

Comprehensive Economic Development Strategy 2018-2023

TOWN OF ORO VALLEY

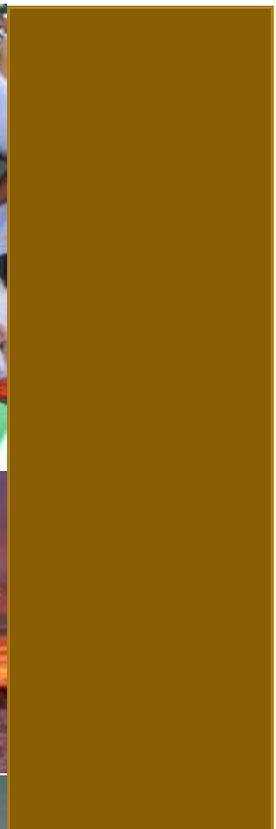


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INTRODUCTION

ECONOMIC DEVELOPMENT AND THE TOWN'S GENERAL PLAN



When the residents of Oro Valley, Arizona were brought together to create the 2016 Your Voice, Our Future General Plan, they overwhelmingly envisioned the need for long-term financial sustainability. They envisioned a diverse and dynamic economy that would support a wide-range of services such as shopping, housing, high quality parks and recreational amenities, arts and culture and exceptional city services. Today, the community enjoys high quality infrastructure, including streets, public utilities and exceptional fire and police protection.

The Your Voice, Our Future General Plan has set the foundation to guide and direct the priorities of their local government and the outcomes they envision for the community. Specifically, the community set some clear policies related to economic development and economic sustainability:

- Develop a diversified and robust economic base to support long-term economic stability.
- Establish programs, strategies, investments and financial incentives that advance the Town's economic prosperity.
- Create a targeted and coordinated marketing campaign targeted to primary employers.
- Promote Oro Valley as an ideal destination for economic activity, tourism, shopping, cultural attractions, research and development.
- Support the Oro Valley workforce and residents through education and training programs and needed services and amenities.
- Support annexations that are economically beneficial to the Town while also considering the impacts to residents and the social, aesthetic and environmental quality of the Town.
- Maintain financial stability for Town operations, programs and services.

The purpose of this report is to provide an implementation framework to support the community's goals, identifying issues, barriers, and opportunities that translate into specific tactics the Town can undertake in order to achieve the vision outlined in the Your Voice, Our Future plan as related to economic development. This document is being referred to as the Comprehensive Economic Development Strategy (CEDS) Game Plan.

WHAT IS ECONOMIC DEVELOPMENT?

Economic development teams work to attract, expand and retain primary and service related employers and jobs in the community. Securing the community's financial health is accomplished by expanding and diversifying the community's tax base and is typically measured through tax revenue to the state and local governments.

Economic development definitions have evolved to describe an entire process of developing economic, social and political environments in which suitable, balanced growth over a period of years may be realized. The International Economic Development Council (IEDC) recently described economic development as the people and the profession being involved in building robust, resilient and inclusive economies.

Community development, on the other hand, focuses on making the community a better place in which to live and transact business. Issues such as housing diversification, continuing education, workforce development and transportation development are a continuing necessity and are closely tied to successful economic development. Some of those challenges and opportunities are also addressed in this CEDS Game Plan.

In order to achieve the economic policies identified in the Your Voice, Our Future General Plan, the town needs more specific strategies and tactics to clearly convey the Town's intentions and set forth actionable steps that result in proactive and positive outcomes consistent with the community's expectations. This report is designed to provide a five-year framework for such a vision. Oro Valley must become more engaged in the global marketplace in order to retain its place in the future of the region.

CREATING A COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS)

The Town of Oro Valley CEDS Game Plan is the result of an in-depth analysis of Oro Valley's economic strengths and weaknesses, regional economic trends and related economic information. An important component of the report is the input of over ninety (90) interviews with key leaders, executives and other officials representing business and industry, education and workforce, government and strategic economic development allies. A list of the categories of individuals who participated in the confidential interview process can be found in Appendix A.

Extensive research on the community's economic bases and service sector employers was conducted, with hundreds of employer targets vetted. The North American Industry Classification System (NAICS) was evaluated to enhance precision primary employer targeting relative to linking to national standards. This will enable Oro Valley to accurately classify and direct business development opportunities within the local community and link those to the U.S. Business Economy.

The CEDS Game Plan puts into play active strategic alliances with both public and private sector organizations. The game plan connects prospective employers to prospective employees. It identifies specific strategies and tactics to connect producers with suppliers and service providers. This game plan will be used to stimulate the interest of prospective investors and to help the Town's professional team measure and manage the complex processes inherent in community and economic development.

The Town of Oro Valley has a robust community, a stable revenue base, strong bond-rating and a Council-approved financial policy that has collectively led to and supports fiscal sustainability. To ensure that is sustained and enhanced, the Town must also have a strong game plan that continuously scores wins that enable economic and tax base expansion.

ECONOMIC DEVELOPMENT SITUATION ANALYSIS

OVERVIEW

The Town's long-term financial stability as a community needs a strong and diversified economy. The best way to shape the future economy is to help create it. Not only for current residents, but also for future children, grandchildren and generations to follow. Well planned economic development can positively impact the direction of a local government and its economy. For Oro Valley, the extensive research conducted in preparing this Game Plan have highlighted some areas in which there are some perceptions, past practices, and potential unintended consequences that will require attention in the short term in order to build momentum for expanding economic development opportunities.

Many of the 90+ stakeholders have noted specifically that a lack of attention to economic development will almost certainly negatively impact the future of the Oro Valley Marketplace, the Your Voice, Our Future goals tied to a complete community vision and the planned bio incubator in Innovation Park, among other things. The seating of a newly elected Town Council majority has had an unintended consequence of causing uncertainty in the real estate, business attraction/expansion and business development realm. It is the Town Council's policy direction that will ultimately determine the community and economic development future for Oro Valley. Staff implementation of this Game Plan can support a Town Council vision to set a positive economic development direction for the community, significantly reducing that uncertainty and helping to communicate to current and future business owners that the economic health of the Oro Valley community remains a priority. Since business owners do not easily accept risk and uncertainty, setting a solid economic development vision is essential to mitigate negative perceptions.

THINKING ABOUT THE FUTURE

In order to develop a sustainable strategy, economic development professionals recognize that taking time to identify emerging trends, potential opportunities and threats is crucial. The Economic Development Research Partners (EDRP) group recently authored a report entitled "Future Ready – Preparing for Tomorrow's Economy", describing likely future changes in the economic development ecosystem nationally, along with targeted approaches that organizations can use to make their communities "future ready."

Some of the more pronounced and needed practices within our local economic development programs should address a myriad of issues, ranging from global competitiveness to sustainability. Take Ventana Roche, part of an international business organization. Within any multi-state or multi-national organization there is always an internal competition for resources, including capital and talent. So whether the Town addresses local micro or global macro challenges, the need for sustainability, innovation, and economic recovery all potentially weave into the Town's CEDS Game Plan. The Town also continues to focus on place making, talent attraction and engagement. Oro Valley's ability to compete for and win great projects is largely dependent on the Town's ability to adapt, innovate and appropriately evolve as a community.

In addition to the independent assessment conducted for this report, the findings and recommendations also incorporate this “future ready” framework to the extent appropriate for Oro Valley. The programs, strategies and deployment tactics outlined in this report are focused on advancing the community’s economic prosperity while also providing intergenerational equity to all who live in Oro Valley.

KEY ASSETS & ISSUES

An important first step in determining the future strategic direction for economic development in the Town of Oro Valley is to assess the Town and organization’s key issues. By honestly evaluating these areas, trends and issues are easily identified and can be addressed or minimized. The following are some of the key assets and issues identified by the 90+ interviewees in this process, as well as the independent evaluation by the Community and Economic Development Director.

Talent and Fiscal Health

- ◆ Strong fiscal stability of the Town government despite lack of local property tax.
- ◆ Beautiful community setting and year round climate.
- ◆ Engaged community members who deeply care about the future of Oro Valley.
- ◆ Location in southern Arizona which continues to attract innovative new employers.
- ◆ Durability and sustainability of community despite economic downturns.
- ◆ Thorough vision articulated in the Town’s voter-ratified General Plan.
- ◆ High per capita and household income.
- ◆ Highly educated/professional people live in the community.
- ◆ Excellent talent pool. Readily available to new and expanding primary employers.
- ◆ Vibrant entrepreneur community within the region and state of Arizona.
- ◆ Three local Venture Capital growth funds; \$450 million available in Arizona.

Infrastructure/Services

- ◆ Superior community infrastructure (roads, water, waste water, recreation) and others.
- ◆ Excellent health care availability and strong wellness focus.
- ◆ Outstanding quality of life inclusive of strong safety and abundant outdoor recreation.
- ◆ Environmental stewardship, fitness, education, innovation, public safety.
- ◆ Safe neighborhoods, smooth roads, quality parks and other community assets.
- ◆ Highly rated education options available to area residents, from primary to post graduate; education contributes to strong and sustainable workforce.

Business Development

- ◆ Need for economic base diversification. Growing competition for talent and projects.
- ◆ Perceived poor business climate and growing uncertainty, Town perceived as not “business friendly.”
- ◆ Only community in the region without an incentive policy/program for business attraction, putting the town at a significant competitive disadvantage.
- ◆ Oro Valley Marketplace: Density at/near site not supporting retail. Underperforming tenants relative to peers in regional, state and national marketplace.

- ◆ Poor/absent/outdated signage and sign code impacting Oro Valley Marketplace and other key retail centers, making it difficult to draw traffic in from Oracle, Tangerine, La Cañada, etc.
- ◆ No defined downtown. Conflicting opportunities to “save” the Oro Valley Marketplace versus trying to induce establishment/enhancement of a separate ‘place making’ retail attraction area.
- ◆ Misplaced focus on heavy planning over efficiently-executed primary employer development.
- ◆ Lack of shared economic development vision, translating into lack of coordinated marketing and sales efforts.
- ◆ Lack of competitive toolkit.
- ◆ Excessive ordinances, e.g. odor abatement, landscaping, open space, drainage, sign codes, 1% public art, rezoning.
- ◆ Lack of a predictable process.
- ◆ Rigorous review process of town codes and ESLO often not clear and consistent in application and interpretation.
- ◆ Outdated zoning codes and building codes across the board.



Residents/Housing/Transportation

- ◆ Cyclical nature of community residents results in wintertime residents pumping the local economy, bringing correspondent capital flight in the summer.
- ◆ Town is complaint-oriented -- loudest voices get unequal attention.
- ◆ Lack of some key community assets and ‘cool vibe’ to attract millennial workers.
- ◆ Inadequate diversity of housing types. High density confused with “lower class.”
- ◆ Lack of executive level furnished housing near tech parks.
- ◆ Lack of local employment opportunities (both primary and secondary) for primary wage earner and trailing spouse.
- ◆ Majority of adult residents drive out of town to earn a living.
- ◆ Lack of affordable workforce housing and congruent transportation to and from major job sites.
- ◆ Bus system is inefficient to non-existent to/from work sites.
- ◆ Poor access to I-10 and Tucson International Airport.
- ◆ Comparative higher costs of living and housing options.
- ◆ Lack of affordable childcare.

Available Sites and Buildings

- ◆ Lack of shovel ready/permit ready sites as well as spec buildings.
- ◆ High cost of very limited tech park land and perceived lack of political will to add more.
- ◆ Lack of fillable business incubator/accelerator while surrounding communities continue to offer these options.
- ◆ Lack of Oro Valley economic development presence on regional, state, national and international websites.
- ◆ Cost/availability of real estate, utilities and dark fiber.
- ◆ Missed annexation opportunities during a time that the town is approaching ‘build out.’
- ◆ Reliability issues with power, internet and telephone connectivity.

FIVE-YEAR STRATEGIC ACTIONS

As a result of the economic analysis, input from interviewees, and evaluation of the policies and goals outlined in the Your Voice, Our Future General Plan, the following actions and initial tactics are proposed to move the community's economic vision to a reality. These actions cover a five-year period and the CED Director and his staff will take the lead in working them into annual work plans.

Generate high quality primary employer prospects and convert them into active prospects for Oro Valley.



Proactively seeking and working potential employer prospects is a crucial foundation to meeting the goals outlined in this plan. While leads are sometimes forwarded from regional or state partners, it is the grassroots approach working with other businesses, Town leaders, and engaging with regional partners that will prove most fruitful in the long term in attracting primary employers that provide base jobs paying significantly above the average industry wages in Pima County. To that end, the following tactics will be employed:

- ➔ Develop a visionary industry segment cluster approach for attracting and expanding new primary employer locations and new primary employer job opportunities to the Town of Oro Valley.
- ➔ Develop and maintain an annual minimum of seventy active primary employer prospects in the Town's pipeline and close at least 5% of those (as an annual average) during the next ten years.
- ➔ Establish as a primary goal attraction/expansion of a minimum of 20-30 primary employers into Oro Valley during the next ten years, with a corresponding addition of 3,000-4,500 new primary job opportunities to the community.
- ➔ Recruit, train and mobilize collaborative, internal and external project teams to proactively develop and guide new primary employment leads showing promise to the Town of Oro Valley.
- ➔ Create collaborative alliances with local business, industry, government, education and workforce leaders to provide periodic updates that link targeted jobs with targeted industries.
- ➔ Forge development alliances with local producers, suppliers and service providers who will create relationships which will benefit all parties.

Maximize opportunities to attract businesses within the ‘Start-up Economy.’



All across the country, entrepreneurs are founding and building new companies that use technology in innovative ways. This startup ecosystem provides a rich environment in which the Town of Oro Valley can potentially compete. As a target sector, start-up businesses have some different needs and are attracted to different things. While Oro Valley may not be a good fit for all start-ups, there are opportunities that can be pursued as part of the Town’s economic development strategy. The following tactics will support such an effort:

- ➔ Support the BioSA Incubator/Accelerator facility and program planned for Innovation Park.
- ➔ Link to the University of Arizona Innovation Ecosystem to attract faculty and staff to Oro Valley via the future Veterinary College scheduled to begin with its first cohort in the Fall of 2020, or other disciplines that fit into the Town’s targeted industries.
- ➔ Grow the bio economy in Oro Valley with a focus on retaining and expanding diagnostics and discovery firms.
- ➔ Link primary technologies already present in Bio employers in Oro Valley (such as translational genomics, clinical pathologies, immuno-histo chemistry, in-situ hybridization, disease security/data mining and machine learning technologies) to attract new workers and employers to the community.
- ➔ Collaborate with allied organizations and create shared messaging and branding, growing inclusivity and convergence of the ‘creative class’ in Oro Valley.
- ➔ Collaborate with the University of Arizona, Arizona State University, Pima College and other higher institutions to identify potential tech-transfer opportunities with prospective academic entrepreneurs.
- ➔ Develop strong relationships with area venture capital firms to assist prospective entrepreneur prospects.
- ➔ Seek ways in which regional resources, such as Start-up Tucson and the Pima County Small Business Development Center, can be utilized to help educate and support prospective entrepreneur prospects.
- ➔ Develop a strategy to identify, engage and support community-based “solopreneurs” (consultants, early retirees, freelancers) and others who want to create new businesses.
- ➔ Attract consulting service providers, such as accountants, architects, artists/artisans, engineers, scientists, management consultants, and others to Oro Valley.
- ➔ Create and house specific start-up opportunities and link existing empty buildings to those specific opportunities.

Develop an incentive program designed to attract primary employers and other businesses with significant local economic impacts.



The Town of Oro Valley lacks a formal incentive policy or program, and having such a program is critical to Town's ability to win highly competitive primary employer projects. Within the region, Oro Valley is the only metropolitan community without such a program, and it puts the Town at a competitive disadvantage. These programs are not all equal, but some examples of what other regional cities offer, all depending on the economic impact to the community, include:

- ✓ Construction tax reimbursement.
- ✓ Providing funding assistance for utility hook-ups.
- ✓ Funding construction of critical infrastructure.
- ✓ Employee relocation assistance reimbursement.
- ✓ Allowances for landscaping, facades and signage.
- ✓ Expedited development reviews.
- ✓ Fee waivers/reductions.
- ✓ Incentive fund availability.

The following tactic is proposed:

- ➔ Analyze economic development incentives offered by Arizona communities and develop proposed incentive policy for presentation to the Town Council.

Attract retail to Oro Valley that is supported by area demographics.

The Your Voice, Our Future General Plan includes a vision for a “complete” community, one in which connections for residents to live, recreate, dine and shop are created within the community. Over the past two years, the planning effort undertaken to make that vision a future reality has been the “Main Streets” project. Regardless of the vehicle or approach, the Town needs to continue to focus on ways in which existing and planned retail areas can be successful given the current retail shopping trends affecting the entire country. It is estimated that the densities previously identified to successfully support retail districts is now 50% higher with the transition to extensive on-line shopping. Recent confirmation that the Fry's grocery store at Lambert and La Cañada will be relocating is a rallying cry for the Town to quickly identify, and more importantly implement, strategies that will make reinvestment in vacant buildings and development of empty pads at such retail centers attractive for



- ➔ Update and enhance the economic development information on the Town’s website, seeking ways to connect prospects to all Town, regional and state information and incentives as a one-stop shop.
- ➔ Identify specific, targeted primary audiences for Town economic development marketing opportunities and focus outreach strategy accordingly.
- ➔ Innovate and expand economic development messaging as a vital community priority.
- ➔ Elevate and resolve community competitiveness challenges.
- ➔ Identify potential customized research that could be of benefit to business prospects and prepare and post information to the Town’s website.
- ➔ Develop a strategy to maximize social media in the Town’s business recruitment arena and within the region.
- ➔ Identify ways in which area businesses can partner with the Town to promote Oro Valley as a business location destination.
- ➔ Expand the depth and breadth of Business Retention and Expansion efforts to ensure existing businesses are supported.

Attract talent to support current and future primary employers and fuel new business/entrepreneur growth.



The attraction and retention of world class talent is a crucial centerpiece of creating and sustaining a world-class community and economic development game plan for Oro Valley, one that will serve the community well for decades to come. Talent becomes more ubiquitous each and every day; and Oro Valley needs world class talent to compete and win in the global marketplace.

Oro Valley represents only 36 square miles of Pima County’s 9,187 square miles. While Pima County boasts a population of over one million residents, Oro Valley has less than 50,000 year-round residents. More than 13,000 adult workers who live in Oro Valley leave the community to work in neighboring communities and about 8,000 workers who live in neighboring communities travel to Oro Valley to work.

The “Gig Economy” is being fueled by “Solopreneurs,” many of whom were casualties of the disruptive forces brought forth from the 2008 recession. Eight million people across the country work from home; enterprising people who lost their steady employment created opportunities to freelance their work. Today, freelancing in the gig economy can provide a diverse and even exciting model of self-employment. Freelancing is more flexible due to the ever-expanding global marketplace and its vast technological innovations. E-Commerce enables a multi-national, multi-cultural exchange of professional services.

Millennials are approximately 20% of Oro Valley’s population and Baby Boomers represent another 35%--collectively more than 50% of the community’s population. By 2020, 40% of millennials will work from home. National trends indicate that millennials have general preferences for smaller scale community assets focused on active lifestyles. Like all workers, they also seek career-oriented

commerce, and could be a resource to tap into in helping repurpose vacant buildings with shared workspace. In addition, the “Silver Tsunami” also offers Oro Valley some exciting opportunities, as 40% of the new “Encore Entrepreneurs” are over the age of fifty.

- ➔ Identify opportunities to facilitate the creation of co-working space to help accommodate the emerging independent workforce.
- ➔ Partner with local businesses, workforce development organizations, higher education and other key stakeholders in developing an inclusive strategy to connect local and emerging talent with current and future employers.

Review and appropriately modify Town codes to mitigate unintended consequences that put the Town at a regional competitive disadvantage.



The research, interviews and analysis conducted in preparation of this CEDS Game Plan identified a recurring theme regarding some development requirements and processes that result in costs not competitive with surrounding areas. It is understood that the Town of Oro Valley offers a commodity—a high quality community with unparalleled views—that itself results in higher land costs, attractive buildings at the higher end of the cost scale, and higher commercial rents. The Town must maintain the

underlying values that makes Oro Valley a highly desired place to live. But there are some requirements that have room for improvements and modifications that could serve to help Oro Valley better compete for primary sector employers as well as retailers.

Also addressed further in this report, the Town does not have a reputation of moving at the ‘speed of business.’ Internal staff process improvements are noted later, but the overall processing of proposals for zoning modifications and site plans not included in the Town’s EEZ zone require significant steps and months of review. Resident input is important, but it should be noted that most communities apply the same administrative review process to commercially-zoned properties as the Town has introduced in the EEZ zone. To date, the administrative review for projects developed in Innovation Park have been very successful. The City of Tucson tapped into the Intergovernmental Agreement it had executed with Pima County to utilize the resources of the county’s building plan review team for the recently-approved Amazon building. Pima County was able to complete its full review and position the City of Tucson to issue a building permit within one week. That’s the kind of speed of business major prospects expect in a highly competitive environment.

Examples of other cost impacts to commercial developments include such things as excessive landscaping requirements, the amount of open space dedication required, architectural design requirements, some public infrastructure requirements, and the 1% public art requirement. A company looking to invest \$30 million for an operation is required to dedicate an additional \$300,000 for public art, regardless of its location. A number of interviewees also identified restrictions in the Town’s sign code as inhibiting awareness of drive-by traffic for successful retail enterprises, particularly along the 55mph Oracle Road corridor.

Without identifying the final resolution or solutions, the following tactics are proposed to mitigate competitive disadvantages associated with the Town's development requirements:

- ➔ Evaluate the Zoning Code for improvements to community engagement/input area, seeking to ensure meaningful input while eliminating duplication and redundancy.
- ➔ Develop and deploy a Form-Based Code to allow for administrative approvals and ranges of performance standards in entitled, commercially-designated zoning areas.
- ➔ Identify code changes that could be implemented to better allow developers to have 'shovel ready' sites.
- ➔ Evaluate potential improvements in the architectural review process to improve consistency and reduce the number of approval steps required.
- ➔ Analyze the Town's sign code and identify potential options for modifications that would enhance retail visibility while still ensuring community aesthetic values are retained.
- ➔ Develop an internal strategy that will allow the Town to offer highly accelerated plan review/permit issuance for targeted prospects, incorporating relationships with external firms, to include potential partnerships with other governmental agencies.

Implement procedures to improve efficiencies and consistency in staff interaction with current and future businesses.

The Town's zoning and development codes contain specific process requirements themselves that Town staff must follow. However, there are significant opportunities in improving 'how' those requirements are met and the manner in which processes are implemented across multiple departments that touch the development process. Another recurring message heard from interviewees is that the Town's process is not predictable. More can be done internally to improve predictability and better herald each applicant through the planning, permitting and building process. To that end, the following tactics will be initiated over time:



- ➔ Embrace and deploy the principles and tools of the Town's OV Peak Performance process improvement initiative and apply to the various Community and Economic Development Department planning and development processes. Focus on ways in which second and third reviews can be minimized.
- ➔ Benchmark similar processes and procedures in highly successful local governments, analyze Town procedures against best practices and implement identified process improvements.
- ➔ Maximize utilization of technology once process improvements have been mapped and implemented.
- ➔ Support a collaborative and cohesive organizational culture by ensuring all employees actively connect individual work and processes with economic sustainability of the community.

Develop objective evaluation criterion to help measure and manage the Town's economic development efforts.



Communities who target economic development as a priority need to be able to determine effectiveness of their public investments. There are benchmark measures that can be evaluated annually to assist in determining whether the actions being taken are having a measurable impact on local economic activity. A key component of the CEDS Game Plan will be regular measurement. The following performance metrics will be measured and reported each year:

- ➔ Number of Primary and Service Jobs Created and Retained
- ➔ Increases in inward Capital Investment
- ➔ North American Industry Classification System Code Analysis
- ➔ Increases in Economic Performance
- ➔ Increases in Tax Base by Government Sectors
- ➔ Number of New and Retained Businesses
- ➔ Changes in Employment and Under-Employment
- ➔ Changes in Per Capita and Household Incomes
- ➔ Local Economic Base Portfolio Diversification
- ➔ Number of Primary Employer Prospects
- ➔ Conversion Rates and Monitoring of Close Ratios

Identify opportunities to increase tourism investment in the community.

Tourism is the leading export industry in the State of Arizona, with an estimated \$21B impact in 2016, up 3.9% from the prior year. Oro Valley is fortunate to have a major resort as well as several second and third tier hotels to support its share of visitors. With the increase of Airbnb rentals across the country, the Town also receives revenue from property owners who take advantage of part-time residency. According to the Tucson



Association of Realtors, approximately 30% of Oro Valley's single family residences are second or third homes. The Town's bed tax revenues continue to increase, so it would be unwise to leave tourism off the list of economic development strategies for the near future.

The Town partners with Visit Tucson for most of its tourism attraction efforts. Building upon that partnership and other stakeholders, the following tactics are identified to further advance the Town's opportunities to attract visitors to Oro Valley:

- ➔ Develop and implement a modern, cohesive brand and related branding/marketing campaign highlighting Oro Valley assets and amenities that link efforts between economic development, tourism and workforce attraction.
- ➔ Collaborate with public and private tourism partners/businesses to develop a more robust destination visitor strategy that takes advantage of facilities and amenities in Oro Valley and its immediate surrounds.

Develop strategies to address deficiencies in the physical business development ecosystem.



In order to achieve the Town's economic development goals, the town must work toward addressing or minimizing deficiencies identified in the analysis that are hindering attraction, retention and/or expansion of business, particularly primary sector employers. Less than 200 acres of buildable primary employer land remains within the 36 square miles of Oro Valley. In comparison, the neighboring Town of Marana has approximately 10,000 acres and Tucson has even more land available. In order to fulfill the vision of the community in the Your Voice, Our Future General Plan, and to see an increase in the number of primary job opportunities provided in Oro Valley, this barrier will need to be addressed.

As a frame of reference, since 2000, twelve projects were constructed at Innovation Park averaging ten acres per project. This level of absorption is consistent with other similar-sized communities. By way of comparison, while the CED Director was working in Colorado for a regional economic development organization, the 14 projects he facilitated also absorbed an average of more than ten acres per project. Average employment per project was 152 new primary jobs, or about 15 new jobs per acre. It is reasonable to assume that with the Town's experience since 2000 and similar comparisons, that the Town could bring 20-30 new and expanded primary employment projects to Oro Valley by 2030 with a forward-focused economic development strategy. That opportunity translates into an expected need of at least 300 acres devoted to primary jobs. The Town's primary employer land inventory is inadequate and as a result, Oro Valley is getting left behind in the competition to expand and attract new primary employers.

Available land is not the only thing that is considered by site selectors when evaluating a community for a potential prospect. Other physical infrastructure is important, especially for those businesses that are among the Town's most compatible prospects. Of particular note is the availability of high-speed internet access as the use of technology becomes the backbone of more and more businesses. In the 90+ interviews conducted for this report, the speed of internet and availability of dark fiber was identified by a number of interviewees as a barrier to some prospects and/or potential future expansions. The Town should also be very cognizant of barriers associated with connection to and reliability of electrical power, natural gas, water and wastewater, to include redundancy for some prospects.

- ➔ Explore opportunities to grow accessibility of dark fiber and dual service cellular providers.
- ➔ Evaluate ways in which the Town can utilize its Geographic Information System (GIS) to centralize infrastructure data and make it available to prospective business prospects on a per-parcel basis.
- ➔ Identify and consider potential future annexation areas that could be considered high quality candidates for future primary employer-zoned land.
- ➔ Explore feasibility of converting the Town's Municipal Operations Center (MOC) complex to primary employment sector land in the future.
- ➔ Explore feasibility of expanding appropriate uses in existing commercially-designated land to allow for siting of primary employers.

NEXT STEPS

The implementation of this Comprehensive Economic Development Strategy (CEDS) Game Plan is dependent upon strong and dynamic partnerships with other organizations that also support business attraction and expansion. This Game Plan will help ensure that our community remains focused on advancing the economic prosperity for all who live and work in our community, and will be evaluated every year over its five-year shelf life for needed course



corrections. Many of the goals and tactics will be implemented by Town staff, led by the Community and Economic Development Director. Some of the tactics will require Town Council direction and approval, and those will gradually come before the elected body as the tactics are prioritized and explored. Town staff remain committed to following the direction of the Mayor and Town Council, and will formally prioritize the goals and tactics once the elected body has had an opportunity to digest this report and express its short and long-term vision related to economic development.

APPENDIX A

INTERVIEWEES FOR THIS REPORT BY CATEGORY

Local and Regional C-Suite Executives (12)

Town of Oro Valley Officials - appointed and elected (21)

Regional Governmental Officials (6)

Higher Education Officials (6)

Builders, Developers and their Representatives (15)

Local Business Owners and Leaders (7)

Health Care Executives (2)

State and Regional Economic Development Officials (9)

Primary/Secondary Education Leaders (1)

Utility Executives (2)

Financial Industry Executives (3)

Regional Planning Representatives (6)