

SAHUARITA, AZ:
A BLUEPRINT FOR ECONOMIC
GROWTH AND PROSPERITY



TABLE OF CONTENTS

NAME	PAGE
SECTION 1. INTRODUCTION	4
SECTION 2: SAHUARITA TOWN COUNCIL'S STRATEGIC VIEW	8
SECTION 3: THE METHODOLOGY	12
SECTION 4: SAHUARITA'S ECONOMY	22
SECTION 5: SAHUARITA'S PRIMARY TARGET ECONOMIC SECTORS	42
SECTION 6: AN ECONOMIC DEVELOPMENT STRATEGY FOR SAHUARITA	58
SECTION 7: ECONOMIC DEVELOPMENT METRICS	66
SECTION 8: NEXT STEPS FOR SAHUARITA'S ECONOMIC DEVELOPMENT	70
APPENDIX	74



SECTION 1: INTRODUCTION

Just 20 years young, the Town of Sahuarita is an exceptional community that is cherished by its leaders and residents. Located in Southern Arizona, within the Greater Tucson region, the Town of Sahuarita has emerged as a highly desirable community that offers unparalleled opportunities for economic growth and prosperity.

As well-positioned as Sahuarita is today, the community is confronted with challenges as well. The State of Arizona and Greater Tucson and Southern Arizona regions still are experiencing a sluggish economic recovery. While Sahuarita fared relatively well during the Great Recession of 2007-2008 and its continuing aftermath, especially compared to other cities in Arizona and across the U.S., the community's economic development and prosperity will require focused and arduous work over the long term. Why? Despite moderate improvement in the last year, Greater Tucson's economic recovery and growth continued to lag the nation, as does the State of Arizona. This lackluster economic performance is exacerbated by the growing and intensifying competition for new quality jobs and private capital investment - not just in Arizona, but across the U.S. and around the world.

With its strategic location and abundance of assets, Sahuarita will be able to deftly navigate these economic challenges to create new opportunities for growth and prosperity. The Sahuarita Town Council and Government, the community's residents and its businesses, developers and investors all have an enormous stake in building a sustainable and resilient economy for Sahuarita.

Given the dynamics of the regional, national and global economic development environment, it is essential that the Town of Sahuarita provides the leadership in forging its economic and community destiny. With the continued, dynamic leadership of the Mayor, Council, Town Management, and business, civic and educational stakeholders, Sahuarita deserves to be positioned for economic growth and to forge its best possible economic future.

Just as all that Sahuarita is today reflects generations of hard work by its founders and elected, public management and civic leaders, all that Sahuarita can and will become in the future requires even greater strategic vision and more arduous work because the proven methods of what worked in the past are dramatically different than those that drive economic growth and prosperity in today's globalized world.

The Town of Sahuarita needs to be intently focused and aligned in its economic development efforts - both within the Town Government and among key stakeholders - to ensure that Sahuarita fully realizes its economic development potential.

Economic Development in Sahuarita

The Town of Sahuarita benefits greatly from its location within Southern Arizona, not only as part of the Greater Tucson region, but also from its extreme proximity to Mexico. Mexico's GDP ranks 14th among the world's economies, and its upward trajectory will continue to propel Arizona's neighbor to the south to even greater economic standing and prosperity in the world economy. Mexico has benefited from the foreign direct investment (FDI) of many U.S. and foreign aerospace firms, which increasingly, are locating significant facilities in that nation. Additionally, many American and foreign multinational automotive and





energy-related technology firms also have located significant facilities in Mexico, all proximate to the U.S. border, including that of Arizona. Sahuarita can and should capitalize on these opportunities.

In addition to the opportunities provided by the Greater Tucson and Mexican economies from which Sahuarita benefits today, there are equally important opportunities that need to be developed and capitalized upon for the community's future. Sahuarita experienced exponential population growth between 2000 and 2013, having increased its population by more than 700 percent, reaching nearly 26,800 residents in 2013. And Sahuarita's population is younger than that of the State of Arizona, with a median age of 35.5 years, compared to Arizona's median of 36.0 years. The younger population cohort is a key competitive advantage for Sahuarita, which needs to focus on creating an environment for the establishment and growth of high value added, high paying jobs that seek young, college-educated professional talent.

Residents of Sahuarita enjoy an extremely high level of educational attainment. Nearly 44 percent of Sahuarita's residents in 2012 held a college degree; another 29.4 percent had some college education. Thirty-three percent of Sahuarita's residents held a bachelor's degree or higher. Just as Sahuarita's residents are highly educated, they also are high earners, with a 2012 median household income of \$69,425, compared to Metro Tucson's median of \$46,443 and Arizona's median of \$50,256.

Rancho Sahuarita, a 460-acre mixed use urban center that serves as the Town Center, provides a high quality environment featuring retail, parks, recreational, medical, multi-family residential, places of worship and other amenities that contribute to Sahuarita's high quality of life.

Sahuarita Farms is a proposed 7,000 acre master planned community featuring significant employment centers, and residential neighborhoods that will be home to 30,000 to 45,000 new residents over the next 40 years. Its proposed development of a park and linear greenway along the Santa Cruz River that will foster habitat restoration and wildlife corridors, as well as a multitude of community and recreational amenities, promise to transform the Town's built environment - and for the good.

The Madera Canyon, Santa Rita Experimental Range and Wildlife Area, the Sonoran Desert and the wildlife of the Coronado National Forest provide a majestic and beautiful environment for the people, families and businesses that have established their lives and livelihoods in Sahuarita, and for the visitors from around the world who come to the region to experience the great outdoors of Southern Arizona.

In addition to all of these abundant assets and advantages, Sahuarita is taking bold steps to drive its future destiny through the Sahuarita East Conceptual Area Plan (SECAP). With the potential to annex 60+ square miles east of the Town, Sahuarita will triple its size over the next two to three decades, ensuring

that the community will morph from a bedroom community to a self-sustaining community over the long-term. Having the ability to plan for and realize the addition of such a vast land area is truly a once-in-a-lifetime opportunity. The Town of Sahuarita has been actively driving and engaged in this collaborative process, using its own expert staff, outside consultants and an advisory task force that is comprised of the Arizona State Land Department; Sonoran Institute; University of Arizona College of Architecture, Planning and Landscape Planning; Rancho Sahuarita, Crown Development; Pima County; Diamond Ventures; Pima Association of Governments, and the University of Arizona Research Park. Establishing quality environments for the jobs that will evolve in the 21st and 22nd century economies will be paramount to Sahuarita's long-term sustainability and economic vitality.



Even with these outstanding assets and significant progress, the Town of Sahuarita and the Greater Tucson region are facing globally-driven business locations dynamics that are directly impacting the local, regional and state economies. This understanding is imperative for Sahuarita if the community is to realize its potential and deliver on its promise to the people who have established their lives and livelihoods in the community. The Town of Sahuarita can and should envision, articulate and put into action an agenda for advancing its economic development in a manner that will ensure a sustained and prosperous economy and community for its residents - those who are here today and those who will inevitably come in the future.

Sahuarita is up to this challenge: to commit to a big world view and to a long-term approach to building the best possible community and economy. The goal of this economic development strategy?

To create a diverse, sustainable economy that supports Sahuarita's economic growth and prosperity and outstanding quality of life.



SECTION 2: SAHUARITA TOWN COUNCIL'S STRATEGIC VIEW

In May 2014, the Sahuarita Town Council completed a strategic planning process that encompasses five pillars for the community:

- Economic Development
- Infrastructure
- Planning for Our Community's Future
- Organizational Effectiveness
- Quality of Life



Duane Blumberg
Mayor



Bill Bracco
Vice Mayor



Kara Egbert
Councilmember



Gil Lusk
Councilmember



Melissa Smith
Councilmember



Lynne Skelton
Councilmember



Tom Murphy
Councilmember

In aligning the Town Government toward achieving its strategic goals, several specific short-term priorities were identified in the Sahuarita Strategic Plan. All of the goals in Sahuarita’s strategic plan are inextricably linked, and when addressed holistically, will maximize Sahuarita’s investment in these focus areas. Equally important, each of these priorities has a direct impact on the Town’s economic development success and sustainability. These focus areas are:

1. **Economic Development:** continue to grow the Town’s economic base bringing in jobs associated with retail, light manufacturing and quality commercial enterprises.
2. **Infrastructure:** provide and maintain high quality and cost-effective infrastructure.
3. **Planning for the Community’s Future:** promote planned growth that fosters high quality and diverse development, facilitates sustainable infrastructure and assures quality services.
4. **Organizational Effectiveness:** Foster an organizational culture that embraces change, creativity, innovation and calculated risk to ensure proactive, consistent, efficient and accountable service to our community.

- 
5. Quality of Life: maintain a high quality of life that makes Sahuarita a community of choice for residents and business investment. Encourage a unified community identity.

The Sahuarita Strategic Plan also clearly identifies three key economic development goals:

1. Expand the local economy through a comprehensive business and industry recruitment, retention and expansion program to generate revenues and provide job opportunities for our community;
2. Revise the strategic plan for economic development;
3. Promote tourism of our community and the Green Valley region.

To achieve goal number 2 in the Sahuarita Strategic Plan, “Revise the strategic plan for economic development,” IO.INC was engaged after a competitive RFP process. Working closely with the Town of Sahuarita Mayor, Council, Town Management, Economic Development Manager, Town Department Heads and more than 100 Sahuarita stakeholders, the work has resulted in a comprehensive approach to strategic changes and investments that will significantly strengthen and enhance the community’s economic development. The economic development strategy has been developed to align with the framework that was established by the Sahuarita Town Council and to advance the achievement of these critical goals. The strategy proposed herein provides a highly ambitious yet attainable plan of action that will require vision and sustained commitment over time by the Town Government and the private sector and myriad stakeholders - business, civic, and educational - to help Sahuarita build a competitive, prosperous and sustainable economy.





SECTION 3: THE METHODOLOGY

A comprehensive approach was utilized in the development of Sahuarita's economic development strategy. Once the parameters were established and confirmed, the IO.INC team utilized an interdisciplinary process to perform and complete the myriad components of this body of work. Among the major aspects of the team's research and work:

1. Comprehensive review of existing studies and plans, local, regional, state and national.
2. Comprehensive SWOT process engaging 110+ Sahuarita stakeholders.
3. Confidential interviews with major Sahuarita/Southern Arizona employers and developers.
4. Comprehensive analysis of current economic conditions and trends.
5. Comparative analysis of Sahuarita and Greater Tucson with other U.S. markets.
6. Data-driven research and analysis on best-fit economic sectors for Sahuarita's economy.
7. Comprehensive global, national and state research on the selected targeted sectors.
8. Strategic framework to guide the Town of Sahuarita in its decision-making about economic development.
9. Recommended indicators and metrics to assess Sahuarita's economic development competitiveness and the performance of its public sector economic development function.
10. Comprehensive review, discussion and input from IO.INC's BrainTrust, comprised of CEOs and industry experts.



Using the universally-proven method of identifying and analyzing Sahuarita's strengths, weaknesses, opportunities and threats (SWOTs), a comprehensive review of all studies and reports on Sahuarita's economy and community, including interim reports on its Comprehensive Plan Update, Major Streets and Roads Plans and other key reports and a multitude of regional and state studies and reports, a short to mid-term action agenda was developed. This action agenda supports and advances the achievement of the specific priorities that the Sahuarita Town Council has established as part of its own May 2014 Strategic Plan. IO.INC's recommendations are aligned with the Sahuarita Town Council's specific priorities and objectives that were established through this process.

FIGURE 1: BUILDING BLOCKS FOR SAHUARITA'S ECONOMIC DEVELOPMENT AND MARKET STRATEGY



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The SWOT Process: Engaging Sahuarita Stakeholders

IO.INC engaged more than 110 Sahuarita public, private and civic leaders; knowledgeable executives and professionals from the industry sectors that drive the Town's economy; government officials at the federal, state, and Pima County levels; state, regional and local economic development leaders; civic and educational stakeholders, and C-suite executives to provide input into the SWOT process and to review the recommended strategy and action agenda.

The SWOT process entailed both one-on-one personal interviews as well as three roundtable/focus groups representing key sectors of Sahuarita's community. Over 110 stakeholders representing every sector of the Sahuarita community and economy were engaged in this process.

On the following pages are four word clouds - one for each of the SWOTs - that depict those qualities/factors that were cited most frequently by the 110+ stakeholders who participated in this process. In the course of the SWOT interviews and roundtable/focus groups, many strengths, weaknesses, opportunities and threats were identified. The overwhelming majority of these observations were from Sahuarita citizens sharing their views about their community, their neighbors and how they perceive personal, business and civic life in Sahuarita. There

was universal consensus about the abundance of Sahuarita's strengths. The community's weaknesses were of greatest concern to most of the stakeholders who participated in the SWOT process, as were the threats that confront the community. Without exception, all participants were excited about the richness of opportunities and future prospects for Sahuarita.

CITY OF SAHUARITA :: STRENGTHS

CLEAN, SAFE AND BEAUTIFUL TOWN

SUPERB QUALITY OF LIFE

HIGHLY EDUCATED CITIZENRY

PROXIMITY TO TUCSON

WELL-DEVELOPED, MULTI-MODAL INFRASTRUCTURE

PROXIMITY TO MEXICO

BEAUTIFUL OPEN SPACES, MAJESTIC NATURE
AND OUTDOOR RECREATIONAL OPPORTUNITIES

THE PEOPLE OF SAHUARITA - ALL GENERATIONS

SAFEST CITY IN ARIZONA

LOCATION ON MAJOR TRANSPORTATION CORRIDOR: I-19

CITY OF SAHUARITA :: WEAKNESSES

VERY LIMITED ECONOMIC BASE

PERCEIVED AS A BEDROOM COMMUNITY

ABSENCE OF JOBS COMMENSURATE WITH
PROFESSIONAL SKILLS AND BACKGROUNDS OF CITIZENS

LACK OF COHESIVE VISION FOR FUTURE

**LIMITED RANGE OF THINGS TO DO
FOR ALL GENERATIONAL COHORTS**

LACK OF A WELL-DEVELOPED TOWN SQUARE

LACK OF DEVELOPABLE SITES

LACK OF A BUSINESS PARK

ABSENCE OF WELL-DEFINED, AMENITIZED TOWN CENTER

LACK OF SHOVEL-READY SITES



CITY OF SAHUARITA :: OPPORTUNITIES

ESTABLISH A STRONG, UNIFIED IDENTITY

STRENGTHEN RELATIONSHIPS AND ATTRACT MORE MEXICAN VISITORS, SHOPPERS AND BUSINESSES BRAND AND MARKET SAHUARITA FOR PEOPLE, BUSINESS AND VISITORS - FROM AZ, THE U.S., MEXICO AND THE WORLD

ATTRACT A REGIONAL MEDICAL CENTER AND MORE HEALTH CARE OFFERINGS

CAPITALIZE ON THE PRESENCE OF THE MINING INDUSTRY AND IDENTIFY OPPORTUNITIES FOR LOCAL BUSINESSES TO SUPPORT THEIR OPERATIONS

ADVANCE AND ACHIEVE THE SAHUARITA EAST CONCEPTUAL AREA PLAN ANNEXATION

ENSURE THAT INFRASTRUCTURE IS WELL MAINTAINED

ESTABLISH A MAJOR EMPLOYMENT CENTER

DEVELOP BUSINESS PARKS

FOSTER THE GROWTH OF ENTREPRENEURSHIP

INVEST IN INFRASTRUCTURE

CITY OF SAHUARITA :: THREATS

SEQUESTRATION AND POTENTIAL FOR RAYTHEON CUTBACKS AND DOWNSIZING OF DAVIS-MONTHAN AFB

PERCEPTIONS OF MEXICAN BORDER

TUCSON'S WEAK ECONOMY AND ECONOMIC RECOVERY

ABSENCE OF UNIFIED VISION FOR THE FUTURE

FAILURE TO INVEST IN THE FUTURE

ARIZONA'S IMAGE AND PERCEPTION ISSUES

STATE OF ARIZONA STANCE ON DIVERSITY AND IMMIGRATION ISSUES

REAL BORDER ISSUES

NEGATIVE ATTITUDES AMONG ELECTED OFFICIALS AND SOME RESIDENTS TOWARD THE MINES

TUCSON IS THE "ANCHOR AND FACE" OF SOUTHERN ARIZONA, BUT ITS ECONOMIC PERFORMANCE HAS BEEN LACKLUSTER AND IMPACTS THE IMAGE OF SAHUARITA

The high level of stakeholder engagement in the SWOT analysis provided an invaluable contribution to establishing a framework for understanding the community's assets and challenges. Equally if not more importantly, the knowledge, perspectives and observations that were shared through the SWOT interviews and roundtables provided a sound foundation for informing the economic development strategy and the actions that need to be considered and taken to enhance Sahuarita's economic development competitiveness. All of this information was integrated into the Agenda for Action found in Section 6 of this report.

Research

At the core of the Blueprint for Growth and Prosperity is comprehensive research and the foremost business intelligence nationally and internationally. Utilizing the most current data available, we analyzed many dimensions of Sahuarita's present economic standing and future potential:

- ◆ A thorough review of all major existing economic development and related reports from the Town of Sahuarita, Pima County, Tucson Regional Economic Opportunities, Arizona Commerce Authority, Arizona Mexico Commission, University of Arizona, Arizona State University and other local, regional and state organizations whose work impacts economic development in the state and Southern Arizona region.

- ◆ An in-depth examination of Sahuarita based on key factors that are utilized to assess a community's competitiveness and capacity for economic growth. Those factors include:
 - » Population and Demographics
 - » Employment and Workforce
 - » Economy
 - » Real Estate
- ◆ An in-depth comparative analysis of Sahuarita vis-à-vis its relative standing in the Greater Tucson marketplace and compared to other markets with which Tucson competes for new firms, jobs and private capital investment. These markets were:
 - » Austin and Round Rock, TX
 - » Albuquerque and Rio Rancho, NM
 - » Denver and Littleton, CO

Factors analyzed and compared include population and demographics; employment and workforce; economy; market access; cost factors and quality of life.

- ◆ A comprehensive scan of state, national and global factors that drive where businesses locate, expand, startup and grow.
- ◆ A comprehensive analysis of both dominant and emerging trends nationally and globally that directly impact the growth of high value-added economic sectors of the U.S. and global economies.
- ◆ A comprehensive analysis of opportunities for Sahuarita in tourism; mining; entrepreneurship; aerospace and defense; and the information and communications technology sectors, as well as opportunities for business and tourism with Mexico.
- ◆ An overview of major business assistance programs available in the State of Arizona.





Targeted Sector Identification and Analysis

Based on the findings from our Current Economic Conditions and Trends analysis, the Comparative Market Analysis, and the review of Arizona, Pima County, Greater Tucson and Sahuarita plans and reports, our team approached the targeted sector analysis with an overarching goal in mind: to identify existing and emerging target sector opportunities that will strengthen and enhance Sahuarita's quality of life and current economic base, and more importantly, will create a diverse and sustainable economic base for the future. Too often, such analyses focus on the fastest-growing opportunities with little to no regard to the long-term impact these sectors may have on the overall community.

Our goal was to identify those economic sectors that can capitalize on the distinctive business location attributes and strengths of the Town of Sahuarita. The sectors identified have a higher propensity to avail themselves of Sahuarita's relative competitive strengths and are less likely to be influenced by the Town's and Greater Tucson region's relative competitive disadvantages. Each sector individually and combined will yield the highest impact to realize Sahuarita's goals for economic development. Our analysis was designed to inform the Town of Sahuarita of strategic sector opportunities that can generate the types of business and entrepreneurial investment and growth that will contribute to the community's prosperity over the long-term.

As part of this assessment, we examined and analyzed Sahuarita's potential to cultivate, grow and retain existing and emerging economic sectors based on its existing and developable strengths. From this work, we identified, prioritized and recommended the top economic sectors that will have a long-term, favorable impact on the community. In addition, we examined emerging sectors that merited inclusion and further analysis. Statistically, we drew upon the broad range of data and reports cited previously to confirm important trends:

- ◆ Analysis of numbers of companies and numbers of employees in various industry and functional economic sectors to carefully assess the potential of business expansion, organic growth and business attraction for each of these economic sectors.
- ◆ As the analyses progressed, for each sector within Sahuarita, we clarified organic growth and decline, as well as exits and entrants by source - e.g., regional and national.
- ◆ For each selected targeted sector, we also analyzed national trends and global drivers in terms of their potential local impact, for better or for worse. Drawing on our extensive analysis of national and global trends in each of these sectors, as well as other geopolitical and economic risk assessments, our analyses identified sectors and sub-sectors that may be at risk, as well as sectors for which there may be new possibilities.

- ◆ Finally, selecting a sample of “typical” enterprises within each of these economic sectors, we engaged one-on-one dialogue to help better inform our subsequent and more comprehensive information gathering.

Throughout this foundation building phase, our team gathered sufficient evidence to point to the more in-depth analyses of the highest impact sectors for Sahuarita - both from both a risk and opportunity basis. Our work drew upon the foremost business intelligence; proprietary data sources; our extensive business location experience and that of our allied experts; industry reports and publications from proprietary and more public sources; global and national institutes and think tanks; industry and trade organizations, and global, national and state government data sources, as well as the IO.INC BrainTrust of industry and thought leaders with expertise in these sectors.

FIGURE 2: IO.INC METHODOLOGY FOR TARGET SECTORS SELECTION



While on an overall basis, we assessed the core strengths and potential competitive advantages for the Town of Sahuarita across a range of sectors, the foundational underlayment for this assessment was the analysis of each high-impact sector in depth, alert to the potential for synergy among sectors, but also focused on what each sector's strategic outlook might be, including strengths, weaknesses and trends, all of which will impact the potential sustainability and growth of the selected high impact sectors.

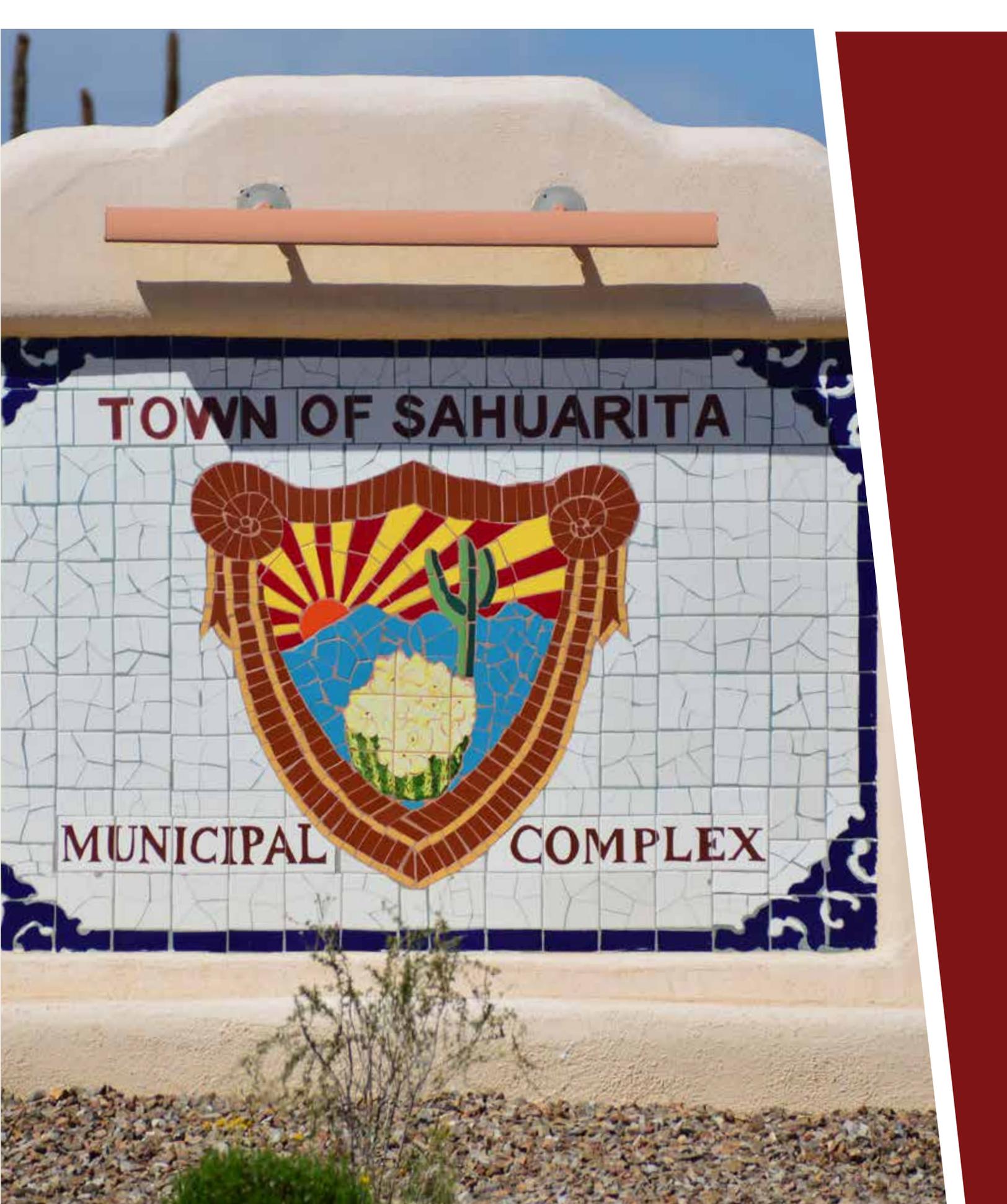
The most compelling assessment began with examining a selected high impact sector through the eyes of business decision-makers within that sector that might consider Sahuarita for expansion or relocation.

- ◆ Based on our experience with such companies, an assessment of trends in that sector, as well as field work via interviews with local executives in that industry, enabled us to confirm the key qualitative and cost factors driving direct investment decisions.
- ◆ Although we began with the same data that is available to firms that may consider the Town of Sahuarita (and other markets) for a business location, in this analysis, we also went to the next step - conducting one-on-one discussions with executives within the sector who know first-hand the challenges as well as the strengths that the community offers. In our corporate work, these face-to-face conversations are usually the most significant factor in shaping the company's perception of the relative attractiveness of a community - especially to the extent that they help form judgments about future - and not just current - conditions.
- ◆ We also assessed the primary gaps between the Town of Sahuarita and the Greater Tucson markets, as well as external competitor markets to determine which key strategies could enhance Sahuarita's competitive position.
- ◆ Based on this analysis, we articulated specific strategies and their underlying rationale for each high-impact economic sector.

The targeted sector analysis resulted in a comprehensive review and validation of the following priority sectors for Sahuarita's economic development endeavors:



Based on the stakeholder input and comprehensive research and findings, our team developed a recommended agenda for action that will enable the Town of Sahuarita to build a sustainable and prosperous economy over the short, mid, and long-term. In addition, we developed metrics to ensure that the Town is able to assess its progress over time.





SECTION 4: SAHUARITA'S ECONOMY

Sahuarita's key demographic factors reflect the quality and affluence of a community that enjoys a high standard of living and high educational attainment.



TABLE 1: A SNAPSHOT OF SAHUARITA, AZ

Median Age	35.5
Population	26,768
Median Household Income	\$69,425 (Arizona: \$50,256)
Average Household Income	\$74,122
Per Capita Income	\$28,811
Average Household Size	2.76
Owner Occupied Households	81.8%
Median Disposable Income by Household	\$56,512
Average Disposable Income by Household	\$63,004
Median Home Value	\$161,065
Total Businesses	168
Total Employees in Sahuarita Businesses	3,181

Source: American Community Survey 2012-2013, Arizona Department of Administration, Population and Employment Statistics, 2014; County Business Patterns by zip code; Zillow, 2014.

Sahuarita's Current Economic Conditions

The analysis of present economic conditions and recent trends provides a fundamental and necessary baseline of information on the Sahuarita - and by extension, Tucson Metro - economy. While Sahuarita is unique in terms of its economic base as well as the demographic characteristics of its residents, the community functions as part of the larger metro area economy, and it is therefore important to understand how the Town of Sahuarita compares, and how it can differentiate itself from other communities in Southern Arizona. The review of current economic conditions and trends explored the factors that define Sahuarita's overall economic environment to help the Town gauge its performance relative to the metro area, and to identify both strengths and potential issues in the local economy.

Metro Tucson, and Arizona in general, have lagged other parts of the nation in recovering from the recent recession. Job growth has been modest and construction activity has

remained below long-term normal levels. Keeping this in mind, the current conditions report compares the level of activity in Sahuarita to the metro area. Looking at growth over the past five to seven years, the comparison illustrates the progression of the recovery. In some cases, Sahuarita is out-performing the metro area, and declined less during the recession; in other areas, there are some factors that will affect Sahuarita’s future economic potential.

Population and Demographics

An initial measure to understand Sahuarita in the context of the metro area is to look at population size and growth rates. Population growth is a general measure of the robustness of the economy and the attractiveness of the community as a place to live. Just 20 years young, Sahuarita is a relatively small community, accounting for only 2.7 percent of the metro area population. Although Sahuarita is relatively small, it has access to both the labor force and other amenities throughout the entire metro area. Population growth in Sahuarita has remained positive throughout the recent recession and well above the metro area average.

TABLE 2: HISTORIC POPULATION GROWTH

	2009	2010	2011	2012	2013
Sahuarita	24,280	25,347	25,645	26,121	26,768
		4.4%	1.2%	1.9%	2.5%
Metro Tucson	984,274	981,168	986,081	990,380	996,046
		-0.3%	0.5%	0.4%	0.6%

Source: Arizona Department of Administration, Employment and Population Statistics; Pima Association of Governments.

Projected Population Growth

Projected annual population growth from 2015 through 2020 is estimated at 4.25 percent for Sahuarita, compared to only 1.52 percent for the metro area. In the longer term through 2030, annual population growth in Sahuarita is projected to decrease slightly to 3.15 percent. Although growth in Sahuarita over the past two years has been only 1.9 to 2.5 percent, annual growth in Sahuarita and the region is projected to increase in coming years.

The projections shown in Table 3 are from the Pima Association of Governments (PAG). PAG uses the latest decennial census information, general land use plans

and visions developed by jurisdictions to produce the projections of population at the local level. Their small area model spatially allocates future population based on known existing land use, land developments and planned land use (e.g., jurisdictional general plans) within the PAG planning area. Currently, Sahuarita is in the process of updating its general plan, and this could ultimately impact the longer term projections. There are also specific plans in process for Sahuarita Farms, which is a very large planned development, that could impact population projections for the area as well.

TABLE 3: PROJECTED POPULATION

	2015	2020	2025	2030	Annual Increase 2015-2020	Annual Increase 2020-2030
Sahuarita	28,483	34,529	41,276	45,403	4.25%	3.15%
Metro Tucson	1,022,079	1,100,000	1,172,515	1,243,100	1.52%	1.30%

Source: Arizona Department of Administration, Employment and Population Statistics; Pima Association of Governments.

Population Distribution by Age

The distribution of population by age reveals that Sahuarita has a somewhat younger population than the Tucson Metro area as a whole. About 29 percent of the Town’s population is under 18, compared to 22 percent of the metro area population. There is also a slightly lower share of people ages 65 and over in Sahuarita, despite the perception by some that the Town has a large number of retirees. This is reflected



in a lower median age for the community. However, there also is a lesser share of 18 to 24 year olds in Sahuarita, indicating a community that is dominated by families with children and/or empty nesters, but not young adults. This may be due to the character of the community, or to the lack of job opportunities for recent college graduates.

TABLE 4: POPULATION BY AGE COHORT (2012)

	Total Population	0-17	18-24	25-34	35-44	45-54	55-64	65+	Median Age
Sahuarita	24,643	7,139	1,355	3,616	3,069	2,769	2,770	3,925	35.5
	100%	29%	5%	15%	12%	11%	11%	16%	
Metro Tucson	998,325	224,151	110,758	129,298	117,479	124,166	126,633	165,840	37.7
	100%	22%	11%	13%	12%	12%	13%	17%	

Source: Arizona Department of Administration, Employment and Population Statistics; American Community Survey, 5 year data, 2012.

The share of the population that is working age (25 to 64) is important in terms of having a sufficiently sized workforce to support economic development. Despite some differences in the age distribution between the community and the Tucson Metro area, the share of working age population is almost identical at 50 percent.

Median Household Income

Median household income is a general measure of the standard of living as well as a measure of the typical wage and skill levels. The Town of Sahuarita has consistently attracted a resident base with significantly higher household incomes than the metro area as a whole. As a result of the deep recession in recent years, however, household income in Sahuarita fell by 13 percent in total from 2008 to 2012, compared to relatively flat income growth at the metro area level. Perhaps the types of jobs held by Sahuarita residents were more impacted by the recession. The most recent available data for the Town is for 2012, although it is likely that household incomes have continued to edge back toward pre-recessionary levels since then.



TABLE 5A: MEDIAN HOUSEHOLD INCOME

	2008	2009	2010	2011	2012	2008 - 2012 Annual Growth Rate
Sahuarita	\$79,749	\$77,053	\$73,827	\$72,781	\$69,425	-3.24%
Metro Tucson	\$46,229	\$45,885	\$45,521	\$46,341	\$46,443	0.12%

Source: American Community Survey, 2008-2012.

Sahuarita has a higher level of per capita income as well. Per capita income in Sahuarita fell slightly from 2010 to 2012, but generally has been more stable than median household income. Annual growth rates over the past five years averaged about 1.2 percent for Sahuarita, compared to only 0.4 percent for the metro area. Often areas with new housing and higher in-migration, as occurred in Sahuarita in the first half of the 2000 to 2010 period, tend to attract higher income residents.



TABLE 5B: PER CAPITA INCOME

	2008	2009	2010	2011	2012	2008 - 2012 Annual Growth Rate
Sahuarita	\$27,186	\$27,647	\$28,962	\$28,391	\$28,811	1.49%
Metro Tucson	\$25,028	\$24,556	\$25,093	\$25,477	\$25,525	0.50%

Source: American Community Survey, 2008-2012.



Educational Attainment

In addition to looking at general demographics, it is important to look at the education levels as a measure of the quality of the resident workforce. The majority of jobs created in the U.S. over the next ten years will require some post-high school education. Communities with capacity for growth are those that are able to attract and retain knowledge workers. Educational attainment measures the highest

degree attained by the adult population. Sahuarita has a strong reputation for having a highly educated resident base. About 44 percent of the adult population in Sahuarita has an associate’s degree or higher, compared to only 38 percent of the population in the Tucson Metro area as a whole. This is a particularly important measure in terms of being able to demonstrate to both existing and prospective new employers that the resident workforce is sufficiently skilled to support their needs. It is interesting to note that the majority of this difference comes from people with bachelor’s degrees. The share of residents with graduate degrees is slightly below the metro area average.

TABLE 6: EDUCATIONAL ATTAINMENT

	Total Population (25+ Years)	Less Than 9th Grade	9th to 12th Grade, No Diploma	High School Graduate	Some College	Associate’s Degree	Bachelor’s Degree	Graduate or Professional Degree
Sahuarita	16,149	2.74%	3.62%	20.35%	29.45%	10.79%	21.75%	11.31%
Metro Tucson	649,597	5.37%	7.62%	22.85%	26.48%	8.29%	17.37%	12.02%

Source: Bureau of Census, 2012 American Community Survey.

Employment and Workforce

The overall robustness of a local economy can be measured in terms of its ability to create new jobs. Job creation also generally leads to population growth through employment driven in-migration. Projected job growth in Sahuarita is modest over the next 10 to 15 years, ranging from 2.7 percent per year in the short term to only about 1.4 percent per year from 2025 to 2030. However, in the period from 2030 to 2040, local employment growth rates are projected to increase significantly based on the PAG data.

It is important to note that the model used by the PAG to create the employment projections shown here allocates regional growth to local areas based on existing land use, planned developments and other factors that may impact absorption. As the Town updates its general plan, any changes in nonresidential land uses could impact future employment potential. Also, the timing of the Sahuarita East Conceptual Area Plan, and the development of Sahuarita Farms (which includes large commercial and industrial employment centers), could also result in changes to the timing or magnitude of future employment growth.



There also are important enhancements planned for the region such as the Pima County Aerospace and Defense Corridor Economic Development Initiative that includes a high speed transportation corridor between I-10 and I-19, which could significantly enhance long term economic development prospects for Sahuarita. On October 7, 2014, the Pima County Board of Supervisors voted unanimously to approve the planning of this vitally important link between the two transportation corridors. Sahuarita’s economic development stakeholders need to become even more engaged in regional planning efforts for this type of infrastructure and help to educate local residents about the benefits of retaining and growing the aerospace and defense sector in Southern Arizona. These regional transportation improvements also have international implications in terms of supporting trade and tourism with Mexico.

TABLE 7: PROJECTED EMPLOYMENT GROWTH

	2013	2015	2020	2025	2030	2035	2040
Sahuarita	4,509	4,750	5,203	5,298	5,681	6,742	9,279
Metro Tucson	420,300	432,066	482,165	508,873	537,362	570,892	609,683
Annual Growth Rate							
Sahuarita	na	2.7%	1.9%	0.4%	1.4%	3.7%	7.5%
Metro Tucson	na	1.4%	2.3%	1.1%	1.1%	1.2%	1.4%

Source: Arizona Department of Administration; Pima Association of Governments DRAFT Plan Tucson Projections, October 2014.



Labor Market Conditions

Another measure of the regional economy is labor force growth. Labor force includes both individuals who are employed as well as those who are unemployed and actively looking for work. Job growth in the previous table includes only employed persons. Looking back over the past six years from 2009 to 2014, Sahuarita experienced increases in its labor force in all years except 2011 and 2013. Although the rate of increase was relatively small, most areas experienced greater losses during the recession. Sahuarita is now back to pre-recessionary levels in terms of its labor force.

TABLE 8: LABOR MARKET CONDITIONS

	2009	2010	2011	2012	2013	2014
Labor Force						
Sahuarita	11,467	12,512	11,941	12,141	11,895	11,966
Metro Tucson	486,040	479,879	465,640	459,349	449,958	452,320
Unemployment						
Sahuarita	5.3%	8.7%	7.2%	6.2%	5.9%	5.2%
Metro Tucson	9.0%	9.4%	8.4%	7.4%	7.0%	6.3%
Participation Rate						
Sahuarita	83.0%	89.7%	84.0%	84.4%	80.7%	na
Metro Tucson	80.2%	79.3%	76.5%	75.4%	73.5%	na

Source: Bureau of Labor Statistics, 2014.

Since these labor force numbers include unemployed persons, declines in the labor force indicate unemployed workers leaving the area or simply becoming discouraged and leaving the labor force. Many areas across the state experienced significantly greater losses in recent years, but communities like Sahuarita, with a larger share of educated workers who were less likely to become unemployed,

tended to fare better. This fact is also reflected in comparative unemployment rates, which have been consistently lower in Sahuarita than in the metro area as a whole. For 2014, the year-to-date unemployment rate in Sahuarita is only 5.2 percent, compared to 6.3 percent for the Tucson Metro area.

The workforce participation rate is a measure of the share of the population that is working or seeking work. Because the participation rate includes both employed and unemployed persons, it is a better metric for indicating the potential pool of workers. In both Sahuarita and the Tucson Metro area, the workforce participation rate declined from 2010 to 2013. This may be partly a function of discouraged workers who no longer are counted in the workforce but have remained as residents. In the case of Sahuarita, it is also possible that some individuals who were previously employed by larger companies became self-employed in response to the recession and are no longer included in the labor force data even though they are still working. In any case, as the recovery proceeds in Arizona and more job opportunities become available, it is expected that workforce participation locally and regionally should continue to increase in the next two to three years.

Earnings Growth

Communities with a highly educated local resident base tend to have above average wage levels that reflect the general skill levels of the people who live in the area. This is borne out in the data for Sahuarita where average earnings (by place of residence) are about 26 percent higher than the metro area average. Wage differences between Sahuarita and the metro area have remained relatively consistent over the past five years, despite the recession. However, residents in both the Town and the metro area experienced declines in average earnings during the recession in 2009 and 2010. Sahuarita also experienced a slight decline in 2012, although this may be due more to anomalies in the American Community Survey data than to current economic conditions.

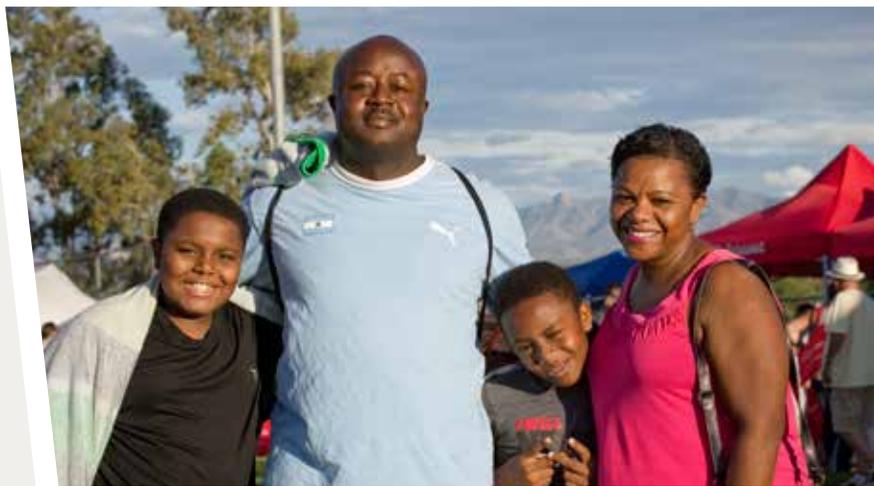


TABLE 9: EARNINGS GROWTH

	2008	2009	2010	2011	2012
Average Earnings					
Sahuarita	\$77,583	\$76,180	\$75,165	\$78,214	\$77,298
Metro Tucson	\$60,654	\$60,000	\$59,858	\$61,102	\$61,386
Annual Growth					
Sahuarita	na	-1.8%	-1.3%	4.1%	-1.2%
Metro Tucson	na	-1.1%	-0.2%	2.1%	0.5%

Source: Bureau of Census, 2012 American Community Survey.

Resident Employment by Occupation

In order to fully understand Sahuarita’s competitive position as a place to do business, it is important to understand in greater detail the types of skill sets represented in the resident workforce. The perception within the region is that the Town’s resident workforce is highly educated and highly skilled. Sahuarita has a higher share of workers in architecture and engineering as well as sales, production and protective service occupations than the metro area as a whole. It is somewhat surprising, given the above average education and income levels of the residents in Sahuarita, that the share of workers in management occupations as well as STEM occupations such as computer science, life and physical sciences and healthcare is not higher relative to the metro area. This seems counterintuitive given that a large number of residents work in the aerospace and defense industry at nearby Raytheon and at Davis-Monthan Air Force Base.



TABLE 10: RESIDENT EMPLOYMENT BY OCCUPATION

Occupations	Sahuarita		Metro Tucson	
	Number	%	Number	%
Total	10,285	100.00%	419,155	100.00%
Management Occupations	1,004	9.76%	37,014	8.83%
Business And Financial Operations	507	4.93%	15,571	3.71%
Computer And Mathematical Occupations	285	2.77%	10,739	2.56%
Architecture And Engineering	670	6.51%	11,709	2.79%
Life, Physical, And Social Science	76	0.74%	4,415	1.05%
Community And Social Services	425	4.13%	8,164	1.95%
Legal Occupations	100	0.97%	4,272	1.02%
Education, Training, And Library Occupations	589	5.73%	26,997	6.44%
Arts, Design, Entertainment, Sports, And Media	140	1.36%	8,084	1.93%
Health Diagnosing And Treating Practitioners	290	2.82%	17,243	4.11%
Health Technologists And Technicians	186	1.81%	7,916	1.89%
Healthcare Support Occupations	185	1.80%	10,892	2.60%
Protective Services	809	7.87%	13,121	3.13%
Food Preparation And Serving	376	3.66%	26,682	6.37%
Building And Grounds Cleaning And Maintenance	134	1.30%	18,492	4.41%
Personal Care And Service	355	3.45%	18,782	4.48%
Sales And Related Occupations	1,323	12.86%	46,117	11.00%
Office And Administrative Support	1,106	10.75%	61,335	14.63%
Farming, Fishing, And Forestry	60	0.58%	809	0.19%
Construction And Extraction	477	4.64%	22,769	5.43%
Installation, Maintenance, And Repair	314	3.05%	13,956	3.33%
Production	636	6.18%	15,875	3.79%
Transportation	225	2.19%	11,712	2.79%
Material Moving	13	0.13%	6,489	1.55%

Source: Bureau of Census, 2012 American Community Survey.



Economy

While workforce metrics are one measure of the overall health of the economy in Sahuarita, there are other measures as well. This section of the analysis provides more detail on key indicators of the region's economic base, including industry composition, GDP and retail sales.

Resident Employment by Industry

In order to fully understand why the economy may have contracted more in some markets than others, it is important to look at the distribution of employment and establishments by industry sector. Note that this data reflects employment by place of work. Sahuarita is seen by many as a bedroom community where there is a mismatch between the types of jobs available in the community and the skills of the resident workforce. According to PAG, only about 22 percent of the people who live in Sahuarita and work, work in the community. While there is clearly a lack of professional services jobs, there are other underlying issues relative to the Town's economic base. The distribution of employment by industry is markedly different in Sahuarita than in the Tucson Metro area as a whole.

The three largest sectors in Sahuarita are mining, retail and hospitality (accommodations and food services). These three sectors account for two-thirds of the local economic base. While retail and hospitality are also among the top sectors in metro Tucson, they account for a significantly smaller share of total employment than in Sahuarita. This is indicative of the lack of diversity in Sahuarita's economy, which puts the Town at risk given that all three of the dominant sectors are sensitive to cyclical economic conditions. Retail and hospitality also tend to be lower skill industries and generally do not provide quality jobs for the more educated workforce that resides in the community. While mining is a basic industry and provides high paying jobs, there is some concern among stakeholders that the community is overly reliant on the mining industry. It is seen as a growth opportunity by some to expand the base of local suppliers to mining, but as a potential weakness by others because so much of the economy is focused on a single industry that is largely driven by external factors.

TABLE 11: RESIDENT EMPLOYMENT BY INDUSTRY

Industry	Sahuarita			Metro Tucson		
	Est	Emp	%	Est	Emp	%
Total	168	3,181	100.00%	20,014	305,210	100.00%
Agriculture	1	152	0.60%	21	222	0.10%
Mining	4	671	2.38%	36	2,857	0.18%
Utilities	1	6	0.60%	25	1,937	0.12%
Construction	35	141	20.83%	1,614	15,289	8.06%
Manufacturing	3	81	1.79%	645	25,111	3.22%
Wholesale Trade	3	11	1.79%	786	7,203	3.93%
Retail Trade	15	798	8.93%	2,779	43,965	13.89%
Transportation & Warehousing	8	21	4.76%	407	8,240	2.03%
Information	3	41	1.79%	285	5,717	1.42%
Finance, Insurance & Real Estate	17	60	10.12%	2,470	17,530	12.34%
Professional & Scientific Services	10	16	5.95%	2,538	16,435	12.68%
Management Of Companies	0	0	0.00%	133	4,682	0.66%
Administrative & Support Services	17	33	10.12%	1,185	27,186	5.92%
Educational Services	3	79	1.79%	361	6,592	1.80%
Health Care	14	44	8.33%	2,791	57,246	13.95%
Arts, Entertainment, Recreation	1	121	0.60%	298	6,397	1.49%
Accommodation And Food Services	10	650	5.95%	1,777	43,778	8.88%
Other Services	23	258	13.69%	1,863	14,822	9.31%

Source: County Business Patterns, 2012. Data for Sahuarita was estimated based on zip code data.

Distribution of Establishments by Size

Another way to understand the composition of the economic base in Sahuarita is to look at the distribution of business establishments. The distribution of establishments by industry is surprisingly dissimilar to the distribution of employment for Sahuarita. The largest concentration of establishments is in construction, administrative services and other services, accounting for 45 percent of all establishments in the Town. In all three cases, the share of establishments in these sectors is much higher in Sahuarita than in the metro area as a whole. Since employment in these sectors is relatively lower, this indicates a large number of small businesses. About 80 percent of establishments in Sahuarita have less than 10 employees, compared to 72 percent of establishments in the metro area overall. Sahuarita has a strong contingent of home-based businesses as well that are not reflected in this data.

TABLE 12: ESTABLISHMENTS BY SIZE

Number of Employees	Sahuarita		Metro Tucson	
	Number	%	Number	%
Total	168	100.00%	20,027	100.00%
1 to 4	95	56.55%	10,355	51.71%
5 to 9	38	22.62%	4,010	20.02%
10 to 24	17	10.12%	2,785	13.91%
25 to 49	8	4.76%	1,829	9.13%
50 to 99	4	2.38%	631	3.15%
100 to 249	3	1.79%	305	1.52%
250 to 499	1	0.60%	61	0.30%
500 and higher	2	1.19%	51	0.25%

Source: County Business Patterns, 2012.



Taxable Sales

Taxable sales are another key indicator of local economic conditions, particularly in an economy not heavily driven by manufacturing industries. Sales tax collections started to decline in Sahuarita in 2008-09 and continued to descend through 2012. It is somewhat surprising that total sales in Sahuarita remain down 2 percent compared to 2009 levels, while total sales for the metro area are up 4 percent since 2009. A large portion of the decline locally came from construction sales tax as activity in this sector ground to a halt. In contrast to most of the rest of the state, construction sales did not decline in metro Tucson during the past five years, but are still down 9 percent in Sahuarita compared to 2009. Retail sales also dropped off significantly, but started to recover sooner, beginning in 2011. Restaurants and bars fared better than other retail establishments and already are well above 2009 sales levels in both the Town and the metro area.

Sales tax collections, excluding retail and restaurants, currently make up 47 percent of the base in Sahuarita, down from 53 percent in 2009 due primarily to lower construction sales. This is significantly higher than the metro area, where non-retail sales account for only 36 percent of the total. A larger reliance on non-retail sales tends to create greater stability in sales tax revenues. However, the level of taxable sales per capita in 2013 is about 79 percent of the metro Tucson figure, down from 107 percent in 2009. In addition, metro Tucson is now at 114 percent of pre-recession levels, while Sahuarita is only at 84 percent. There is a strong perception among community stakeholders that the Town is overly reliant on sales tax revenues since there is no local property tax. This creates greater volatility in terms of the level of revenues available to fund operations and maintenance for the Town.

TABLE 13: TAXABLE SALES

	2009	2010	2011	2012	2013	Avg Annual Growth
Sahuarita						
Total Taxable Sales (000)	\$330,786	\$284,670	\$279,097	\$273,302	\$306,065	-1.87%
Communication & Utilities	\$33,648	\$37,457	\$36,857	\$38,282	\$38,528	3.63%
Construction	\$108,593	\$69,223	\$43,710	\$40,692	\$68,333	-9.27%
Manufacturing	\$9,928	\$12,762	\$18,974	\$12,406	\$10,393	1.17%
Retail Trade	\$140,617	\$128,875	\$140,156	\$142,772	\$146,662	1.07%
Real Estate, Rental & Leasing	\$15,465	\$11,243	\$12,969	\$12,382	\$13,378	-3.37%
Restaurants & Bars	\$13,342	\$13,744	\$15,765	\$14,980	\$14,766	2.67%
Services	\$4,428	\$3,664	\$3,529	\$2,892	\$3,073	-7.65%
Other	\$4,765	\$7,702	\$7,138	\$8,896	\$10,933	32.36%
Percent Non-Retail Collections	53%	50%	44%	42%	47%	na
Sales per Capita	\$13,624	\$11,231	\$10,883	\$10,463	\$11,434	na
Metro Tucson						
Total Taxable Sales (000)	\$12,553,712	\$12,787,993	\$13,535,356	\$14,065,311	\$14,363,939	3.60%
Communication & Utilities	\$1,821,545	\$1,765,854	\$1,866,400	\$1,855,958	\$1,825,179	0.05%
Construction	\$1,256,362	\$1,240,980	\$1,350,047	\$1,451,692	\$1,493,281	4.71%
Manufacturing	\$34,091	\$32,256	\$32,034	\$28,510	\$28,545	-4.07%
Retail Trade	\$6,419,904	\$6,569,669	\$7,112,411	\$7,439,988	\$7,714,952	5.04%
Real Estate, Rental & Leasing	\$1,218,016	\$1,242,956	\$1,231,589	\$1,294,500	\$1,256,857	0.80%
Restaurants & Bars	\$1,392,310	\$1,423,376	\$1,511,313	\$1,560,138	\$1,599,538	3.72%
Services	\$110,245	\$211,545	\$114,334	\$119,263	\$114,903	1.06%
Hotel/Motel	\$301,239	\$301,356	\$317,228	\$315,262	\$330,686	2.44%
Other	\$33,678	\$213,147	\$55,616	\$113,441	\$114,213	59.78%
Percent Non-Retail Collections	38%	37%	36%	36%	35%	na
Sales per Capita	\$12,754	\$13,033	\$13,726	\$14,202	\$14,421	na

Source: Arizona Department of Revenue, 2014; Town of Sahuarita Consolidated Annual Financial Report, 2013.
 *Taxable sales are not reported but were estimated based on city and RTA sales tax rates (general, construction) and sales tax collection data.

Growth in GDP

Another measure of the long term strength of the recovery is growth in real GDP. In general, GDP per worker varies significantly from industry to industry. It is a function of the value of raw materials plus the amount of value added by labor and technology in different industries. Depending on the types of industries represented in a regional economy, the average GDP per worker may be higher or lower. In this case, we are looking at per capita GDP which not only reflects the industry mix, but also the share of the population that is contributing to GDP, versus the share that is not in the workforce. Data is not available at the community level, but we can compare the Tucson metro area to the state. The most current data available is for 2013 and shows metro Tucson at \$35,553 per capita, which is about 16 percent below the state average.



TABLE 14: GDP GROWTH IN CURRENT DOLLARS

	2009	2010	2011	2012	2013
GDP (millions)					
Metro Tucson	\$32,401	\$32,983	\$33,271	\$34,764	\$35,412
State of Arizona	\$243,331	\$247,752	\$258,187	\$271,503	\$279,024
Annual Growth					
Metro Tucson	na	1.8%	0.9%	4.5%	1.9%
State of Arizona	na	1.8%	4.2%	5.2%	2.8%
GDP per Capita					
Metro Tucson	\$32,919	\$33,616	\$33,741	\$35,102	\$35,553
State of Arizona	\$38,085	\$38,702	\$40,102	\$41,779	\$42,398

Source: Bureau of Economic Analysis, 2014.

There also are significant differences in the rate of change in GDP over the past five years. Metro Tucson has consistently lagged the state in terms of GDP growth, and

growth overall has been slower than in other urban areas in the state, even before the recession.

Summary of Findings

Overall, Sahuarita has some key assets than can be leveraged to support future economic development. The area has strong, but manageable, projected population growth, strong family-oriented demographics, above average incomes and educational levels, and high quality local schools to support the types of workers that are attracted to the Town. However, the community is currently lacking the job base to support its high quality resident workforce.

Clearly, Sahuarita has many economic strengths upon which to advance its economic development and growth. Among its many fact-based competitive advantages are:

- ◆ Projected annual population growth from 2015 through 2020 is estimated at 4.25 percent for Sahuarita, compared to only 1.52 percent for the metro area.
- ◆ Nearly 30 percent of the Town's population is under 18, signifying the presence of young families in the community.
- ◆ About 44 percent of the adult population in Sahuarita has an associate's degree or higher.
- ◆ The Town of Sahuarita has consistently attracted a resident base with high household incomes with a median household income of \$69,425 for 2012. Higher income levels are reflective of the levels of educational attainment and create significant local purchasing power.



- ◆ With its highly educated workforce, Sahuarita has maintained consistently lower unemployment rates than the region as a whole, even during the recession.
- ◆ Sahuarita has an above average share of its resident workforce in architecture and engineering, business and financial and production occupations, all of which are critical to supporting future industry development in the region.



Presently, Sahuarita’s economic base is heavily concentrated in mining, retail and hospitality. While it is important to maintain these sectors and take advantage of future opportunities for growth, the Town also needs to diversify and create jobs that support the sizeable base of professional service workers in the resident labor pool. About 78 percent of the resident workforce currently commutes to jobs elsewhere in the metro area.

In terms of regional economic factors, GDP and job growth in metro Tucson are lagging the state and this is impacting all communities in the region. Lagging job growth results in less residential construction activity, which is dependent on in-migration of people seeking employment opportunities in a growing market. Sahuarita, in particular, experienced a significant drop off in residential construction during the recession and is still well behind other parts of the metro area in terms of recovery. Much of the new home construction right now is occurring in Marana to the north, and further east in the area around Vail to the south. It may be some time before activity increases significantly in Sahuarita again.

The results of the economic conditions analysis provide a quantitative baseline of where Sahuarita is now in relation to the metro area, and identify some of the community’s unique business climate assets. Many of the fundamentals are in place to transform the local economy. There also are some issues that Sahuarita must address in order to truly be competitive for a broader range of non-retail industries and create long-term economic sustainability for the community.



SECTION 5: SAHUARITA'S PRIMARY TARGET ECONOMIC SECTORS

Utilizing the methodology for targeted sector analysis and selection described in Section 3 of this report, a comprehensive review of growth industries regionally and nationally, and local industry specializations was conducted.

Growth Industries Regionally

While the economy both regionally and nationally has declined over the past five years, there are bright spots with industries that have grown despite the recession. In terms of absolute job growth, the fastest growing export sectors in Pima County over the past five years include bioscience, transportation and logistics, business and professional services and health care (refer to Table A-1 in Appendix). Each of these sectors added between 1,000 and 12,000 jobs during the 2007 to 2012 time period when many other industries were declining. In contrast, industries such as engineering and architectural services, real estate credit, retail and auto dealerships, software publishers and construction related manufacturing such as windows and doors were harder hit by the recession and lost a significant number of jobs in Pima County during this period.



Growth Industries Nationally

While fast growing industries regionally provide insight into the area's economy, it is important to evaluate this information in the context of national high growth industries. The analysis focused on industries with strong projected national growth and looked at their recent performance in Pima County (refer to Table A-2 in Appendix). These include industries with high levels of projected employment growth, as well as those with high projected output growth. Interestingly, not all industries with strong projected output growth have strong employment projections. However, industries with strong projected output growth are not only those with growing demand in the future, but also industries where innovation and the application of technology support higher levels of production, often with a lower volume of labor.

Among the industries with high employment growth, health care and professional and technical services are dominant (refer to Table A-2 in Appendix). These specific high employment growth industries also have positive projected output growth. In contrast, some of the industries with a high level of projected output growth actually have negative employment projections. Many of these are high tech manufacturing industries such as electronics, where future technological changes and cost pressures will reduce overall labor demands but increase skill requirements over the next ten years. Other sectors with high projected output growth include finance, information industries and information technology.



Local Industry Specializations

Absolute and percentage job growth are the initial screening criteria in analyzing potential targets. However, assessing regional industry specializations is also important to understanding where there may be opportunities for expansion or additional supplier growth. One way to determine if industries are considered a regional specialization is to examine location quotients. Location quotients in this analysis measure Pima County's share of total employment in a particular industry, divided by the share of total employment in that industry nationally. Industries with location quotients greater than one are technically serving customers outside the local area and represent export industries. Export or non-local serving industries with location quotients greater than 2.0 are shown in Table A-3 in the Appendix. The most notable industries for Pima County are copper mining, optics, medical equipment, aerospace and defense, transportation and logistics, information technology and education and training.

Sahuarita's State of Competitiveness

The attractiveness of a business environment is determined by many factors as corporate executives decide where to expand or locate their businesses. Competitive communities that successfully influence their local economy are prepared for investment before it happens. They rank very high for all of the components depicted in the following graphic. However, it is important to note that each project or company may prioritize these factors differently depending on their specific needs.



FIGURE 4: KEY FACTORS OF A COMPETITIVE BUSINESS CLIMATE



Table 15 summarizes the results of the assessment of Sahuarita’s competitiveness for key site selection factors. This information is covered in more detail in the Comparative Assessment. The findings from this evaluation were utilized in compatibility screening for Sahuarita’s target sectors.

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

- ◆ Strengths are assets that Sahuarita can use to its economic development advantage. They point to market opportunities. The goal is to preserve and market these strengths, and to shift neutrals and weaknesses to strengths.
- ◆ Neutrals are location factors that generally do not distinguish Sahuarita from other locations in the region.
- ◆ Weaknesses are shortcomings in the local business climate. Some of these can be influenced or corrected through local actions, some cannot. Regardless, these weaknesses will eliminate certain industries as potential targets.



TABLE 15: SAHUARITA BUSINESS CLIMATE SUMMARY

Business Climate Factor	Sahuarita Strength or Weakness
Workforce	
Educational Attainment	Strength
Higher Education Access	Strength
Resident Occupational Skills	Strength
Overall Economy	
Labor Force Growth	Weakness
Unemployment Rates	Strength
Projected Employment Growth	Strength
Industry Diversification	Weakness
Market Access	Neutral
Sites and Buildings	Weakness
Infrastructure	Weakness
Cost Factors	
Real Estate - Land Prices	Weakness
Construction Costs	Strength
Labor Costs	Neutral
Taxes and Incentives	Neutral
Quality of Life	
Commuting	Weakness
Jobs/Housing Balance	Weakness
Housing Affordability	Strength
Crime Rates	Strength
Secondary Education Quality	Strength

Industry Screening for Sahuarita's Economic Development

The first screen of the industry trend data when applied to all industries in Pima County provides a universe of potential target sectors for further refinement. The results of this screening process were organized to group interdependent industries together, including primary producers with related suppliers and other support industries. The list excludes non-basic or local serving industries.

The screening criteria applied to Pima County industry trends, include:

- ◆ Export industries with 10 percent or more employment growth from 2007 to 2012 OR a local growth rate from 2007 to 2012 greater than the national rate

- ◆ Positive projected national output and employment growth;
- ◆ Average wages above \$40,000; and
- ◆ Current county employment of at least 100.

The final recommended target sectors are listed below. The list includes some of the industries from the initial screen that are a good fit for the type of workforce available in Sahuarita and the character of the community such as information and communications technology. It also includes some additional sectors that have an existing presence in the community such as mining and tourism. Many of the remaining industries do not currently exist in Sahuarita, but they have a presence in the region. For the most part, they have shown job growth in recent years and/or have positive projected future growth. They are also consistent with the types of assets that Sahuarita currently has to offer businesses. The target sectors include:

- ◆ Information and Communication Technology - financial services, insurance, customer contact centers, IT managed services and data centers.
- ◆ Mining - builds on the existing ASARCO Mission Mine Complex in Sahuarita and Freeport McMoRan operations nearby with potential to expand the local supplier base.
- ◆ Tourism and Hospitality - international tourism targeting visitors from Mexico including hotels, retail and destination attractions.
- ◆ Aerospace and Defense - aerospace suppliers and aligning Sahuarita to capitalize on the Pima County Aerospace and Defense Corridor.
- ◆ Entrepreneurship - cuts across all sectors of the economy.
- ◆ Mexico - offers unique opportunities in tourism and trade.

Information and Communications Technology

Both financial and insurance services and computer related services are combined in the information and communication technology target sector. These types of industries include office users that can take advantage of the significant concentration of management, business and financial workers living in the community. Sahuarita's high quality of life also provides an attractive location for recruiting new talent, which is an important factor for technology services and other firms in the Information and Communications Technology sector.



Companies in this sector may include internal divisions of larger companies, or contract service providers such as IT managed services that support customers in a variety of industries and do not need to be located near those customers. Companies in this target sector offer high paying jobs and are among the top industries in terms of projected national growth. This sector has also experienced significant growth in the Tucson metro area in recent years.

TABLE 16: INFORMATION AND COMMUNICATIONS TECHNOLOGY SNAPSHOT

Total Arizona Employment	76,867
Total Tucson MSA Employment	7,461
Total Sahuarita Employment	73
Arizona Average Earnings Per Worker	\$69,953
Tucson MSA Average Earnings Per Worker	\$48,154
Sahuarita Average Earnings Per Worker	na
Arizona Industry Growth (2007-2012)	17.3%
Tucson MSA Industry Growth (2007-2012)	21.0%
Sahuarita Industry Growth (2007-2012)	5.2%
Arizona Establishments	9,523
Tucson MSA Establishments	920
Sahuarita Establishments	16
Sahuarita Share of Tucson MSA Employment	1.0%
Arizona Location Quotient	1.11
Tucson MSA Location Quotient	0.79
Sahuarita Location Quotient	0.27

Source: IMPLAN ES202 data; County Business Patterns zip code data for 85614 and 85629.

Mining

Sahuarita is home to the ASARCO Mission Mine complex, an open pit copper mine that employs over 600 workers and is expected to be in production through 2033. It is also the location of the Climax Technology Center, a metal processing plant owned by Freeport-McMoRan. The Sierrita Mine, owned by Freeport-McMoRan, is located just west of Sahuarita in the Sierrita Mountains. While many of the suppliers to the mines and the metal processing plant may not be local, there are opportunities to develop the local supplier base, not only to serve these facilities but also to serve other active mining operations in Southern Arizona. Developing this target sector requires a strong, on-going partnership with ASARCO and

Freeport-McMoRan to gain a better understanding of the types of suppliers that could potentially be supported in Sahuarita. Suppliers may include equipment rental or other professional and technical contract services that support the mining industry.

The mining industry is growing in the Tucson MSA and statewide. Mining employment in Sahuarita currently represents about a third of all mining employment in the Tucson metro area, and there is potential for additional growth in the future related to the development of Rosemont Copper (Hudbay). Because of its proximity to two major mining operations, Sahuarita has the opportunity to capitalize on this resource based industry and expand its local supplier base.



TABLE 17: MINING SNAPSHOT

Total Arizona Employment	10,623
Total Tucson MSA Employment	1,865
Total Sahuarita Employment	670
Arizona Average Earnings Per Worker	\$78,549
Tucson MSA Average Earnings Per Worker	\$76,392
Sahuarita Average Earnings Per Worker	na
Arizona Industry Growth (2007-2012)	37.3%
Tucson MSA Industry Growth (2007-2012)	19.2%
Sahuarita Industry Growth (2007-2012)	8.7%
Arizona Establishments	53
Tucson MSA Establishments	12
Sahuarita Establishments	5
Sahuarita Share of Tucson MSA Employment	33.2%
Arizona Location Quotient	29.46
Tucson MSA Location Quotient	38.25
Sahuarita Location Quotient	440.5

Source: IMPLAN ES202 data; County Business Patterns zip code data for 85614 and 85629.

Tourism and Hospitality

Tourism has traditionally been an important industry for Arizona, generating a significant number of jobs and tax revenues. Sahuarita has a niche opportunity to focus on tourists from Mexico. Visitors from Mexico are the primary source of overnight international visitors to the state, and despite the recession, the number of visitors from Mexico increased in 2012 and 2013. These visitors arrive principally by car, but also by airplane. With Sahuarita's proximity to both the international border and the Tucson International Airport, there is an opportunity to create an attractive destination for these visitors.

However, to take advantage of the economic benefits of tourism, it is important to provide not only day-trip destinations, but also lodging and attractions for overnight visitors. This would include an expanded inventory of hotels and restaurants, retail, museums and cultural attractions. There is also an opportunity for tour operators that may combine local lodging, shopping, restaurants and events with tours of cultural or historic attractions or sporting events in other parts of Southern Arizona.

Although the tourism industry statewide experienced declines during the recession, tourism sales have increased over the past two years. While Sahuarita currently only represents 2 percent of employment in the Tucson metro area in this sector, there are strong opportunities for growth. This industry would also be a good fit with the existing character of the community.



**TABLE 18: TOURISM AND HOSPITALITY
SNAPSHOT**

Total Arizona Employment	133,299
Total Tucson MSA Employment	21,401
Total Sahuarita Employment	449
Arizona Average Earnings Per Worker	\$20,939
Tucson MSA Average Earnings Per Worker	\$18,800
Sahuarita Average Earnings Per Worker	na
Arizona Industry Growth (2007-2012)	-6.3%
Tucson MSA Industry Growth (2007-2012)	-1.0%
Sahuarita Industry Growth (2007-2012)	-1.1%
Arizona Establishments	5,010
Tucson MSA Establishments	792
Sahuarita Establishments	30
Sahuarita Share of Tucson MSA Employment	2.1%
Arizona Location Quotient	1.92
Tucson MSA Location Quotient	1.32
Sahuarita Location Quotient	0.96

Source: IMPLAN ES202 data; County Business Patterns zip code data for 85614 and 85629.

Aerospace and Defense

The aerospace and defense sector is a key industry for metro Tucson. Tucson is one of the top five metro areas nationwide in terms of its concentration of aerospace and defense. This sector includes such large companies as Raytheon and Bombardier that are in weapons, aircraft and aircraft part manufacturing directly, as well as nearly 200 suppliers in related industries including metal fabrication, electronics, instruments and aircraft refurbishing. This sector creates high paying jobs that are a good fit with the engineering and other technical skills present in Sahuarita’s resident workforce.

While this is a longer term target for Sahuarita, which currently has no presence in this sector, the community is in an ideal location to take advantage of the public infrastructure investment that is taking place the Pima County Aerospace and



Defense Corridor. The Corridor generally extends from Valencia Road south along the east side of Interstate 10 and includes the Tucson International Airport as well as the University of Arizona Science and Technology Park and the Port of Tucson. The proposed road improvements to facilitate the movement of goods within this area will result in the construction of Aerospace Parkway. There are several alternative routes being considered including an option that extends from Interstate 10 at Rita Road along the Old Vail Connection Road alignment, south along the Nogales Highway alignment, connecting to I-19 at the El Toro Road alignment in Sahuarita. Although the existing and planned employment centers associated with the Aerospace and Defense Corridor are north of Sahuarita, the Town is uniquely located relative to the planned transportation routes to link in to the synergy that is being created. However, if Sahuarita is to be successful in attracting aerospace and defense suppliers, one key factor is to designate those development sites as soon as the final road alignment is known and protect them from residential and commercial encroachment, which is vitally important to attracting this type of industry.

TABLE 19: AEROSPACE AND DEFENSE SNAPSHOT

Total Arizona Employment	39,040
Total Tucson MSA Employment	13,611
Total Sahuarita Employment	0
Arizona Average Earnings Per Worker	\$84,015
Tucson MSA Average Earnings Per Worker	\$93,522
Sahuarita Average Earnings Per Worker	\$0
Arizona Industry Growth (2007-2012)	-0.4%
Tucson MSA Industry Growth (2007-2012)	0.2%
Sahuarita Industry Growth (2007-2012)	0.0%
Arizona Establishments	687
Tucson MSA Establishments	107
Sahuarita Establishments	0
Sahuarita Share of Tucson MSA Employment	0.0%
Arizona Location Quotient	0.56
Tucson MSA Location Quotient	1.45
Sahuarita Location Quotient	0.00

Source: IMPLAN ES202 data; County Business Patterns zip code data for 85614 and 85629.

In addition to these defined target sectors, IO.INC conducted comprehensive research on opportunities for Sahuarita in the Mexico economy, and in the entrepreneurship sector as well. These opportunities transcend the boundaries of defined economic sectors. A separate analysis was conducted, and

recommendations for how Sahuarita can best capitalize on its proximity to Mexico, as well as how to continue to advance the Town's entrepreneurship base, have been proffered.

Opportunities for Sahuarita with Mexico

With its strategic location in Southern Arizona and extremely close proximity to Mexico, the Town of Sahuarita is well-positioned to benefit from tourism and trade opportunities that continue to expand and grow between Mexico and Arizona.

This analysis focused on these growth trends in Mexico, and the potential for business, trade and tourism with Mexico as a primary economic sector of opportunity for the Town of Sahuarita, both in the short and mid-term. To develop and capitalize on these opportunities, IO.INC's work entailed comprehensive research of international, national, state, and local reports and data, as well as current information and research from academic and private sector sources. In addition to the research, IO.INC engaged a highly competent and respected individual from Mexico to personally interview executives of firms based in Mexico, Federal officials and representatives of industry and trade organizations.

The research and interviews focused on identifying the highest growth sectors in Mexico that may represent economic development opportunities for the Town of Sahuarita, and to identify specific synergies between Mexico's economy and the potential for Sahuarita to benefit from these opportunities.

Once identified, the team analyzed these sectors against the backdrop of the Town of Sahuarita's current assets, future aspirations and current competitive standing as a business location, building upon IO.INC's research in these areas. Based on this analysis, our team identified the most relevant sectors of Mexico's economy that merited further examination as to the potential for future job growth and private capital investment in Sahuarita. There are four strategic sectors in Mexico that are experiencing significant growth that also have synergy with the Southern Arizona and Sahuarita economies. These sectors are aerospace, medical devices, mining, and tourism. An overview of each of these four sectors in Mexico was further analyzed, including their current and projected levels of production, exports, growth rate, FDI, subsectors of opportunity, and a listing of the large firms in these sectors that are operating from Mexico.





To augment our research findings, interviews were conducted with private and public sector representatives. With this comprehensive research, complemented by interviews of decision-makers, short-term recommendations are provided to encourage the Town of Sahuarita to capitalize on its proximity to Mexico and its many long-standing relationships between Town leaders and residents, and Mexico. Specific recommendations for expanding tourism with Mexico, and for positioning Sahuarita as a prime location for firms seeking to do business with Mexico from a U.S. location, were developed.

Opportunities for Sahuarita in Entrepreneurship

According to the U.S. Small Business Administration Office of Advocacy, small firms - founded by entrepreneurs - number 28 million strong, employing 60 million Americans - nearly half of the private sector workforce in the U.S. America's entrepreneurial enterprises also:

- ◆ Accounted for 64 percent of the net new jobs created in the U.S. between 1993 and 2011.
- ◆ Comprise 98 percent of America's exporters and produce 33 percent of all export value.
- ◆ Create more than 46 percent of the American nonfarm private gross domestic product (GDP).
- ◆ Create 43 percent of all high-tech employment.
- ◆ Produce 16 times more patents per employee than large patenting firms.

In the U.S., entrepreneurship has been one of the most vital components of the nation's free enterprise system and is the primary catalyst for America's economic and social prosperity. As the most dynamic underpinning of economic activity

in the U.S., businesses are continuously entering, exiting, expanding or contracting. This dynamism has and continues to be a critically important engine of productivity growth and sustained economic prosperity for all economies, and most particularly, for the U.S. New and young enterprises play what the world's leading authority on entrepreneurship - The Kauffman Foundation - calls an "outsized" role in this economic dynamism and job creation process.

Over time, the rate of entrepreneurship in the U.S. has experienced decline. From 1980 to 2010, the share of new enterprises contracted, from 13 percent of U.S. employers in 1980 to 8



percent in 2010. This trend implies that the U.S. economy is becoming less dynamic, with fewer new companies replacing old ones. This long-term trend is troubling and signifies that the U.S. needs to address entrepreneurship on the national, state and local levels. While entrepreneurship rates remained strong throughout the recession, the overall rate of new business startups continues to decline year over year.

Still, even with this downward trend that now spans over 30 years, 394,000 startups created 2.3 million jobs in 2010 (latest available data), reflecting a significant level of new job creation during a period of extreme economic sluggishness. During this same time period, net job creation from all U.S. private sector firms was -1.8 million jobs. Absent this level of business dynamism among startups, the net job loss in the U.S. and its impact on the unemployment rate would have been far greater.

As cities and nations across the world engage in fostering entrepreneurship, one of the most important building blocks for success is to both ensure and enable a strong entrepreneurship ecosystem. Increasingly, more resources are being devoted to building the ecosystem that will sustain strong entrepreneurship activity over time. In the world of innovation and business creation, there are fundamental building blocks that support the creation of new ideas and enterprises. The lifeblood of entrepreneurship is the individual who is willing to take risks, venture into uncharted territory and create new services, products and technologies that will meet a business or consumer need. Just as important, however, are the fundamental determinants or factors that are essential to supporting entrepreneurial enterprises.

Some of the world's most prestigious organizations focused on economic and societal development have vigorously pursued the study and promotion of entrepreneurship and the factors that enable and support its success. These organizations include the Council on Competitiveness in the U.S.; the GSM Association (Groupe Speciale Mobile Association, which is an association of mobile operators and related firms that support the standardization, deployment and promotion of the GSM mobile telephone system); the Organization for Economic Co-operation and Development (OECD); the World Bank, and the World Economic Forum. All of these organizations have developed comprehensive diagnostic tools for assessing and tracking entrepreneurship ecosystems.

While varying to some extent, each of these organizations has contributed to an overarching framework to define the major components of an effective and successful entrepreneurship ecosystem:

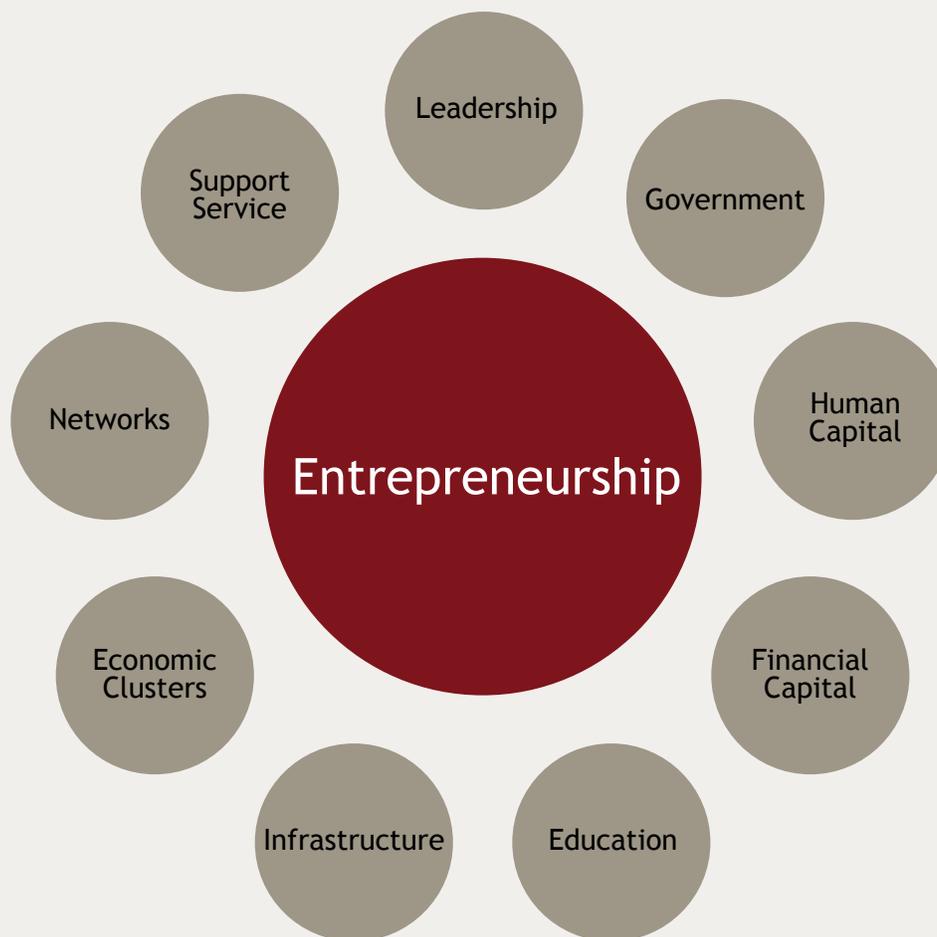
- ◆ **Entrepreneurship Determinants:** these are factors that directly affect the rate and success of entrepreneurship, including finance; business support; policy; market; human capital; infrastructure; R&D, and the culture of the community. Each one of

these factors is a key determinant in the system that supports entrepreneurial enterprise.

- ◆ Entrepreneurial Performance: these factors entail the specific activities that entrepreneurs perform that will ultimately deliver the economic and community impacts that result from startup and business activity, including the total number of formal businesses in an economy; job creation, and business survival and death rates.
- ◆ Entrepreneurial Impact: these factors focus on the value created by entrepreneurs, and entrepreneurship, which may be measured in terms of GDP growth; employment growth and job creation; per capita income, and the growth of formal business establishments vis-à-vis the overall economy.

Babson College, consistently ranked as the nation's top entrepreneurship school and a partner and sponsor of the Global Entrepreneurship Monitor, has developed a model for the entrepreneurship ecosystem, as seen in Figure 5 below.

FIGURE 5: THE ENTREPRENEURSHIP ECOSYSTEM

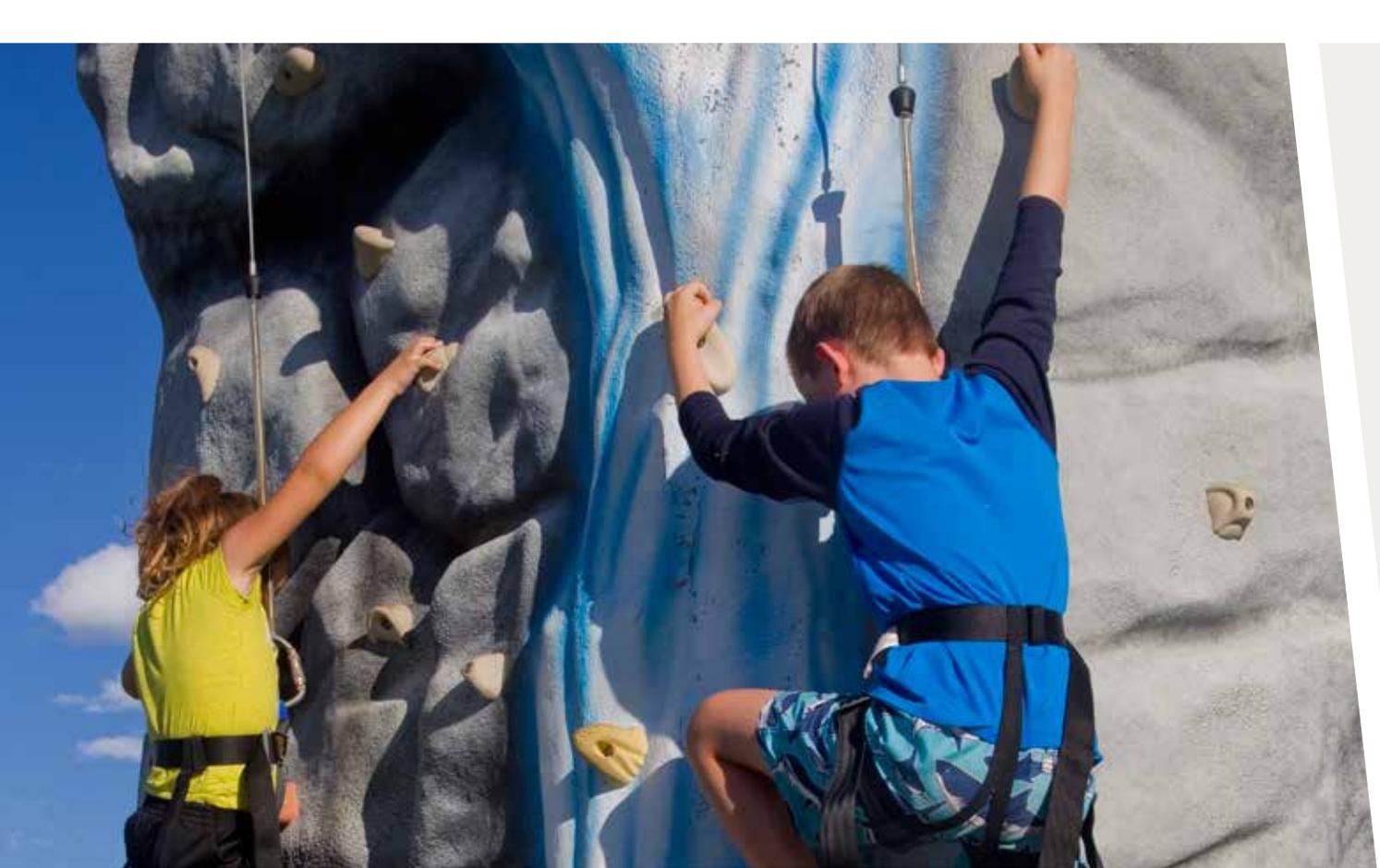


In building and strengthening an entrepreneurship ecosystem, nations, states and cities have focused their resources and focus on:

- ◆ Finance: Access to debt financing, access to venture capital, grants, angel investors and public capital markets; availability of government financing programs; foundation support.
- ◆ Business support: Presence of industry networks, incubators/accelerators; legal/accounting services; technical experts and mentors.
- ◆ Policy: Tax rates; tax incentives; cost to start a business; operating cost environment (Federal, state and local).
- ◆ Markets: Access to markets; presence of domestic and international corporations; consumers; distribution, retail and marketing networks; target market size and opportunities.
- ◆ Human Capital: Presence of universities, community colleges and technical training institutes; quality of high schools; graduation rates; quality of education (K-12); available talent.
- ◆ Infrastructure: Availability of and access to telecom; access to transportation.
- ◆ R&D: Presence of universities, public and private research centers and laboratories; patent intensity; patents issued.
- ◆ Culture: Media; government; schools; professional associations; social organizations.

All of these factors contribute to enabling an environment and community culture that supports entrepreneurship. For the Town of Sahuarita, several initiatives to build the community's entrepreneurship ecosystem are underway. Most notably, in 2014, the Town of Sahuarita launched Biz Hub @ Sahuarita Town Hall, a multi-dimensional program funded by the Freeport-McMoRan Foundation and the Town to provide a central, one-stop center that provides programs, services and support to aspiring and existing entrepreneurs. The Town's economic development is best served in the short term with a keen focus on expanding its entrepreneurship ecosystem.





SECTION 6: AN ECONOMIC DEVELOPMENT STRATEGY FOR SAHUARITA

To ensure that an ambitious but attainable economic development strategy is launched and realized over the next five years, it is important that the Town of Sahuarita's framework is grounded in guiding principles that will serve as the foundational underlayment and will provide continuity for these endeavors:

Guiding Principles for Sahuarita's Economic Development Strategy

- ◆ Builds on Sahuarita's abundance of existing assets and advantages.
- ◆ Identifies economic development opportunities that are compatible with and honor Sahuarita's existing economic pillars and the community's built environment.
- ◆ Commits to a multi-year, long-term horizon.
- ◆ Assures accountability with clearly articulated goals and metrics.
- ◆ Focuses on strengthening Sahuarita's economic sustainability and prosperity over the long-term, supporting the Town's overarching goals and priorities of the Sahuarita Strategic Plan 2014.

Recommended Economic Development Strategic Initiatives

To ensure an effective economic development strategy for the Town of Sahuarita that yields desirable results over time, it is important that the strategy and its implementation plan are grounded in these guiding principles. Equally important is the need for the Sahuarita Town Council to provide the essential leadership and sustained commitment that is required. The Town Manager, likewise, plays a pivotal role in ensuring that Sahuarita's economic development strategy is advanced and implemented. Many Town departments have a direct role in and/or impact on Sahuarita's economic development, and need to be fully engaged in and evaluated for their contributions to the Town's economic development. This focus and commitment needs to emanate from the top, and that begins with the Sahuarita Mayor and Town Council, with the Town Manager driving the implementation and ensuring accountability. The Economic Development Manager has a central role in many of these goals and objectives, and with the necessary resources and support, is fully capable of delivering on this strategy.

Equally important will be the leadership required from the Sahuarita Town Government to both guide and galvanize the myriad partners engaged in the Town's economic development, all of whom have a vested stake in



Sahuarita's economic success and well-being. Fully leveraging and maximizing the considerable resources of Sahuarita's stakeholders, and ensuring that their respective work and goals are aligned with the strategic vision and goals of the Mayor, Council and Management, is a fundamental dynamic for Sahuarita's economic development success.

As the goal of this strategy is to create a diverse, sustainable economy that supports Sahuarita's economic growth and prosperity and outstanding quality of life, the strategic recommendations are based on time-tested and proven approaches. Following is a recommended action agenda with major goals and objectives for Sahuarita's economic development strategy.

1. **Build on Sahuarita's abundant assets and advantages.**
 - a. Maintain and enhance the high quality of life and outstanding public services.
 - b. Continue to nurture the growth of existing small businesses.
 - c. Capitalize on Sahuarita's proximity to Greater Tucson and Mexico.
 - d. Support the Town's existing economic pillars: mining, tourism, entrepreneurship/small business.

2. **Expand Sahuarita's internal capacity to facilitate and accommodate economic development.**
 - a. Enhance community and quality of life amenities:
 - i. Plan for and catalyze the development of a well-developed and highly amenitized Town Center to gain critical mass of employment and people activity.
 - ii. Enhance and expand Sahuarita's retail offerings to ensure that the Town becomes an even more important destination for Southern Arizona and Mexican shoppers.
 - iii. Continue to invest in parks and recreational facilities.
 - b. Ensure that the Town's permitting processes are timely and fair to address and satisfactorily resolve challenges that may impede the retention and expansion of Sahuarita's existing employers.
 - c. Continue to work with Pima County and State of Arizona partners and agencies to support major transportation improvements that will enhance Sahuarita's and the region's economic development capacity, and engage Sahuarita business and economic development stakeholders in these endeavors.

- d. Establish a clearly articulated and written policy for the Sahuarita Opportunity Fund; while the Town has opted to not commit parameters for the use of this precious resource to writing, the fact is that employers, entrepreneurs and investors need to know the policies that pertain to public sector assistance and incentives. Virtually all communities in the U.S. with such policies have these policies in writing. Sahuarita needs to be on par with other communities in Arizona and across the nation in this regard.



3. Retain and grow existing economic drivers and employers.

- a. Institutionalize Mayoral/Town Council Business Appreciation programs and visits with existing employers in the Town and region.
- b. Continue to engage the Economic Development and Industry Stakeholders Group as a primary partner for advice and advancement of Sahuarita's economic development.
- c. Strengthen relationships with the Town's mining employers, and work collaboratively to address their needs and concerns. The mining operations are significant economic drivers of Sahuarita's economy, and contribute significantly to the Town's and region's tax base.
- d. Continue to work with Sahuarita retailers in promoting the shop local programs, and encourage these establishments to fully participate in the Mexico Ready program of the Visit Tucson CVB.
- e. Continue to expand Sahuarita's home-based business sector and small business and entrepreneurial enterprises through the Biz Hub @ Sahuarita Town Hall and through other measures to expand the Town's entrepreneurship ecosystem.





4. Invest in and strengthen present and future employment and business centers.

- a. Sahuarita Farms - expedite approvals of the Sahuarita Farms master plan; provide for flexible zoning similar to that of Eastmark in the City of Mesa, AZ.
- b. Work more effectively with Rancho Sahuarita to identify the potential of developing I-19 frontage for signature office buildings and flex space.

c. Convene the Town's major developers and firms such as Hydronalix and others to identify the potential of developing a high quality office park centered around a major water feature.

- d. Partner with the Urban Land Institute of Arizona's Technical Assistance Panel Program to convene and develop a community plan, similar to those completed in other strategic growth areas of Arizona. Include a keen focus on the development of key employment centers in Sahuarita to accommodate high quality firms:
 - i. A major business/technology park to accommodate the startups and growth of young enterprises.
 - ii. A major employment center located close to I-19.
- e. Partner with the Urban Land Institute of Arizona to host a Community Plan Workshop for elected officials and civic leaders in Sahuarita.
- f. Partner with Startup Tucson and the Arizona Technology Council to explore the potential of establishing an incubator/accelerator in existing space to help propel the growth of startups and young enterprises.

5. Elevate Sahuarita's identity and profile in the State of Arizona economic development arena.

- a. Increase Town funding for economic development resources and associated initiatives; establish a multi-year budget commitment commensurate with the total market reach of Sahuarita, and on par with similar competitor communities within the Southern Arizona region.
- b. Develop and fund a marketing and communications strategy that is targeted to both existing firms, the Greater Tucson region, and key decision-making audiences that impact/influence business expansion, location and startup decisions. This messaging needs to be internally and externally focused.



- c. Proactively take the Sahuarita story on the road, visiting with strategic economic development partners and targeted firms, and other key decision influencers:
 - i. Conduct visits to the State Capitol - Governor, Legislature, key department heads.
 - ii. Conduct visits to major media outlets in the Greater Tucson and Greater Phoenix markets.
 - iii. Participate in statewide governmental organizations.
 - iv. Participate in statewide economic development conferences and outbound trade shows and other marketing events.
 - v. Participate with ACA, TREO and Visit Tucson in missions and outreach to markets, media and firms in the U.S. and Mexico.
- d. Participate in Southern Arizona tourism, business and economic development organizations' events, including the Southern Arizona Tech and Business Expo, the Arizona Technology Council's startup events in Southern Arizona and others that are in alignment with Sahuarita's targeted economic sectors.

6. Build a Sahuarita identity and market the community to businesses and tourists.

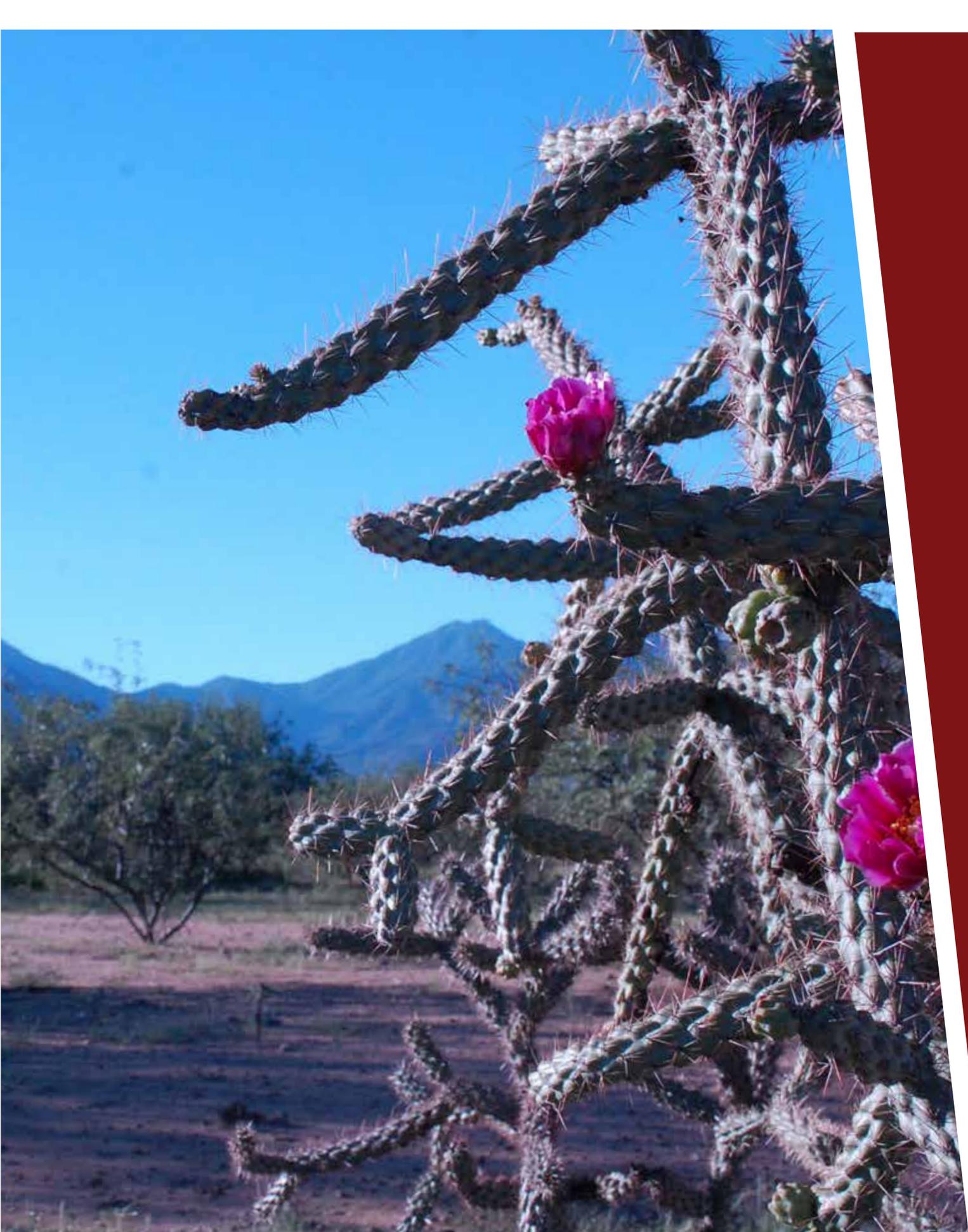
- a. Commit to one pronunciation of Sahuarita and encourage the community's leaders and residents to adopt that one way of saying the Town's name.
- b. Strengthen collaboration with all stakeholders who have a vested interest in the success of the Town of Sahuarita.
- c. Develop a brand for the Town of Sahuarita and sufficiently fund a multi-year program to promote and market the community in the state, nationally and in Mexico.
- d. Integrate the brand throughout all Town functions and messaging platforms.
- e. Develop and produce high quality publications that convey the case for doing business in Sahuarita.
- f. Provide Mayor, Council, Town management and staff, Chamber, business organizations, etc. with the Top Ten Reasons for Locating/Starting Up Your Business in Sahuarita.



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- 7. Ensure that Sahuarita’s present and future employers will be able to cultivate, retain and attract the talent that they need.**
 - a. Continue to work with the University of Arizona, Pima Community College, Sahuarita Unified School District, and the Pima County Joint Technical Education District to address present and future workforce and skills requirements of Sahuarita employers.
 - b. Work with Pima County and other Southern Arizona communities to explore the potential of the county attaining the designation of a “Work Ready Community” under the ACT (American College Testing) program.
 - c. Continue to support the Sahuarita Unified School District in its endeavors to provide the absolute best K-12 education.

 - 8. Grow and attract quality firms and jobs - domestic and global - in targeted sectors.**
 - a. Tourism: Arizona, U.S. and international visitors, especially from Mexico
 - b. Mexico: work with Mexican and Arizona organizations to position Sahuarita as a prime location for firms wanting to do business in Mexico; attract shoppers and visitors from Mexico.
 - c. Mining: support the continued operations of the existing mines.
 - d. Entrepreneurship: expand the Town’s ecosystem that will foster more startups and the growth of young enterprises.
 - e. Information, Communications and Technology: attract advanced business services operations, data centers and customer contact centers.
 - f. Aerospace and Defense: Attract vendors and suppliers to major defense firms located in Southern Arizona.

 - 9. Adopt indicators and metrics to assess the Sahuarita’s economic development progress.**
 - a. Develop a dashboard of Sahuarita economic indicators.
 - b. Expand the annual citizens’ survey to include a survey of business owners and executives of firms operating in Sahuarita.
 - c. Publish the annual performance results.





SECTION 7: ECONOMIC DEVELOPMENT METRICS

Across America, citizens demand and merit accountability and transparency for public sector expenditures. In the course of the last 10 years, many communities have developed indicators that are measurements of the well-being of their citizens and the competitiveness and sustainability of their economic base. Others have adhered to focusing only on 20th century metrics, e.g., jobs generated, tax revenues generated, etc.

As noted in Section 6 of this report, Sahuarita’s economic development endeavors are not the sole responsibility of the Town Manager or the Town’s Economic Development Manager and staff. The goals of the Town of Sahuarita’s Strategic Plan and the ensuing public policy decisions aimed at realizing the goals of this plan all directly impact the community’s economic development. Every Town Government department has a role in realizing not only the goals of the Town’s strategic plan, but also the goals of the economic development strategic plan. The Mayor and Council, and all departments of Sahuarita’s government, need to take into consideration how their decisions and policies will impact Sahuarita’s economic development.

Given that all members of the Town of Sahuarita Government, from the elected leadership to staff throughout the organization, are contributors to Sahuarita’s economic development achievements, we recommend that the following indicators be adopted to track the Town’s economic development progress. Additional metrics are offered specifically for the Economic Development staff and follow below.

Town of Sahuarita Government Economic Development Indicators

Business Climate

- ◆ Net new firms established
- ◆ Growth in number of establishments in targeted sectors
- ◆ Job growth rate
- ◆ Actual turnaround time improvements for development projects
- ◆ Annual Survey of Business Friendliness of Firms/Developers Doing Business in Sahuarita

Quality Of Life

- ◆ Per capita income
- ◆ Median household income

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
 - ◆ Share of workforce employed in high tech and knowledge based industries

Education

- ◆ Changes in high school graduation rates and technical training certification
- ◆ High school graduation rates
- ◆ High School Drop Out Rates
- ◆ Changes in ACT/SAT Scores
- ◆ Percent of high school students proficient in math and reading based on standardized tests

Sites & Infrastructure

- ◆ Occupancy/Vacancy Rates for Retail, Office and Industrial Space
- ◆ Number of Certified Sites
- ◆ Number of Shovel-Ready Sites

Town of Sahuarita Economic Development 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, TREO, Town's Networks
- ◆ Existing Companies Visited, and In What Industry
- ◆ Increase in Prospect Portfolio - Active, Inactive, Locates
- ◆ Expansions Assisted
- ◆ Retentions Assisted
- ◆ Number of Jobs Retained by Firms Assisted by the Town's Economic Development Function
- ◆ Number of Jobs Created by Firms Assisted by the Town's Economic Development Function
- ◆ Average Salaries of Jobs Retained/Created
- ◆ Total Private Capital Investment Invested by Firms Assisted by the Town's Economic Development Function

- ◆ Retail Projects Assisted
- ◆ Retail Projects Developed
- ◆ 5-Year Economic Impact of All Projects Assisted by the Town's Economic Development Function

Strategy Implementation

- ◆ Tracking of Strategy Initiatives - inputs and outputs
- ◆ Milestones Achieved





SECTION 8: NEXT STEPS FOR SAHUARITA'S ECONOMIC DEVELOPMENT

In the economic development realm, much work is on the horizon for the Town of Sahuarita. Executing the recommended framework will require strong and consistent commitment and leadership from the Mayor and Sahuarita Town Council, Town Management, Town Departments and the community's many business, civic, and educational partners. Realizing the goals of this strategy also will require an alignment of priorities among Sahuarita'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 will have a direct role in implementing the recommended initiatives that have been presented.

Collaboration with Partners

Every successful economic development department or organization has a well-developed network of mutually beneficial partnerships. No single organization can effectively capitalize on the broad range of opportunities or address the many challenges that characterize economic development. For Sahuarita, it is vitally important to continue to strengthen existing partnerships as well as expand relationships, collaboration and cooperation with new partners to realize the Town's ambitious economic development goals.

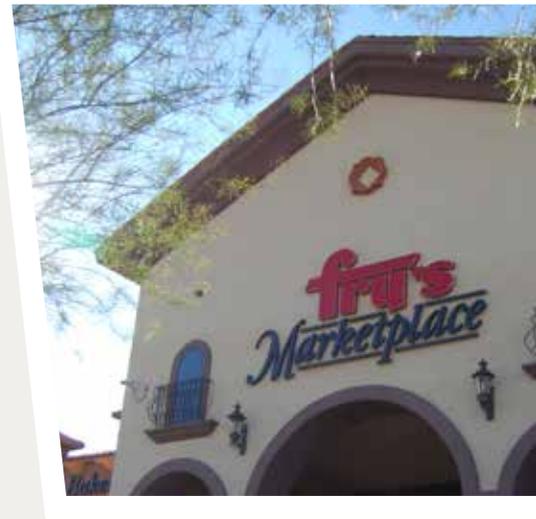
Sahuarita Economic Development and Industry Stakeholders Group - this group, comprised of representatives of leading employers and institutions in the Sahuarita/Southern Arizona region, is a critically important resource for the Town. The Economic Development and Industry Stakeholders Group should continue to be actively engaged in all matters related to Sahuarita's economic development, including the implementation of the Blueprint for Economic Growth and Prosperity. In addition, the Town should work with the members of this group to explore the potential of formalizing this body, with a view toward establishing a private-public partnership for economic development. The Economic Development and Industry Stakeholders Group would be the most logical place to start in terms of institutionalizing an enduring partnership that will be highly instrumental in helping Sahuarita realize its economic and community development goals.

Green Valley-Sahuarita Chamber of Commerce - the Town should work with the Chamber to leverage and maximize precious resources for tourism promotion.

Visit Tucson - the Town should significantly increase its participation in Visit Tucson (Tucson Convention and Visitors Bureau - DVB) initiatives and promotions, and work energetically to leverage resources for both organizations in increasing tourism to Sahuarita. Both the CVB and the Town should work as a team to promote Sahuarita to visitors and shoppers from throughout Arizona, the U.S., Mexico and other nations as well.

UA Tech Launch and Tech Parks - the Town has been a good partner with the University of Arizona and its myriad programs that promote economic development and entrepreneurship. This relationship is pivotal to the long-term well-being of the Town of Sahuarita. Accordingly, Sahuarita needs to continue to work with the UA and identify specific niches that the Town can play in the university's overall economic development endeavors.

Tucson Regional Economic Opportunities (TREO) - the Town already is an active participant in this regional organization. Sahuarita should continue its involvement and capitalize on TREO'S strategic marketing initiatives as well as the organization's expansive network of





regional relationships. Sahuarita's increased engagement in regional collaboration and cooperation beyond economic development matters is strongly encouraged.

Southern Arizona Leadership Council - the Town should foster areas of collaboration with SALC, which works on major strategic policy issues aimed at attracting, retaining and growing high-quality and high-paying jobs in greater Tucson and Arizona. Infrastructure, health care, education and science and innovation are top priorities of SALC. In particular, SALC believes in the power of infrastructure - including the proposed I-11 and an aerospace parkway - as key to the economic vitality of a town, city and county. Its members primarily are the presidents and CEOs of companies and organizations.

Arizona Commerce Authority - the Town could greatly benefit from a closer working relationship with the ACA, especially in terms of its marketing and outreach, joint advertising and other programs. Most especially, ACA's Innovation Challenge and other entrepreneurship and innovation endeavors should be fully integrated into Sahuarita's Biz Hub @ Town Hall and in its endeavors to build its entrepreneurship ecosystem. In addition, the ACA's Arizona Aerospace and Defense Commission, which was established in the spring of 2014 to serve as an advisory group to the ACA to help advance the aerospace and defense industry in Arizona, is yet another critically important reason for the Town of Sahuarita to cultivate and strengthen a close working partnership with the state's economic development agency.

AMIGOS: Arizona Mining and Industry Get Our Support (AMIGOS) - the Town of Sahuarita, working with its mining employers, should connect with this organization, as it advocates for the mining industry in Arizona and provides an online directory for companies searching for mining products and services. AMIGOS has about 315 members, mostly located in Arizona, but also based in more than 20 states and Canada. Members include heavy equipment firms, machinery suppliers, metal recyclers, construction companies, banks, law firms, manufacturers, transportation firms, tire dealers, chemical companies, engineering firms, and insurance firms.

Arizona Mining Association (AMA)- given the importance of mining to Sahuarita's economy, the Town will be well-served to work with its major mining employers and be aware of the data and resources that the trade association provides. Sahuarita needs to be intentional and present in supporting the mining industry, and engagement through these professional organizations is one way to demonstrate this commitment.

Other Partners - there are many firms and organizations that Sahuarita needs to continue to work with as a close partner. Key among these partners: Rancho Sahuarita, Sahuarita Farms, the mining companies themselves, hoteliers, retailers. The Town will continue to benefit from its collaboration and cooperation with its myriad partners - all of whom have a vested stake in Sahuarita's economic development success.





APPENDIX

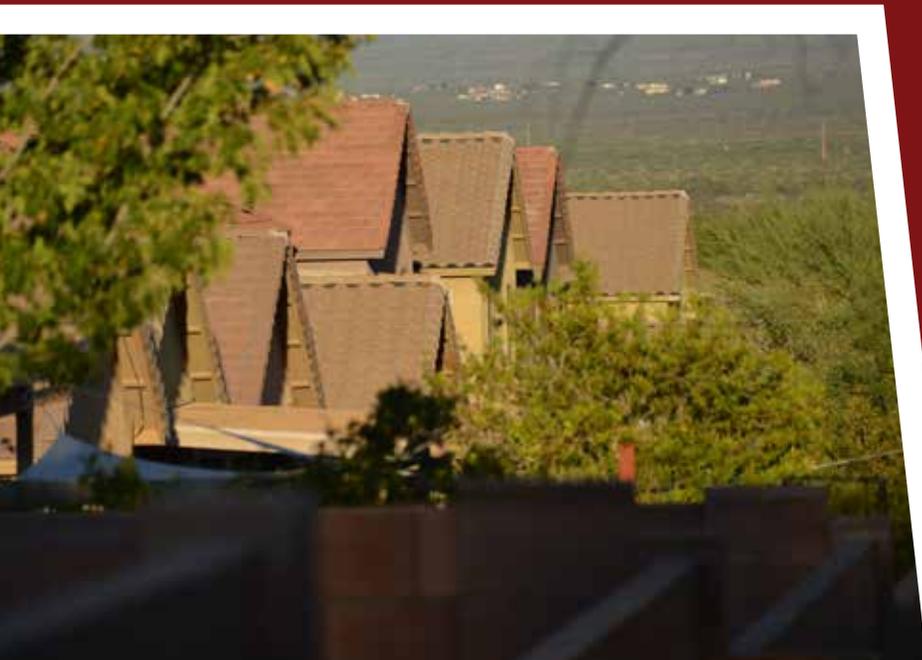


TABLE A-1: GROWTH INDUSTRIES IN PIMA COUNTY 2007 TO 2012

NAICS	Description	Pima County				Pima County-2012			Projected Annual U.S. Growth 2012-2022	
		Employment		Growth 2007-12		Firms	Avg Wage	Location Quotient*	Empl	Output
		2007	2012	Absolute	Percent					
Bioscience										
334516	Analytical laboratory instrument mfg.	78	484	406	520%	5	\$72,020	6.00	-0.9%	3.0%
541712	Physical and engineering research	1,253	1,822	569	45%	55	\$92,884	1.68	1.3%	1.7%
Transportation and Logistics										
488119	Other airport operations	70	337	267	381%	7	\$23,021	2.14	1.8%	2.9%
493110	General warehousing and storage	131	382	251	192%	12	\$47,168	0.27	1.6%	3.4%
561599	All other travel arrangement services	68	1,276	1,208	1767%	5	\$32,388	6.71	-1.2%	2.5%
Professional and Business Services										
541930	Translation and interpretation services	167	606	439	263%	9	\$30,594	9.78	2.2%	2.8%
541990	All other professional and technical services	52	388	336	646%	57	\$51,271	1.49	2.2%	2.8%
561110	Office administrative services	1,111	1,423	312	28%	120	\$52,572	1.33	0.3%	3.1%
561320	Temporary help services	323	4,353	4,030	1249%	71	\$17,460	0.71	2.2%	3.4%
561422	Telemarketing bureaus	1,683	6,843	5,160	307%	26	\$24,073	6.63	1.7%	1.9%
561612	Security guards and patrol services	92	1,160	1,068	1164%	29	\$17,585	0.74	1.2%	2.8%
561720	Janitorial services	615	2,051	1,436	233%	183	\$19,774	0.84	1.4%	2.9%
531311	Residential property managers	1,551	1,893	342	22%	105	\$31,926	2.10	1.1%	2.8%
Health Care										
621610	Home health care services	1,903	4,186	2,283	120%	68	\$21,453	1.41	4.8%	4.5%
621999	Miscellaneous ambulatory health care services	112	504	392	350%	21	\$51,598	5.62	3.8%	4.0%
623110	Nursing care facilities	2,473	3,364	891	36%	29	\$32,847	0.81	2.2%	3.0%
623210	Residential mental retardation facilities	1,497	1,984	487	33%	18	\$17,207	2.09	2.2%	3.0%
623312	Homes for the elderly	1,423	1,769	346	24%	169	\$19,896	1.93	2.2%	3.0%
624190	Other individual and family services	1,109	2,828	1,719	155%	64	\$29,422	3.06	4.4%	2.8%

Source: IMPLAN ES202 data for Pima County, Bureau of Labor Statistics Employment and Output Projections, 2013.

* Industry concentration relative to the U.S. economy.

TABLE A-2: NATIONAL HIGH GROWTH INDUSTRIES

NAICS	Description	Pima County Employment		Historic Growth 2007-12		Pima County		Projected Annual U.S. Growth 2012-2022	
		2007	2012	Absolute	Percent	Firms	Avg Wage	Empl	Output
High Employment Growth									
621610	Home health care services	1,903	4,186	2,283	120%	68	\$21,453	4.8%	4.5%
624110	Child and youth services	1,870	1,135	-735	-39%	17	\$30,713	4.4%	2.8%
624120	Services for the elderly and disabled	1,125	894	-231	-21%	45	\$16,123	4.4%	2.8%
624190	Other individual and family services	1,109	2,828	1,719	155%	64	\$29,422	4.4%	2.8%
621410	Family planning centers	18	69	51	282%	3	\$43,618	3.8%	4.0%
621420	Outpatient mental health centers	1,584	1,370	-214	-13%	26	\$42,770	3.8%	4.0%
621491	HMO medical centers	182	7	-174	-96%	2	\$81,436	3.8%	4.0%
621492	Kidney dialysis centers	223	336	113	50%	21	\$58,263	3.8%	4.0%
621493	Freestanding emergency medical centers	996	1,100	104	10%	17	\$50,995	3.8%	4.0%
621498	All other outpatient care centers	133	135	2	1%	6	\$45,697	3.8%	4.0%
621511	Medical laboratories	250	274	24	10%	21	\$58,421	3.8%	4.0%
621512	Diagnostic imaging centers	133	177	44	33%	16	\$41,681	3.8%	4.0%
621910	Ambulance services	129	165	36	28%	4	\$49,588	3.8%	4.0%
621991	Blood and organ banks	413	459	46	11%	3	\$61,202	3.8%	4.0%
621999	Miscellaneous ambulatory health care services	112	504	392	350%	21	\$51,598	3.8%	4.0%
541611	Administrative management consulting services	977	773	-204	-21%	258	\$77,274	3.5%	3.3%
541612	Human resource consulting services	123	36	-87	-71%	17	\$51,640	3.5%	3.3%
541613	Marketing consulting services	92	106	14	15%	68	\$50,372	3.5%	3.3%
541614	Process and logistics consulting services	246	307	61	25%	22	\$43,036	3.5%	3.3%
541618	Other management consulting services	280	309	29	10%	31	\$68,797	3.5%	3.3%
541620	Environmental consulting services	190	194	4	2%	33	\$67,043	3.5%	3.3%
541690	Other technical consulting services	39	129	90	231%	64	\$88,150	3.5%	3.3%
High Output Growth									
334111	Electronic computer manufacturing	36	66	30	84%	2	\$68,472	-2.9%	9.2%
334112	Computer storage device manufacturing	77	0	-77	-100%	0	\$0	-2.9%	9.2%
334113	Computer terminal manufacturing	20	0	-20	-100%	0	\$0	-2.9%	9.2%
334119	Other computer peripheral equipment mfg.	15	93	78	504%	3	\$91,385	-2.9%	9.2%
511210	Software publishers	1,837	1,211	-626	-34%	23	\$85,617	2.3%	5.7%
541511	Custom computer programming services	809	957	148	18%	124	\$70,364	3.2%	4.8%
541512	Computer systems design services	2,004	2,367	363	18%	104	\$98,080	3.2%	4.8%
541513	Computer facilities management services	53	41	-11	-21%	2	\$70,301	3.2%	4.8%
541519	Other computer related services	21	85	63	298%	42	\$70,525	3.2%	4.8%
523110	Investment banking and securities dealing	184	113	-71	-39%	23	\$143,598	2.1%	4.7%
523120	Securities brokerage	302	201	-101	-33%	31	\$148,444	2.1%	4.7%
523130	Commodity contracts dealing	6	4	-2	-30%	1	\$132,819	2.1%	4.7%
523140	Commodity contracts brokerage	3	0	-3	-100%	0	\$0	2.1%	4.7%
523210	Securities and commodity exchanges	1	0	-1	-89%	3	\$74,314	2.1%	4.7%
523910	Miscellaneous intermediation	48	54	6	13%	12	\$87,053	2.1%	4.7%
523920	Portfolio management	101	82	-19	-19%	18	\$71,732	2.1%	4.7%
523930	Investment advice	211	260	49	23%	96	\$49,312	2.1%	4.7%
523991	Trust, fiduciary, and custody activities	47	36	-11	-24%	6	\$31,726	2.1%	4.7%
523999	Miscellaneous financial investment activities	4	1	-3	-67%	4	\$69,326	2.1%	4.7%
518210	Data processing and related services	108	198	90	83%	26	\$78,892	0.7%	4.7%
519110	News syndicates	0	3	3	834%	2	\$16,879	0.7%	4.7%
519120	Libraries and archives	0	4	4	364%	1	\$17,400	0.7%	4.7%
519130	Internet Publishing, Broadcasting, Search Portals	44	33	-11	-25%	10	\$76,618	0.7%	4.7%
519190	Other information services	9	8	-1	-7%	5	\$25,678	0.7%	4.7%
621610	Home health care services	1,903	4,186	2,283	120%	68	\$21,453	4.8%	4.5%

Source: IMPLAN ES202 data for Pima County, Bureau of Labor Statistics Employment and Output Projections, 2013.

TABLE A-3: BASIC INDUSTRIES IN PIMA COUNTY WITH HIGH LOCATION QUOTIENTS

NAICS	Description	Pima County Employment		Historic Growth 2006-11		Pima County 2012			Projected Annual U.S. Growth 2012-2022	
		2007	2012	Absolute	Percent	Firms	Avg Wage	LQ*	Empl	Output
Mining										
212234	Copper ore and nickel ore mining	1,557	1,836	279	18%	4	\$76,887	50.73	-0.8%	2.5%
Optics										
333314	Optical instrument and lens manufacturing	228	156	-72	-32%	9	\$86,431	3.07	-0.8%	3.3%
Bioscience										
334516	Analytical laboratory instrument mfg.	78	484	406	520%	5	\$72,020	6.00	-0.9%	3.0%
Aerospace/Defense and Related Suppliers										
335311	Electric power and specialty transformer mfg.	159	164	5	3%	3	\$50,664	2.62	-1.5%	2.7%
335999	Miscellaneous electrical equipment mfg.	182	333	151	83%	4	\$64,748	4.71	-1.7%	2.4%
336414	Guided missile and space vehicle mfg.	10,804	10,910	106	1%	1	\$103,243	79.98	-0.6%	1.6%
332912	Fluid power valve and hose fitting mfg.	298	246	-52	-17%	2	\$68,371	2.71	0.7%	2.5%
332111	Iron and steel forging	25	146	121	478%	2	\$48,174	2.37	-0.4%	1.7%
332322	Sheet metal work manufacturing	613	752	139	23%	17	\$46,569	3.10	1.9%	3.1%
611512	Flight training	222	264	42	19%	12	\$70,480	6.50	2.1%	2.2%
Transportation and Logistics										
561599	All other travel arrangement services	68	1,276	1,208	1767%	5	\$32,388	6.71	-1.2%	2.5%
488119	Other airport operations	70	337	267	381%	7	\$23,021	2.14	1.8%	2.9%
488190	Other support activities for air transport.	609	614	5	1%	23	\$49,871	2.57	1.8%	2.9%
Information Technology										
334290	Other communications equipment manufacturing	56	128	72	128%	2	\$66,223	2.35	-3.3%	2.6%
334310	Audio and video equipment manufacturing	64	130	67	105%	4	\$55,334	2.57	-1.9%	2.4%
561422	Telemarketing bureaus	1,683	6,843	5,160	307%	26	\$24,073	6.63	1.7%	1.9%
561431	Private mail centers	5,021	233	-4,788	-95%	27	\$16,173	3.69	1.7%	1.9%
541930	Translation and interpretation services	167	606	439	263%	9	\$30,594	9.78	2.2%	2.8%
Education and Training										
611519	Other technical and trade schools	481	466	-15	-3%	19	\$42,345	2.52	2.1%	2.2%
611710	Educational support services	339	781	442	130%	43	\$40,112	2.67	2.1%	2.2%
Food Processing										
311422	Specialty canning	23	114	91	403%	2	\$50,904	4.29	-1.2%	1.5%
312111	Soft drink manufacturing	644	441	-203	-32%	2	\$34,852	2.39	-0.1%	0.8%

Source: IMPLAN ES202 data for Pima County and the U.S., Bureau of Labor Statistics Employment and Output Projections, 2013.
 * Industry concentration relative to the U.S. economy.

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