

Maricopa, Arizona: Progress ♦ Prosperity ♦ Pride



An Economic Development Strategy for the City of Maricopa



IO.INC
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SECTION 1: INTRODUCTION

Incorporated on October 15, 2003, the City of Maricopa has garnered well-deserved

recognition as a modern city that honors its past while energetically forging its future. From its very beginnings as Arizona's 88th city, Maricopa's leaders and residents have consistently committed themselves to shaping a community of opportunity not only for themselves and their families, but for people who inevitably will establish their lives and livelihoods in Maricopa for generations to come. As America's and Arizona's economies continue to surge, Maricopa's leaders have worked vigorously to emerge from the outsized effects of the Great Recession of 2007-09. Maricopa has successfully navigated a return to economic and fiscal health and is growing revenues to continue to provide the quality of life amenities, public safety and other services that Maricopans have come to expect and treasure.

Today, Maricopa's population is 48,000+ and growing. By 2020, Maricopa's population is expected to reach 64,500, representing a nearly six percent increase between 2015 and 2020. By 2025, the City's residential base is expected to reach 77,500, signifying the appeal of Maricopa to people who seek an outstanding place in which to live, raise a family, work and do business.

From the outset, the City has been blessed with a highly educated population: more than 25 percent of its residents 25 years or older hold a bachelor's degree or higher, and when associates' degrees are considered, more than 37 percent of its adult population has completed and attained a college degree. Maricopa's high level of education attainment also is reflected in the successful 2016 override for the Maricopa Unified School District: highly educated people expect and demand outstanding K-20 education for their children.

The high level of educational attainment that characterizes Maricopans is but one of many superlative assets that defines the city today. Maricopa's residents are high income earners as well. The City's median income in 2015 was \$65,214, well above Maricopa County's median income of \$53,689 and Pinal County's of \$50,248.

The City's business base also is burgeoning, as evidenced by the more than 510 businesses operating in Maricopa, the 141 licenses issued to new businesses in 2015, and the 310 home-based businesses operating in the City. Homebuilding is resurging as well, drawing new families to reside in a city that offers a superior quality of life, family-friendly and safe environment, infused with energy and enthusiasm for the future. In 2016, more than 498 permits were issued by City Hall for new single family homes.

The City Government also has invested in two important facilities to spur economic development: the Estrella Gin Business Park and the Maricopa Center for Entrepreneurship. The Estrella Gin Business Park is the first planned business park in the city, and when constructed, it will provide quality office and light industrial space that is needed to accommodate the expansion of existing firms - including home-based businesses operating in Maricopa - as well as prospective new employers. The Maricopa Center for Entrepreneurship is a basic building block for creating a robust and self-sustaining entrepreneurial ecosystem in Maricopa - another fundamental component required for a

vibrant and diverse economy.

As a result of multi-year, focused diligence, Maricopa will be benefiting from a \$54.8 million investment in the construction of the SR347 overpass beginning in 2017 - an invaluable transportation investment that will improve the flow of people and goods through the City. Maricopa's award-winning Copper Sky Recreational Complex is one of many points of pride for the community and its residents. The Central Arizona College's Maricopa campus - a modern and futuristic higher education campus - is experiencing growth in student enrollment, with 617 enrolled in the 2016-17 academic year.

The City of Maricopa benefits from an historical and substantial research base comprised of higher educational and federal research institutions. The University of Arizona's Maricopa Agricultural Center has a 2,100-acre research center in the City, operated through its College of Agriculture & Life Sciences. The research center develops and delivers integrated agricultural technologies for challenges faced by Arizona consumers and producers. Also located in Maricopa is the U.S. Department of Agriculture's (USDA) state-of-the-art research center, with 100,000 square feet of space that houses 16 greenhouses, dedicated research labs, and climate-controlled units for monitoring plants and insects. The USDA's Arid-Land Agricultural Research Center (ALARC) employs 60 to 100 research and support staff, including 23 scientists, who are working to develop sustainable agricultural systems, protect natural resources, and support communities in arid and semi-arid regions through interdisciplinary research. Researchers at ALARC and the University of Arizona Maricopa Agricultural Center frequently partner on projects as well as with the private sector, which has led to the commercialization of innovative agricultural products and the launch a number of start-up companies.

In addition to its agricultural-related research base, Maricopa enjoys other economic mainstays that contribute to the city's current and future economic development progress and potential. For decades, Volkswagen and Nissan have operated providing grounds and testing facilities in Maricopa, employing automotive executives, engineers and research personnel. Maricopa also has experienced significant investment in its healthcare sector, reflecting in part the market generated by its more than 2,800 percent population growth between 2000 and 2015. Banner Health, Dignity Health and Sun Life Family Health Center have established health care centers in the City to serve Maricopa's residents.

All of these economic mainstays have provided significant economic stability for Maricopa and its surrounding region.

Equally Important, Maricopa also is greatly enriched by its Native American tribal community neighbors: the Ak-Chin Indian Community and the Gila River Indian Community. The Ak-Chin Indian Community has invested substantially in creating enterprise-based opportunities for its members as well as for the entire region. In addition to its expansive farming operations, the Ak-Chin owns the Harrah's Ak-Chin Resort and Casino, which currently is undergoing a substantial expansion of its hotel, as well as the Ak-Chin

UltraStar MultiTainment Center, the Ak-Chin Regional Airport, the Ak-Chin Southern Dunes Golf Club and the renowned Ak-Chin Him Dak Eco-Museum, the first of its type in the nation. The Ak-Chin Indian Community also has been a generous contributor and supporter of important Maricopa assets including the Maricopa Unified School District and the acclaimed Copper Sky Recreational Complex. The Gila River Indian Community also has a casino-hotel and other business and industrial facilities that are proximate to the City of Maricopa.

Even with these economic mainstays, Maricopa's leaders and citizens recognize the importance of expanding and diversifying the City's economic base to ensure economic vitality and sustainability over the long-term. To this end, through a competitive RFP process, the City of Maricopa engaged IO.INC to work with the community and its stakeholders to develop a research based, data-driven economic development strategy and recommended implementation plan that builds on Maricopa's existing assets, identifies the highest and best-fit business and economic growth opportunities commensurate with the educational attainment and skills of the City's residents, and builds a rock-solid platform for private sector investment and job creation over the long term.

SECTION 2: MARICOPA VISION 2040 AND STRATEGIC PLAN

From its first days of incorporation in 2003, the founders and successive leaders of Maricopa have been unwavering in their focus on creating a great future for the community. That bold vision is manifest in such anchor projects as the Maricopa Civic Center, the Copper Sky Recreational Complex and Central Arizona College's Maricopa Campus. Maricopa is a city for today and for the future, and the community's spirit of enterprise and commitment to building a great community for themselves, their families and future generations is one of Maricopa's most treasured assets.



*Seated: Vice Mayor Marvin L. Brown, Mayor Christian Price, Councilmember Peggy Chapados.
Standing: Councilmembers Nancy Smith, Henry Wade, Julia Gusse and Vincent Manfredi.*

Beginning in 2014, under the leadership of Maricopa Mayor Christian Price, Maricopa City Councilmembers and City Manager Gregory Rose, a citizen-driven visioning and strategy development process was initiated to build on Maricopa's assets and plan for the future. The result of this endeavor was the Maricopa Vision 2040 and Strategic Plan, a far reaching vision and program of work that defines what Maricopa residents envision for the future of their community and what is needed to bring that vision to realization.

The Maricopa City Council approved the Maricopa 2040 Vision and Strategic Plan in May 2015, stating that this plan "is an act of leadership that will challenge and stretch the community's imagination and commitment to creating a best, great and exciting future".

FIGURE 1: MARICOPA'S 2040 VISION

Maricopa Vision 2040:

The City of Maricopa is a family friendly, vibrant community that offers diverse opportunities in culture, technology, education, business, entrepreneurship, transportation, entertainment, and recreation for all ages. A close knit community of committed leaders, engaged citizens, and diverse partners with pride in our history, and

a shared vision for a prosperous future.

Source: City of Maricopa 2040 Vision and Strategic Plan, May 2015.

Maricopa Vision 2040 identified six fundamental elements that constitute the foundation for guiding the community's continued growth and prosperity. These six elements are:

- Well Planned Quality Growth and Development
- Economic Development
- Community Resources and Quality of Life Amenities
- Safe and Livable Community
- Community Pride, Spirit, and Relationships
- Fiscal Policies and Management

Within Maricopa Vision 2040, specific visions, goals and implementation tactics were developed for each of these six community elements. Economic development is one of those pillars, and citizens articulated a bold vision statement for Maricopa's economic development:

Maricopa is an economically prosperous, dynamic and sustainable community. It offers a government structure that is welcoming and supportive of business and employment growth. Members of the Maricopa Community at all levels embrace a shared vision, seeking opportunities to establish collaborative relationships with business, educational, neighboring and regional entities for their mutual benefit and advancing common economic development goals.

Three goals were articulated to support the realization of Maricopa's Vision 2040 economic development vision.

TABLE 1: MARICOPA 2040 VISION GOALS FOR ECONOMIC DEVELOPMENT	
Goal 1:	Achieve a diverse and sustainable Maricopa economy.
Goal 2:	Cultivate a climate of rich educational opportunities at all levels which support economic growth.
Goal 3:	Provide responsive and high-quality services and process support for businesses at all stages of growth.

Source: City of Maricopa, May 2015.

This economic development strategy is aligned with the Maricopa City Council, City Government, and Maricopa residents' vision and goals as expressed and articulated in the Maricopa Vision 2040 and Strategic Plan. Aligning the economic development strategy - which includes a detailed implementation plan and metrics for measuring progress - with Maricopa's strategic plan provides the connectivity and continuity that are essential to the successful realization of both strategies.

More specifically, this data-driven economic development strategy and recommended agenda for action focus on building a strong foundation for realizing goal one - the achievement of a diverse and sustainable Maricopa economy.

SECTION 3: METHODOLOGY

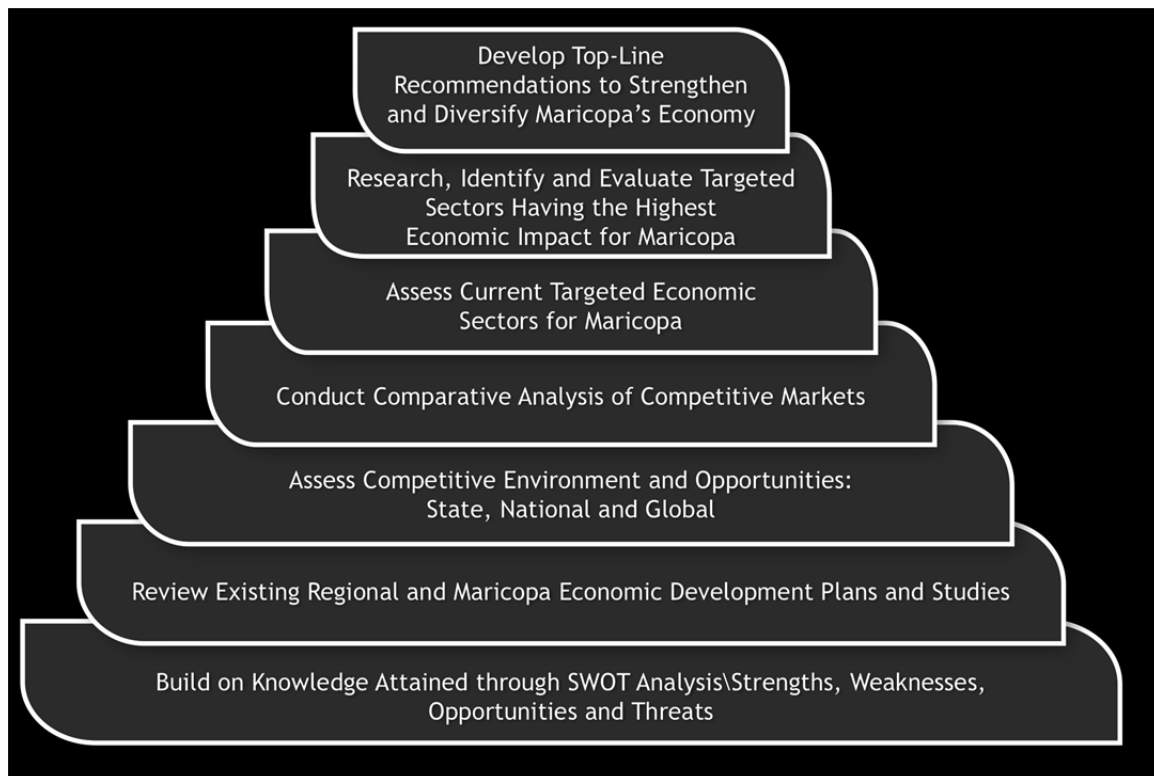
A comprehensive research and data-driven process and significant stakeholder engagement, as well as input from IO.INC's BrainTrust of C-suite executives, was utilized to formulate Maricopa's economic development strategy. A cross-disciplinary approach was employed to identify the City's unique competitive advantages as well as the targeted economic sectors that will yield the highest and best impact to grow, diversify and strengthen Maricopa's economy over the long term. Among the major aspects of IO.INC's research and work:

1. Comprehensive review of existing studies and plans, local, regional, state and national.
2. Comprehensive SWOT process engaging 131 Maricopa stakeholders.
3. Confidential interviews with major commercial/industrial developers and brokers.
4. Comparative analysis of Maricopa vis-à-vis regional and comparable out-of-state competitors.
5. Data-driven research and analysis on best-fit sectors for Maricopa's economic development.
6. Trend analysis on factors impacting the growth of the selected targeted sectors.
7. Comprehensive review, discussion and input from IO.INC's BrainTrust, comprised of CEOs and industry experts.
8. Alignment of the economic development strategy with the Maricopa Vision 2040 and Strategic Plan.

9. Development of goals and recommended actions to guide the City of Maricopa in its economic development decisions.
10. Recommended indicators and metrics to assess Maricopa's economic development progress.

Through this comprehensive approach, a short to mid-term economic development Agenda for Action was developed. This implementation plan supports and advances the achievement of the specific priorities established in the Maricopa City Council's Vision 2040 and Strategic Plan, and recommendations are aligned with the Mayor and City Council's specific priorities and objectives that were established through this and other public policy making processes.

FIGURE 2: IO.INC'S METHODOLOGY FOR MARICOPA'S ECONOMIC DEVELOPMENT STRATEGY



SECTION 4: PERSPECTIVES ABOUT MARICOPA: THE SWOT ASSESSMENT

One of the building blocks for the City of Maricopa economic development strategy is a current snapshot of how the community is perceived by Maricopa leaders, citizens and regional opinion leaders. The SWOT assessment provides invaluable insights as to where

the Mayor and City Council may choose to devote their time, energy, resources and policy-making. Equally important, findings from the SWOT assessment also provide important information and direction as to what needs to be done to capitalize on the City's strengths and opportunities, and ameliorate its weaknesses and threats.

The success of the strategy is directly dependent on the active engagement, input and consensus among a broad range of Maricopa stakeholders - public, private and civic. Over time, a sustained commitment will be required, accompanied by measurement and evaluation to assess progress.

For the SWOT assessment, beginning in September 2016 through January 2017, IO.INC conducted one-on-one interviews and convened four roundtables, directly engaging 131 representatives of Maricopa's public, private and civic communities; state and regional leaders, and external business/industry experts, including:

- Mayor Christian Price and members of the Maricopa City Council;
- Maricopa City Manager Gregory Rose and members of the City's executive team and staff;
- External stakeholders in the community who play important roles in the City's economic development, quality of life and business base;
- Citizens of Maricopa;
- Key decision-makers and opinion leaders at the State of Arizona and Maricopa and Pinal counties, each of whom has a high level of familiarity/experience with Maricopa;
- Commercial/industrial brokers and developers and real estate experts - regional and national;
- C-suite executives and national experts in economic development, business locations, high tech, healthcare, financial services, hospitality and tourism and other targeted economic sectors.

In addition, a comprehensive review of all recent City strategies, plans, reports and studies was conducted to maximize existing information and Maricopa's investment in these endeavors.

IO.INC is very appreciative of the enormous investment of time and consideration invested by the Maricopa Department of Economic Development, as well as by other City staff, in arranging interviews and roundtables with Maricopa stakeholders.

Maricopa's public, private and civic stakeholders are highly informed about the "DNA" of the City's economy and community. All 131 stakeholders who participated in this process demonstrated a genuine caring for and understanding of the community's present-day standing as a place in which to live, work, raise a family, learn, work and do business. One of the most important outcomes of this process is the earnest and high level of interest that Maricopa's stakeholders have in ensuring that the City retains its strong sense of a

tightly-knit community that boasts small town, family-friendly values. At the same time, Maricopa's stakeholders recognize the critical importance of having a more diverse, less-retail dependent economy: they understand just how important it is for Maricopa to have a sustainable economy for themselves and their families, as well as for future generations.

Through the insights garnered in the confidential interviews and stakeholder roundtables, it also was very clear that there is a deeply held belief that Maricopa must greatly improve and strengthen its economic development standing - both in terms of the City's own investments and programs as well as the importance of becoming a more prominent and successful contender - in the highly competitive arena for business expansion, locations and startups.

The following summarizes the top 12 qualities that were cited with the highest frequency of observations offered in the SWOT interviews. While many more strengths, weaknesses, opportunities and threats were cited in the interviews, these factors were universally viewed as having the greatest impact on Maricopa's future.

Maricopa's Top 12 Strengths:

- Outstanding and dynamic Mayor.
- Mayor and City Council favorable toward quality growth.
- The people of Maricopa.
- Strong sense of community and engagement in building a better city.
- Abundant, affordable housing.
- Safe community.
- Proximity to the Phoenix Metro without the downside of being in a large metro.
- Small town, welcoming and caring community.
- Improving transportation infrastructure, e.g., SR 347 overpass.
- Outstanding quality of life.
- Highly educated citizenry.
- Strong business-government-tribal partnerships and alliances for community and economic development.

Maricopa's Top 12 Opportunities:

- Widen SR347 to three lanes in each direction.
- Pursue and realize regional solutions to large-scale development opportunities.
- Diversify and grow Maricopa's economic base and attract high quality, professional jobs.
- Strengthen existing and create new partnerships and alliances to capitalize on opportunities and deal with challenges.

- Mitigate the flood plain using Federal and other funds, e.g., CDBG funds.
- Maricopa is a “blank slate” - can create a fantastic future.
- Build on and support Maricopa’s local small businesses.
- Create/foster housing diversity by planning for and inducing the development of diverse housing for young professionals and seniors alike: apartments, condos and townhouses.
- Attract more retail and dining offerings.
- Create opportunities for people to live, work and play here.
- Improve regulatory processes, e.g., development approvals, business licenses.
- Increase entrepreneurship/small business and strengthen the entrepreneurial ecosystem.

Maricopa’s Top 12 Weaknesses:

- Inadequate transportation infrastructure.
- Isolated; distance (real and perceived) from major urban area and amenities.
- Flood plain.
- Cumbersome and costly development approval, permitting and licensing processes.
- Insufficient/underdeveloped retail offerings, including lack of a major builder supply yard.
- High cost of doing business.
- Very little to no base industry; lack of diverse employment/economic sectors.
- Lack of sustainable economic development.
- 80% of Maricopa’s working residents leave the city every day for their jobs.
- Very siloed, fragmented local government.
- Absence of housing diversity; lack of apartments, condos, patio/townhomes.
- Local love affair with charter schools at the expense of MUSD schools.

Top Threats to Maricopa’s Economic Development/Competitiveness:

- Many pending critical projects are beyond Maricopa’s control:
 - I-11 - need to ensure that alignment will benefit Maricopa;
 - Flood plain resolution - need to firmly advocate for solutions that ensure Maricopa can continue to grow;
 - Widening of SR 347 - need to ensure timely, successful actions to widen SR 347.
- Need for a leadership development and succession process for future mayors.
- Lack of process to develop a pipeline of future local elected officials.
- Lagging pro-business and customer service ethos within City Government departments.
- Potential lack of appropriately managing and facilitating traffic flow during the construction of the SR347 overpass; potential inability on the part of local

- government to ensure that the overpass is a success.
- Continued absence of build-ready/shovel-ready sites.
 - Lack of support of MUSD public schools, including Maricopa High School.
 - The potential of being bi-furcated into two separate cities, e.g., inattention to ensuring access to the southern part of Maricopa.
 - Lack of City Council policy to address and ameliorate the high cost of doing business in Maricopa.
 - Lack of sufficient action to diversify and increase the City Government's revenue stream.
 - Lack of sufficient action to grow and diversify the local economy.
 - Transient population that does not engage or support local activities, including MUSD.

SECTION 5: THE MARICOPA COMPETITIVENESS REPORT

Understanding Maricopa's competitive standing in the region, state and nation is critically important in determining how the City is viewed from the broad range of economic indicators and attributes that impact business expansion, location and investment decisions. This knowledge in turn helps to inform the City of Maricopa Mayor, City Council and City Management as to where the City's business climate attributes and location factors need to be strengthened, as well as the challenges that need to be addressed through public sector policies, investments and programs.

As one of several major building blocks for Maricopa's economic development strategy, a comparative analysis was conducted to examine Maricopa vis-à-vis key regional and national competitors that are similarly situated in larger metropolitan economies.

Elliott D. Pollack and Co. is a well-known and highly regarded Arizona-based economics, financial and real estate consulting services firm with significant expertise and experience in economic and fiscal impact analyses; market feasibility studies; economic policy; land use economics, and other areas of expertise in economics-related disciplines. Elliott D. Pollack and Co. conducted the comparative analysis for the Maricopa economic development strategy.

The data that has been gathered and analyzed helps to illustrate how the City of Maricopa compares to selected municipalities within the State of Arizona as well as a set of municipalities located in other states that Arizona competes with for business expansions and new locations. Within Arizona, the City of Peoria and the Town of Gilbert were selected for comparison through collaborative discussions with Maricopa staff and elected officials. Markets outside of Arizona were selected on the basis of their competitor status to the Greater Phoenix marketplace for new business locations. These markets include the

Denver-Aurora, Dallas-Fort Worth and Salt Lake City metropolitan regions. Based on research and screening of these regional markets, specific cities within those regions were selected for comparative analysis based on shared characteristics with the City of Maricopa (such as population size, historical growth, geographic proximity to larger metros, median income, etc.) or, in the case of Frisco, Texas, a city that is considered as an aspirational competitor.

The findings of the competitor market analysis also help to inform the targeted economic sector analysis. This information is fundamentally important to understanding Maricopa's competitive position and ability to successfully compete for, locate and grow high paying, high value added jobs in economic sectors that are experiencing growth in the U.S. and state economies.

The competitor analysis entailed a review of several factors that are central to assessing a community's economic vitality as well as to the evaluation of a potential business location decision:

1. **Demographic Characteristics:** Data from the U.S. Census American Community Survey as well as various state agencies reporting total population, age ranges, the distribution of race/ethnicity, household size, renters and owners, and income.
2. **Workforce / Talent:** Attributes of the local workforce were analyzed, including several aspects of educational attainment, labor force growth and participation, unemployment, occupations, occupational wages, and industries that residents work in.
3. **Local Economy:** Characteristics of employment located within each comparative market were detailed including total number of jobs, the types and amount of employment among various industry categories, and worker characteristics. The comparison of this data to the potential of Maricopa's resident workforce was included to create a foundation for the targeted economic sectors analysis.
4. **Geography & Commercial Real Estate:** Locational attributes of all of the municipalities analyzed were provided in terms of access to transportation infrastructure, proximity to larger markets, current conditions of the office and industrial markets (at the MSA level) and construction costs relative to the U.S. average.
5. **Livability:** Various indicators related to local quality of life were assessed, including housing affordability, crime, commuting patterns, geographic mobility, and the quality of local secondary education.

With this fact-based approach to current competitive economic conditions, Maricopa policy-makers can use this data to make informed decisions and highlight areas of competitive advantage to existing businesses and prospective new employers. In addition, this data helps to identify comparative weaknesses for which the City can formulate

strategies and deploy resources to either mitigate or make improvements in both the short term and long term.

A summary of Maricopa's relative strengths and weaknesses from the perspective of business expansion and location attributes is presented in Table 2.

TABLE 2: MARICOPA'S COMPETITIVE STANDING			
	City of Maricopa	Arizona Advantage (+) Disadvantage (-)	Multi-State Advantage (+) Disadvantage (-)
Demographics			
Median Age (years)	33.8	+	+
Home Ownership (%)	78%	+	+
Diversity (Non-White %)	24%	+	+
Median Income	\$65,214	+	-
Growth Prospects (Avg. Ann. %)	4.1%	+	+
Workforce/Talent			
Educational Attainment (Assoc. or higher)	37.4%	-	-
College/Grad School Enrollment (age 18-24)	35.0%	-	-
Access to Higher Education	Comm. College	-	-
Industry Mix	Diverse	+	-
Occupational Mix	Diverse	+	-
Occupational Wages	Competitive	+	+
Labor Force Growth	1.5%	+	-
Labor Force Participation	66.3%	+	-
Unemployment	5.5%	-	-
Local Economy			
Industry Mix of Jobs	Limited	-	-
Worker Earnings (% \$40,000 or More)	36.3%	+	-
Worker Education (% Bach. or Higher)	18.6%	+	-
Historical Growth (2011-2014)	3.2%	-	-
Growth Prospects (Avg. Ann. %)	5.7%	+	+

TABLE 2: MARICOPA'S COMPETITIVE STANDING			
	City of Maricopa	Arizona Advantage (+) Disadvantage (-)	Multi-State Advantage (+) Disadvantage (-)
Geography & Real Estate			
Location/Access to Markets	Isolated	-	-
Availability of Sites	Limited	-	-
Vacancy (Office/Industrial)	18.1% / 9.1%	+	-
Lease Rates (Office/Industrial)	\$23.61 / \$7.32	+	+
Construction Cost Index (U.S. = 100)	88.4	+	+
Livability			
Commuting (% 30 or More Minutes)	66.5%	-	-
Crime Rate per 1,000 Residents (Violent/Property)	1.71 / 12.35	+	-
% Housing Stock Affordable to Med. Income	96.3%	+	+
Pupil to Teacher Ratio	21.68	-	-
Graduation Rate	69.1%	-	-
College Readiness Index (U.S. Median = 20.17)	8.9	-	-
Population Turnover (% Moved in Last Year)	19.0%	+	+
<i>Elliott D. Pollack and Company Analysis, November 2016.</i>			

Overall, the City of Maricopa has some important strategic advantages such as a young population, a diverse mix of residents, healthy but competitive incomes, high growth prospects in population and employment, and a good representation of skilled occupations among its workforce. The City also has a desirable quality of life, including low crime and housing affordability.

This comparison provides an important fact-based lens on the level of competitiveness from regions within Arizona and outside of the state. Clearly, there is a need to bolster educational attainment in the high school system and beyond; provide more access to higher education; create more high-skill employment opportunities for residents, and diversify into a broader range of industries to sustain the local economy going forward.

Most of Maricopa's strengths are found in its community demographic composition, resident workforce/ talent pool, quality of life, and its prospects for growth. While these factors are important, there are scores of other cities that also offer these qualities, including many in the Greater Phoenix marketplace. Factoring in their more diversified economies, higher levels of educational attainment, higher performing K-12 public schools and other important business locations attributes, several of Maricopa's neighboring communities and competitors - regional and national - have a more competitive standing to successfully compete for high quality, high value added economic development.

SECTION 6: TARGETED ECONOMIC SECTORS ANALYSIS: HIGHEST IMPACT OPPORTUNITIES FOR MARICOPA

In the quest to achieve desirable and sustainable economic development, successful communities target specific economic sectors and industries that have strong prospects for growth in the near and long-term future and are most likely to succeed within their jurisdictions. Given the reality of limited resources that confront most communities, an economic development strategy that focuses on strategic targeted sectors and firms helps to maximize their investments in economic development programs. Only through comprehensive, data-driven research can the best-fit targeted sectors and firms be identified as having the highest propensity to value and benefit from the locational attributes and business climate that a community offers.

For the City of Maricopa's economic development strategy, the targeted economic sector analysis provides the research, analysis and synthesis to identify those sectors and businesses that are most likely to avail themselves of the City's business climate and quality of life attributes. It is a fact of contemporary life that the competition for business retention, recruitment and startups is experiencing even more intensified competition. With limited resources, it is essential that the City of Maricopa focus its economic development activities on businesses that would be the best fit and would have the highest probability of locating and growing in the community.

The targeted sector analysis identifies high value-added businesses and industries for which the City of Maricopa has a genuine opportunity of attracting and growing through focused recruitment and entrepreneurship initiatives.

With input from the several building blocks for Maricopa's economic development strategy, e.g., SWOT assessment, Business Locations Trends Analysis and the Maricopa Competitiveness Report, Elliott D. Pollack and Co. scanned the U.S., state and regional

economies to identify and analyze those sectors that have experienced consistent growth - even during recessionary cycles - and those that are projected to continue to grow nationally and regionally.

Methodology

The methodology for identifying targeted economic sectors for the City of Maricopa entailed both quantitative and qualitative research and analysis. The primary focus of this analysis was placed on base industries - those industries that bring new wealth into the local economy. Quantitatively, a review of historic industry trends in Greater Phoenix and Pinal County as well as the outlook for future industry growth began the process. For the qualitative approach, Maricopa's business climate was evaluated from the point of view of local businesses as well as site location consultants and others who influence the business location decision-making process.

Based on these assessments, economic sectors, subsectors and specific industries were identified according to the following factors: (1) their growth prospects; (2) ability to create high value for the local economy; (3) ability to create high paying private sector jobs; (4) ability to generate a higher multiplier effect; (5) are most likely to value Maricopa's asset, and (6) would be less affected by the City's or region's competitive disadvantages.

Additionally, the preliminary targeted economic sectors were augmented with niche sectors that may represent new opportunities that may not be identified specifically in the regional trend data.

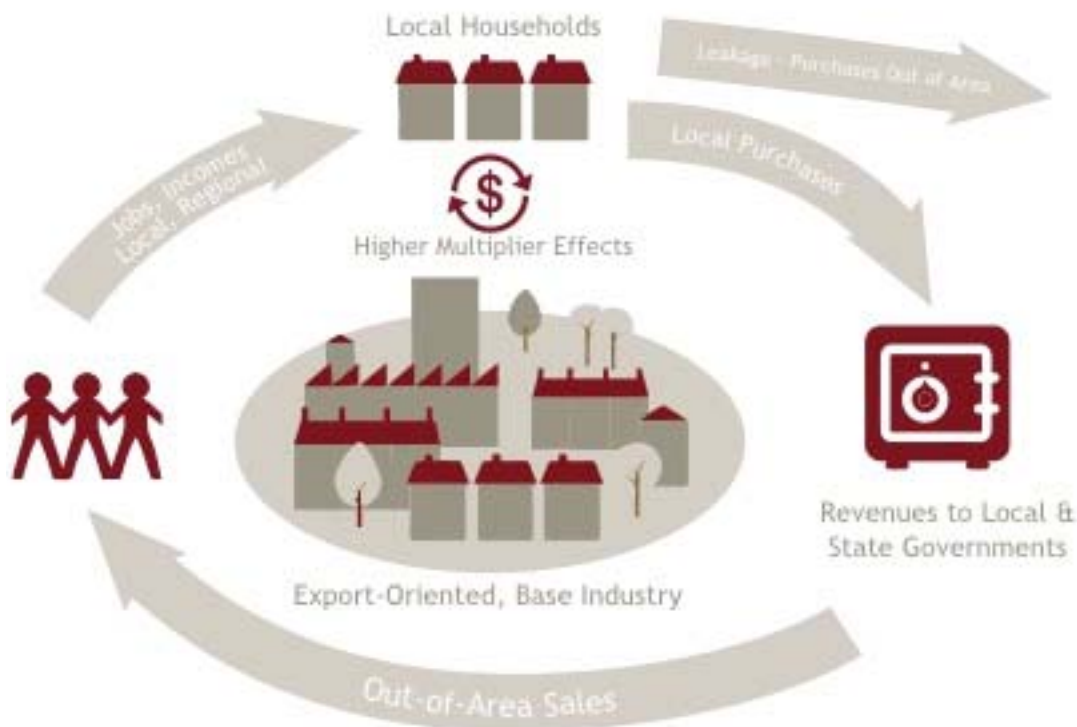
These target economic sectors encompass firms that are growing in the U.S. and regional economies and would most benefit from the community's assets and be willing to expand and/or relocate to Maricopa. Equally important, firms in these sectors will bring value to the City in the form of private capital investment, high-value-added jobs, and payroll. The targeted economic sector analysis provides the City of Maricopa with a list of industry groups to allocate resources to as part of the City's business recruitment and retention initiatives to drive the expansion and diversification of the community's economic base, reduce leakage of resident spending to outside communities, and provide additional employment opportunities to an already well-qualified workforce.

Understanding Local Economy Dynamics

The composition of every local economy can be simplified into two main components: (1) export oriented (base) firms and businesses and (2) local serving firms and businesses. Export oriented firms are the fundamental drivers of a local economy by importing money into the community through the sale of goods or services to businesses and consumers in external markets, whether they are neighboring cities or faraway regions. The export-

oriented firm's revenues circulate throughout the local community through local serving businesses except for dollars spent by local residents or local firms outside of the local economy. When this occurs, this is referred to as leakage. No community in the U.S. has a 100 percent, self-contained economy where every consumer or business purchase takes place within that community. What communities need to strive for is to create a robust business climate and investment environment that will retain, grow and attract a broad range of businesses to minimize to the greatest extent possible the leakage of economic activity from their domains.

FIGURE 3: IMPACTS OF EXPORT-ORIENTED BASE INDUSTRIES



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Both components of a community's economy are important. Base industries should be the primary focus of local economic development efforts because demand for these firms' products or services originate from outside the local market area and are not reliant on local resident demand. This means that they can produce from anywhere and, when located in your community, they create additional demand for local goods and services. This is often referred to as ripple or multiplier effects.

Local serving industries can also play an important role to the extent that there is currently insufficient supply to satisfy local demand for any particular good or service. When gaps in supply exist, local dollars will leak out of the community and represents a lost opportunity for the community to capture its own local spending power.

Trends in the Regional Economic Base

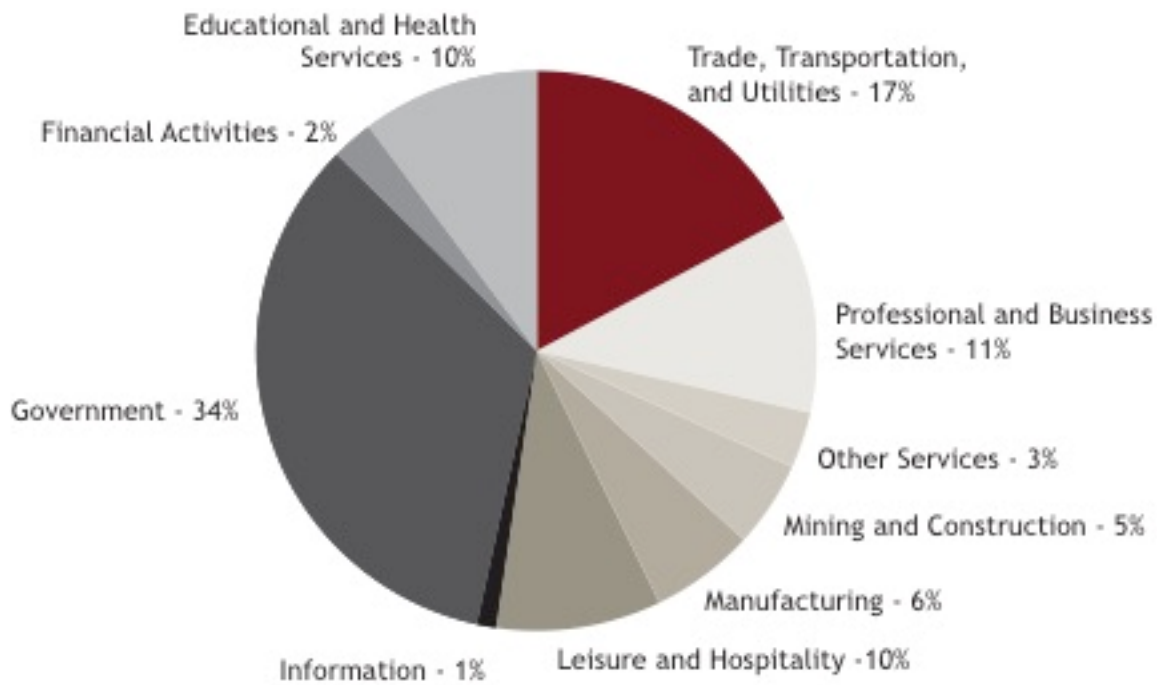
An examination of economic baseline trends for both Pinal County and the Phoenix MSA is an important first step to identifying economic sectors that would be a good fit for the City of Maricopa. The focus of this economic baseline trend analysis was concentrated first on the ten major super sectors that contain all of the employment in Pinal County and the Phoenix MSA.

For Pinal County, Government is the largest employer, accounting for 34 percent of all jobs. Trade, Transportation, & Utilities (mostly retail trade) comprise the next largest percentage of jobs with 17 percent, followed by Professional & Business Services (11%), Education & Health Services (10%), Leisure & Hospitality (10%), and Manufacturing (6%).

The Government sector supplies the highest percentage of jobs within Pinal County. This sector includes Federal, State, County and Local government jobs, which encompass a broad range of industries and occupations. Some of those include:

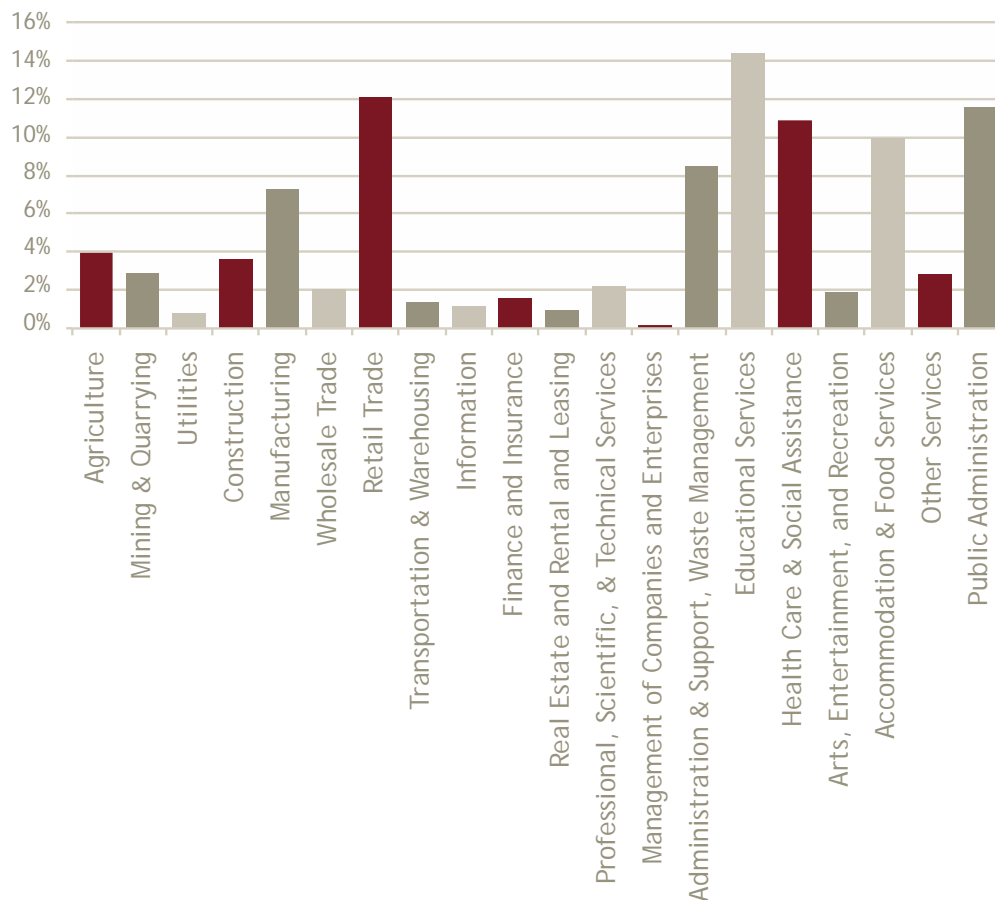
- Professional & Business Services
- Education (primary, secondary, and post-secondary)
- Utilities (water supply & irrigation systems)
- Construction
- Libraries
- Waste Management
- Fitness & Recreational Centers
- Executive, Legislative, and General Government
- Public Finance
- Government Support Services
- Justice, Public Order, & Safety Activities
- Legal Counsel & Prosecution
- National Security & International Affairs
- Police & Fire Protection
- Postal Service
- Health Care & Social Assistance

FIGURE 4: PINAL COUNTY EMPLOYMENT BY SECTOR



Source: U.S. Bureau of Economic Statistics 2016.

FIGURE 5: PINAL COUNTY EMPLOYMENT BY INDUSTRY SECTOR



Source: U.S. Census Bureau 2016 OnTheMap Application; Longitudinal-Employer Household Dynamics Program.

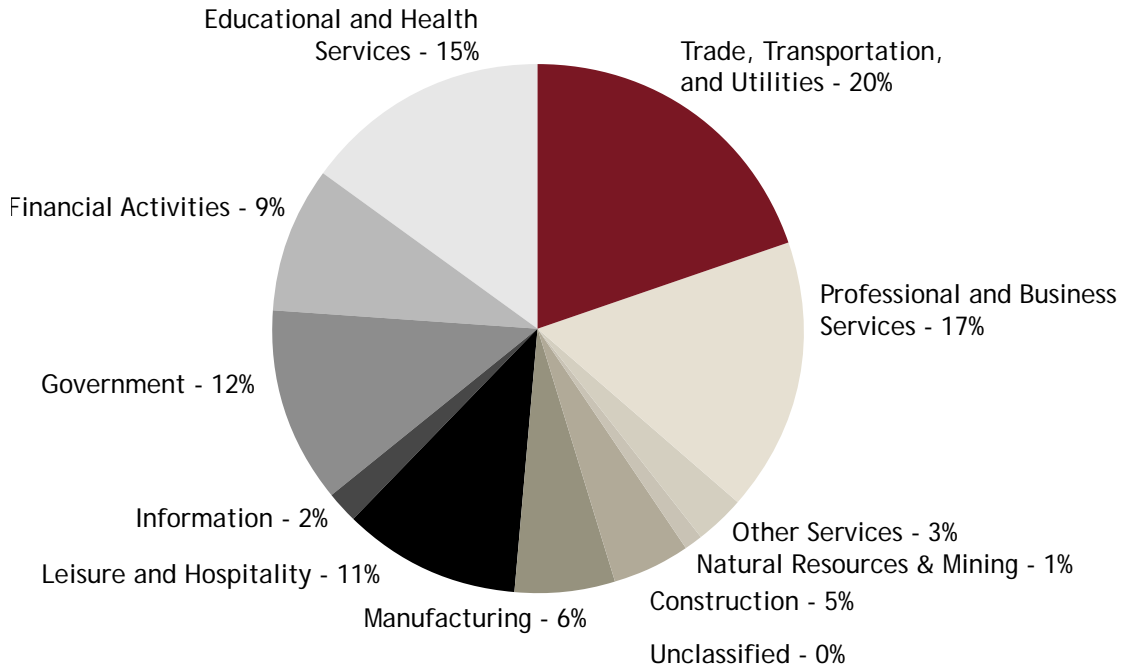
By separating jobs by industry sector as opposed to aggregating jobs by who the employer may be (such as government), Pinal County shows a much more diversified base of industries. Using this approach, it is apparent that the Educational Services sector constitutes the largest source of jobs in Pinal County, followed by retail trade, public administration, and health care.

As to be expected, the economic base of the Phoenix MSA is far more diverse. More expansive opportunities for Maricopa's economic growth and diversification will present themselves due to the City's close proximity to the Greater Phoenix region. In fact, Maricopa is considered part of the Phoenix MSA, and as Pinal County continues to grow and its economic ties to the Phoenix metro become more integrated and embedded, the City will benefit substantially.

Within the Phoenix MSA economy, the Trade, Transportation and Utilities and Professional and Business Services are the dominant sectors, accounting for 37 percent of employment in the region (Figure 6). By separating jobs by industry sector as opposed to aggregating

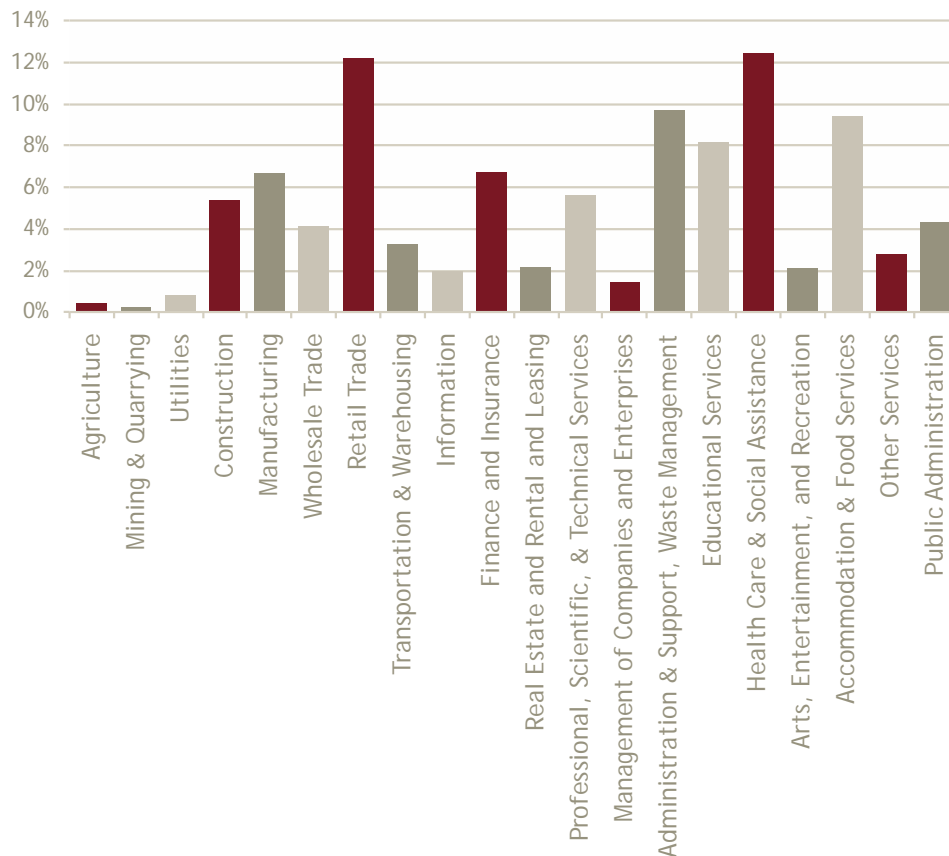
jobs by who the employer may be, as with the Pinal County economy, it is clear that the Phoenix MSA has a well-diversified economy, with the Retail Trade and Healthcare and Social Services sectors as the predominant sectors (Figure 7).

FIGURE 6: GREATER PHOENIX EMPLOYMENT BY SECTOR



Source: U.S. Bureau of Economic Statistics 2016.

FIGURE 7: GREATER PHOENIX EMPLOYMENT BY INDUSTRY SECTOR



Source: U.S. Census Bureau 2016 OnTheMap Application; Longitudinal-Employer Household Dynamics Program.

Comparing the current employment composition of the City of Maricopa, Pinal County, and Greater Phoenix provides important insights into the economic base and employment growth for these markets. For both the City of Maricopa and Pinal County, the economic base of Greater Phoenix offers an illustration as to the potential for Maricopa as the broader regional economy continues to grow and mature.

In addition to this initial scan, the targeted economic sectors analysis also encompassed:

- Assessment and analysis of regional economic sectors that experienced growth in the last three years in Pinal and Maricopa counties;
- Assessment and analysis of regional economic sectors that outpaced national growth in the three years;
- Assessment and analysis of national growth projections across all major economic sectors; and,
- Analysis of local industry specialization to ascertain those sectors that either are concentrated and projected to grow, or those sectors that may be underrepresented in the local economy but have a high likelihood of growth.

Another important prism in this analysis was assessing Maricopa's relative state of

competitiveness for business expansion, recruitment and startups. The attractiveness of a business location is determined by many different elements. Communities that have been able to successfully influence their local economy are those that are prepared for investment before it happens. They tend to rank well among many of the components depicted in Figure 8. However, each project or company may prioritize these factors differently depending on their specific needs. It is therefore fundamentally important that communities address all of these locational attributes holistically, viewing them as critical components of their overall business climate and economic development ecosystem.

FIGURE 8: KEY FACTORS OF A COMPETITIVE BUSINESS CLIMATE



Table 3 summarizes the results of the assessment of Maricopa’s competitiveness for key site selection factors. This information is provided in far greater detail in the Maricopa Competitiveness report. The findings from this evaluation will be utilized in compatibility screening for Maricopa’s target sectors.

The rating scale includes “Strength”, “Neutral”, and “Weakness.”

Strength: Encompasses assets that Maricopa can use to its economic development advantage. They point to market opportunities. The goal is to preserve and market these strengths.

Neutral: Encompasses location factors that generally do not distinguish Maricopa from other locations in the region.

Weakness: Encompasses shortcomings in the local business climate. Some of these can be influenced or corrected through local actions, while some cannot. Regardless, these weaknesses will eliminate certain industries as potential targets.

TABLE 3: KEY FACTORS OF A COMPETITIVE BUSINESS CLIMATE	
Factor	City of Maricopa Strength or Weakness
Demographics	
Median Age (years)	Neutral
Home Ownership (%)	Strength
Diversity (Non-White %)	Strength
Median Income	Neutral
Growth Prospects (Avg. Ann. %)	Strength
Workforce/Talent	
Educational Attainment (Assoc. or higher)	Weakness
College/Grad School Enrollment (age 18-24)	Weakness
Access to Higher Education	Weakness
Industry Mix	Neutral
Occupational Mix	Neutral
Occupational Wages	Neutral
Labor Force Growth	Strength
Labor Force Participation	Neutral
Unemployment	Weakness
Local Economy	
Industry Mix of Jobs	Weakness
Worker Earnings (% \$40,000 or More)	Strength
Worker Education (% Bach. or Higher)	Weakness
Historical Growth (2011-2014)	Weakness

Growth Prospects (Avg. Ann. %)	Strength
Geography & Real Estate	
Location/Access to Markets	Weakness
Availability of Sites	Weakness
Vacancy (Office/Industrial)	Neutral
Lease Rates (Office/Industrial)	Strength
Construction Cost Index (U.S. = 100)	Strength
Livability	
Commuting (% 30 or More Minutes)	Weakness
Crime Rate per 1,000 Residents (Violent/Property)	Neutral
% Housing Stock Affordable to Med. Income	Strength
Pupil to Teacher Ratio	Weakness
Graduation Rate	Weakness
College Readiness Index (U.S. Median = 20.17)	Weakness
Population Turnover (% Moved in Last Year)	Strength

Further screening and analysis of economic sectors was employed based on the following factors:

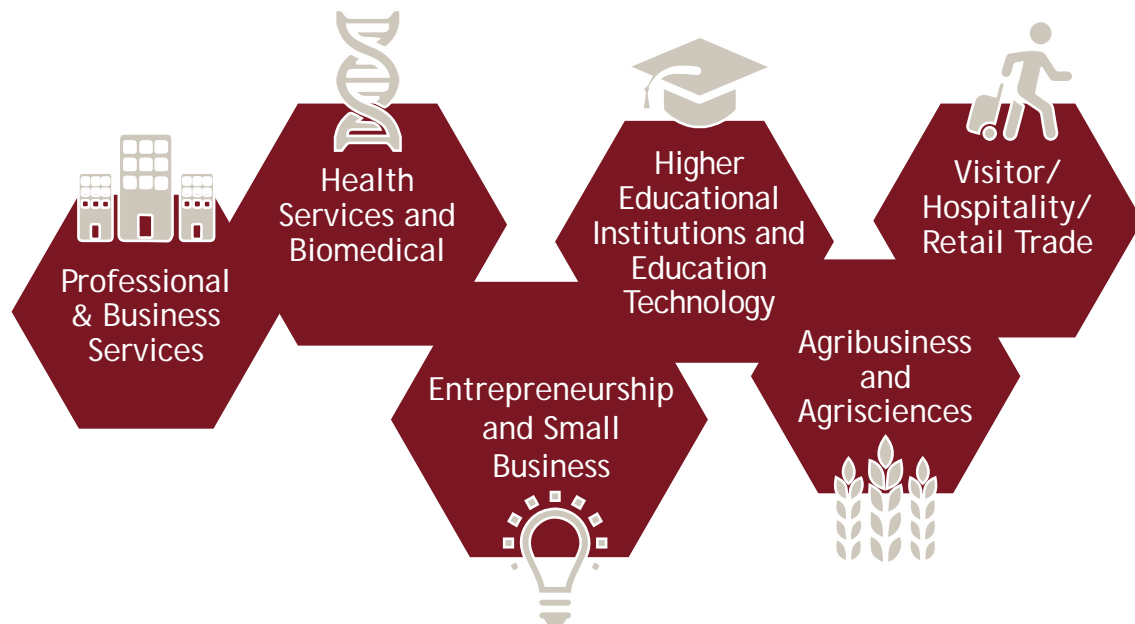
- Industries with 10 percent or more employment growth from 2012 to 2015 OR a local growth rate from 2012 to 2015 greater than the national rate;
- Positive projected national employment growth;
- Average wages above \$40,000; and
- Current Phoenix MSA employment of at least 1,000.

The results of this initial screening were then evaluated against Maricopa's strengths and weaknesses to determine targets that are a "best fit" for the community. The site selection and economic development experience of the IO.INC's BrainTrust and team members, along with information gathered during the stakeholder engagement, the SWOT assessment process, research and development of the Business Locations Trends Analysis, and the Maricopa Competitiveness Report, was used to further refine the potential list of economic sectors and subsectors. Based on Maricopa's current business climate attributes

and relative competitiveness, the screened sectors and subsectors were edited and amended to match industry needs with Maricopa's capabilities.

This comprehensive analysis led to the identification of the economic sectors considered the best fit for Maricopa's community, economy, resident workforce and business climate. While some businesses and industries within these recommended sectors do not currently exist in Maricopa, they do have a presence in both Pinal County and the Phoenix MSA, and have demonstrated job growth in recent years and/or have positive projected future growth. They are also consistent with the types of assets that Maricopa currently offers to businesses. Based on this analysis, as well as on current activities of the City of Maricopa, the recommended targeted economic sectors for Maricopa's economic development recruitment focus for the next five years are:

FIGURE 9: TOP TARGETED ECONOMIC SECTORS FOR MARICOPA'S ECONOMIC DEVELOPMENT



- Professional & Business Services: Computer programming and computer systems design; management, scientific, and technical consulting services; office administration services; IT services; management of companies and enterprises, and many other high level professional, technical and administrative functions.
- Health Services and Biomedical: Health practitioners; physical/occupational therapists; outpatient care; medical diagnostics services; hospital and biomedical R&D, and light manufacturing.
- Entrepreneurship and Small Business: Occurs across the full spectrum of the economy and an analysis of this sector in the world, U.S., State of Arizona and the Greater Phoenix region has been the focus of comprehensive research provided in a separate report.
- Higher Educational Institutions and Education Technology: Two and four-year

- colleges and universities; firms that develop learning software; data analytics; IT functions, and firms that support the learning environment.
- Agribusiness and Agrisciences: public, university and private sector R&D; testing; product development, and related services.
 - Visitor/Hospitality/Retail Trade: Hotels; events; destination-oriented venues; performing arts/culture, and retail offerings.

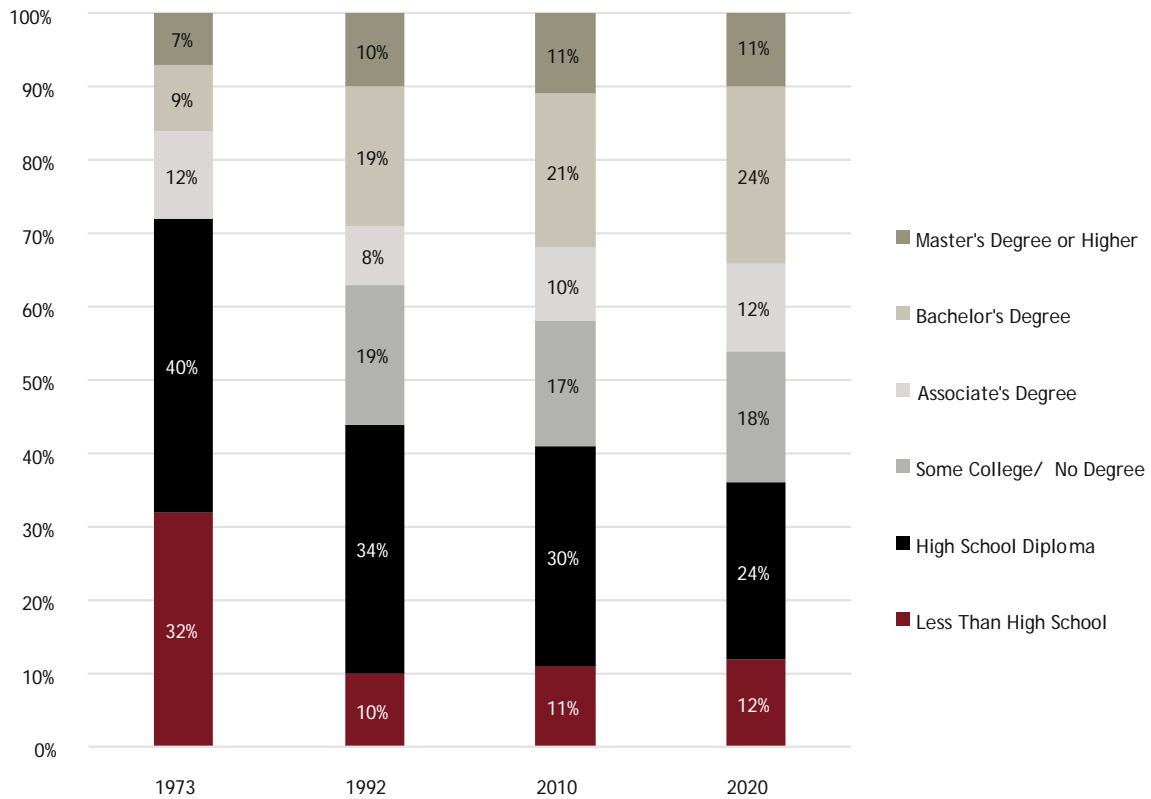
Occupational and Skills Requirements for Maricopa's Targeted Sectors

Each targeted economic sector is comprised of hundreds of occupations with varying skills and levels of educational attainment. The analysis provided an overview of national trends in occupational needs as well as specific occupations and their requirements among these targeted sectors identified for Maricopa. Data from the Bureau of Labor Statistics was utilized to collect information on the occupations that are most important to the targeted economic sectors that have been identified as priorities for diversifying Maricopa's economy.

Global and national CEO surveys underscore the importance of an available and skilled talent pool as a key determinant for where and how businesses create jobs. Virtually every U.S. state, region, county and city has a workforce development program focused on preparing the talent that employers need for their operations. On a local level, municipalities typically are very connected with county and regional workforce development organizations to avail themselves of the programs and resources these organizations offer to employers.

Nationally, 65% of all jobs in 2020 will require postsecondary education beyond high school. This information has significant implications for both education providers at the secondary and post-secondary levels, and for economic developers as well. An estimated 35% of job openings by 2020 will require a bachelor's degree or higher, and an additional 30% will require some college or an associate's degree. Only 24% will require a high school diploma.

FIGURE 10: EDUCATIONAL REQUIREMENTS TRENDS



Source: Georgetown University Public Policy Institute, *Recovery: Job Growth and Education Requirements through 2020*, June 2013.

The targeted economic sectors analysis provided extensive analysis of the occupational, skills and educational requires for each of the sectors that were analyzed and selected for Maricopa. The data includes the skills, work experience, education, and on-the-job training that will be required to support growth in the targeted industries for Maricopa. Additionally, the analysis provided detailed information on occupations, typical education for entry, required work experience, and any on the job training requirements.

Summary

The City of Maricopa is still in its early stages of development in both diversifying its local economy, filling voids for local goods and services, and building a base of export industries. The majority of its economy presently relies on retail, education, food services, and public administration.

While Pinal County still has a relatively small economic base and exports many of its workers to neighboring counties, it is viewed as an emerging economic development destination with significant long term potential. In recent months, several companies have announced major new projects and jobs that are on the horizon, including Lucid Motors, Applegate Insulation, PhoenixMart, Attessa Motor Sports Park, Apex Motor Club and Dreamport Villages. Metro Phoenix has also experienced strong increases in job growth in

2016, and these new and expanding companies signal more growth in the near future. These new companies create opportunities through their ripple effects for suppliers and business support services that could be located in communities like Maricopa.

Maricopa has the advantage of being an attractive place to live, and as a result, has a highly skilled resident workforce. The primary factor that is preventing the City from competing for economic development prospects in the near term is the lack of existing office and industrial space and sufficient shovel-ready sites.

Based on the evaluation of recent industry trends regionally and nationally, future prospects for growth, and the assets that the City has to offer, the best short term targets for Maricopa's economic development efforts are the Professional and Business Services, Health Services and Biomedical, Entrepreneurship/Small Business, Higher Education and Education Technology, Agribusiness/Agrisciences and Visitor and Hospitality sectors. Each of these sectors has near-term prospects for success within the City of Maricopa. They are expected to continue to grow regionally, and would bolster the City's economic competitiveness and vitality. Already, Maricopa has significant momentum in small business, post-secondary education and agribusiness related sectors. These constitute three important pillars that capitalize on existing Maricopa assets, and efforts to cultivate the growth of these sectors should continue. Just as importantly, however, Maricopa needs to focus on external prospect-generating activities to develop a robust portfolio of firms in the Professional and Business Services and Health Services and Biomedical sectors.

These six recommended targeted economic sectors are not intended to preclude Maricopa from recruiting any other firms or industries to locate in the City. Rather, the targeted economic sectors analysis presents those industries that may have the greatest interest in the City of Maricopa based on their growth in the national, state and regional economies as well as on local and regional competitive advantages.

While the City of Maricopa currently has a limited economic base, the community has a well-educated and highly-skilled resident workforce, and offers operating cost advantages over other locations in Arizona as well as Southern California. The targeted economic sectors identified for Maricopa offer the greatest potential the diversification of the community's economy in a manner that will create quality jobs and bring new wealth to the local area. The targeted economic sectors include firms that provide support for a wide range of other industries.

These recommended sectors can achieve multiple economic development goals simultaneously. This includes satisfying local demand where voids may currently exist such as in health services, importing dollars from outside the City by providing services to outside regions, offer opportunities for well qualified residents to work much closer to home, and provide residents with the prospect of starting their own business locally. By targeting economic sectors and firms that help drive Maricopa to a more diversified economy with opportunities that could help Maricopa achieve economic milestones on

several fronts, the effectiveness of the City's efforts will be significantly strengthened.

SECTION 7: BUILDING AND DIVERSIFYING MARICOPA'S ECONOMY: RECOMMENDED AGENDA FOR ACTION

Maricopa is blessed with an abundance of assets and attributes that are the underlayment of the community's desirability as a place to live, raise a family, work and do business. The City's quality of life and deeply-imbedded political and community commitment to investing in amenities and services that enhance the livability of Maricopa is evident throughout Maricopa. Maricopans have been ardent in their support of these City Government investments, and this supportive ethos is just as critical for Maricopa's economic development.

While the City Government's and residents' aspirations are justifiably commensurate with those for a community that is far more advanced in longevity, development and financial resources, the fact is that economic development progress will be achieved only through purposeful action that consistently and effectively focuses on addressing and solving some of the most challenging issues that presently confront Maricopa. There are fundamental impediments that stand in the way of Maricopa's ability to fully benefit from this economic development strategy, which is intensely focused and data-driven, honing in on optimal short and mid-term opportunities for private sector business investment and high quality job generation. Resolving, minimizing and ameliorating these impediments is mission critical for Maricopa's economic growth and diversification, and this recommended agenda for action reflects this urgent need.

This strategy has been developed with a keen focus on how Maricopa can and should fully capitalize on its relatively nascent state of existence and development while also honing in on ambitious, realistic and achievable private sector capital investment; the retention, expansion and recruitment of desirable firms and startup enterprises, and private sector job creation.

Maricopa's recommended economic development strategy is based on research and data, as well as significant stakeholder engagement and input, with a healthy infusion of ambition and realism. To ensure that an ambitious but attainable economic development strategy is launched and realized over the next five years, it is important that the City of Maricopa's Economic Development Agenda for Action is grounded in guiding principles that

are aligned with the Maricopa City Council's philosophy, policies and strategic plan while also serving as the foundational underlayment upon which to execute and provide continuity for these endeavors:

Guiding Principles for Maricopa's Economic Development Strategy

- Aligns with the Maricopa Vision 2040 and Strategic Plan.
- Builds on Maricopa's existing assets, attributes and advantages.
- Capitalizes on Maricopa's strong sense of community and commitment to building a sustainable community and economy.
- Identifies economic development opportunities that are compatible with Maricopa's community ethos, educational attainment and skills of local residents, and the built environment.
- Commits to a multi-year, long-term horizon.
- Aligns the City Government and community leaders to a common direction and priorities.
- Provides clearly articulated goals, indicators and metrics to ensure accountability.
- Focuses on diversifying Maricopa's economy and ensuring sustainable competitive advantage over the long-term.

Recommended Economic Development Agenda for Action

These guiding principles provide the beacons for Maricopa's economic development strategy. Equally important is the unwavering commitment and purposeful action that is needed on the part of the Mayor, Council and City Management. That leadership has and continues to be essential to Maricopa's fiscal, community and economic health. It also is important for Maricopa to fully leverage and maximize the resources of its many partners, and ensure that their missions are aligned with the strategic vision and goals of the Maricopa City Council. Already, Maricopa enjoys outstanding relationships and respect with critical local, regional, tribal and state partners; maintaining and strengthening these relationships is fundamentally important for long-term economic development success.

The goal of this economic development strategy is to provide evidence-based business and competitive intelligence to enable Maricopa to invest wisely in essential public sector infrastructure, amenities and programs that support the growth of firms in economic sectors having the greatest potential to expand, locate and grow in Maricopa.

To achieve this goal, the recommended Agenda for Action is as follows:

1. Effectively address and resolve the issues that impede Maricopa's ability to

achieve economic development.

- a. In anticipation of various governmental assessments and reports, develop a response strategy and funding to support a collaborative public-private sector that includes data evaluation and outreach to the new Administration and Arizona's Congressional delegation. Recognizing that this requires cooperation and collaboration with multiple public sector, tribal and private sector parties, it is essential for the City to step up to the plate first with a concrete plan of action, time frame and initial funding sources. Failure to do this will further defer Maricopa's ability to achieve desirable economic development and diversification.
 - b. Work vigorously to ensure that the potential expansion of State Route 347 continues to advance with the Arizona Department of Transportation's plans, Gila River Indian Community, Maricopa Association of Governments Regional Transportation Planning and other relevant parties.
 - c. Identify and cultivate potential private-public partnerships that could provide additional sources of funding for the flood plain remediation and other essential infrastructure, including transportation related projects.
2. **Invest in infrastructure, quality of life and other improvements that will assure Maricopa's ability to successfully compete for and retain, recruit and grow firms and quality jobs in the targeted economic sectors.**
- a. Work frequently and closely with the owners of commercial-industrial parcels of land to stay abreast of their plans, encourage private sector investment and development, and facilitate more shovel-ready sites.
 - b. Investigate public-private partnerships and other best practices to identify potential sources of funding to develop the City-owned land adjacent to the Maricopa City Center for an office complex.
 - c. Explore the potential of partnering with Arizona State University's Entrepreneurship + Innovation Program (formerly the Alexandria Network) to elevate and strengthen the Maricopa Center for Entrepreneurship.
 - d. Commit to effectively and expeditiously defining Maricopa's primary activity core, recognizing that there may be several different targeted areas in which to create the City's heart; enlist/engage the Urban Land Institute and other experts to assist in this crucial decision.
 - e. Prioritize and invest in arts and cultural offerings that will enhance Maricopa's quality of life and sense of community and place.
 - f. Continue to lead and support the Maricopa age-friendly initiative, and participate in and support the Pinal Gila Council for Citizens Areas Plan on Aging.
 - g. Prioritize and encourage private sector investment in end-of-life resources and services.

3. Transform Maricopa's business climate and competitiveness to ensure that the negative perceptions and experiences are converted to positives.

- a. Reinforce Maricopa's commitment to economic development, at all levels and throughout all branches/departments of City Government. Economic development needs to be a standard business practice and way of life for the City of Maricopa - every officer and employee of the City needs to be an economic developer.
- b. Ensure that the Economic Development Department is included in all City meetings - regardless of department - with developers, prospective employers and others who express interest in establishing a business or investing in the City.
- c. Institute a regular on-demand customer service satisfaction survey so that citizens, businesses and others who interact with City Hall can immediately and anonymously provide feedback on their experience.
- d. Establish a self-generating survey in SmartGov to give feedback on the customer service experience throughout the development process. Survey responses should be sent directly to the City Manager's office and reviewed frequently, with feedback to the appropriate departments and staff.
- e. Maintain Maricopa's culture of commitment to sustaining and strengthening the City's economy through City Council policies and City Government practices.
- f. Institute annual business climate surveys to obtain input from Maricopa businesses and business location decision influencers and commit to address areas that may need attention and/or improvement.
- g. Adhere to established public policies, including the Maricopa General Plan, to protect designated areas for business and employment.
- h. Find a way to ensure reason and fairness in dealing with utility partners to address matters of mutual concern.
- i. Coordinate public/private planning of infrastructure for business parks/business neighborhoods.
- j. Continue to invest in business incubation and professional entrepreneurship programs.
- k. Identify and establish private-public partnerships as a fundamental element of all City Government development services, planning and economic development functions.

4. Elevate and expand Maricopa's deal generating pipeline.

- a. Establish specific goals for the Economic Development Department to track self-generated leads and prospects.
- b. Ensure seamless coordination between all City Government departments that

interact with commercial/industrial developers, brokers and new and expanding businesses.

- c. Examine the potential of creating a City incentive policy, grounded in performance-based deliverables from private sector firms and developers.
- d. Expand/increase City funding for economic development resources and initiatives; establish a multi-year budget commitment commensurate with the total market reach of Maricopa, and on par with similar competitor communities from within the region and state.
- e. Capitalize on the recent major developments in Casa Grande and Pinal County, e.g., Lucid Motors, Attesa Motor Sports Park and others that are in Pinal County's prospect pipeline.
 - i. Strengthen relationships with the Pinal County Board of Supervisors, Economic Development Department and workforce development organizations in Pinal County.
 - ii. Identify what Maricopa can do for Pinal County, as well as what Maricopa needs to be a full partner contributing to the success of Pinal County and Casa Grande.
- f. Capitalize on the concentration of regional and divisional company headquarters and commercial-industrial developers and brokers in the Greater Phoenix marketplace and institute regular "sales missions" to these firms:
 - i. Conduct independent visits to leading commercial-industrial developers and brokers and site location consultants located in Southern Arizona, Greater Phoenix, and external markets, including Los Angeles.
 - ii. Continue to conduct strategic business retention visits to the Phoenix-based executives of regional/national offices of firms and institutions located in Maricopa, e.g., banks, hospitals, etc.
- g. Continue to fully engage in the Greater Phoenix Economic Council, Maricopa Association of Governments and Pinal Partnership.
- h. Increase relationship-development activities with the Pinal County Economic Development Department.
- i. Participate in the most prestigious and respected annual conferences and trade shows of the leading industry associations for Professional and Business Services, Healthcare and Biomedical, Educational Technology, and regional and state startup and entrepreneurship programs.
- j. Continue to participate in the International Council of Shopping Centers annual and regional conferences; secure third-party data on the types of retailers for which Maricopa can be competitive.
- h. Increase the level of funding for the Economic Development Department to expand its portfolio of economic development marketing tools, prospect generating data bases and other resources required to increase the amount and

quality of leads and prospects.

5. **Recruit, retain and nurture the growth of a wide range of sustainable and competitive businesses with particular emphasis on firms in the targeted economic sectors.**
 - a. Professional and Business Services: Information Technology; Computers; Software; Communications Systems; Healthcare IT; Financial Services; Insurance and Shared Services.
 - b. Healthcare Services: Consumer/Patient-Centric Services; Medical Instrumentation and Devices; Education and Training of Healthcare Professionals.
 - c. Small Business and Entrepreneurship: Build Maricopa's entrepreneurship ecosystem.
 - d. Higher Education and Education Technology: Private and Public Two and Four Year Colleges; Educational Technology Firms.
 - e. Agribusiness/Agrisciences: R&D, IT, testing, product development.
 - f. Visitor/Hospitality Commerce and Trade: Resorts/Hotels, Retail, Attractions, Arts/Culture, Events.
6. **Cultivate a climate of rich educational opportunities at all levels which support economic growth.**
 - a. Partner with educational institutions to develop academic programs tied to current and projected industry needs.
 - b. Collaborate with education and business to offer experiential learning opportunities.
 - c. Develop programs within the education system to assist innovative and entrepreneurial enterprises.
 - d. Work with CAC, Arizona's three public universities and other institutions of higher learning to expand post-secondary educational offerings in Maricopa.
 - e. Support local schools in their efforts to improve elementary/secondary education quality and program offerings.
7. **Create the Maricopa Economic Development Scorecard to infuse economic development accountability and measurement throughout the Maricopa City Government to objectively assess progress.**
 - a. Encourage Maricopa City Council adoption of customer-service-oriented on-demand feedback and metrics for all of City Government.
 - b. Institute a city-wide annual performance report card for Maricopa's community and economic development progress, integrating metrics from SmartGov, the

Vision 2040 and Strategic Plan and the recommended city-wide metrics included in Section 9 of this report.

- c. Assure accountability and transparency by publishing web-based economic snapshots, indicators, and performance metrics as well as through traditional media and public information venues.
- d. Institutionalize a city-wide economic development and customer service satisfaction performance accountability system, with annual and potentially semi-annual updates in a public forum to the Maricopa City Council.

SECTION 8: MEASURING MARICOPA'S ECONOMIC DEVELOPMENT PROGRESS: THE SCORECARD

To measure the impact and benefits of economic development, many states and communities across the nation are adopting metrics that are far more expansive than the traditional measures of number of jobs and level of payrolls generated through local retention and recruitment initiatives. Identifying realistic economic development metrics for the City of Maricopa's economic development initiatives needs to align with the Maricopa Vision 2040 and Strategic Plan, as well as with the economic development strategy.

Based on best practices identified from authoritative sources, including the International Economic Development Council (IEDC), the International City Management Association (ICMA), and the National Governors Association (NGA), there are three primary groups of measures that are utilized universally in economic development: (1) Economic Development; (2) Economic Development Strategy, and (3) Community Development/Quality of Life metrics. Specific data points for each of these groupings of economic development measures are delineated in this report.

The City of Maricopa's management leadership should review these metrics and consider creating a dashboard that would provide accurate data published annually to present a basis for tracking how the community is faring in terms of the factors that are mission critical to retaining, recruiting and growing high quality firms and jobs. These metrics should also encompass the Community Development/Quality of Life metrics, as Maricopa is investing heavily in services and amenities to enhance its community and quality of life (see Appendix).

Economic development is not the sole responsibility of the local economic development agency. Every individual who works in the City of Maricopa - elected, appointed or staff - has a responsibility to contribute to the advancement of the community's economic development. Maricopa's City Government and citizens have committed to an ambitious vision for the City, and it requires all sectors of the community - including the internal

operations of the City Government - to achieve economic development progress.

For the City of Maricopa Economic Development Department, the City should consider tracking the following metrics. Again, many of these indicators are outside of the domain of a single city agency but should be integrated into the City Government's overall set of metrics.

TABLE 4: RECOMMENDED METRICS FOR MARICOPA ECONOMIC DEVELOPMENT DEPARTMENT	
Business Retention and Expansion Metrics	
Number of local businesses visited with high level, private-public sector delegations Number of businesses expanded Number of businesses retained Number of jobs retained (full time, part time, contract, seasonal) Wages/salaries of all jobs retained/grown Number of businesses assisted (type of assistance) Activities executed to support "Buy Local" campaigns	
Business Attraction and Marketing Metrics	
Businesses attracted to the community (number and representation across target sectors) Number of jobs attracted (full time, part time, contract and seasonal) Total number and value of new development projects facilitated/assisted New investment attracted/facilitated (overall, per project, public vs. private, ROI) Increases in tax revenue/base growth Wages/salaries of jobs attracted (overall average) Incentives awarded (if any) and ROI Number of prospect visits for business attraction Number of active prospects in the pipeline Increase in number of leads and prospects Number of leads converted to bona fide prospects Percent of prospects locating in the community Source of leads and prospects (self-generated vs. external from state, brokers, etc.)	
Collaboration Metrics	
Private-public-civic engagement in the implementation of the economic development strategy initiatives Public-private partnerships and alliances for major economic development initiatives Relationships established within the community between and among mainstream business - large and small - and the local economic development organization Collaboration between economic development/business organizations and postsecondary training and educational institutions and other workforce development organizations Participation in regional and state economic development groups and activities Broad public, private, university, civic and nonprofit input into community's dashboard	
Communications Metrics	

Educating local and state elected officials on economic development practice and progress Engaging/informing state, regional and local partners on economic development strategy and progress
Stakeholder Satisfaction Metrics
Stakeholder satisfaction ratings (via annual survey) Public sector Private sector (businesses) Major civic and nonprofit groups K-12 Higher educational organizations

SECTION 9: MOVING FORWARD: NEXT STEPS FOR MARICOPA'S ECONOMIC DEVELOPMENT POLICIES AND PROGRAMS

As a very young city still in its infancy, Maricopa has built a strong foundation for the future. Blessed with wise, committed and visionary leaders, an actively engaged, highly educated and high earning citizenry, successful solopreneurs and business establishments, the City of Maricopa is well-positioned to continue to grow and prosper. Fundamental economic anchors are in place - government, education, utilities, infrastructure and private enterprises large and small - all of which contribute to a burgeoning community that is poised to continue to benefit from population and business growth in the years ahead.

Maricopa's strong ethos of collaboration and cooperation with its residents, tribal neighbors and regional communities provides the underlayment to assure that the City will continue to benefit from the successes it brings about for itself, as well as, from the successes of its partners.

As the City continues to move forward in its quest to grow and diversify its economy, deliver superior public services, enhance the community's quality of life, and ensure wise stewardship of its financial resources, a focused and consistent commitment to economic development is essential for Maricopa's present and future success. All aspects of the Maricopa City Government have a central role to play in the City's economic development: Mayor, City Council, City Manager and all departments and staff across the entire organization.

For Maricopa to achieve sustained economic success, much work remains to be done. In fact, the City is at an inflection point. Maricopa is severely disadvantaged by major and costly issues that impede its ability to recruit and grow base employers and build and

diversify a competitive economy - one that is attractive to 21st century technology-based firms in the Professional and Business Services, Health Services and Biomedical, Higher Educational Institutions and Educational Technology, Agribusiness/Agrisciences, Visitor and Hospitality Trade and other sectors that are growing in the U.S., state and regional economies.

What are these two impediments? They are the single point of access to the community via SR347 and the flood plain issues that confront the City. They represent two significant competitive disadvantages that require more effort on Maricopa's part, despite the hard work and many years that the City already has invested in trying to address and resolve these issues. Effective solutions require outsized financial resources and cooperation from multiple sources and stakeholders. At the present time, potential solutions are merely aspirations that can come to realization only over long periods of time and effort and at great cost. For these two issues, there are no easy answers, or immediately attainable solutions. However, to fully realize the self-sustaining economy and community envisioned in the Maricopa Vision 2040 and Strategic Plan, even more arduous work is required on the part of City Government. The attainment of approvals and funding for the widening of SR347 and amelioration of the flood control issues are absolutely mission critical to Maricopa's present and long term well-being.

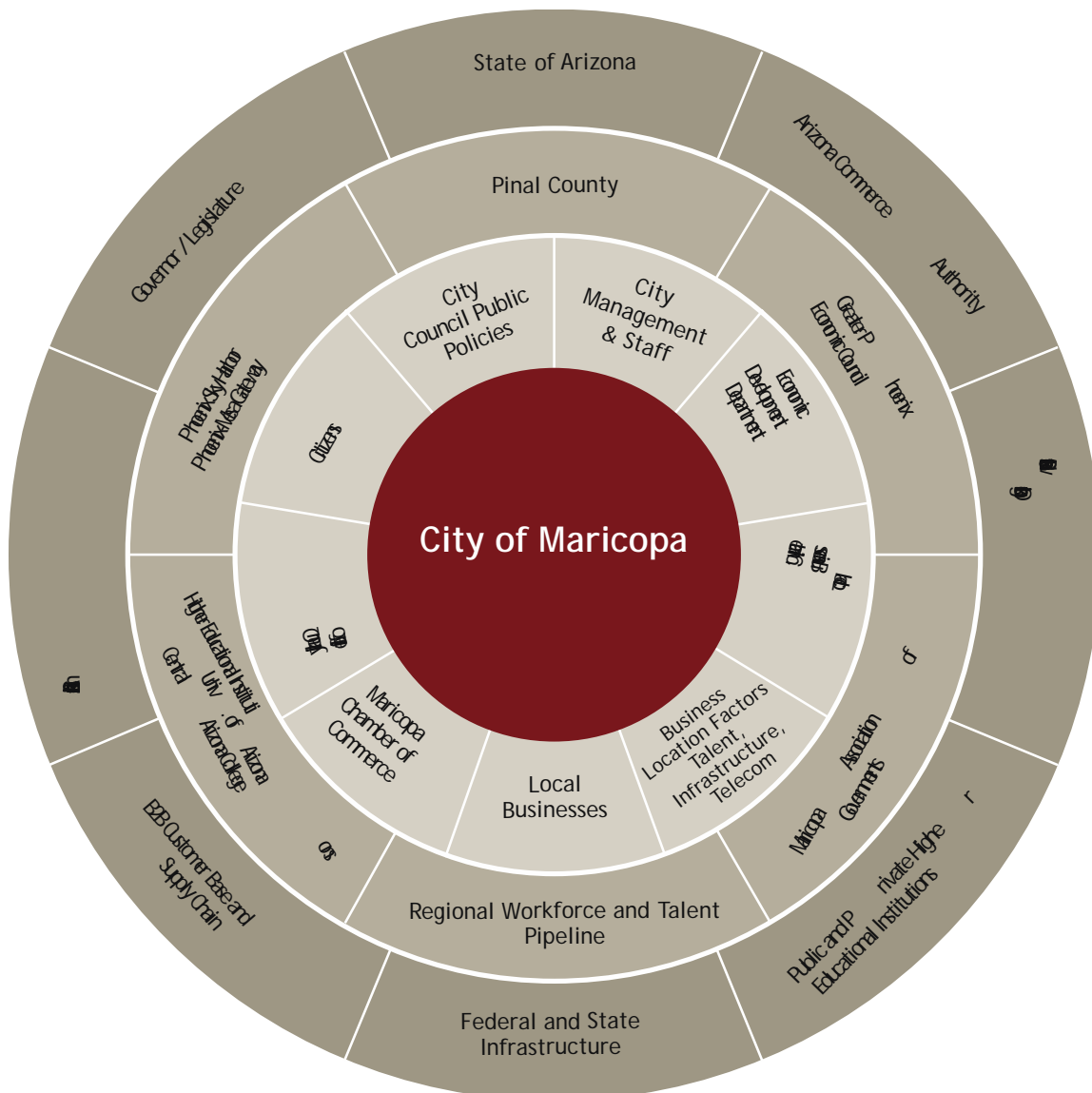
Maricopa can ill afford to focus solely on addressing the SR347 widening and flood plain issues before ramping up and refocusing its economic development efforts. This is not an either or proposition, nor is it sequential. Arizona is experiencing significant economic growth, as are Maricopa and Pinal counties. Highly desirable economic development opportunities will present themselves in the months and years ahead while the U.S. economy continues to grow. In addition to removing its two most significant impediments to economic development, Maricopa must also significantly elevate its economic development investment, focus and sophistication. The City is necessarily focused on a wide range of activities within its Economic Development Department to address local needs and to fill voices. Too often, economic development is viewed as being all things to all people. While this may be laudable or expedient from a political standpoint, this approach does not necessarily yield optimal results for the community. It's time for Maricopa to focus on "first things first" from a planning and economic development program standpoint.

Strengthening Partnerships for Maricopa's Economic Development

A fundamental quality of the City of Maricopa's ethos is commitment to partnerships. From its inception, City of Maricopa leaders have recognized that building a great city can be realized only through strong, mutually beneficial relationships and partners with local, regional and state opinion leaders and organizations in the civic, private and public sectors. Public-private sector partnerships are especially important for economic development and have become the hallmark of excellence for these endeavors.

All successful public and private sector economic development organizations have well-developed networks of mutually beneficial partnerships encompassing the business, government, education and the civic sectors. Maricopa already has experienced the many benefits that come from having strong partnerships with a broad range of entities. All of these formal and informal relationships serve to build Maricopa's social capital - the network of formal and informal relationships - that combined, contribute to trust and reciprocity. Maricopa's social capital is the essence of its economic development ecosystem, which in turn, is essential to the City's long term economic development success (Figure 11). Moving forward, strengthening and expanding these partnerships and expanding its economic development ecosystem is mission critical for the realization of the City's overall vision as well as building a robust, self-sustaining economy.

FIGURE 11: MARICOPA'S ECONOMIC DEVELOPMENT ECOSYSTEM



As noted in Section 6 of this report, Maricopa benefits enormously from straddling two metro areas: the Phoenix MSA and Pinal County. Accordingly, it is important that the City continues to participate in the local, regional and county organizations in these two distinct but fusing markets, as well as in the State of Arizona's economic development endeavors.

Ak-Chin Indian Community: Maricopa already has an important and respected relationship with the Ak-Chin Indian Community, which has been very generous in supporting the Maricopa Unified School District, the Copper Sky Regional Recreational Complex and other equally important assets in the City. Maintaining and strengthening this partnership already rests atop the City's priority list, and should remain there.

Gila River Indian Community: Maricopa has been working closely with the Gila River Indian Community on a host of issues, most notably, the mitigation of the flood plain. This relationship is very important to the City, and traditionally, the Mayor and members of the City Council have been the lead representatives on behalf of the City.

Maricopa Chamber of Commerce: Every vibrant city has a vibrant and self-sustaining Chamber of Commerce. From its earliest days, the City of Maricopa has exemplified its commitment to supporting the development of these institutions through its "seed funding" to help the Chamber grow and in ensuing years, through representation on its board. The Chamber's role in the community is an important one - it is the only organization that provides a venue for information sharing and networking between and among a broad range of businesses in Maricopa. The role is an important one and the City should continue its participation in the Chamber board of directors.

Maricopa Economic Development Alliance (MEDA): Originally spawned by the City of Maricopa, MEDA is the City's official private public partnership for economic development, and plays a critical role in helping the community enhance the business climate and quality of life. The potential for MEDA over the long-term is substantial. Through its private sector board members, MEDA provides the foremost business intelligence and trends impacting all sectors of the economy as well as invaluable support in the form of stewardship and financial contributions to help advance Maricopa's economic development agenda.

Greater Phoenix Economic Council (GPEC): Maricopa already is an active participant in this regional organization. The City should continue its involvement and capitalize on GPEC's strategic marketing initiatives - nationally and globally - as well as the organization's expansive network of regional relationships.

Maricopa Association of Governments (MAG): Maricopa is a member of this Regional Council of Governments, Regional Planning Organization and Regional Transportation

Authority. The relationship with MAG has served the City well, and needs to be maintained.

Pinal County Government: As noted previously in this report, Maricopa spans both Pinal County and the Phoenix MSA. Situated in Pinal County, the City has much to gain with an even stronger and more durable relationship with the Pinal County Government (as well as other Pinal County organizations). Building this partnership requires a long term perspective and commitment, spanning generations.

Pinal Partnership: An important Pinal County-centric membership organization in which Maricopa already participates and serves as a member. Continuing this relationship is important to the City's long-term interests.

Arizona Commerce Authority (ACA): Maricopa has benefitted significantly from its relationship with the Arizona Commerce Authority, most recently from a \$250,000 rural economic development grant that helped to fund the extension of Edison Road (in support of the Estrella Gin Business Park). The City needs to further cultivate this relationship so that the ACA remains aware of Maricopa's goals and capabilities to successfully land and grow high quality employers.

Other Partners: Over time, other equally important partners will inevitably emerge. The City has demonstrated its ability to build strong, mutually beneficial and enduring partnerships, and there is no doubt that this tradition will continue well into the future to benefit all residents and businesses of Maricopa.

Maricopa is uniquely and eminently qualified and capable of investing wisely in essential public sector infrastructure, amenities and programs that support the growth of firms in economic sectors having the greatest potential to expand, locate and grow in Maricopa. Realizing this economic development goal, while also eradicating barriers to Maricopa's success and vitality, requires intensified focus, investment and progress. Success on both fronts will ensure that Maricopa can continue to honor its proud history and build a prosperous future for all.

APPENDIX

Business Climate Metrics

- Business-government relations
- Ratings of the business climate among local businesses
- Ease of doing business (average number of days to obtain permits, average cost of opening a business, average number of days to open a business)
- Satisfaction rating of public services/facilities in the community
- Increased diversity of businesses in the economy
- Cost of doing business locally vis-à-vis the region

- Local tax rates

Community Development/Quality of Life Metrics

- Talent/Workforce Characteristics Metrics
- Technology and Innovation Metrics
- Business Climate Factors Metrics
- Quality of Life Metrics
- Environmental Metrics
- Real Estate: Commercial and Industrial Use Metrics

Talent/Workforce Characteristics Metrics

- Employment by sector and industry
- Number of qualified workers for specific jobs and sectors
- Job openings per sector
- Educational attainment (HS, some college, bachelor's degree and higher)
- Percentage of college educated workers and number of degrees granted (certificates, 2, 4 and graduate degrees)
- Percentage of college educated residents and number of degrees awarded (2, 4 and graduate degrees)
- Labor and training needs in the community (full-part time employees, average wage rates, skill levels of work force, annual turnover rate, etc.)
- Unemployment rate
- Labor force participation rate
- Average earnings per jobs
- Wage growth (changes in average wages and salaries)
- School enrollment P- 20
- High school and college dropout rates
- Teacher - pupil ratio in K-12 schools
- Adult literacy rates

Technology and Innovation Metrics

- Access to broadband internet
- Number of commercial Internet domain names
- Digitization of local and county government (online applications for business licenses, etc.)

Real Estate: Housing Metrics

- Affordability of housing
- Home ownership rates vs. renter rates
- Cost of living
- Property values (residential vs. commercial)
- Ratio of housing to income
- Average monthly rental
- Housing conditions

Quality of Life Metrics

- Median/average household incomes
- Net worth and disposable income
- Per capita income
- Per capita income of households
- Healthcare (number of hospitals, quality of healthcare offered, options for elderly care, disabled

- and other special populations)
- Population diversity
- Access to sports and recreation
- Total and per capita expenditures on arts and culture (museums, parks, etc.)
- Cost and availability of child care services
- Park space inventory and proximity to residential areas
- Number of celebrations and festivals in community and number of attendees
- Walkability of the community
- Volunteerism
- Voting rates

Transportation and Public Transit Metrics

- Average commute times
- Travel times to other communities and employment centers
- Access to mass transit
- Reliability and accessibility of public transit
- Transit service coverage and density
- Cost of public transportation
- Percent of population using public transportation
- Bicycle and pedestrian networks
- Percent of population carpooling to work
- Highway accessibility
- Population served in one-day trucking route
- Air access

Environmental Metrics

- Planned environmental improvements
- Cropland value
- Water quality and availability
- Air quality
- Preservation of farmland, natural habitats and open spaces
- Per capita water use

Real Estate: Commercial and Industrial Use Metrics

- Availability of shovel-ready and certified sites (number, acreage, zoning, infrastructure, etc.)
- Number and value of redevelopment projects
- Vacancy and absorption rates - retail, commercial, industrial
- Average value of commercial property
- Number of new building permits issued
- Change in property valuation over time
- Diversity of financing methods used for new developments (tax credits, leases, public use bonds, etc.)