

A Growing Horizon for Casa Grande, AZ:

AN ECONOMIC DEVELOPMENT ROADMAP
FOR SUSTAINED SUCCESS



Prepared by:

IO, INC
3104 E. Camelback Road, Suite 1000
Phoenix, AZ 85016
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SECTION 1: INTRODUCTION AND SUMMARY

Casa Grande, Arizona is a burgeoning city where big ideas and bold innovations are welcomed with open arms. With its strategic location in the heart of the Arizona-Mexico Sun Corridor, and centrally situated between four of America's largest cities – Los Angeles, Phoenix, Dallas and Houston – Casa Grande offers boundless opportunities for both domestic and international businesses.

Casa Grande's location between the Phoenix and Tucson Metros has ensured that the city is poised for growth: today, Casa Grande's population is nearly 54,000 people, and projections show that the city will continue to experience robust growth for the next two decades, nearly doubling its population to more than 127,000 residents by 2040.

Projected job growth in Casa Grande also is significant over the next 10 to 20 years, ranging from 3.0 percent per year in the short-term to as high as 3.6 percent per year from 2030 to 2040. The timing and magnitude of job growth in Casa Grande could be significantly greater depending on the development of recently announced megaprojects such as Lucid Motors, Dreamport Village, Attesa and the eventual completion of PhoenixMart.

Today, there are approximately 20,000 at-place jobs in Casa Grande, and the city's resident workforce numbers more than 22,000. Because of its strategic location, employers located in Casa Grande are able to draw upon the workforce of more than 2.7 million from both the Phoenix and Tucson markets.

Casa Grande has a significant presence of manufacturing for a city of its size, and boasts a diverse and very stable economic base. There are a number of large operations that have been in the community for a long time and are committed to Casa Grande. They include Abbott Nutrition, ACO Polymer, Frito Lay, Hexcel Corporation, Monsanto Cotton Research Center, Walmart Distributions, Medicine for Business and Industry, Ehrmann Arizona Dairy LLC., National Vitamin Company as well as scores of other major firms.

Casa Grande is in a unique position in Arizona in terms of market access due to its location at the junction of Interstates 8 and 10 and being centrally located between the state's two largest urban areas: the Phoenix and Tucson metro markets. Casa Grande is just two hours from Mexico, positioning the community as an important center for international business. In addition, the proposed new Interstate 11 alignment through Casa Grande will exponentially enhance the city's locational attributes and advantages for a broad range of US and international enterprises.

In addition to its superior interstate access, Casa Grande also has outstanding rail access. The Union Pacific (UP) line runs through Phoenix and Casa Grande to Tucson and Nogales and to points east. The UP Sunset Route, from Los Angeles and Long Beach to El Paso, carries approximately 20 percent of all UP traffic and connects the ports of Los Angeles with the largest intermodal destination in the country, Chicago. Union Pacific also serves Nogales, which is one of the railroad's six gateways into Mexico, and interchanges traffic with Canadian rail systems.

In terms of air access, Casa Grande is just 45 minutes from Sky Harbor International Airport in Phoenix and about 80 minutes from Tucson International Airport. Phoenix Mesa Gateway Airport is also within a 45 minute drive. Casa Grande has a general aviation municipal airport that is home to approximately 94 based aircraft with average aircraft operations of about 330 per day.

Casa Grande's government – from its elected Mayor and City Councilmembers to its highly regarded City Management – work extremely well together to continually assess opportunities and advance the community's quality growth. With a Triple AAA bond rating from Moody's, Casa Grande enjoys sound fiscal stability. As stewards for the city's future – including its long term sustainability as a location of choice for people and business – Casa Grande's elected and professional management leadership is well known for its ability to work together within the community as well as regionally to plan for and achieve its community and economic aspirations.

As Casa Grande continues to flourish, its horizon for opportunities continues to expand. The city provides distinctive advantages for people and business to establish their lives and livelihoods and prosper for generations to come. Recognizing the need to sustain Casa Grande's economic vitality and to expand the horizon for its future growth, the City of Casa Grande commissioned an economic development strategy to ensure that the community is well-positioned to fully capitalize on emerging opportunities in the domestic and global economies.

SECTION 2: ON THE HORIZON

LKQ Corporation



A Fortune 500 auto parts and vehicle recycling company, LKQ has broken ground on its 120 acre site that is located on the northwest corner of Thornton and Peters roads. LKQ is building a 107,000 square-foot facility that will employ up to 100 people upon completion. The site is less than three miles from Interstate 8 and is closely situated to other LKQ locations in the Phoenix Metro.

PhoenixMart



Scheduled to open in 2018, PhoenixMart has been designed to serve as a global marketplace for business to business buying and selling of finished goods from around the world. The facility will feature over nearly 1,900 showroom suites in a 1.5 million square foot venue where domestic and global manufacturers, distributors and suppliers seeking to connect with buyers and sellers can do so in a one-stop venue. Domestic and international trade industry shows, product fairs and training sessions on exporting and importing also will be part of PhoenixMart's regular programming. It will bring 2,000 businesses under one roof and is the anchor for a 585-acre master planned development which will include single and multi-family housing, a five-star resort and spa, retail, shopping, dining, entertainment and other amenities.



Lucid Motors



Casa Grande was the victor in landing the planned Lucid Motors \$700 million, 2,000 worker auto plant that will compete with the likes of Mercedes, Audi and BMW and other luxury brands producing electric and self-driving vehicles. Through a strong partnership with Arizona Governor Doug Ducey, the Arizona Commerce Authority and Pinal County, Casa Grande was selected for this project after a multi-state competition in late 2016. Casa Grande's proximity to the Sonora, Mexico automotive supply chain as well as the focused response by Central Arizona College, Maricopa Community College and Pima Community College to create a joint advanced manufacturing training program to prepare the talent Lucid needs were cited as primary reasons for this decision. Lucid's 500,000 to 600,000 square foot manufacturing facility will be built on an 475-acre site near the junction of Interstates 8 and 10.

Attesa Motorsports



Slated to be under construction in 2017-18, Attesa Motorsports 2,360-acre complex will house two separate 2.8 mile road courses, a karting track, driver experience center, multi-surface racing and event center. This multi-faceted project is projected to create more than 13,000 direct and indirect new jobs. Additionally, the project will generate a \$1.2 billion impact during construction, as well as create \$1.8 billion of economic activity following completion of the complex.

Dreamport Villages

Described as the “next Disney World”, Dreamport Villages received its first approval of a land use request by the Casa Grande City Council in the fall of 2017. A total development plan of 1,500 acres was approved for this destination attraction, which will be built at the junction of I-8 and I-10. Phase one of the project is expected to generate up to 5,800 jobs, and full development of the project will take 10 years with a projected private capital investment exceeding \$4 billion. Upon completion, Dreamport is projected to create 15,000 direct and indirect jobs, with an annual visitor count of over 4 million.



FC BARCA

FC Barcelona, the third most valuable sports team in the world, is bringing its U.S. Barca Academy to Casa Grande. The soccer training academy will take place in the Grande Sports World facilities. The program will be taking youth players from the ages of 12 to 19 and competing in the highest division of the U.S. Soccer Development Academy's youth football categories.



SECTION 3: METHODOLOGY

A comprehensive research and data-driven process, significant local and regional stakeholder engagement and expert input from IO.INC's BrainTrust of C-suite executives, was utilized to formulate Casa Grande's economic development strategy. A cross-disciplinary approach was employed to identify the city's unique competitive advantages as well as targeted economic opportunities that will yield the highest and best impact to grow, diversify and strengthen Casa Grande'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 101 Casa Grande stakeholders.
3. Confidential interviews with major commercial/industrial developers and brokers in Casa Grande and the Phoenix Metro.
4. Comparative analysis of Casa Grande vis-à-vis regional competitors.
5. Comprehensive review of Casa Grande's economic base.
6. Comprehensive global, national and state analysis of factors impacting and influencing business expansion and location decisions.
7. Comprehensive review, discussion and input from IO.INC's BrainTrust, comprised of CEOs and industry experts.
8. Development of goals and recommended actions to guide the City of Casa Grande in its economic development decisions.
9. Recommended metrics to assess Casa Grande's economic development progress.

Through this comprehensive approach, a recommended short to mid-term economic development road map was developed. This implementation plan supports and advances the achievement of the economic and community development priorities established by the Mayor and City Council through public policy making processes.

FIGURE 1: IO.INC METHODOLOGY FOR CASA GRANDE'S ECONOMIC DEVELOPMENT STRATEGY



Critical Contributions: Major Findings of the SWOT Analysis

Economic development success is directly dependent on several factors, not the least of which is the active engagement, participation and input of a broad range of stakeholders representing all facets of community and business life within a community. For Casa Grande's economic development strategy, 101 public, private and civic stakeholders participated with enthusiasm, offering thoughtful perspectives on how they see their community – today and into the future.

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 provide important information and direction as to what needs to be done to capitalize on the city's strengths and opportunities, and ameliorate weaknesses and threats that may adversely impact Casa Grande's economic development competitiveness.

For the SWOT assessment, beginning in September through December 2017, IO.INC conducted one-on-one interviews and convened two roundtables, directly engaging 101 representatives of Casa Grande's public, private and civic communities; state and regional leaders, and external business/industry experts, including:

- ◆ Mayor Craig McFarland and members of the Casa Grande City Council;
- ◆ Casa Grande City Manager Larry Rains 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 Casa Grande;
- ◆ The executives of Casa Grande's major employer firms;
- ◆ Key decision-makers and opinion leaders at the State of Arizona, Pinal County and Phoenix and Tucson Metros, each of whom has a high level of familiarity/experience with Casa Grande;
- ◆ Commercial/industrial brokers and developers and real estate experts from both within Casa Grande as well as externally, from the Greater Phoenix market;
- ◆ C-suite executives and national experts in economic development, business locations, high tech, healthcare, financial services, hospitality and tourism and other major economic sectors.



Mayor
Craig McFarland



Mayor Pro Tempore
Matt Herman



Councilwoman
Mary Kortsen



Councilman
Ralph Varela



Councilman
Dick Powell



Councilwoman
Lisa Navarro Fitzgibbons



Councilwoman
Donna McBride

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

IO.INC is very appreciative of the enormous investment of time and consideration invested by Casa Grande Councilwoman Donna McBride, the City Manager's Office and Economic Development Office in arranging interviews and roundtables with Casa Grande stakeholders.

Casa Grande's public, private and civic stakeholders are highly informed about the "DNA" of the city's economy and community. All 101 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 Casa Grande's stakeholders have in ensuring that the city retains its strong sense of a tightly-knit community that boasts small town, neighborly values. At the same time, Casa Grande's stakeholders recognize the critical importance of quality economic growth that will contribute to a more diversified and sustainable economy for themselves, their families and for future generations as well.

The following summarizes the top 10 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 Casa Grande's present and future.

CASA GRANDE'S TOP 10 STRENGTHS:

SMALL TOWN, NEIGHBORLY AMBIENCE

STRATEGIC LOCATION BETWEEN PHOENIX AND TUCSON METROS

TRANSPORTATION INFRASTRUCTURE: MULTIMODAL, I-8, I-10, FUTURE I-11, RAIL, CASA GRANDE MUNICIPAL AIRPORT

CENTRAL ARIZONA COLLEGE

OUTSTANDING CITY MANAGEMENT AND WELL-MANAGED FISCALLY RESPONSIBLE GOVERNMENT

PROXIMITY TO SOUTHERN CA AND MEXICO

STABLE, CONSENSUS-ORIENTED CITY ELECTED LEADERSHIP

VERY COMPETITIVELY PRICED BUSINESS OPERATING COST ENVIRONMENT

AFFORDABLE HOUSING AND COST OF LIVING

ABUNDANT LAND/ROOM TO GROW

CASA GRANDE'S TOP 10 OPPORTUNITIES:

CREATE A PIPELINE OF HIGHER QUALIFIED, SKILLED WORKERS FOR TODAY'S AND TOMORROW'S JOBS

FOSTER THE POTENTIAL OF THE "BIG 3" MEGAPROJECTS: LUCID MOTORS, ATTESA MOTORSPORTS AND DREAMPORT VILLAGES

ATTRACT HIGHER QUALITY, HIGHER PAYING JOBS

DEVELOP THE CASA GRANDE REGIONAL AIRPORT

ESTABLISH A STRONG IDENTITY FOR CASA GRANDE

ATTRACT/BUILD AMENITIES, ACTIVITIES AND ENTERTAINMENT OFFERINGS FOR CHILDREN AND YOUTH

ATTRACT MORE AND HIGHER QUALITY HOTEL, RETAIL AND DINING OPTIONS

CAPITALIZE ON THE NEW COMPANIES/ANNOUNCEMENTS THAT ARE CREATING ENTIRELY NEW OPPORTUNITIES FOR PEOPLE, BUSINESS AND THE LOCAL ECONOMY

ATTRACT A FOUR YEAR DEGREE-GRANTING HIGHER EDUCATION INSTITUTION

ATTRACT AND BECOME A CENTER OF EMERGING TECHNOLOGIES, INCLUDING SMART TRANSPORTATION

CASA GRANDE'S TOP 10 WEAKNESSES:

ABSENCE OF EFFECTIVE AND AGGRESSIVE ACTION TO ADDRESS THE LACK OF A SKILLED AND JOB-READY WORKFORCE THAT CAN FILL CURRENT AND FUTURE JOBS

POTENTIAL ADVERSE IMPACT OF ADWR WATER POLICY, INCLUDING THE POTENTIAL FOR A PERCEIVED WATER MORATORIUM

POOR PERFORMING CASA GRANDE UNIFIED HIGH SCHOOL DISTRICT

UNDER-APPRECIATION OF EXISTING EMPLOYERS

UNDER-DEVELOPED/UNDER-UTILIZED REGIONAL AIRPORT

CUMBERSOME, TIME-CONSUMING AND ARBITRARINESS OF LOCAL PERMITTING AND DEVELOPMENT PROCESSES

INSUFFICIENT INFRASTRUCTURE TO SUPPORT THE "BIG 3" MEGAPROJECTS AND OTHER MAJOR EMPLOYMENT AND COMMERCIAL/INDUSTRIAL DEVELOPMENTS

VACANT RETAIL ACROSS THE CITY IN FOUR MAJOR SHOPPING CENTERS

LACK OF SOCIAL AND CULTURAL AMENITIES

POTENTIAL FALL OUT IF THE "BIG 3" DO NOT COME TO FRUITION

TOP THREATS TO CASA GRANDE'S ECONOMIC DEVELOPMENT/COMPETITIVENESS:

ARIZONA'S FAILURE TO WIDEN I-10 BETWEEN CHANDLER AND CASA GRANDE

INABILITY TO RESOLVE THE NEW ADWR WATER FORMULA AND ISSUES

STATE GOVERNMENT'S CONTINUED PENCHANT TO SWEEP FUNDS AND REDUCE REVENUES THAT BELONG TO THE MUNICIPALITIES AND COUNTIES

NATIONAL POLITICS AND ECONOMY

GLOBAL GEOPOLITICS AND ECONOMY

LACK OF CITY INVESTMENT IN THE FUTURE, E.G., INFRASTRUCTURE, COMMUNITY AMENITIES, PUBLIC TRANSIT

ABSENCE OF A STRONG IDENTITY FOR CASA GRANDE

COMPETITION FROM OTHER CITIES - INSIDE AND OUTSIDE OF ARIZONA

INABILITY/FAILURE TO GREATLY IMPROVE THE CASA GRANDE UNIFIED HIGH SCHOOL DISTRICT

INSUFFICIENT STATE FUNDING FOR PUBLIC K-12 EDUCATION

SECTION 4: CASA GRANDE'S ECONOMY

4.1 Economic Base Analysis

The economic base analysis entailed a detailed examination of employment trends, industry specializations and key growth sectors. The analysis includes data from 2007 to 2016. Detailed industry trends are included for Pinal County, along with a local business segmentation analysis to show the types of businesses that are currently present in the City of Casa Grande and the share of county employment that the city represents.

In addition to examining the economic base, we assessed the potential impacts of four large projects that have recently announced plans to locate in Casa Grande: Lucid Motors, Attesa Motorsports, PhoenixMart and Dreamport Villages. These projects will generate significant demand for local suppliers as well as spur additional business activity. This is particularly true in the case of Lucid Motors, given that manufacturing is more supplier-intensive than other types of industries. We also performed a supply chain analysis to identify the types of local industries that could supply goods and services to Lucid Motors. This data, in combination with the competitive market assessment, helps to drive the Casa Grande Economic Development Strategy.

Understanding the region's current economic base and historical trends creates a foundation for maximizing the future impact of the recently announced economic development projects.

FIGURE 2: ECONOMIC BASE ANALYSIS METHODOLOGY



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Although detailed industry employment data is not available for Casa Grande specifically, it is possible to look at Casa Grande's share of regional employment by sector based on zip code data from County Business Patterns. Although the city boundaries and zip code boundaries are not exactly the same, this analysis included 85122, 85130, 85193 and 85194, which covers most of the nonresidential development in the city.

The location quotients shown in Table 1 compare the share of total industry employment in a given sector in Casa Grande to that same ratio for the county. The industries in italics in Table 5 are those where Casa Grande has a high level of specialization within the region. These include manufacturing, wholesale trade and transportation, which form the primary foundation of the city's economy.

TABLE 1: CASA GRANDE SHARE OF COUNTY EMPLOYMENT BY SECTOR

NAICS	Description	Pinal County 2016		Casa Grande 2015			Casa Grande Location Quotient	
		Jobs	Firms	Jobs	Share	Firms		Share
	Total	41,096	2,963	16,391	40%	1,023	35%	
11	Agriculture, Forestry, Fishing	2,345	172	2	0%	1	1%	0.00
21	Mining	1,099	17	20	2%	3	18%	0.05
22	Utilities	260	19	138	53%	8	42%	1.33
23	Construction	1,874	279	774	41%	64	23%	1.04
31-33	Manufacturing	3,480	114	2,797	80%	45	39%	2.02
42	Wholesale Trade	1,048	168	665	63%	34	20%	1.59
44-45	Retail Trade	8,279	413	3,214	39%	198	48%	0.97
48-49	Transportation	1,184	91	979	83%	35	38%	2.07
51	Information	616	45	241	39%	12	27%	0.98
52	Finance and Insurance	902	141	452	50%	63	45%	1.26
53	Real Estate	522	150	261	50%	53	35%	1.25
	Services	19,742	1,280	6,848	35%	507	40%	0.87
54	Professional and technical services	1,232	247	284	23%	63	26%	0.58
55	Management of companies	99	9	29	29%	4	44%	0.73
56	Administrative and support services	4,817	174	603	13%	48	28%	0.31
61	Educational services	874	35	96	11%	12	34%	0.28
62	Health Services	5,205	276	2,885	55%	182	66%	1.39
71	Arts, entertainment, and recreation	628	46	119	19%	8	17%	0.47
72	Accommodation and food services	5,330	292	2,226	42%	104	36%	1.05
81	Other Services	1,557	201	606	39%	86	43%	0.98

Applied Economics, LLC November 2017

The economic base analysis also includes projections of employment by sector in Casa Grande. The sectors with the greatest amount of projected absolute growth include health services and accommodation and food services. Casa Grande's primary sectors including manufacturing, wholesale and transportation show limited growth, or even declines in the case of manufacturing, indicating that a more aggressive economic development effort will be required in order to maintain and expand the city's economic base beyond local-serving industries such as health care. It is also important to note that any of the four large projects that are currently planned could significantly alter the mix of employment in the city.

4.2 Comparative Analysis

As one of several major building blocks for the economic development strategy, this research and analysis presents a comprehensive comparative assessment of Casa Grande's business climate relative to the Phoenix and Tucson metro areas and provides an important perspective as to how the community competes. It is fundamentally important to recognize that although many communities view their competitors as neighboring communities, companies often search for new locations on a broader regional or national basis. To be successful in economic development, Casa Grande must be able to compete in a larger market.

The comparative assessment provides a broad range of information on key socio-economic attributes for Casa Grande as compared to the Phoenix Metro Area (which includes Maricopa and Pinal Counties) as well as the Tucson Metro Area (which includes Pima County). The comparative areas were selected after a careful review of the most prevalent and current business location trends and in consultation with the City of Casa Grande staff.

The comparison provides city and metro level data on the following topics:

- ◆ **Population and Demographics:** Current and projected population, age, race, average household size, income
- ◆ **Workforce:** Educational attainment, school enrollment, labor force participation, unemployment trends, occupational wages and workforce skills
- ◆ **Economy:** Industry mix, employment growth and distribution of jobs by worker age, income level and educational attainment
- ◆ **Market Access:** Interstate, rail and air transportation access
- ◆ **Real Estate:** Office and industrial lease rates, inventory, vacancy rates and construction costs
- ◆ **Quality of Life:** Cost of living, crime rates, housing costs, commuting, secondary education quality
- ◆ **Taxes and Financial Trends:** Local and state taxes, assessed value trends and retail sales figures
- ◆ **Economic Development:** Staffing and budget information for economic development departments in similar-sized cities in the west

Understanding Casa Grande's relative advantages that are more valuable to expanding and relocating businesses than other competitor markets is fundamental to ensuring the city is able to compete successfully for new private sector investment and jobs. These factors will allow the City of Casa Grande to gauge its comparative advantages in the larger regional and national market and identify areas that can be improved to enhance competitiveness for private sector quality job creation and capital investment.

4.3 Casa Grande's Considerable Strengths

In addition to the many strengths identified through the SWOT process, which represents qualitative perspectives, Casa Grande has critically important business locational strengths based on this quantitative analysis and the data it encompassed.

TABLE 2: CASA GRANDE'S COMPARATIVE COMMUNITY/BUSINESS LOCATION STRENGTHS

Community/Business Location Factor	Primary Comparative Strengths
Population and Demographics	<ul style="list-style-type: none"> Significant racial/ethnic diversity. High level of projected population growth.
Workforce	<ul style="list-style-type: none"> Above average share of workforce with some college or associate's degree. Significant share of the resident workforce in production occupations. Strong labor force growth. Competitive wage levels.
Economy	<ul style="list-style-type: none"> Strong potential for long-term employment Growth. Strong concentration of jobs in manufacturing and health care sectors. More than 50 percent of workers between the ages of 30 and 54. Nearly 25 percent of workers are 29 years or younger.
Market Access	<ul style="list-style-type: none"> Central location between Phoenix and Tucson metros. Access to two interstate highways and Union Pacific Railroad. Located in future I-11 corridor; Available rail-served industrial sites in Central Arizona Commerce Park. Proximity to Southern California and Mexico.
Real Estate	<ul style="list-style-type: none"> Low construction costs relative to the US. Lower office and industrial lease rates than Phoenix and Tucson metros. Competitively priced industrial land. Availability of large parcels for large-scale employment-generating projects. Sizable industrial built space inventory.
Taxes and Financial Trends	<ul style="list-style-type: none"> Significant growth in assessed value since the recession. Above average retail sales per capita. Lower reliance on taxable sales from retail and construction.
Quality of Life	<ul style="list-style-type: none"> Low cost of living. Very competitive median home prices. Low crime rates. High share of residents that live and work in the community.

Applied Economics, LLC Research, November 2017

4.4 Business Climate Summary

Overall, Casa Grande has some key advantages, such as competitive lease rates and land prices, strong projected job growth, excellent market access, a diversified and stable economic base, low crime rates and affordable housing. However, there are some red flags that will significantly hamper the community's ability to compete for economic development projects if not addressed. They include the skill and education levels of the workforce, secondary education quality and the level of enrollment in higher education. The matrix below provides a summary of comparative advantages and disadvantages for Casa Grande relative to the Phoenix and Tucson metro areas (see Business Climate Survey Table 3 on page 13).

TABLE 3: BUSINESS CLIMATE SUMMARY

Business Climate Factor	Casa Grande Advantage or Disadvantage	Casa Grande Key Facts
Demographics		
Age Structure	+	Population 25 to 64: 46.4%
Diversity	+	Hispanic: 38.2%
Household Income Growth	-	2010-2015: -0.3% Annual Growth
Per Capita Income	-	\$21,907
Workforce		
Educational Attainment	-	Bachelors or Higher: 17%
Share of Population Enrolled in Higher Education	-	19%
Residents in Mgmt and Technical Occupations	-	14%
Labor Force Growth	+	2013-2016: 6.7% Growth
Unemployment Rates	+	5.80%
Labor Force Participation	+	77.60%
Economy		
Projected Employment Growth	+	2015-2030: 56% Growth
Industry Diversification	+	Very Good
Market Access	+	Very Good
Real Estate		
Office Lease Rates	+	\$16.94, Lower than Metro Average
Industrial Lease Rates	+	\$4.45, Lower than Metro Average
Industrial Land Prices	+	\$82,800 per acre, Lower than Metro Average
Construction Costs	+	13% Below National Average
Taxes		
Sales Tax Rate	-	3.1% City/County, Higher than Metro Average
Property Tax Rate	+/-	2.86%, Same as Tucson, Above Phoenix Avg
Retail Sales Per Capita	+	\$19,749
Assessed Value Growth	+	2007-2017: 36% Total Growth
Quality of Life		
Commuting	+	Avg Commute: 22 Minutes
Housing Affordability	+	\$165,000 Median Home Price
Crime Rates	+	Rate per 100,000 Pop: 2040.0
Secondary Education Quality	-	Below Average

SECTION 5: RECOMMENDED ROADMAP AND METRICS

Casa Grande is blessed with a strategic, central location between two metropolitan areas while offering a small town, neighborly ambiance that its citizens treasure. The city's unique location and economic attributes provide an exceptional platform upon which to grow and diversify its economy.

However, there are fundamental impediments that stand in the way of Casa Grande's ability to fully benefit from this economic development strategy and the many high quality job-generating business expansions and locations that inevitably will present themselves in the future. Addressing these impediments now is mission critical for Casa Grande's continued economic growth; this recommended roadmap reflects this urgent need.

This strategy has been developed with an intense focus on how Casa Grande can and should fully capitalize on its current, diverse and well-developed economic base while also addressing key locational attributes that may impede continued private sector capital investment, the retention, expansion and recruitment of desirable firms and startup enterprises, and private sector job creation into the future.

Casa Grande's recommended economic development strategy is based on comprehensive research and data, as well as substantial stakeholder engagement and input. 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 Casa Grande's Economic Development Roadmap is grounded in guiding principles that are aligned with the Casa Grande City Council's philosophy and policies while also serving as the foundational underlayment upon which to execute and provide continuity for these endeavors:

Guiding Principles for Casa Grande's Economic Development Strategy

- ◆ Builds on Casa Grande's existing assets and competitive strengths, and in particular, on its outstanding existing employers and economic base.
- ◆ Capitalizes on Casa Grande's strong sense of community and aspirations to be the community of choice for people and business who live in or move to Arizona.
- ◆ 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 and metrics to ensure results and accountability.
- ◆ Focuses on diversifying Casa Grande's economy and sustaining the community's economic growth over the long-term.

5.1 Recommended Economic Development Roadmap for Casa Grande

These principles provide the guideposts for Casa Grande'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 Casa Grande's fiscal, community and economic health. It also is important for Casa Grande 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 Casa Grande City Council. Already, Casa Grande enjoys outstanding

relationships and respect with critical local, regional 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 the foremost economic and business intelligence - based on data - that will assist Casa Grande to invest wisely in essential public sector infrastructure, quality of life amenities and business climate attributes to catalyze the expansion, location and growth of firms in key business sectors that will bring the greatest benefit to Casa Grande's citizens.

To achieve this goal, the recommended roadmap is as follows:

1. Retain and grow existing employers.

- a. Institutionalize Mayoral/City Council Business Appreciation visits with Casa Grande's existing employers.
- b. Establish the Mayor's Blue Chip Advisory Council that includes the top executives of Casa Grande's major employers; develop meaningful agendas and action items that will bring value to these executives' participation. Focus on what is important to them, including their input into city deliberations about policies and programs that impact their operations.
- c. Continue to work with PhoenixMart, Lucid Motors, Attesa Motor Sports and Dreamport Villages to ensure that the City Government is doing all it can within reason and acceptability to support the successful completion of these projects.
- d. Provide a solutions-driven, results-oriented service delivery model to address and satisfactorily resolve challenges that demonstrably impede the retention and expansion of Casa Grande's existing employers. These challenges include the city's development and permitting processes.

2. Ensure that Casa Grande's present and future employers will be able to fill their current and future jobs with qualified, skilled and desirable workers.

- a. Working with regional and state partners, including Central Arizona College, AZ@WORK Pinal County and the City's Sector Council, frequently inventory, monitor, and reaffirm priorities for skill requirements and workforce shortages that have been identified in previous research and interviews – local, regional and state.
- b. Develop implementation strategies to assist Casa Grande and regional educational institutions deliver the necessary training and education that will address short and longer term talent needs for Casa Grande's employers.
- c. Assist Casa Grande employers and institutions in courting and recruiting talent.
- d. Encourage Casa Grande employers to institute internships, externships and apprentice programs for Casa Grande middle and high school youth.
- e. Reach out to professionals of ethnic heritage – especially those in the Latino community - to ensure that they feel connected with and valued by Casa Grande.

3. Strengthen Casa Grande's attractiveness and competitiveness for firms and jobs of the future by investing in public infrastructure, quality of life and business climate improvements to position Casa Grande more advantageously for business / talent retention and recruitment.

- a. Consider hiring a full-time government affairs professional to further strengthen relations with key state and federal agencies and elected officials, and in particular for the short-term, ADOT.
- b. Commit to effectively and expeditiously addressing Casa Grande's transportation challenges, with a particular focus on developing a public transit or sprint service of some type to serve the community's residents and businesses.
- c. Improve Casa Grande's development and permitting processes to eliminate the timeliness issues associated with government approvals for development projects – residential and commercial/industrial.
- d. Reduce Casa Grande's development impact fees.
- e. Invest in and enhance community and quality of life amenities:
 - i. Ensure that the planned multi-generational facility offers extensive and targeted youth programming and events.
 - ii. Address retail vacancies in Casa Grande by staying connected with the owners and managers of these properties; institute economic development "mini-missions" to call on their HQ offices, wherever they may be located.
 - iii. Enhance and expand Casa Grande's dining, entertainment and retail offerings to improve the range of choices for all age and demographic groups, including youth and business executives.
 - iv. Continue to support Main Street and the revitalization/reinvestment in Downtown Casa Grande.
 - v. Continue to invest in the city's hiking and biking trails.
 - vi. Improve maintenance of city-owned parks.
- f. Work with the Pinal Alliance for Economic Growth to help that business group morph into a CEO leadership group on par with the Greater Phoenix Leadership, Southern Arizona Leadership Council and Northern Arizona Leadership Council organizations. At present, Pinal County lacks a CEO leadership voice and presence in statewide policy-making. It is critically important for Pinal County's business and institutional executives to be full participants in CEO leadership discussions and actions at the state level.

4. Improve Casa Grande's internal and external image.

- a. Building an accurate community and business image needs to take place both within and outside of Casa Grande – for existing residents and businesses as well as those who are outside of the jurisdiction – in the Sun Corridor, State of Arizona, and over time, nationally.
 - i. Casa Grande's residents need to be more fully informed about the many assets and advantages that the community offers for children, youth and families.
 - ii. Casa Grande's businesses are in need of current and accurate information about the city's investments in the local business climate and quality of life. They are important advocates for the city relative to economic development.
 - iii. A regional and statewide information and image-building campaign should be considered for development and implementation by the City Government's next fiscal year.
- b. Working with a professional marketing firm, develop a series of messages for residents and businesses – those inside and outside of Casa Grande. It is important for the city's leaders to recognize that a sound, data-based approach to educating people about Casa Grande's quality of life and business location advantages is far more effective than an approach that focuses primarily on "sloganeering".
- c. Develop a targeted list of key opinion leaders and decision-makers in important media venues and key positions of influence; develop presentation materials and call on these individuals on a regular basis. These visits should

be considered just as important as business retention visits.

- d. Maintain consistency and commitment to communicating the advantages, accomplishments and aspirations of the City of Casa Grande.
- e. Continue to develop and publish special sections in local, regional and state magazines about Casa Grande's livability and business location advantages.

5. Invest in and build Casa Grande's government economic development function.

- a. Ensure seamless coordination between all City Government departments that interact with commercial/industrial developers, brokers and new and expanding businesses.
- b. Expand/increase city funding for economic development resources and initiatives; establish a multi-year budget commitment commensurate with the total market reach of Casa Grande, and on par with similar competitor communities from within the region and state.
- c. Capitalize on the concentration of national and global firms already located in Casa Grande by identifying potential opportunities to attract vendors and suppliers.
- d. Continue to collaborate and cooperate with the Greater Phoenix Economic Council, the Pinal County Government and business organizations, and other regional and state groups engaged in economic development.
- e. Establish regular participation in key sector-specific trade shows, including the International Council of Shopping Centers annual and regional conferences and appropriate GPEC sales missions.

6. Measure economic development progress throughout the Casa Grande City Government to objectively assess progress by adopting metrics that matter.

- a. Integrate relevant metrics for City Government departments as well as the Economic Development Office, and recognize that all elected officials, appointed executives and staff are economic developers.
- b. Institute a government-wide annual performance report card for Casa Grande's economic development.

5.2 Recommended Economic Development Metrics for Casa Grande

Economic development is not a science, but it is a well-established profession and practice in the US. Many communities have developed indicators that are measurements of the well-being of their citizens and economic base. Others have adhered to focusing only on 20th century metrics, e.g., jobs generated, tax revenues generated, etc. Economic development is but one of many activities of the City Government, yet it captures – and deservedly so – a very high level of attention.

Casa Grande's economic development endeavors are not the sole responsibility of the City's Economic Development Office. Every City department and staff member has a role in realizing these goals, and the entire city needs to take stock of how it impacts and achieves Casa Grande's economic development vision.

Given that the entire City Government, from the elected leadership to staff at all levels, are contributors to Casa Grande's economic development achievements, we recommend that the following indicators be adopted to track Casa Grande's economic development progress. Additional metrics are offered specifically for the Economic Development Office and follow below.

CITY OF CASA GRANDE GOVERNMENT INDICATORS/METRICS

Business Climate

- ◆ Net new firms established
- ◆ Growth in number of employer establishments, especially in manufacturing and health care
- ◆ Small business formations
- ◆ Cost of doing business
- ◆ Relative tax burden – business and personal
- ◆ Job growth rate
- ◆ Actual turnaround time improvements for development and permitting of economic development projects

Quality Of Life

- ◆ Per capita income
- ◆ Median household income
- ◆ Cost of living index
- ◆ Median price of housing
- ◆ Population growth
- ◆ In-migration as a share of population change

Workforce

- ◆ Unemployment rate
- ◆ Average wage growth
- ◆ Local employers' ratings of workforce
- ◆ Labor force participation rate
- ◆ Average earnings per job
- ◆ Percentage of the population in the 25-34 year old cohort with at least a four-year degree
- ◆ Percentage of college educated workers and number of degrees granted – 2, 4 and graduate degrees
- ◆ Percentage of college educated residents and number of degrees granted – 2, 4 and graduate degrees

Education

- ◆ High school graduation and drop-out rates
- ◆ Changes in high school graduation rates and technical training certification
- ◆ Changes in ACT/SAT Scores
- ◆ Percent of high school students proficient in math and reading based on standardized tests
- ◆ U.S. News College Readiness Index
- ◆ Share of adult population currently enrolled in higher education

CITY OF CASA GRANDE ECONOMIC DEVELOPMENT OFFICE INDICATORS/METRICS

Employment Generating

- ◆ Prospects generated
 - » Inquiries generated/received – need to track sources
 - » Leads generated/received – need to track sources
 - » Leads converted to prospects – need to track sources
 - » Prospects generated – need to track sources e.g., ACA, GPEC, Pinal County, networks
- ◆ Existing companies visited, and in what economic sector
- ◆ Visits to AZ and out-of-state headquarters/parent firms of Casa Grande employers
- ◆ Increase in prospect portfolio – active, inactive, locates
- ◆ Expansions assisted
- ◆ Retentions assisted
- ◆ Number of jobs retained by firms assisted by Casa Grande ED office
- ◆ Number of jobs created by firms assisted by Casa Grande ED office
- ◆ Average salaries of jobs retained/created
- ◆ Total private capital investment by firms assisted through Casa Grande ED office
- ◆ Retail projects assisted
- ◆ Retail square feet developed
- ◆ 5-Year economic impact of all projects assisted through Casa Grande ED office

Sites & Infrastructure

- ◆ Occupancy/vacancy rates for retail, office and industrial space

Strategy Implementation

- ◆ Tracking of strategy initiatives – inputs and outputs
- ◆ Milestones achieved

SECTION 6: NEXT STEPS: ADVANCING CASA GRANDE'S GROWING HORIZON

In the economic development realm, much work is on the horizon for the City of Casa Grande. Executing the recommended framework will require strong and sustained commitment, leadership and action from the Mayor and Casa Grande City Council, City Management, City Departments and the community's business, civic, and educational leaders and stakeholders. Realizing this strategic plan also will require a commitment of financial and relationship capital on the part of the city, as well as an alignment of resources and priorities among Casa Grande's primary economic development partner organizations.

One of the most important requirements to successfully execute this strategy will be to appropriately designate responsibility and accountability to all of those agencies, organizations and individuals who have a direct role in implementing the recommended initiatives that have been presented.

For the Casa Grande Economic Development Office, an administrative memorandum has been prepared and submitted to the City Manager and Economic Development Director for their review. Casa Grande has been and remains underinvested in economic development. Casa Grande not only needs to substantially increase its investment in this office, the city also needs to support an increase in the staffing, professional skills and tools that the Economic Development Office will need to fully execute and deliver on the strategy.

Casa Grande's leaders – public, civic and business – are aligned in their desire to create a great city that provides the living and operating environments that people and business seek for themselves, their families and their employees. The city has fared extremely well in its quest to grow its economy. To sustain the economic growth and success that Casa Grande has historically enjoyed, it is now time to create a more formal and defined approach – one that entails driving the agenda to generate the economic prosperity and quality of life that benefit all residents and businesses – those who are in the community today and those who will inevitably come in the future.



IO·INC



3104 E. Camelback Road, Suite 1000
Phoenix, AZ 85016
602-626-8560
www.ioworldwide.com