolving Program loan. As discussed previously, the Region's economic development needs to add economic gardening as the long-term supplement to its business attraction, since the development of local company headquarters in the end will create a more sustainable regional economy. CAG should develop a strong RLF/finance function. It should not be the only agency in the Region to do so, as community-level RLF's are also needed. However, workshop participants believe that economies of scale make sense for CAG to be the single administer for all RLF's in the Region.

Economic Development Planning. CAG should continue to provide regional economic development planning, with the goal of expanding the economic base of communities and the Region. Participants reiterated the need to assist the Region's rural and mining communities.

Forum to Support Those Directly Responsible For Business Attraction. CAG's Economic Development District should become the "go-to" agency for regional support of business attraction providers. There is a lack of economic development leadership, and the suggestions to reinvent CAG's EDD Board and ED Advisory Group could evolve the EDD into the "go-to" forum to coordinate and support the large number of economic development practitioners and cooperating partners across the Region.

Workshop participants specifically noted the following broad functions to be gained from such a "go-to" function by the CAG EDD:

Workshop participants suggested the following specific functions:

- Protocols for leads
- Networking
- Learning new tools & approaches
- Helping each other (e.g. larger groups help show smaller ones tools, techniques, approaches)
- Measuring economic impacts & educating LEO's on economic development.

Long-Term Goals & Objectives

– CAG Economic Development District

- In 2011/12, CAG continued the process of delivering better economic development support to member agencies and other economic development providers in its two-county Economic Development District (EDD). This has been a top priority of CAG, its member agencies and the Region's greater awareness of weaknesses in the Region's economy since the start of the 2007-08 national recession, its continuing weakness in the growth comeback of jobs, and its effect on the economy of both Arizona and the CAG Region. The latter has shown that an economy predicated on housing construction and development is not sustainable in the long-run.

CAG's process to deliver better regional economic development support gained momentum with more attention to economic development provision across the Region, and with greater participation of its economic development committee (Comprehensive Economic Development Committee, or CEDS). Committee meetings in 2012 have especially focused on member suggestions to improve regional economic development. The 2012-13 CEDS update is driven by committee suggestions and recommendations. As a result, the CEDS goals and objectives are completely revised to reflect a more active role for the CAG EDD.

Importantly, this update of goals and objectives is designed to set long-term goals and objectives that reflect a long-term vision. These are combined with 2012-13 work plan activities for each objective that what are achievable in FY2012-13.

Goal I: Improve the Economic Climate & Economic Development Capability of the CAG District

The intent of this goal is for CAG to provide the most relevant and high quality regional support possible to assist economic development practitioners of member agencies, communities, sub-regional organizations and their associated partners to better deliver their services to improve the Region's economic base.

Objectives

1. Create an Economic Development District (EDD) that is independent of CAG Regional Council

The CAG EDD's activities have not responded to the regional support needs of the large number of economic development providers and their indirect services providers.

One cause is the historic structure of the EDD, in which CAG's Regional Council comprises most of the Board members, with the addition of three non-member agency representatives. Since 1994, EDD Board meetings have been scheduled to coincide with Regional Council meetings, so that Regional Council adjourns and then reconvenes as the EDD Board. Since CAG Regional Council meets only six times annually, with evening meetings, there is not enough time for engaged attention of and leadership from the EDD

Board.

Additionally, CAG's advisory committee is misnamed as the Comprehensive Economic Development (CEDS) Committee. This makes it appear, and is taken by many economic development practitioners, to mean that the main purpose of the committee is to focus on the annual CEDS report. Though this is far from the case, factually it is the case that it is difficult for CAG staff to gain committee participation and engagement due to an historic perception of its irrelevance. CEDS members strongly advise that the committee should be both renamed, and should be structured to be an advisory group that has more flexibility in making decisions and recommendations to the EDD Board.

Task Summary

- Begin the process of creating an independent EDD.
- Forum to Support Those Directly Responsible for Business Attraction.
- Expand CAG's Information Capability to be a Data Clearing House for Economic Development across the Region.
- Provide a Forum for sharing economic development related information, techniques, conditions and concerns in the CAG District among economic development professionals and volunteers.

Goal II. Enhance Educational & Workforce Training Opportunities and Integrate with Economic Development

CAG's ED Committee identified the Region's education and workforce development to be a high priority for improvement. This is validated by research conducted by CAG in FY2011/12 that showed the Region has low educational attainment for certain demographic populations, that its residents are disproportionately employed in lower-wage occupations and industries, and that high proportions of its residents commute to work daily to jobs located in bordering counties.

The ED Committee additionally identified that the need for workforce development on a regional level, the need to address education/workforce development in a unified way, and the need for workforce development aligned with economic development is a major weakness of the CAG Region. They identified that other areas of the state are superior to the CAG Region, such as Northern Arizona Council of Governments (NACOG), Western Arizona Council of Governments (WACOG) and the Yuma Private Industry Council (PIC). The City of Casa Grande and the Central Arizona Economic Development Foundation (CAREDF) are presently beginning to operationalize such integration for northwestern Pinal County. However, there is a much greater need than just what Casa Grande and CAREDF are presently doing.

Objectives

1. Gather and make available current workforce information within the District

2. More completely integrate economic development and workforce development providers in the Region

In FY11-12, CAG prepared a series of regional reports that included, for the first time in the Region, statistical comparisons of the Region and its two counties with the State and Nation. These regional reports showed CAG's Management Committee and Regional Council, and the Gila/Pinal Workforce Investment Board that educational attainment, labor force status, personal income dependence on transfer payments, occupational characteristics and dependence of its residents upon out-of-region commuting to jobs that are physically located elsewhere are significant problems and economic development weaknesses. Paralleling CAG's analyses, agencies throughout the Region identified work force surveys to better market its large work force base to be priorities.

Task Summary

- Gather and make available current workforce information within the District.
- Conduct Workforce Surveys.
- Focus on creating a functional system to align education/workforce development with economic development.

Goal III: Strengthen, Expand & Diversify the Existing Economic Base within the CAG District

Objectives

The CAG Region's economy is both disproportionately small in size compared to its resident population base, and its export base industries are few. The expansion and diversification of the District's economic base is a major challenge and top priority for the future sustainability of its counties, communities and economic sub-regions. The EDD's appropriate role in regional economic development for the District is to provide support for the region's economic development practitioners and their business development partners and to fill economic development gaps that are best accomplished at a regional scale. These objectives include the following:

1. Conduct studies and plans related to economic development
2. Actively support economic gardening activities as an adjunct to business attraction programs
3. Coordinate plans and studies to best address expansion and diversification of the economic base
4. Foster the expansion of existing and growth of new Economic Clusters within the District
5. Encourage Business Development efforts to retain, expand, create or attract business enterprises within the District.
6. Encourage small business development centers to serve the District.



7. Draw regional/local business development centers and incubators in the District into a network and support systematic efforts to create and grow entrepreneurial, owner-operated businesses.

Task Summary

- Initiate a CAG Region Education/Workforce & Economic Development Plan.
- Economic Gardening
- Develop a strong RLF/finance function

Goal IV. Leverage Regional Transportation Planning for Economic Base Improvement

Objectives

The CAG Region is at an economic development disadvantage due to its sparse freeway network, especially compared to the extensive network in Maricopa County. Although many transportation studies and plans have been completed in the CAG Region over the last decade, the time required for their entitlement and the lack of assured transportation funding means that it will be many years before a new freeway system would be built. The lack of transportation accessibility compared to Metro Phoenix is a significant impediment for developing employment centers in the CAG Region.

As a Council of Governments, CAG has four tools available to help mitigate this serious economic development liability.

- First, CAG annually receives funding through the Arizona Department of Transportation (ADOT) that is used for transportation improvements in the Region, through CAG's annually updated Transportation Improvements Program (TIP). These funds can be used both for construction of new freeways, for expansion of existing freeways, and for construction and expansion of state highways and arterials of regional significance.
- Second, CAG is a member of the three-COG Joint Planning Advisory Committee (JPAC) that covers the most populated portion of the Sun Corridor Mega-Region. For the past two years, JPAC has focused on transportation planning. It has become increasingly obvious that transportation planning and development is a

necessary asset for the most successful economic development. Presently, through the JPAC, the Maricopa Association of Governments (MAG) is the project manager for a Freight Transportation Framework Study, which is using an unusually detailed database of flows of specific commodities (at the product level) from origin to destination locations. The Freight Study has revealed a number of economic development opportunities, and can be used for economic development planning.

- Third, although it is not a federally-recognized Municipal Planning Organization, CAG obtained enough funding allowable for planning uses from a federal pass-through funding program administered by ADOT to conduct a CAG Regional Transportation Plan (RTP) that will meet federal guidelines. The CAG Region RTP is anticipated to be completed and adopted by CAG Regional Council, by the Board of Supervisors in both counties, and by the councils of CAG member cities and towns sometime in calendar year 2013.
- Fourth, there are two completed freeways in the CAG Region – Interstate 10 and US Rte. 60. These have existing transportation access, and are the best opportunity for developing new employment centers in the CAG Region.

Each of these tools can be leveraged to their greatest possible advantage for economic development. This can happen in two ways, which are the objectives of this goal:

1. Pro-actively plan for better transportation accessibility to the most immediately-developable employment centers
2. Pro-actively develop new employment centers adjacent to the existing freeway, where more immediate market opportunities in target clusters/industries means that new businesses can be developed in a shorter time frame.

Task Summary

- Support the development of the most market-ready employment/activity centers.
- Leverage the economic development opportunities revealed by the JPAC Freight Study.
- Leverage the CAG Region RTP process to maximize economic development opportunities.
- Leverage CAG's 5-Year TIP to maximize economic development opportunities.

Goal V. Develop Quality Infrastructure for Greater Economic Development

Like the previous discussion regarding transportation investments, this goal intends to develop the full range of quality infrastructure and facilities to the end of stimulating the greatest economic development success.

There is potential funding available from a number of sources that CAG has not taken the best advantage of during its history. The combination of creating a short-list of the best locations to

grow local and regional industries, combined with aggressive fund-seeking by CAG, its member agencies, and partners, could stimulate faster development of land and building assets for quicker economic growth.

- Through its Community Development Block Grant Program and annual TIP, CAG directs an average of \$7 million investments to transportation, water, wastewater, community improvements, public facilities and housing projects throughout the Region.
- Additionally, CAG member agencies annually make capital investments for a variety of community projects.
- Additional funding can be obtained through grant applications to US EDA, USDA-Rural Development, US Department of Housing, US Environmental Protection Agency, US Department of Energy, Arizona Commerce Authority, Arizona Department of Housing, Arizona Department of Transportation, the Arizona Governor's Energy Office, and Indian Communities under Prop 202.
- In 2009, the State authorized the use of public-private-partnerships, which provides the opportunity for private sector participation in transportation and other public facility investments.
- Home builders and land developers were very active in Pinal County during the decade of the 2000's, both entitling plans for future land development and subdivisions, and for construction of new housing subdivisions. A stronger working partnership with developers and builders who are in it for the long haul could result in additional private sector funding for their own benefit.

There are three general keys to making the development of quality infrastructure happen more quickly.

- Joint agreement by CAG member agencies on the highest-priority locations to focus upon for near-term development because of their greatest economic growth impact upon the Region;
- Cooperative partnering of CAG and its member agencies in aggressively seeking funding opportunities from state and federal agencies;
- A greater emphasis on helping each other prepare specific grant applications

The objectives of this goal are to:

1. Support the development of the most market-ready and high potential employment/activity across the CAG Region
2. Plan and program regional transportation, water, wastewater, public facilities, and telecommunication infrastructure investments to best stimulate near- and mid-term economic development upon the short-list of highest-potential locations throughout the Region
3. Support the development of fully improved industrial parks and buildings within the District, focusing especially on high-potential locations

Task Summary

- Develop a “highest-priority” set of locations for infrastructure and facility investments and for feasibility studies and economic development projects/programs.
- Market CAG District Investment Priorities to Potential Funding Partners
- Partner with CAG member agencies and other organizations to prepare grant applications.

Goal VI: Support Disadvantaged Mining-Dependent Communities & Indian Communities

It is an undeniable fact that many of CAG’s member agencies are small rural communities, most of which are mining-dependent, and Indian Communities that are all disadvantaged, long distances from the heart of economic activity in the Sun Corridor Mega-Region, and too under-resourced to devote staff time to proactive economic development.

This fact was recognized by the ED Committee workshop in April 2012, in the context of the value of the Arizona Association of Economic Development’s valued program in education and its focus on rural Arizona. Workshop participants suggested that the District’s more active economic development practitioners might help these smaller rural communities and Indian Communities, but resource constraints limit the extent to which much assistance can be provided.

It is also a fact that, although they are invited, representatives of small rural communities and Indian Communities rarely attend CAG ED Committee meetings. Alternative ways of engaging them and of providing economic development support need to be explored.

The objectives of this goal are:

1. Provide economic development support to disadvantaged small rural communities and Indian Communities
2. Leverage opportunities created by the location of mining activities
3. Leverage experience industry and tourism development opportunities based on CAG’s previous Tourism Strategy
4. Develop quality facilities and infrastructure and develop economic development programs to expand their economic base beyond experience industries and mining

Task Summary

- Explore ways to engage representatives of small rural communities and Indian Communities in CAG’s economic development program.
- Explore ways to provide economic development support to these communities.

- Ensure that the CAG Region Education, Workforce Development, and Economic Development Plan Addresses Realistic Opportunities and Programs.

Goal VII: Work Closely with Development Partners in Federal and State Agencies

The Objectives and 2012-13 Work Program respond to the needs of the CAG Region, and they are also quite aggressive. Funding for CAG’s economic development program is a concern, and resources may be too limited to achieve some of the Work Program tasks. It is imperative that CAG works closely with those Federal and State Agencies for their partnership and funding opportunities to sustain long-term momentum, programmatic development, and economic development results.

The objectives of this goal are:

1. Stay in frequent and close contact with federal and state agencies, and keep them current on the Work Program’s achievements
2. Keep federal and state agencies current on the needs of the CAG Region, its member agencies, and other economic development partners
3. Continually stay abreast of budget changes and funding opportunities of federal and state agencies
4. Also stay in frequent and close contact with utilities and other partnership organizations related to economic development

Task Summary

- Work closely with EDA’s Economic Development Representative in the development of potential future planning projects
- Work closely with Arizona USDA – Rural Development in the development of potential future projects and programs
- Develop a partnering relationship with US Small Business Administration and related organizations
- Develop a partnering relationship with the Arizona Commerce Authority
- Deepen and work closely with representatives of Arizona’s major electric utilities

CEDS Plan of Action

The fundamental purpose of a CEDS is to bring together the public and private sectors in the creation and implementation of an economic road map to diversify and strengthen regional economies. It is the result of a continuing economic development planning process.

The EDA provides assistance to Planning Organizations, such as the CAG Economic Development District, to develop, revise, and replace a CEDS. The CEDS Plan of Action is intended to address the following:

- Promote economic development and opportunity
- Foster effective transportation access
- Enhance and protect the environment
- Maximize effective development and use of the workforce consistent with any applicable state or local workforce investment strategy
- Promote the use of technology in economic development, including access to high-speed telecommunications
- Balance resources through sound management of physical development, and
- Obtain and utilize adequate funds and other resources.

In addition to these, federal agencies with responsibility for development-related activities began emphasizing “Livability Principles” in 2009. These include:

- Provide more transportation choices. Develop safe, reliable, and economical transportation choices to decrease household transportation costs, reduce our nation’s dependence on foreign oil, improve air quality, reduce greenhouse gas emissions, and promote public health.
- Promote equitable, affordable housing. Expand location- and energy-efficient housing choices for people of all ages, races, and ethnicities to increase mobility and lower the combined cost of housing and transportation.
- Enhance economic competitiveness. Improve economic competitiveness through reliable and timely access to employment centers, educational opportunities, services and other basic needs by workers, as well as expanded business access to markets.
- Support existing communities. Target federal funding toward existing communities – through strategies like transit-oriented, mixed-use development, and land recycling – to increase community revitalization and the efficiency of public works investments and safeguard rural landscapes.
- Coordinate and leverage federal policies and investment. Align federal policies and funding to remove barriers to collaboration, leverage funding, and increase the accountability and effectiveness of all levels of government to plan for future growth, including smart energy choices such as locally generated renewable energy.
- Value communities & neighborhoods. Enhance the unique characteristics of all communities by investing in healthy, safe, and walkable neighborhoods – rural, urban, or suburban.

Beyond these federal guidelines and principles, in 2009-10 the CAG District prepared and adopted a major Employment Centers Economic Adjustment Strategy, funded by EDA. The specific information, analyses, and conclusions of this regional and sub-regional strategy permeate CAG’s economic development program.

Additionally, FY2011-12 was a year of significant movement in the CAG Region.

- Statewide, and in the CAG Region, the full effect of the crash of the housing bubble took place. The drop in housing values slowed, but did not bottom. Arizona, including both Metro areas and the CAG Region, began a shift away from dependence on future population growth, continual expansion of the metro urban form, and housing completions. Housing is so important to Arizona economies as a source of both public revenues and of construction jobs that the need to replace it has re-stimulated actions to diversify and expand the economic base. FY2011-12 saw a renewed focus on economic development, with more resources devoted to some existing organizations, with a renewed focus on return on investment from economic development funding, and with a new focus on the creation of community economic development provision.
- FY2011-12 also saw much movement in leadership coupled with the pressure of lower public revenues across many agencies in the CAG Region. At the administrative level, new top executives, all coming from other states, began their tenures at CAG, Gila County, and Pinal County. A similar pattern began among some CAG member agencies. The official counts of the 2010 Census were released, with the effect that certain CAG member agencies are now large enough to obtain direct federal funding for Community Development Block Grants, for Workforce Improvement Act programs, and for possible future designation as a Municipal Planning Organization for federal transportation funding. At the present, there is much organizational flux within the CAG Region.
- Within CAG itself, FY2011-12 saw a more active economic development presence by CAG. These initiatives are the first of policy and programmatic changes towards a more active regional economic development role by the EDD – a role to support economic development. The CAG ED Committee has become much more engaged, culminating in the April 2012 Workshop. The issues and recommendations of the Committee have set the framework for this CEDS Plan.

Thus, CAG’s CEDS Plan of Action derives from applying these foundational elements to the specifics of the CAG District and CAG’s own regional planning activities as a Council of Governments. The broad strategy has three main thrusts:

Blend CAG Departments. As a Council of Governments, CAG planning is comprised of three regional planning functions:

- Regional transportation
- Workforce development
- Economic development

An important part of the CEDS Plan of Action is that all of



CAG’s regional planning functions will be blended toward the goal of stimulating the District’s economic development. Restated, this means that the main goal of all CAG programs is for the goal of economic development betterment.

- **Regional Transportation** – CAG is preparing a twenty-year transportation plan (RTP). CAG also annually prepares a five-year Transportation Improvements Program (TIP) of funding for specific transportation projects. The strategy is for specific project recommendations from both of these activities to be prioritized on the basis of economic development impact.
- **Workforce Development** – CAG has provided workforce training for the region for more than twenty years. The strategy is to combine economic development analysis that identifies existing and future growth industries with an occupational demand analysis for those, and thus fine-tune workforce development for the occupations that are in the greatest demand.

Culture of Cooperation. The CAG District has a number of community development providers that are focused on local territories, and several regional economic development organizations that cover sub-region territories. A continued culture of cooperation in the CAG District would enhance regional

economic development. This includes cooperation among District providers for better regional development, but it also includes stronger engagement and leadership from the private sector.

Further, as a strategic principle, the CAG District will seek to combine private investments to leverage those by public agencies. A real opportunity for this derives from the State’s recent enabling legislation for Public-Private-Partnerships (P3). The legislation allows for P3 to be used for transportation, other infrastructure, and facilities.

Lastly, the CAG District will focus on both inter- and intra-regional solutions. Inter-regionally, CAG will emphasize economic development planning for the District as a single region. Intra-regionally, CAG will cooperate and partner with adjoining mega-region counties through the Joint Planning Advisory Council (JPAC) and other partners for the Sun Corridor as a single mega-metropolitan region. An example of the latter is a possible industry cluster study for the entirety of the Sun Corridor.

A Regional Resource. The CAG District, a resource for regional economic development, will strategically enhance this role. In particular:

Goals	Objectives
Strengthen, expand and diversify the existing economic base within the CAG District	Encourage Business Development efforts to retain, expand, create or attract business enterprises within the District. Encourage small business development centers to serve the District. Draw regional/local business development centers and incubators in the District into a network and support systematic efforts to create and grow entrepreneurial, owner operated businesses. Build on transportation system related warehousing, distribution and logistics opportunities through the JPAC Freight Study Foster the expansion of existing and growth of new Economic Clusters within the District Identify feasible and desirable target industries and economic clusters in cooperation with local and regional EDOS in the District as well as MAG and PAG through the Sun Corridor Joint Planning Advisory Council (JPAC)
Improve the economic climate and economic development capability of the CAG District	Provide a Forum for sharing economic development related information, techniques, conditions and concerns in the CAG District among Economic Development professionals and volunteers Share insights on current economic conditions, needs, opportunities Review and update District economic development strategies including the CEDS Provide technical assistance and support as requested by CAG members Establish a workable revolving loan program within the District Support the development of economic development vision and strategy at the regional and local level Facilitate economic expansion and business developments through providing relevant and timely information
Enhance educational and workforce training opportunities	More completely integrate economic development and workforce development providers in the Region Gather and make available current workforce information within the District Better inform workforce development through economic and industry analyses
Develop quality infrastructure for greater economic development	Support the development of employment/activity centers as envisioned in the EDA-funded CAG Employment Center Adjustment Strategy Support the development of fully improved industrial parks and buildings within the District Support public facilities and services needed to encourage economic development in the District Plan and program regional transportation investments to best stimulate near- and mid-term economic development Support the development of state-of-the-art telecommunications infrastructure throughout the District
Promote & expand “experience industry” activities in the region	Define future experience industry and tourism opportunities, goals, objectives, strategies and action plan based on the existing Tourism Strategy Develop quality facilities and infrastructure to expand economic development potential of “experience cluster,” tourism and recreation opportunities in the District

- CAG will provide grant application support for member jurisdictions and their partners. Both state and federal grant opportunities will be pursued. CAG will provide both direct and indirect services for members.
- CAG will organize occasional forums for regional economic development solutions to a variety of problems. The forums would engage the region’s public and private partners, state agencies, and federal agencies. As an example, CAG has staffed the Pinal Town Hall for several years, and is planning a major event on regional economic development for it later in 2011.

Develop Regional Programs. CAG is an interface between its member communities and State-Federal agencies for economic development, transportation, workforce development, housing, and environmental quality.

The District will more completely leverage these relationships for the benefit of regional and community development. Specifically, the District will initiate programs for revolving loans, technical support, and regional support.

Performance Measures

– CAG Economic Development District

The following measures will be used in tracking economic development programs, projects and activities within the CAG District. These measures will also be applied to tracking the impact of projects undertaken in conjunction with implementing the CEDS.

Strategic Projects

This section is a list of Fiscal Year 2011-12 specific projects by CAG District members that support economic development in their local areas.

Measure	What Measure Means
Comparative Areas	<p>The CAG District is a region that competes in a global marketplace. To better monitor trends for the purpose of regional economic development, it is best to place the District in its competitive context by comparison to other geographies.</p> <ul style="list-style-type: none"> • Nation, State, Sun Corridor & Other Rural Counties • District & Counties • Communities (where applicable)
Population and Jobs	<p>The CAG District has more residents than its economy can sustain. This imbalance affects the region’s economic development, its public revenues, and out-commuting to jobs located elsewhere, which places a burden on transportation systems and air quality.</p> <ul style="list-style-type: none"> • Total population & jobs • Jobs-per-capita
Labor Force & Unemployment	<p>Labor force and unemployment are the summary measures of the interaction between the CAG District’s economy and its population. These are economic quality of life measures. The District has a low labor force participation rate and high unemployment rate. The unemployment rate is often required for federal government grant funding.</p> <ul style="list-style-type: none"> • Labor force measures, including participation rate • Unemployment rate • Out-commuting by industry
Components of Income	<p>Total personal income is the most complete measure of an entire regional economy. It has four major components:</p> <ul style="list-style-type: none"> • Dividends, interest & rent • Transfer payments to people • Earnings from jobs located within the District • Earnings from jobs located elsewhere
Per Capita Income	<p>Per-capita income is formally defined as a region’s total personal income divided by its population. Per-capita income is commonly used as a summary measure of economic quality of life, and is usually required for federal government grant funding.</p>
Industry Structure & Wages	<p>The CAG District’s economy is not completely developed, relative to its population base. Measuring trends in the composition of industries will be an important measure of its future economic development direction. The development of higher-wage industries is necessary to increase per-capita income.</p> <ul style="list-style-type: none"> • Employers and jobs by major industry, including self-employed • Aggregate average annual wages
Economic Base	<p>In order to have a healthy economy, the CAG District needs to create exporting and supplier industries, and to fill possible consumer trade gap. Measuring these parts of the regional economy will help monitor its sustainability.</p> <ul style="list-style-type: none"> • Excess jobs by export industries, supplier industries, non-basic industries • Aggregate average annual wages
Industry Cluster Development	<p>Developing industry clusters for regions and mega-regions that compete in the global economy is becoming a standard economic development strategy, emphasized by EDA. The CAG District should identify its existing industry clusters and monitor their performance to help guide development policies and programs.</p>

2015 - 2016 Comprehensive Economic Development Strategy Priority Projects CAG Region					
AGENCY	PROJECT DESCRIPTION	PROJECT IMPACTS	PROJECT TYPE	PRIORITY	COST
Apache Junction	Construction of water treatment plant	Critical to the community's ability to grow	Infrastructure	High	\$5,000,000
Apache Junction	Apache Trail & Old West HWY Intersection Improvements	N/A	Infrastructure	High	\$3,500,000
Apache Junction	Roadway improvements	Venue for public revenue generating events	Infrastructure	High	\$2,000,000
Apache Junction	Meridian DR reconstruction	Direct access to new hospital	Infrastructure	High	\$1,500,000
Apache Junction	Ironwood DR reconstruction	Direct access into and out of downtown	Infrastructure	High	\$750,000
Apache Junction	Roadway Improvements - Royal Palm to Tomahawk	N/A	Infrastructure	High	\$500,000
Apache Junction	Business Park study	Identify business characteristics and demand	Technical	High	\$165,000
Apache Junction	US 60 ramp construction	Open land for business/residential development	Infrastructure	Medium	\$5,000,000
Apache Junction	Water/Waste Water improvements Broadway/Cortez/Delaware Rd	Maintain/Improve adequate water supply for current and future development	Infrastructure	High	\$750,000
Apache Junction	Development of multi-use trails	Increased Tourism/Community wellness	Infrastructure	Low	\$920,000
Casa Grande	Kortsen I-10 interchange	Open land for business/residential development	Infrastructure	High	\$30,500,000
Casa Grande	Construction of community recreation center	Increased quality of life	Infrastructure	High	\$16,000,000
Casa Grande	Runway expansion project	Attract new aviation development	Infrastructure	High	\$5,000,000
Casa Grande	Development of linear park with amenities including walking trails	Increased quality of life	Infrastructure	High	\$3,000,000
Casa Grande	Wastewater effluent recharge project phase I	Support of future development	Infrastructure	High	\$2,500,000
Casa Grande	Main library expansion	Increased quality of life	Infrastructure	High	\$1,000,000
Casa Grande	Develop a 5-year economic development strategic plan	Recruiting and retaining businesses	Economic Development	High	\$50,000
Casa Grande	Hennes I-8 interchange	Open land for business/residential development	Infrastructure	Medium	\$30,500,000
Casa Grande	Val Vista I-10 interchange	Open land for business/residential development	Infrastructure	Medium	\$30,500,000
Casa Grande	Construction of a major community park including multiple amenities	Increased quality of life	Infrastructure	Medium	\$5,000,000
Casa Grande	Improved road access to the city's airport industrial park.	Recruit large manufacturing/industrial companies	Infrastructure	Medium	\$600,000
Casa Grande	Incubator development	Resources to sustain/improve businesses	Economic Development	Medium	\$150,000
Casa Grande	Blight Removal	Attracting new businesses	Beautification	Medium	\$100,000

Casa Grande	Renovate high school auditorium into performing arts center	Increased quality of life	Infrastructure	Low	\$5,000,000
Casa Grande	Ed Hooper Park Improvements	Increased quality of life	Infrastructure	Low	\$2,500,000
Coolidge	Roadway improvements	N/A	Infrastructure	High	\$70,000,000
Coolidge	Coolidge Industrial Park	N/A	Infrastructure	High	\$7,000,000
Coolidge	Road and intersection improvements	Adequate access to major employment centers	Infrastructure	High	\$6,000,000
Coolidge	Coolidge Airport Improvements	N/A	Infrastructure	High	\$5,000,000
Coolidge	Rail Siding and Spur construction	N/A	Infrastructure	High	\$4,000,000
Coolidge	Randolph Road Improvements	N/A	Infrastructure	High	\$1,800,000
Coolidge	Randolph Rail Feasibility Study	Rail served industrial at current employment center.	Infrastructure	High	\$125,000
Coolidge	Wastewater Treatment Plant conversion	N/A	Infrastructure	Medium	\$35,000,000
Coolidge	Roadway Improvements	N/A	Infrastructure	Medium	\$4,000,000
Coolidge	Installation of Solar Generation facility	N/A	Infrastructure	Medium	\$4,000,000
Copper Corridor EDC	Business Success Center	Business expansion and retention	Infrastructure	High	\$20,000
Copper Corridor EDC	Preserve history and characteristics of the region	Increased tourism	Monument	High	\$18,000
Copper Corridor EDC	Celebrate natural and cultural history	Increased tourism	Nature Festival	High	\$10,000
Copper Corridor EDC	Broadband expansion to un/underserved areas	Economic Development	Infrastructure	High	TBD
Copper Corridor EDC	Knowledge base of business data	Business expansion and retention	Inventory	High	\$10,000
Copper Corridor EDC/Pinal County	Expansion of broadband infrastructure and services within Pinal County	Improve business retention, education, and quality of life	Infrastructure	High	TBD
Eloy	Wastewater Treatment Plant Expansion	N/A	Infrastructure	High	\$46,200,000
Eloy	Construction of New Community Center	N/A	Infrastructure	High	\$8,000,000
Eloy	Water system improvements	Business creation and retention	Infrastructure	High	\$6,451,250
Eloy	Water System Improvements – Sunland Gin & I-10	N/A	Infrastructure	High	\$5,000,000
Eloy	Water System Improvements – Toltec Road & I-10	N/A	Infrastructure	High	\$5,000,000
Eloy	Pavement of Rural Roads – PM10 compliance	N/A	Infrastructure	High	\$5,000,000
Eloy	Battaglia Road Reconstruction	N/A	Infrastructure	High	\$4,500,000
Eloy	Main Street Reconstruction – Frontier to Battaglia	N/A	Infrastructure	High	\$4,000,000
Eloy	Increase waste water treatment plant capacity to 4MGD	N/A	Infrastructure	High	\$3,500,000
Eloy	Battaglia Road Improvements	N/A	Infrastructure	High	\$3,500,000
Eloy	Toltec Road Reconstruction – I-10 – Battaglia Road	N/A	Infrastructure	High	\$3,000,000
Eloy	Sunshine Blvd Reconstruction – Frontier to Battaglia	N/A	Infrastructure	High	\$1,400,000
Eloy	Frontier Street Resurfacing	N/A	Infrastructure	High	\$1,240,000
Eloy	Toltec Subdivision Sewer Construction	N/A	Infrastructure	High	\$850,000
Eloy	Regional Drainage Study	N/A	Infrastructure	High	\$300,000
Eloy	Main Street Eloy Beautification	N/A	Infrastructure	High	\$300,000

	Project				
Eloy	Develop GIS Database & Mapping System	N/A	Technical	High	\$250,000
Eloy	Public Safety Communication Tower & equipment building	N/A	Infrastructure	High	\$250,000
Eloy	Frontier Street Beautification	N/A	Infrastructure	High	\$250,000
Eloy	Downtown Theater Acquisition and Renovation Project	N/A	Infrastructure	High	\$200,000
Eloy	Downtown revitalization	Business creation and retention	Economic Development	High	\$125,000
Eloy	Citywide Removal of Dilapidated Structures	N/A	Economic Development	High	\$100,000
Eloy	2012 Impact Fee Study Update	N/A	Technical	High	\$85,000
Eloy	City Entry Monumentation	N/A	Economic Development	High	\$40,000
Eloy	Eloy Water Tower Public Arts Project	N/A	N/A	High	\$30,000
Eloy	New Police Department Construction	N/A	Infrastructure	Medium	\$10,000,000
Eloy	Regional Park	N/A	Infrastructure	Medium	\$8,800,000
Eloy	Development of Old Toltec School as Community Museum	N/A	Economic Development	Medium	\$300,000
Eloy	Airport Industrial Park	N/A	Infrastructure	Low	\$65,000,000
Florence	New Public Works facility	More responsive to business and residential needs.	Infrastructure	High	\$50,000,000
Florence	Remove land from floodplain.	Open land for business/residential development	Infrastructure	High	\$20,000,000
Florence	Merrill Ranch Wastewater Treatment Plant	Support new and existing development	Infrastructure	High	\$8,000,000
Florence	Intersection improvements	Safe passage for employees and residents	Infrastructure	High	\$4,000,000
Florence	Intersection improvements	Business expansion and retention	Infrastructure	High	\$2,000,000
Florence	Main street drainage project	Protect current businesses from flood damage	Infrastructure	High	\$1,500,000
Florence	Water/Wastewater Master Plan	Better serve existing and new properties.	Infrastructure	High	\$400,000
Florence	GIS Infrastructure	Assist business community with support services.	Technical	High	\$100,000
Florence	Update Capital Improvement Plan	Attract and retain quality businesses.	Infrastructure	High	\$50,000
Florence	Wastewater treatment plant expansion	Attract new businesses	Infrastructure	Medium	\$8,000,000
Florence	Industrial Park Study	Attract new businesses	Economic Development	Medium	\$35,000
Florence	Road Improvements	Attract new business	Economic Development	Medium	\$750,000
Gila County	Abandon housing demolition	Neighborhood Cleanup	Economic Development	Medium	\$500,000
Gila County	Housing Rehabilitation	Neighborhood restoration	Economic Development	High	\$1,000,000
Gila County	Affordable Housing Master Plan	Provide housing to attract & retain workers	Economic Development	High	\$60,000
Gila County	New Signal Peak Communications Tower	Public safety and emergency services	Infrastructure	High	\$2,500,000
Gila County	County Fairgrounds Improvements (Race Track)	Expand events & attract new businesses	Economic Development	High	\$5,000,000

Gila County	Landfill Expansion Purchase (Townsite Act)	Increase County growth capacity	Infrastructure	High	\$4,000,000
Hayden	Upgrade to lift/primary pump stations	N/A	Infrastructure	High	\$350,000
Hayden	New Mountain View Street improvements	N/A	Infrastructure	High	\$160,000
Hayden	Engineering for wastewater project/ADA doors	N/A	Infrastructure	High	\$137,000
Hayden	San Pedro Ave sidewalk construction/renovation	N/A	Infrastructure	Medium	\$375,000
Hayden	Home & business demolition	N/A	Economic Development	Medium	\$300,000
Hayden	Cemetery upgrade and land purchase	N/A	Infrastructure	Medium	\$200,000
Hayden	Develop Hayden Master Plan	N/A	Economic Development	Medium	\$75,000
Kearny	Roadway Improvements	Open land for business/residential development	Infrastructure	Medium	\$1,000,000
Kearny	Construction of new fire station	Enhanced response from Fire Department	Infrastructure	Medium	\$1,000,000
Kearny	Construction of Multi-use facility	Improved quality of life	Infrastructure	Medium	\$1,000,000
Kearny	Construction of 24 hour urgent care facility	Serve residents and meet needs of the 24/7 mine	Infrastructure	Medium	\$1,000,000
Kearny	Local Street Paving	Safety, drainage, business relocation	Infrastructure	Medium	\$950,000
Kearny	Street lighting - Public safety and meet Dark Sky standards	Public safety, business relocation	Infrastructure	Medium	\$200,000
Kearny	Fire hydrant replacement	Protect structures in the community and save lives.	Infrastructure	Medium	\$75,000
Kearny	Public swimming pool renovations	Increased quality of life	Infrastructure	High	\$2,000,000
Kearny	Kearny Lake and water quality improvements	Increased tourism	Infrastructure	High	\$1,000,000
Kearny	Repair and upgrade of water wells	Business attraction and retention	Infrastructure	High	\$1,000,000
Kearny	Wastewater Treatment Facility Improvements	N/A	Infrastructure	High	\$500,000
Kearny	Lake park facilities construction	Increased tourism	Infrastructure	High	\$250,000
Kearny	Housing rehabilitation	Stabilizes the housing stock in the community	Infrastructure	High	\$250,000
Kearny	Airport improvements	Attract new businesses	Infrastructure	Medium	\$1,335,000
Kearny	New wells to decrease reliance on Gila Water Accords	Improve water quality, business relocation	Infrastructure	High	TBD
Kearny	Gila River Park	Tourism and recreation	Community Development	Medium	\$500,000
Kearny	Garbage truck	Maintain sanitation	Community Development	High	\$350,000
Kearny	Fire truck(s)	Public Safety	Community Development	High	\$350,000
Kearny	Offroad Vehicle Park	Tourism and recreation	Economic Development	High	\$150,000
Kearny	Rail and Copper Park improvements	Tourism and recreation	Community Development	Medium	\$185,000
Mammoth	Update well pumps and sewer infrastructure	Community Development	Infrastructure	High	TBD
Mammoth	Water main line replacements	Community Development	Infrastructure	High	TBD
Maricopa	Remove land from floodplain	Open land for business/residential development	Infrastructure	High	\$25,000,000

Maricopa	Aquatics center construction	Increased quality of life	Infrastructure	High	\$20,000,000
Maricopa	Multi-Use sports facilities	Increased quality of life; program expansions	Infrastructure	High	\$20,000,000
Maricopa	Land, design and construction of City Complex.	P3 opportunities; impact is multi-million dollar	Infrastructure	High	\$15,000,000
Maricopa	Relocation of Amtrak Station	Increased tourism	Infrastructure	High	\$2,000,000
Maricopa	Rewrite antiquated zoning code	Flexibility in development.	Technical	High	\$200,000
Maricopa	Guidelines for revitalization area	Key part of the City's economic development plans.	Technical	High	\$100,000
Maricopa	Maricopa Industrial Park	Attract new businesses	Technical	High	\$50,000
Maricopa	Support services for incubators and local companies	Creating jobs and increasing economic wealth	Infrastructure	Medium	\$6,000,000
Miami	Capacity and efficiency sewer improvements	N/A	Infrastructure	High	\$3,000,000
Miami	Town pool facilities renovation	N/A	Infrastructure	High	\$1,000,000
Miami	Bridge/Park rehabilitation and renovation	N/A	Infrastructure	High	\$500,000
Miami	Sewer system improvement	N/A	Infrastructure	High	\$475,000
Miami	Sullivan Street and connector streets improvements	N/A	Infrastructure	High	\$400,000
Miami	Modification of sidewalks for ADA compliance	N/A	Infrastructure	High	\$250,000
Miami	Rose Road improvements	N/A	Infrastructure	High	\$200,000
Miami	Demolition/renovation of vacated properties	N/A	Economic Development	Medium	\$5,000,000
Payson	Addition of 16 miles of pipeline and a water treatment plant	Increase business and residential development	Infrastructure	High	\$30,000,000
Payson	Purchase 200 acres of land and construct a business park	Allow for the development of businesses	Infrastructure	High	\$16,000,000
Payson	Land acquisition	New business retention and aviation attraction	Infrastructure	High	\$2,740,000
Payson	Development of linear park	Further business develop. on main street corridor	Infrastructure	High	\$2,350,000
Payson	Rebuild floodway area of the American Gulch	Attracting new businesses	Infrastructure	High	\$2,200,000
Payson	Renovate event center	Night time revenue generating events	Infrastructure	High	\$600,000
Payson	Roadway Improvements	Attract and retain weekend visitors	Infrastructure	High	\$600,000
Payson	New road construction in the Rumsey Drive alignment.	Connection with major shopping areas	Infrastructure	High	\$560,000
Payson	Add solar organic LED pedestrian and area lighting	Nighttime revenue generating events.	Infrastructure	High	\$310,000
Payson	Master plan for park system	Increased tourism	Technical	High	\$130,000
Payson	Construction of new roadway	Allow for the development of businesses	Infrastructure	Medium	\$980,000
Payson	Reconstruction of Manzanita	Open land for business/residential development	Infrastructure	Medium	\$880,000
Payson	Construct 267 space parking lot on town property	Public revenue generating events	Infrastructure	Medium	\$775,000
Payson	Continuation of trail system	Increased tourism	Infrastructure	Low	\$1,275,000

Pinal County	Hunt Highway improvements	N/A	Infrastructure	High	\$20,500,000
Pinal County	San Tan Valley Roadway Improvements	N/A	Infrastructure	High	\$6,520,140
Queen Creek	Construction of 100 year storm channel	N/A	Infrastructure	N/A	\$9,000,000
Queen Creek	Construction of a lane bridge	N/A	Infrastructure	N/A	\$4,200,000
Queen Creek	Construction of 100 year storm channel	N/A	Infrastructure	N/A	\$3,600,000
Queen Creek	Environmental project management.	N/A	Infrastructure	N/A	\$2,000,000
Queen Creek	Pedestrian walkway enhancements	N/A	Infrastructure	N/A	\$248,000
Queen Creek	Construction of center turn lane	N/A	Infrastructure	N/A	\$150,000
Queen Creek	Installation of sidewalk along Ocotillo and Ellsworth	N/A	Infrastructure	N/A	\$85,000
Superior	Roadway Improvements	Well maintained roads attract new businesses	Infrastructure	High	TBD
Superior	Wastewater treatment plant upgrades	Attract and sustain businesses	Infrastructure	High	\$800,000
Superior	Renovation of Facility	Attract new businesses	Infrastructure	High	\$500,000
Superior	Footbridge from Magama Club to the Canyon Trail Segment	Increased tourism	Infrastructure	Medium	\$400,000
Winkelman	Creation of new businesses/jobs	N/A	Economic Development	High	Unknown
Winkelman	BLM land annexation for development	N/A	Annexation	High	\$5,000,000
Winkelman	Upgrade Winkelman Wastewater Plant	N/A	Infrastructure	High	\$300,000
Winkelman	Purchase of heavy equipment for the town	N/A	Infrastructure	High	\$200,000
Winkelman	Demolition of building	N/A	Economic Development	High	\$150,000
Winkelman	Security fencing & upgrades to town yard	N/A	Infrastructure	High	\$100,000
Winkelman	Development of Community Master Plan	N/A	Economic Development	High	\$80,000
Winkelman	Regional Park with recreation facilities	N/A	Infrastructure	High	\$50,000
Winkelman	Hwy 77 beautification and ADOT drainage	N/A	Infrastructure	High	\$50,000
Winkelman	Copper Corridor ore cart installation	N/A	Economic Development	High	\$10,000
Winkelman	Construction of Community/Youth Center	N/A	Infrastructure	Medium	\$500,000
Winkelman	Paving of town streets	N/A	Infrastructure	Medium	\$500,000
Winkelman	Renovation of buildings for commercial use	N/A	Economic Development	Medium	\$500,000
Winkelman	Housing rehabilitation	N/A	Economic Development	Medium	\$300,000
Winkelman	Cobo Lane beautification and park entrance design	N/A	Infrastructure	Medium	\$150,000
Winkelman	New garbage truck and packer	N/A	Infrastructure	Medium	\$150,000
Winkelman	Extending Town Hall to add magistrate court	N/A	Infrastructure	Medium	\$100,000
Winkelman	Job Training Center	N/A	Economic Development	Low	TBD
Winkelman	Develop town Police Department	N/A	Infrastructure	Low	\$500,000
Winkelman	Museum	N/A	Infrastructure	Low	\$200,000
Winkelman	Fire Station Renovation	N/A	Infrastructure	Low	\$100,000