

## **Flagstaff Regional Plan – Economic Development Element Outline**

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# 1. Introduction

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## **VISION of the Region’s Economic Health...**

The primary goal for effective regional economic development is resilience – the ability to **survive** even in global financial crises; to grow local businesses and industry as a means of regional supply and exports; as well as increasing overall community health. To plan to **remain a resilient community** is to build upon the existing sustainable resources and strengths, being adaptable to on-going changes, and use targeted investment to spur economic development. **The reason we are resilient now may not be the reason we are resilient in the future.**

Define “resilience”- emphasis on businesses retention and expansion, along with maintaining and growing a DIVERSE economic base. This document will ensure that government processes will support and facilitate retention, expansion and attraction of all enterprises that contribute to the fiscal health of the community, including public, private and non-profit entities.

Define “Community health” – the ability to appreciate and enjoy our outdoor resources and social activities (not needing to work three jobs); maintain a healthy eco-system; providing a steady financial base for the entire community. It is being able to afford to live here and enjoy the quality of life.

The public has identified the following categories as the economic foundation of the region:

- Community Image
- Business Retention, Expansion and Development
- Business Attraction
- Education and Workforce Training
- Economic Cluster Areas – ‘Activity Centers’
- Redevelopment and Infill
- Responsive Government

What Type of economic structure do we need to say that we are HAPPY?

## **Here is where we are (FACTS)...**

**As a unique high-elevation mountain community with a university, well-served by the interstate and rail, the Flagstaff region is in a position for economic growth, subject to: a) available land with infrastructure; and b) workforce.**

The Flagstaff area’s 3,300 business<sup>1</sup> and over 40,000 employees are the economic generator of the community. Of these businesses, 73% have 9 employees or less, which is consistent with American small entrepreneurial locally-owned businesses nationwide<sup>2</sup>. Yet, the top three employment industries are local, state and federal government employees (12.3%), healthcare and medical services (9.9%), and restaurants (7.9%). The top two employment industries are large employers, namely the National Park Service, United States Geological Survey, as well as local and state governments. Flagstaff Medical Center serves as the regional trauma and medical service for the large metro-area, and is supported by a large medical service and medium medical manufacturing companies. The restaurant and hotel industry is indicative of the existing tourism base. The top two industries,

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<sup>1</sup> Source: Department of Labor

<sup>2</sup> Source:

government and medical, have remained consistent throughout the current recession, which provided for our current resiliency. Possibly a new resiliency is needed going forward.

Flagstaff’s unique opportunities and constraints call for nurturing the entrepreneurial spirit, growing small to medium-sized businesses, and understanding that **resource protection and economic growth work hand-in-hand**. Natural resources serve a dual role in this community, lending to an aesthetic and healthy quality of life and providing raw materials for development. Numerous businesses locate here for the quality of life. The economic landscape is truly based upon the natural landscape and outdoor life-style. Reaction to the built environment... Compared to similar cities, Flagstaff maintains the lowest urban density, and an abundance of open space. The community needs to mitigate allowing for industrial growth and balanced open space.

Today’s trends indicate future economic growth in the earth and life sciences<sup>3</sup> [research and manufacturing of products]; alternative energy production<sup>4</sup>; outdoor lifestyle recreation; and home-based and small businesses. As well as industrial / logistics production – we are attracting industrial and warehouse businesses which supply products to Arizona and California, with a great potential for even more with the development of the Belmont and Airport Business Parks. To support this type of economic growth and required workforce requires a responsive education system, industrial land served by infrastructure, efficient communication, healthy idea-exchange, accessible housing options, efficient transportation and maintaining the existing high-quality of life. Variables that will affect the future – catastrophic weather, climate change, cost of oil, resource depletion...

The positive self-image presented by a community can determine the decisions of new, relocating or expanding businesses. The aesthetic quality of the streets, buildings and public spaces, as well as the cultural amenities, art and festivals all contribute to a year-round economy.

Various Economic Scenarios

<b>Economic Expansion</b>	<b>Economic Steady</b>	<b>Economic Shrinking</b>
- Long distance future	- mid-distance future	- short distance future

Strategies (within each sub-section?) are to be resilient and ready for all three scenarios.

Types of capital

<sup>3</sup> Source

<sup>4</sup> Alternative Energy Production – wind farms and commercial solar energy production

Create a narrative of how these goals can be resilient no matter the uncertainty and during certain change:

**Priorities**

- Green and renewable resource development
- Life and earth sciences
- Forestry
- Tourism
- Arts and culture
- Technology and Logistics

**Goals**

- Improve transportation infrastructure
- Develop Belmont and airport parks with infrastructure
- Increase business incubator resources and incubator space (science, small business and arts)
- Improve gateway corridors
- Improve utility infrastructure
- Identify commercial properties for development, redevelopment and infill

**Three Biggest bangs for our public buck –**

- Infrastructure to support and promote economic clusters, or ‘activity centers’
- High-speed internet for the whole region
- Community image – the way the built environment looks and the message this sends

## 2. Relationship to Vision and Guiding Principles

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### *Vision:*

The Greater Flagstaff community embraces the region's extraordinary cultural and ecological setting on the Colorado Plateau through active stewardship of the natural and built environments. Residents and visitors encourage and advance intellectual, environmental, social and economic vitality for today's citizens and future generations.

### *Guiding Principles:*

1. **Embrace Sustainability:** *environmental, economic, cultural and social sustainability is fundamental to ensuring that present actions continue the basis for future health and prosperity.*
2. **Nurture healthy ecosystems:** *natural environmental health is inherent to individual and community health.*
3. **Pursue smart growth through quality development:** *smart land use and design based upon cohesive communities are respectful of our environment and create efficiencies that benefit community health, social interaction, commerce, and infrastructure.*
4. **Promote a resilient, year-round economy:** *capitalization on the innovative spirit that exists in the community supports the human, financial and capital infrastructure needed for a sustainable and diverse economy.*
5. **Preserve unique sense of place and community:** *regional growth occurs in harmony with the community's historical character, unique cultural resources and its natural environment.*
6. **Social equity & opportunity:** *all residents should be assured equal opportunities for a range of choices in housing, employment, education, health, safety and devotion.*
7. **Expect an accountable and responsible community:** *regional community leaders, commerce and residents expect nothing but best efforts by all, transparency and respect of each other in pursuit of our community vision.*
8. **Partnerships:** *regional partnerships are necessary to create a strong community while protecting the environment and achieving our common goals.*

### **3. Community Image**

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Community image can have a profound impact on economic development activities. Tourists and businesses alike are attracted to a community which values its surrounding natural beauty, appreciates its unique cultural heritage, and maintains its built environment. The image presented by a community can determine the location decision of a new or relocating business. Existing businesses are more likely to expand and reinvest in a community with a positive self-image and a strong sense of civic pride, confidence, and well-being.

Needs:

- [Improve gateway corridors](#)
- [See “Community Character” element](#)

#### **ED Goal 1**

#### **ED Policy 1.1**

#### **ED Policy 1.2**

## 4. Business Retention, Expansion and Development

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Since existing companies in the community generate most new jobs, the prosperity of those businesses is of paramount importance to the future economic welfare of the region. It is important to focus retention and expansion efforts on industries providing high-quality jobs in targeted industry clusters. The region will proceed with proactive programs to foster the retention and expansion of existing enterprises in the community. This is key to maintaining the resiliency of the local economy.

The retention and expansion of the region’s existing small businesses, as well as the development of new small businesses, are crucial since these enterprises are responsible for the great majority of new jobs. Small business is the lifeblood of the region’s economy, providing diversification for economic stability, first job opportunities for community youth, and opportunities for innovation and research. Since small businesses also face greater risks, assistance and support can help to assure long-term success. *Define: assistance and support (see policies below).*

Industry Sectors existing in the Northern Arizona area are, those highlighted are the largest employing industry sectors:<sup>5</sup>

- Retail trade
- Public administration
- Health care and Social Assistance
- Wholesale trade
- Construction
- Education
- Professional, scientific, and technical services (Bio-Science R&D, life and earth sciences)
- Real estate and rental and leasing
- Transportation and warehousing
- Manufacturing
- Information
- Waste management and remediation services
- Arts, entertainment, and recreation (tourism)
- Finance and insurance
- Agriculture, forestry, fishing and hunting
- Utilities (Green and renewable resource development)
- Mining Quarrying and oil and gas extraction
- Management of companies and enterprises

The life and earth scientific research and development synergy coming out of Northern Arizona University and growing at the Northern Arizona Center for Entrepreneurial Technologies (NACET) Incubator is an example of the life science partnerships which produces high-quality businesses and jobs.

Potential for forestry - Amount of timber production\_\_\_\_\_. Initiatives for small-timber production...Natural resource

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<sup>5</sup> NAICS – North American Industry Classification System

The arts as a business... unique cultural amenities...

Needs to support:

Technology & entrepreneurialism

Infrastructure – land, affordable buildings, transportation and utilities

Workforce

## **ED Goal 2**

### **ED Policy 2.1**

### **ED Policy 2.2**

NOTE HERE:

Tourism – please include all the great public discourse on Eco-tourism, Heritage Tourism, Agri-Tourism, and Cultural Tourism. How can policies encourage a growth that is different from the status-quo?

## 5. Business Attraction

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Historical economic generators have been resource based [lumber, cattle, and sheep], but are now service based – government, medical and education. The needs of the economic generators change, and so the necessary targeted investments must be adaptable to these needs.

Strategic recruitment of business is critical to the region’s economic future. An expanded and diversified economic base will benefit the community by providing greater stability to the economy and a wider variety of jobs and will assist in the reduction of unemployment and underemployment. Efforts to attract and assist development of new businesses, including appropriate, clean industries, should be continued to ensure the economic welfare of the community.

### Regional cooperation

#### Type of businesses to attract:

- Green and renewable resource development
- Life and earth sciences
- Forestry
- Tourism
- Arts and culture
- Technology and Logistics

One of the biggest constraints for business attraction is land availability with infrastructure and suitable building availability.

A necessary targeted investment in the near future is providing the infrastructure for employment growth in identified **activity centers**. See **Activity Centers, section 8**. These activity centers can serve various needs, and require power (grid and self-produced), roads, water, sewer and connectivity (high-speed data) to meet the needs of business growth. Encouraging energy efficiency, alternative energy production, shared infrastructure, multi-modal transit options and appropriate mixed-use areas would promote an even more resilient region.

### ED Goal 3

#### ED Policy 3.1

#### ED Policy 3.2

## 6. Education and Workforce Training

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Jobs, education and training form a critical component of the region’s economic development strategy. **A well established labor-force is essential in attracting a new business, as it is a primary factor in determining a new business location.** This component emphasizes the coordination of jobs and appropriate training and retraining programs.

A well-trained, well-compensated, and diversified labor force contributes to a healthy local economy and positive community image which, in turn, attracts additional new job opportunities. High quality educational opportunities at all levels are essential to attract new business and sustain a healthy, diverse economy, as well as to enhance the quality of life.

This region has multiple levels of jobs that require a variety of training. Supporting the community college, university and those non-profits which provide job training will continue to contribute to a resilient economy. Existing training programs<sup>6</sup> -

What is missing in our workforce training? Public engagement has highlighted the need of a **TRADE SCHOOL**.  
Regional cooperation

### Train for local jobs

#### Priorities

- Green and renewable resource development
- Life and earth sciences
- Forestry
- Tourism
- Arts and culture
- Technology and Logistics

### ED Goal 4

#### ED Policy 4.1

#### ED Policy 4.2

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<sup>6</sup> See Appendix \_\_\_\_\_ “workforce continuum”

## **7. Economic Cluster Areas – ‘Activity Areas’**

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### **Identified ‘Activity Centers’ for increased activity:**

- **Airport Business Park**
- **Science and Technology Park – USGS, NACET Incubator, Science Park**
- **FMC Medical ‘campus’**
- **Fourth Street – civic, education, healthcare and retail**
- **Lower Milton Road**
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### **SEE DEVELOPMENT SCENARIOS...**

#### **Goals**

- Improve transportation infrastructure
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- Improve gateway corridors
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- Identify commercial properties for development, redevelopment and infill

#### **ED Goal 6**

#### **ED Policy 6.1**

#### **ED Policy 6.2**

## 8. Redevelopment and Infill

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Community conservation and redevelopment are key elements in achieving economic stability; expanding the city's tax base; and assuring an overall sense of pride, diversity, and identity within the urban area. Major redevelopment projects can restore economic viability to vacant and underutilized areas of the community. Conservation and rehabilitation of existing neighborhoods and commercial districts will maintain their economic viability while enhancing the city's richness and diversity.

### Goals

- Improve transportation infrastructure
- Develop Belmont and airport parks with infrastructure
- Increase business incubator resources and incubator space (science, small business and arts)
- Improve gateway corridors
- Improve utility infrastructure
- Identify commercial properties for development, redevelopment and infill

See – Redevelopment and Infill chapter of “Community Character”

**ED Goal 7**

**ED Policy 7.1**

**ED Policy 7.2**

## **9. Responsive Government**

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The region will need to become increasingly competitive to achieve its economic development objectives in the context of the global economy. The variety of private and public economic development agencies and organizations in the region will need to improve coordination of efforts to ensure the best utilization of each entity and to address any shortcomings that may currently exist. Additional economic development tools, including state legislative changes, may be necessary to recruit and create business opportunities.

A significant factor in any community's economic development is the ability of its government to respond quickly and appropriately to the needs and desires of its citizens. With the use of the internet and emerging new technologies, regional government has the increased potential to respond to individual citizens, neighborhood associations, businesses, schools, universities, and others in a timely and effective manner. A highly responsive government helps to make a region attractive to various entities, thus increasing its ability to promote increased investment in the community. Tangible results include increased infrastructure, new jobs, increased educational opportunities, better planned new development, less traffic, and better air quality.

### **ED Goal 8**

#### **ED Policy 8.1**

#### **ED Policy 8.2**

<b>Workforce Continuum</b>
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Non High School Diploma/GED- Fast food, Retail, Gas Station, Public services (garbage, USPS), Food service (waitress, fast food cook), Theater Usher, Grocery Store, Janitorial, Laborer

*GED Program: Flagstaff Unified School District (Killip); Coconino Community College*

High School Diploma/GED- Cashier, Administrative Assistant, Line cook/chef, Human Resources Assistant, Therapist aide, Travel Agent, Home care aide, Dental assistant, Pharmacy Technician, Medical Secretaries, Air traffic controller, Retail manager, Sales representative

*Coconino High School; Flagstaff High School; Northland Prep Academy; Flagstaff Arts & Leadership*

Trade School- Plumber, Electrician, Automotive Repair, Paralegal, Information Technology, Construction, Home Inspector, Machine operator, Telecommunications, Welder

*Coconino Community College; CURRENTLY NO TRADE SCHOOL*

Specialized Training- Massage Therapist, Tourism/Recreation, Pilot, Bartender, Cosmetologist (hair, nails, etc.), Criminal justice (corrections officer, security guard), Culinary, Private Investigation, Military

*Flagstaff College America; Empire Beauty School; Coconino Community College*

Community College Certificate- Accountant, Finance, Chiropractor, Environmental Technician, Language (translator, teacher), Transport/Logistics (rail, bus), Security, Radiologist, Software engineer

*Coconino Community College*

Community College Degree- Nursing, Computer Technician, Dental Hygienist, veterinary, Fitness trainer, science technician, legal assistant, sound engineer, flight attendant, desktop publisher

*Coconino Community College*

University, Bachelors- Elementary Teacher, Politician, Engineer (Biomedical, environmental, computer, etc), Network/Data Analyst, Financial (banker, accountant, investor), athletic trainer, survey researcher, market research analyst, registered nurse, community planner

*Northern Arizona University*

University, Masters- Post/secondary Teacher, Business management, veterinary, anthropologist/archaeologist, environmental specialist, psychology (therapist, research), journalist, lawyer, pharmacist, administrative specialist

*Northern Arizona University*

University, Doctorate- Doctor (dental, psychiatric, etc), medical scientists, biochemists, biophysicist, college professor, attorney

*Northern Arizona University*

<b>Flagstaff's largest employers hire from all categories:</b>
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**Manufacturing**

- Gore\*
- Nestle/Purina
- Southwest Windpower

**Research**

- Lowell Observatory
- Naval Observatory
- United States Geologic Survey\*

**Public**

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|------------------------------------|------------------------------|----------------------------|
| -Flagstaff Unified School District | -Northern Arizona University | -Pulliam Airport           |
| -United States Forest Service      | -Coconino Community College  | -City of Flagstaff*        |
| -Grand Canyon Trust                | -Coconino County*            | -Flagstaff Medical Center* |
| -AZ Department of Transportation   | -BNSF Rail                   |                            |