Presentation to

ECoNA

Economic Collaborative of Northern Arizona

Economic Development Strategic Plan

August 28, 2023

Elliott D. Pollack & Company

Forging the Future: An Economic Development Roadmap for Northern Arizona

Five-Year Economic Development Strategic Plan

OUR TEAM

Forging the Future: An Economic Development Roadmap for Northern Arizona
Five-Year Economic Development Strategic Plan

APPROACH

There were several building blocks to our approach to the Strategy:

- Literature Review
- Identifying Stakeholders/Community and Regional Leadership
- Community/Stakeholder Engagement
- Asset Inventory & Current Conditions
- Competitiveness Analysis
- Targeted Sector Analysis
- Housing Analysis
- Labor Shed Analysis
- Program & Resources
- Action Plan with Target Dates & Metrics

A SNAPSHOT OF THE REGION'S CURRENT ECONOMICS

Modest historical growth over the last 12 years. Flagstaff has accounted for 84% of Coconino County's growth. Sedona and Winslow reported a slight decline in population.

POPULATION CHANGE 2010 - 2022

Place	2010	2022	2010-2022 Change	CAGR
Camp Verde	10,900	12,430	1,530	1.1%
Flagstaff	66,017	78,664	12,647	1.5%
Sedona	10,004	9,834	-170	-0.1%
Williams	3,028	3,538	510	1.3%
Winslow	9,648	8,774	-874	-0.8%
Coconino County	134,664	149,647	14,983	0.9%

CAGR - Compounded Annual Growth Rate
Source: Arizona Office of Economic Opportunity

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A SNAPSHOT OF THE REGION'S CURRENT ECONOMICS

Troubling growth prospects. Peak population forecasted by 2040 followed by a contraction in population thereafter. Only 12,000 additional residents forecasted to be added to the entire Coconino County area over the next two decades.

Camp Verde and Sedona combined across county lines expected to add nearly 1,100 residents each. Winslow and Williams expected to chronically lose population.

2021 - 2040 POPULATION FORECAST

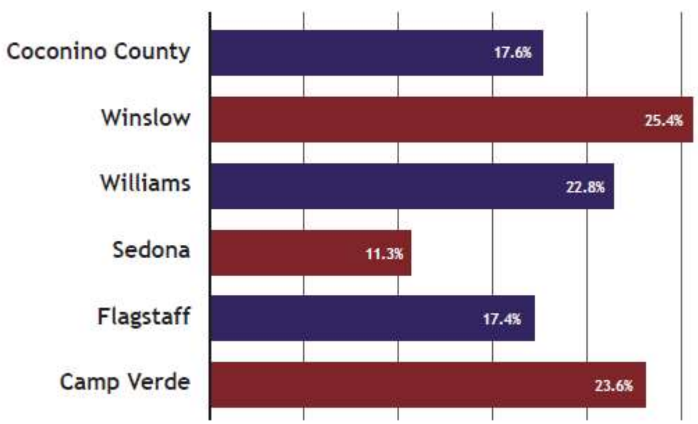
	2021	2025	2030	2035	2040	2021-2040 Change	Change	% of County's Growth
Coconino County	**149,630**	**154,377**	**157,773**	**160,244**	**161,771**	**12,141**	**8.1%**	
Flagstaff	77,801	81,447	84,517	86,927	88,691	10,890	14.0%	89.7%
Fredonia	1,323	1,326	1,315	1,302	1,289	-35	-2.6%	-0.3%
Page	7,804	7,987	8,088	8,144	8,158	354	4.5%	2.9%
Sedona*	2,969	3,055	3,126	3,197	3,260	290	9.8%	2.4%
Tusayan	592	593	588	582	576	-16	-2.8%	-0.1%
Williams	3,346	3,383	3,378	3,360	3,327	-19	-0.6%	-0.2%
Unincorporated County	55,794	56,586	56,762	56,731	56,471	677	1.2%	5.6%
Camp Verde	11,281	11,435	11,612	11,971	12,334	1,053	9.3%	
Sedona* (Yavapai)	7,460	7,533	7,651	7,924	8,251	792	10.6%	
Winslow	9,668	9,493	9,290	9,094	8,889	-779	-8.1%	

Source: Arizona Office of Economic Opportunity

A SNAPSHOT OF THE REGION'S CURRENT ECONOMICS

Incomes vary widely across communities. Elevated poverty rates in the communities of Camp Verde, Williams, and Winslow.

PERCENT BELOW POVERTY LEVEL



Source: ACS 2021 5-year estimates

HOUSEHOLD INCOME

Place	Camp Verde	%	Flagstaff	%	Sedona	%	Williams	%	Winslow	%	Coconino County	%	Arizona Estimate	%
Occupied Units	4,085		26,450		4,902		1,302		2,484	2484	51,037		2,683,557	
Less than $10,000	376	9.2%	1,852	7.0%	289	5.9%	182	14.0%	323	13.0%	3,828	7.5%	147,596	5.5%
$10,000 to $14,999	86	2.1%	1,323	5.0%	211	4.3%	96	7.4%	109	4.4%	2,501	4.9%	91,241	3.4%
$15,000 to $19,999	515	12.6%	2,222	8.4%	250	5.1%	124	9.5%	308	12.4%	4,389	8.6%	206,634	7.7%
$20,000 to $24,999	498	12.2%	2,142	8.1%	480	9.8%	122	9.4%	263	10.6%	4,134	8.1%	228,102	8.5%
$25,000 to $34,999	707	17.3%	3,333	12.6%	725	14.8%	111	8.5%	400	16.1%	5,665	11.1%	338,128	12.6%
$35,000 to $49,999	719	17.6%	5,184	19.6%	941	19.2%	303	23.3%	445	17.9%	9,952	19.5%	488,407	18.2%
$50,000 to $74,999	380	9.3%	2,910	11.0%	750	15.3%	154	11.8%	229	9.2%	6,073	11.9%	362,280	13.5%
$75,000 to $99,999	494	12.1%	3,968	15.0%	515	10.5%	99	7.6%	298	12.0%	7,502	14.7%	437,420	16.3%
$100,000 to $149,999	78	1.9%	1,799	6.8%	279	5.7%	66	5.1%	107	4.3%	3,573	7.0%	187,849	7.0%
$150,000 or more	237	5.8%	1,693	6.4%	461	9.4%	43	3.3%	5	0.2%	3,368	6.6%	198,583	7.4%
Average	$66,449		$82,348		$90,058		$60,023		$53,842		$84,392		$89,693	
Median	$46,563		$61,026		$58,901		$52,206		$41,926		$61,888		$65,913	
Homeowner Median	$50,082		$97,110		$71,848		$62,832		$65,508		$77,848		$79,873	
Renter Median	$32,661		$44,279		$45,547		$22,827		$35,710		$45,630		$46,290	

Source: ACS 2021 5-year estimate

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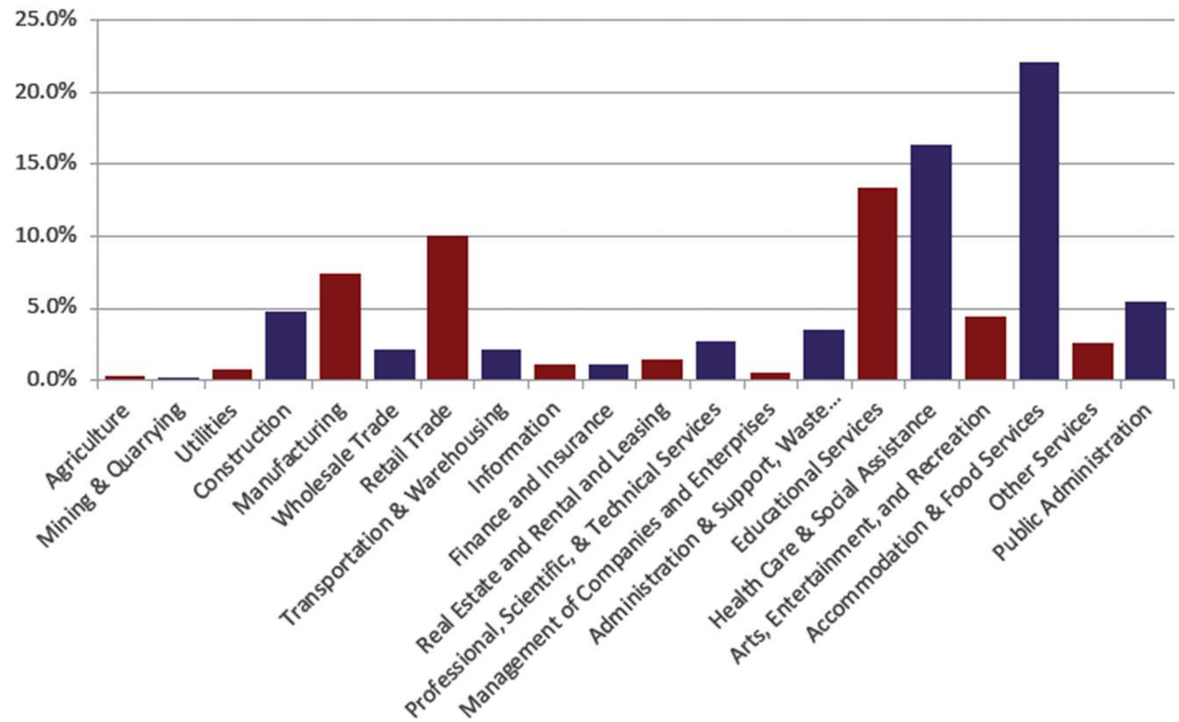
A SNAPSHOT OF THE REGION'S CURRENT ECONOMICS

Regional Employment – Top 5 industries include Accommodation & Food Services, Health Care, Education, Retail, and Manufacturing.

COCONINO COUNTY EMPLOYMENT BY INDUSTRY - 2020



Source: U.S. Bureau of Labor Statistics; AOEO

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A SNAPSHOT OF THE REGION'S CURRENT ECONOMICS

The strategy includes data and information drilled down to each specific community and the region as a whole. This will allow each member community to view their specific local dynamics and see how they fit best into the regional strategy.

EMPLOYMENT BY INDUSTRY

	Camp Verde	Flagstaff	Page	Sedona	Williams	Winslow	Coconino County	Arizona
Total Jobs	3072	34,738	3,523	5,046	1382	2783	53,519	2,678,745
Agriculture, Forestry, Fishing & Hunting	0.7%	0.2%	0.0%	0.0%	0.7%	0.7%	0.2%	0.9%
Mining, Quarrying, Oil & Gas Extraction	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.0%	0.5%
Utilities	0.6%	0.5%	2.8%	0.5%	1.4%	0.5%	0.6%	0.8%
Construction	10.0%	4.4%	2.1%	4.3%	7.3%	1.9%	4.7%	6.2%
Manufacturing	3.5%	10.1%	0.7%	1.9%	4.3%	0.4%	7.3%	6.6%
Wholesale Trade	0.4%	1.9%	2.3%	1.3%	0.2%	0.4%	2.1%	3.6%
Retail Trade	9.4%	10.2%	8.5%	16.4%	14.8%	13.5%	9.9%	11.2%
Transportation and Warehousing	4.8%	0.8%	0.8%	1.7%	0.4%	0.9%	2.0%	3.8%
Information	0.4%	1.2%	0.9%	1.6%	0.9%	0.4%	1.0%	1.8%
Finance and Insurance	1.3%	1.3%	0.6%	1.4%	0.5%	1.3%	1.0%	6.1%
Real Estate and Rental and Leasing	0.8%	1.2%	2.2%	3.5%	0.4%	0.9%	1.4%	2.0%
Professional, Scientif-ic, & Tech Services	1.4%	2.9%	0.9%	4.2%	3.5%	0.4%	2.6%	5.7%
Management of Com-panies &Enterprises	0.0%	0.4%	0.6%	0.7%	0.0%	0.0%	0.4%	1.2%
Admin & Support, Waste Mgt & Rem.	3.0%	3.1%	2.2%	5.2%	0.3%	2.6%	3.4%	8.8%
Educational Services	8.5%	16.8%	10.4%	3.9%	8.3%	13.0%	13.3%	8.3%
Health Care and Social Assistance	14.8%	19.7%	14.9%	7.0%	3.8%	36.5%	16.2%	13.9%
Arts, Entertainment, and Recreation	16.9%	2.6%	3.3%	2.0%	4.3%	0.9%	4.2%	2.0%
Accommodation and Food Services	9.9%	16.8%	23.9%	32.9%	41.3%	19.4%	22.0%	9.4%
Other Services	1.3%	2.5%	5.4%	6.4%	0.4%	1.8%	2.4%	2.7%
Public Administration	12.4%	3.3%	17.6%	5.2%	7.1%	4.3%	5.3%	4.6%

Source: U.S. Census Bureau. 2020. OnTheMap Application. Longitudinal-Employer Household Dynamics Program

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COMPETITIVENESS ANALYSIS

How does the ECoNA region stack up against competitor markets?

Competitors:

Fort Collins, Colorado

- Home to Colorado State University
- 1 hour from Denver, CO
- Ranked #42 in Best Performing Large Cities

Bozeman, Montana

- Home to Montana State University
- 2 hour from Billings, MT

St. George, Utah

- Home to Dixie Technical College/Utah Tech University
- 1.75 hours from Las Vegas/4 hours from Salt Lake City
- Ranked #2 in Best Performing Small Cities

COMPETITIVENESS ANALYSIS

How does the ECoNA region stack up against competitor markets?

Analysis Factors:

1. Demographics
2. Workforce/Talent
3. Local Economy
4. Geography & Real Estate
5. Livability/Quality of Life

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COMPETITIVENESS ANALYSIS

Educational attainment is strongest in Sedona and Flagstaff. Taken as a region (Coconino County data), compare favorably to St. George, Utah but lag Fort Collins, CO and Bozeman, MT for post-secondary awards.

Educational Attainment City Comparison

	Population 25+ years	< 9th Grade	9th-12th, No Diploma	High School Grad (includes equiv)	Some college, No Degree	Assoc. Degree	Bach. Degree	Grad. or Prof. Degree
Camp Verde, AZ	8,518	3.8%	13.7%	26.9%	29.2%	7.0%	11.7%	7.7%
Page, AZ	4,444	0.1%	11.9%	27.6%	30.6%	10.5%	13.4%	5.9%
Sedona, AZ	8,404	2.1%	5.5%	18.1%	18.7%	6.7%	25.1%	23.9%
Williams, AZ	2,118	3.7%	9.7%	24.9%	29.1%	8.7%	19.2%	4.6%
Winslow, AZ	5,759	5.8%	12.0%	36.0%	30.1%	7.9%	4.1%	4.1%
Flagstaff, AZ	39,098	1.6%	2.5%	14.9%	21.6%	8.1%	30.8%	20.6%
Fort Collins, CO	100,788	1.0%	2.0%	14.4%	17.3%	8.6%	32.8%	23.8%
Bozeman, MT	29,768	0.7%	1.1%	11.9%	17.7%	5.0%	38.0%	25.8%
St. George, UT	59,746	2.5%	3.6%	21.9%	27.8%	14.6%	17.9%	11.8%

Source: U.S. Census 2021 American Community Survey 5-Year Estimates

Educational Attainment Regional Comparison

	Population 25+ years	< 9th Grade	9th-12th, No Diploma	High School Grad (includes equiv)	Some college, No Degree	Assoc. Degree	Bach. Degree	Grad. or Prof. Degree
Coconino County, AZ	86,198	3.3%	5.7%	21.3%	22.8%	8.2%	22.9%	15.8%
Larimer County, CO	236,137	1.3%	2.4%	17.4%	20.4%	9.1%	29.5%	19.8%
Gallatin County, MT	75,145	0.8%	1.7%	18.3%	20.7%	6.2%	33.1%	19.1%
Washington County, UT	115,393	2.3%	4.0%	21.9%	27.6%	13.8%	19.1%	11.4%

Source: U.S. Census 2021 American Community Survey 5-Year Estimates

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COMPETITIVENESS ANALYSIS

At the community level, only Flagstaff reports a competitive percentage of the adult population enrolled in college. Favorable results when presented as a region.

College & Graduate School Enrollment City Comparison

	Population 18+ years	Percent enrolled in college or graduate school	Population 18-24 years	Percent enrolled in college or graduate school
Camp Verde, AZ	9,344	2.8%	826	5.3%
Page, AZ	5,069	5.1%	625	21.0%
Sedona, AZ	8,741	2.6%	337	15.4%
Williams, AZ	2,400	4.0%	282	17.0%
Winslow, AZ	6,750	4.4%	991	19.9%
Flagstaff, AZ	62,518	36.6%	23,420	82.0%
Fort Collins, CO	137,549	23.6%	36,761	67.3%
Bozemanan, MT	44,279	28.9%	14,511	68.9%
St. George, UT	69,416	9.4%	9,670	39.2%

Source: U.S. Census 2021 American Community Survey 5-Year Estimates

College & Graduate School Enrollment Regional Comparison

	Population 18+ years	Percent enrolled in college or graduate school	Population 18-24 years	Percent enrolled in college or graduate school
Coconino County, AZ	115,391	22.1%	29,193	69.6%
Larimer County, CO	285,743	14.3%	49,606	58.1%
Gallatin County, MT	93,617	17.0%	18,472	61.5%
Washington County, UT	130,921	7.7%	15,528	33.8%

Source: U.S. Census 2021 American Community Survey 5-Year Estimates

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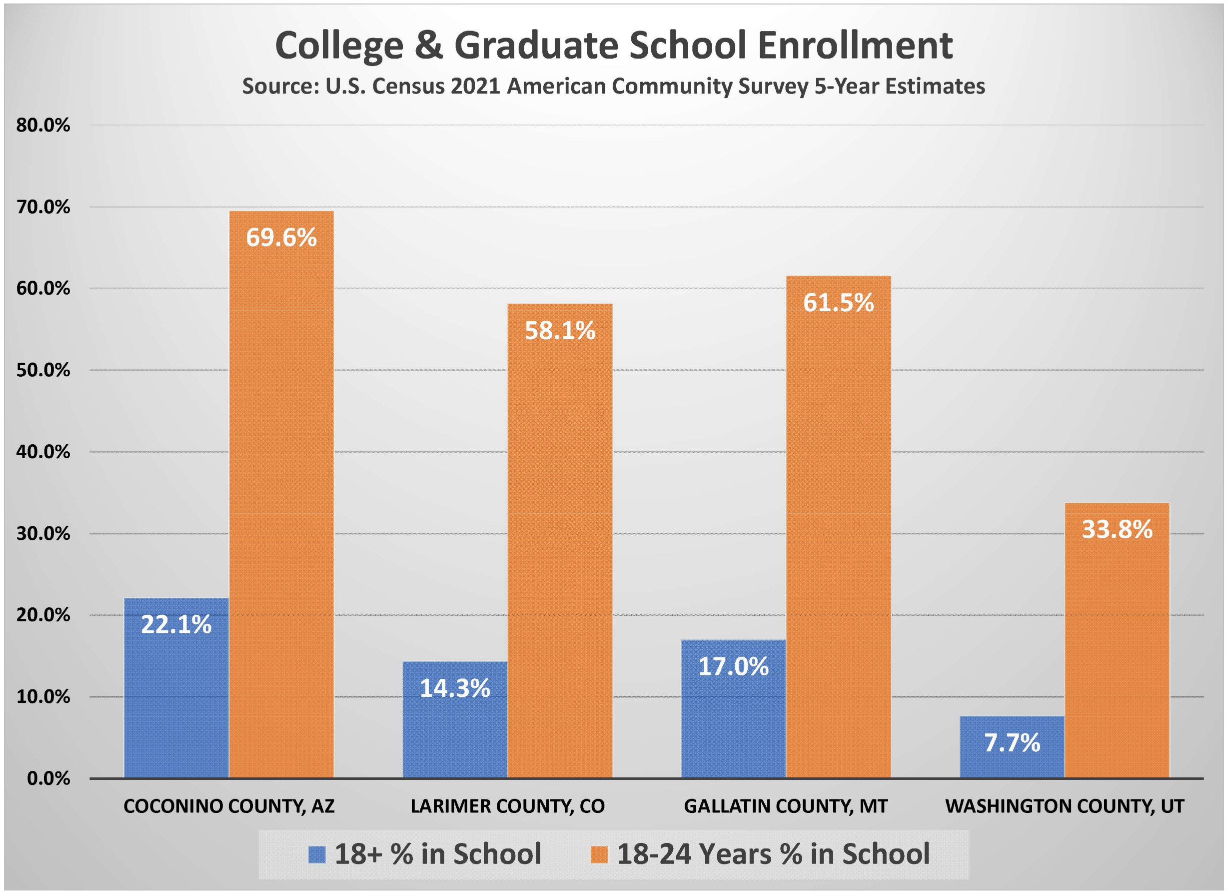
COMPETITIVENESS ANALYSIS

This is a great example of favorable data that should be marketed to employers.



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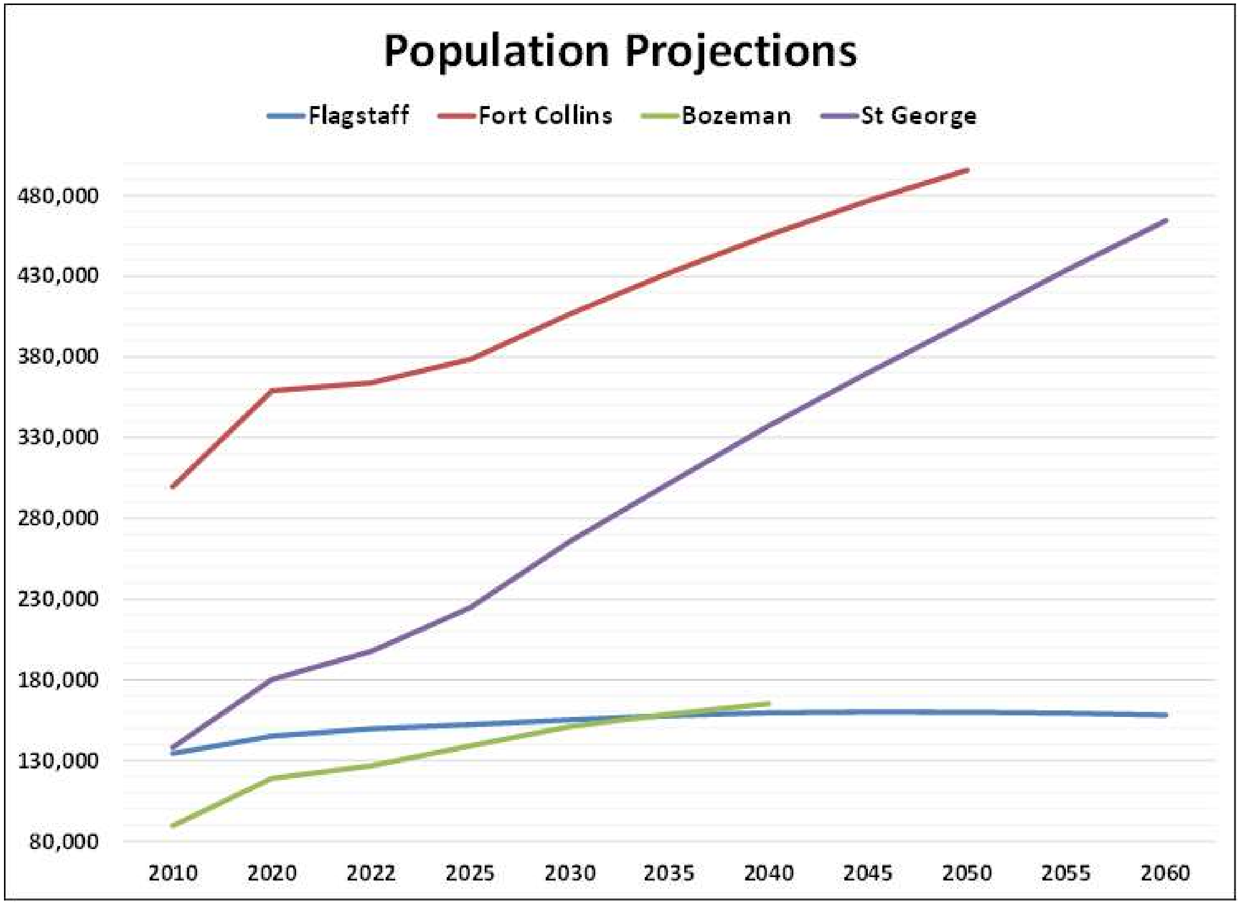
COMPETITIVENESS ANALYSIS

Growth prospects is the #1 issue for the region for economic development. Availability of labor will continue to be an issue without a growth solution.

Example: the St. George, UT region was the same population as Coconino County in 2010. Over the last 12 years, the St. George region outgrew the Flagstaff MSA by 44,400 residents. The St. George region is projected to grow by 30,000 to 40,000 residents every 5 years for the foreseeable future. Coconino County is essentially showing as nearly built out.

Bozeman, MT is expected to surpass the population of Coconino County by 2035.



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COMPETITIVENESS ANALYSIS

Flagstaff MSA contains no excess vacancies in either office or industrial space - indicates there is likely pent-up demand for additional space, with healthy rent growth in both sectors over the past 12 months.

Lease rates are considered competitive compared to the other metros.

No office space under construction and 82,000 SF of industrial space under construction (72,000 SF is already pre-leased to a single user).

Compared to the other metros, Flagstaff has the smallest office market footprint compared to the competitor markets analyzed. Flagstaff has a larger industrial market than Bozeman, MT but much smaller than St. George, Utah or Fort Collins, Colorado.

Overall, the competitive markets have substantially more commercial space available compared to Northern Arizona.

Commercial Real Estate Factors

	Lease Rates		Rent Growth		Vacancy	
	Office	Industrial	Office	Industrial	Office	Industrial
Flagstaff Metro	$25.68	$12.30	3.6%	5.2%	46,371	12,500
Fort Collins	$24.75	$12.05	2.5%	6.3%	673,990	1,212,266
Bozeman	$24.81	$13.87	4.0%	-0.1%	98,654	43,810
St. George	$23.08	$9.36	3.7%	6.9%	131,408	88,913

	Inventory		12- Mo Absorption		Under Construction	
	Office	Industrial	Office	Industrial	Office	Industrial
Flagstaff Metro	2,095,530	4,343,807	73,400	50,400	0	82,000
Fort Collins	12,109,639	26,045,625	(26,300)	411,000	8,194	4,205,600
Bozeman Metro	3,672,439	3,241,082	(25,600)	(2,100)	39,610	192,800
St. George Metro	3,508,085	7,363,557	5,800	173,000	30,000	148,592

Source: CoStar

COMPETITIVENESS ANALYSIS

Camp Verde, Sedona, and Flagstaff report low crime (it is especially low in the City of Flagstaff). Crime rates an issue for Williams and Winslow.

Latest Crime Rates per 1,000 Residents
City Comparison

	2021 Population	Violent Crime Rate	Property Crime Rate
Camp Verde, AZ	11,942	1.84	14.57
Page, AZ	7,466	5.76	31.61
Sedona, AZ	9,723	2.06	13.16
Williams, AZ	3,235	7.42	25.35
Winslow, AZ	8,961	11.94	38.50
Flagstaff, AZ	76,228	0.60	4.63
Fort Collins, CO	166,788	2.69	21.53
Bozeman, MT	51,574	2.77	13.30
St. George, UT	92,875	1.92	14.66

Source: U.S. Census Bureau; FBI 2021, 2020 Uniform Crime Reporting (UCR)

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Competitiveness Analysis

SUMMARY

SUMMARY OF ECONOMIC CONDITIONS	ECoNA Region / Coconino County	Competitive Advantage (+) Disadvantage (-)
Demographics		
Median Age (years)	31.5	+
Home Ownership (%)	59.9%	neutral
Diversity (Non-White %)	39.8%	+
Median Income	$61,888	-
Growth Prospects (Avg. Ann. % through 2035)	0.4%	-
Workforce/Talent		
Educational Attainment (Assoc. or higher)	46.9%	-
College/Grad School Enrollment (age 18-24)	69.6%	+
Access to Higher Education	University	+
Industry Mix	Diverse	neutral
Occupational Mix	Diverse	neutral
Occupational Wages	Competitive	+
Labor Force Growth	0.6%	-
Labor Force Participation	64.2%	-
Unemployment	4.4%	-
Local Economy		
Industry Mix of Jobs	Diverse/Tourism Heavy	neutral
Worker Earnings (% $40,000 or More)	40.7%	-
Worker Education (% Bach. or Higher)	18.9%	-
Historical Growth (2009-2019)	0.6%	-
Growth Prospects (Avg. Ann. %)	1.7%	-

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Competitiveness Analysis

SUMMARY

SUMMARY OF ECONOMIC CONDITIONS	ECoNA Region / Coconino County	Competitive Advantage (+) Disadvantage (-)
Geography & Real Estate		
Location/Access to Markets	Hwys/Rail	+
Availability of Sites/Space	Limited	-
Office Space/Vacant Space	2,095,530 SF / 46,371 SF	-
Office Space Under Construction (SF)	0 SF	-
Industrial Space/Vacant Space (SF)	4,343,807 SF / 40,847 SF	-
Industrial Space Under Construction (SF)	82,000 SF (87.8% preleased)	-
Vacancy Rate (Office/Industrial)	2.2% / 0.3%	-
Lease Rates (Office/Industrial)	$26.00 / $12.30	neutral
Construction Cost Index (U.S. = 100)	90.3	neutral
Livability		
Commuting (% 30 or More Minutes)	17.5%	neutral
Crime Rate per 1,000 Residents (Violent/ Property)	0.60 - 11.94 / 4.63 - 38.5	mixed
Natural Environment	Scenic	+
Recreation Opportunities	High	+
% Housing Stock Affordable to Med. Income	15.6%	neutral
Graduation Rate	83% - 100%	mixed
College Readiness Index (U.S. Median = 20.17)	8.9 - 100	mixed
Population Turnover (% Moved in Last Year)	33.2%	+

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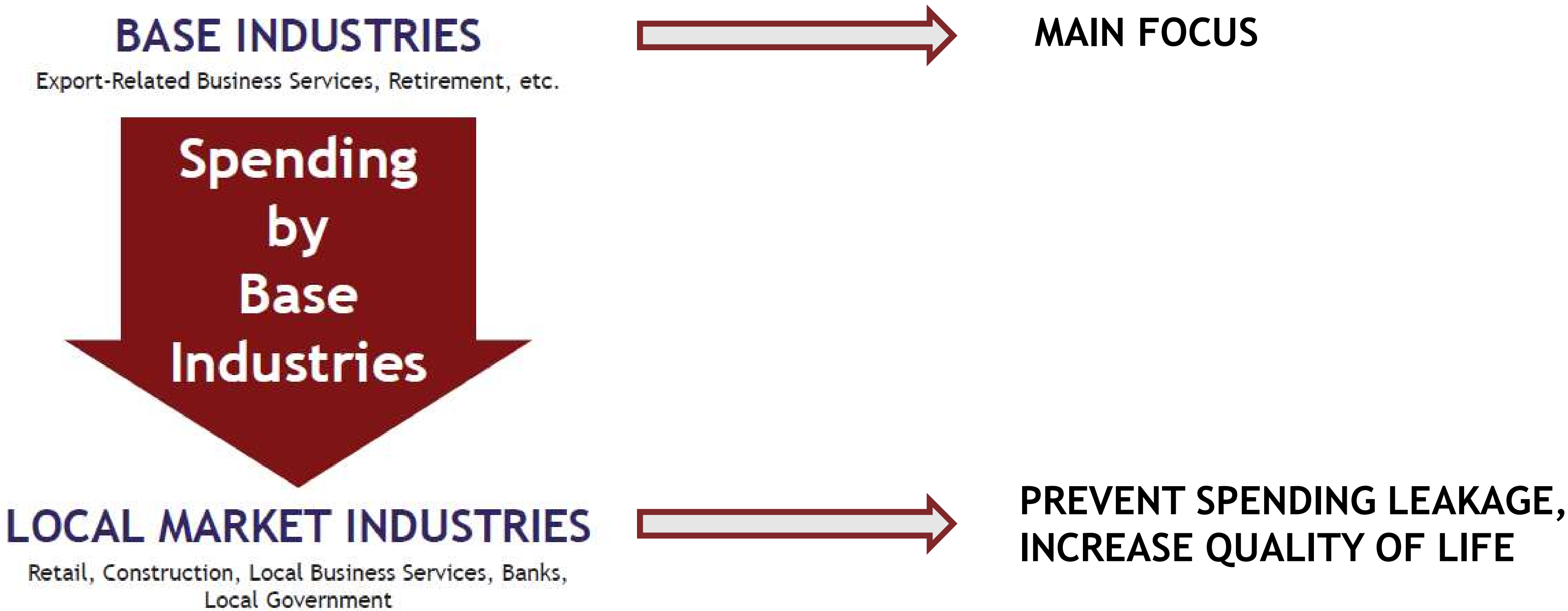
IDENTIFYING TARGETED SECTORS

We will provide a deep-dive webinar for the Targeted Sector Analysis Technical Report. The approach utilizes quantitative and qualitative elements, with a focus primarily on base industries.



IDENTIFYING TARGETED SECTORS

These are well-suited industries that are most likely to value the region's economic and community attributes and assets and would be less affected by its competitive and locational disadvantages. Additionally, we augmented the preliminary target sectors with niche sectors representing new opportunities that may not be identified specifically in the regional trend data.

Arizona (ACA)	NACOG	Northern Arizona
1. Aerospace & Defense	1. Forestry Services	1. Manufacturing/ Adv. Manufacturing
2. Technology & Innovation	2. Retail Trade	2. Transportation/ Distribution/Logistics
3. Manufacturing	3. Manufacturing	3. Professional, Scientific & Bus. Services
4. Bioscience & Healthcare	4. Healthcare	4. Biomedical/ Health Care
5. Business & Financial Services	5. Accommodations & Food Services	5. Arts, Entertainment & Hospitality
6. Film & Digital Media	6. Film & Digital Media	

IDENTIFYING TARGETED SECTORS

- **Manufacturing/Advanced Manufacturing:** This may include food, beverages, textiles, chemicals, nonmetallic minerals, metals, high technology, machinery and transportation equipment.
- **Transportation, Distribution, & Logistics:** truck including short and long-distance freight, specialized freight trucking, rail transportation, transload facilities, third party logistics, supply chain, freight forwarding, scenic and sightseeing transport, and support activities.
- **Professional, Scientific & Business Services:** legal, accounting, management, scientific, and technical consulting services, specialized design services, management and technical consulting, office administration services, etc.
- **Biomedical/Health Care:** research and development, healthcare technology, health practitioners, physical/occupational therapists, outpatient care, medical diagnostics services, and hospitals.
- **Arts, Entertainment and Accommodations:** spectator sports, sports centers, attractions, hotels, RV parks, campgrounds, etc.

IDENTIFYING TARGETED SECTORS

Targeted sector recruitment will have limited success without a workforce housing and population growth strategy.

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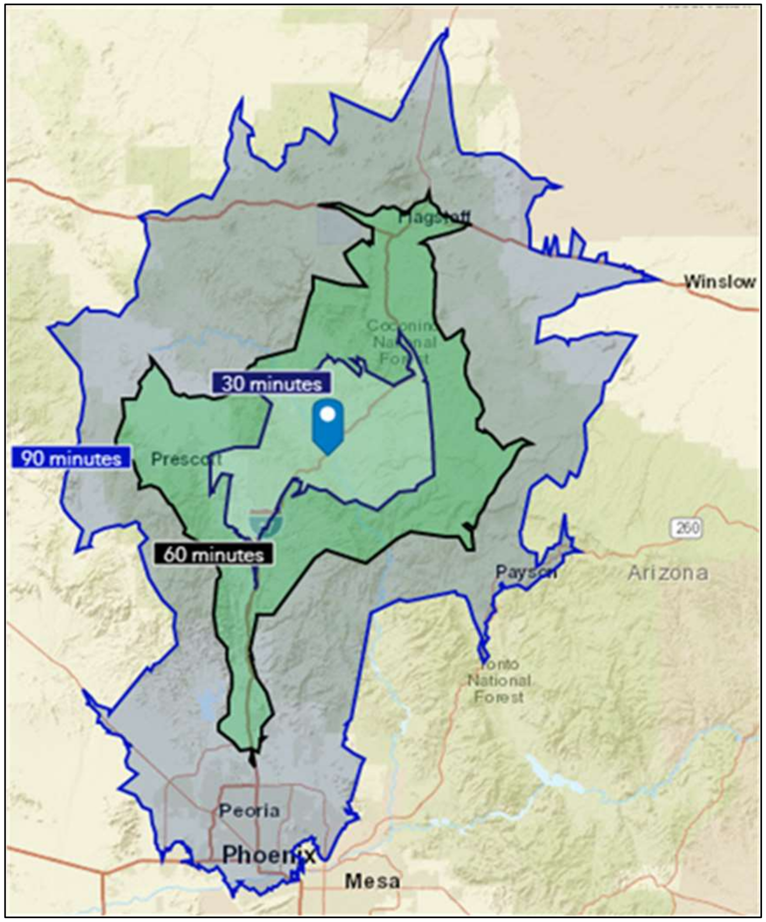
LABOR SHED ANALYSIS

We will provide a deep-dive webinar for each community's labor shed.

Bottom line: Community's should be providing prospective employers with complete labor shed data – not community-level data. Workers often commute 1-hour or more for a quality job. This is the true potential pool of workers.

Camp Verde Labor Shed Profile - Population 25+ Education						
	30 minutes		60 minutes		90 minutes	
Total	**52,684**		**258,416**		**1,934,903**	
Less than 9th Grade	1,054	2.0%	4,651	1.8%	96,745	5.0%
9th - 12th Grade, No Diploma	3,266	6.2%	12,921	5.0%	131,573	6.8%
High School Graduate	12,012	22.8%	46,515	18.0%	371,501	19.2%
GED/Alternative Credential	3,266	6.2%	11,112	4.3%	77,396	4.0%
Some College, No Degree	15,173	28.8%	65,896	25.5%	435,353	22.5%
Associate Degree	4,847	9.2%	26,617	10.3%	176,076	9.1%
Bachelor's Degree	7,745	14.7%	54,009	20.9%	404,395	20.9%
Graduate/Professional Degree	5,374	10.2%	36,437	14.1%	239,928	12.4%

Source: ESRI Business Analyst



HOUSING ANALYSIS

We will provide a deep-dive webinar for the Housing Conditions & Gap Assessment Technical Report.

Ownership: Dramatic increases in home prices over the last several years, well above inflation and wage growth. Steep declines in affordability are the result. Substantial price increases have occurred in every community. Winslow still considered extremely affordable. Camp Verde and Williams still somewhat reasonable compared to other markets.

Home availability also a reported issue across most communities.

AVERAGE SALES PRICE SINGLE
SINGLE FAMILY HOMES
ECoNA REGION

Year	Camp Verde	Flagstaff	Sedona	Williams	Winslow
2013	$169,568	$316,398	$429,368	$130,804	$69,293
2014	$229,696	$342,358	$520,790	$133,950	$84,968
2015	$206,593	$350,905	$493,693	$161,327	$77,990
2016	$197,661	$379,195	$562,440	$176,832	$91,712
2017	$231,377	$388,192	$534,976	$185,480	$92,021
2018	$261,497	$442,360	$634,081	$200,841	$110,647
2019	$286,320	$457,956	$626,055	$255,483	$105,019
2020	$314,906	$572,974	$806,866	$262,558	$128,778
2021	$409,040	$683,881	$1,039,224	$398,390	$148,518
2022	$446,152	$797,920	$1,288,902	$515,344	$188,566
Price Chg 2018 - 2022	71%	80%	103%	157%	70%

Source: Coconino County Assessor; Navajo County Assessor; Yavapai County Assessor

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HOUSING ANALYSIS

Apartments: Also experiencing sharp increases in rents. Willams and Winslow very affordable, but lack of available inventory also an issue in every community.

ECoNA REGION APARTMENT INVENTORY & TRENDS

Community	Properties	Units	Average Rent 2018	Average Rent 2023	Average Rent % Chg	Vacancy	Vacant Units	Income Requirement
Camp Verde	4	135	$910	$1,361	49.6%	4.1%	6	$54,440
Flagstaff	118	6,438	$1,340	$1,839	37.2%	4.5%	290	$73,560
Sedona	19	396	$1,211	$1,578	30.3%	2.5%	10	$63,120
Williams	12	113	$851	$922	8.3%	6.6%	7	$36,880
Winslow	12	239	$855	$944	10.4%	12.2%	29	$37,760

Source: ALN; Apartments.com; Property websites

HOUSING ANALYSIS

Gap Analysis: Substantial number of households in both ownership and rental housing overburdened by housing costs (paying more than 30% of income toward housing). Additional demand will also come if new jobs are created as forecasted.

RENTER-OCCUPIED HOUSEHOLDS PAYING MORE THAN 30% OF INCOME TOWARDS HOUSING COSTS - BY INCOME RANGE

	Camp Verde	Flagstaff	Sedona	Williams	Winslow	Coconino County	Arizona
Renter-Occupied Units	938	14,512	1,284	451	1,329	20,474	917,899
Less than $20,000	240	2,825	229	151	207	3,550	136,344
$20,000 to $34,999	170	2,233	185	42	233	2,882	132,127
$35,000 to $49,999	2	1,639	177	27	13	1,993	84,454
$50,000 to $74,999	27	1,456	138	24	0	1,684	48,871
$75,000 or more	0	387	44	0	0	387	10,874
Total Cost Burdened	**439**	**8,540**	**773**	**244**	**453**	**10,496**	**412,670**
Percent Cost Burdened	**46.8%**	**58.8%**	**60.2%**	**54.1%**	**34.1%**	**51.3%**	**45.0%**

Source: U.S. Census ACS 2021 5-year Estimate

AFFORDABLE HOUSING DEMAND FROM EMPLOYMENT GROWTH

Community	5-Year Demand	Annual Demand
Camp Verde	127	25
Flagstaff	1,296	259
Sedona	444	89
Williams	121	24
Winslow	54	11
Total	**2,043**	**409**

Source: Lightcast Q2 2023; Elliott D. Pollack & Company

HOUSING ANALYSIS

Gap Analysis: The region needs nearly 15,400 affordable housing units to alleviate current demand and an additional 2,000 units over the next 5 years to accommodate new job growth. This far surpasses total expected growth in the region.

ECONA REGION FIVE-YEAR AFFORDABLE HOUSING DEMAND

Community	Existing Gap Demand	Forecasted Employment 5-Yr. Demand	Total 5-Yr. Demand
Camp Verde	1,190	127	1,317
Flagstaff	10,958	1,296	12,254
Sedona	2,114	444	2,558
Williams	405	121	526
Winslow	688	54	742
Total	**15,355**	**2,043**	**17,398**

Source: Lightcast Q2 2023; Elliott D. Pollack & Company

SWOT ANALYSIS

Stakeholder Perspectives on the ECoNA region's Strengths, Weaknesses, Opportunities, and Threats

From November 2022 through February 2023, our team conducted a SWOT analysis with 80 stakeholders throughout the region. One-on-one interviews from the ECoNA region's public, private and civic communities; educational officials; state and regional leaders, and external business/industry experts. We also conducted six stakeholder roundtables with the direct participation of additional business, arts/culture, education, public officials, major employers and other key leaders including:

- Business executives
- Community and civic leaders
- Public sector officials from local, county and state government
- Educational leaders – K-12 through postsecondary institutions
- Small business owners
- Artists and arts advocates
- Nonprofit organization leaders
- Commercial-Industrial brokers and developers
- C-suite executives and national experts in economic development, business locations, hospitality and tourism and advanced technologies and other targeted economic sectors

In addition, a review of all prior economic development-related strategies, plans and studies was conducted to maximize existing information and investments in these endeavors.

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SWOT ANALYSIS

Stakeholder Perspectives on the ECoNA region's Strengths, Weaknesses, Opportunities, and Threats

6 Main Categories:

1. Locational Assets and Business Climate
2. Governance and Leadership
3. Infrastructure and Growth Capacity
4. Talent Development and Education/Training
5. Civic Community, Culture, and Quality of Life
6. Economic Development Programs and Resources

SWOT ANALYSIS

TOP 12 STRENGTHS

Top 12 Strengths

- Diversity of regional communities, each of which brings an important value proposition to the entire region.
- Richness of a diverse population and the advantages of having people of different cultures, races, religions and ways of thinking.
- Beautiful, safe and friendly quality of place, drawing area-committed residents.
- Majestic natural beauty in a mountain, four-season setting with a broad range of outdoor recreation and experience opportunities.
- Highly educated workforce.
- Northern Arizona University (NAU).
- Substantial and multimodal transportation infrastructure: Interstate highways (I-17, I-40, Route 66); major state routes; BNSF Railroad and Flagstaff Pulliam Airport.
- Lowell Observatory.
- Growing major private sector employers across multiple economic sectors.
- Camp Navajo Army Base.
- Clean air and clean water.
- Strong public and institutional ethic for protecting rivers, forests, ecosystems and natural resources.

SWOT ANALYSIS

TOP 12 WEAKNESSES

Top 12 Weaknesses

- Insufficient workforce to keep up with the demand for qualified workers; while conversely, there is a higher than state average unemployment rate in the region. Insufficiently diverse career opportunities, including entry level, trades and specialty fields, both to sustain the local communities and to enable young people to remain.
- Insufficient/inadequate accessible/affordable housing for college graduates, young professionals, workforce and even executive-level business workers; over-conversion of housing stock to seasonal 2nd homes, short-term rentals, and student rentals.
- Exodus of talent to other communities or entirely different regions where housing is more affordable and/or jobs more plentiful; commuting long distances is a growing concern for employers and employees.
- Labor force shortages and changing values of today's workforce are making it very difficult to fill jobs.
- Lack of identifiable shovel-ready sites as well as lack of shovel-ready sites that can accommodate a larger employer that would bring immense value-add to the community (one that is desirable to the local government and community).
- Underdeveloped entrepreneurship ecosystem; very low rate of venture capital investments.
- Increasing anti-growth policies and voices both within certain municipalities and among citizenry of the region.
- Insufficient rail infrastructure, off-ramps and very limited availability of land next to the rail line; high cost and environmental regulations increase difficulty of building out additional rail.
- Inadequate public transit system, internally both within communities, e.g., Flagstaff and Winslow, as well as inadequate external transit systems between geographically compatible communities to facilitate regional employment, shopping, education, recreation.
- Cities/towns' lack of capacity to fully function in unusual circumstances, e.g., forest fires and flooding, Covid-19 pandemic, etc., hampers their ability to provide services.
- Business and economic development organizations are not aligned, and meaningful cooperation/collaboration is lacking.
- Inability to recruit skilled professional staff for both the public and private sectors and great difficulty in hiring experienced, knowledgeable talent for science, technology, engineering, and math (STEM). and mid-to-upper level managers; this problem is largely due to the lack of available/affordable housing in the region.

SWOT ANALYSIS

TOP 12 OPPORTUNITIES

Top 12 Opportunities

- Champion and adopt municipal/county public policies that will catalyze housing development in the region, including attainable/accessible workforce housing.
- Expand local and regional transit systems and install bus stops at major employer sites.
- Invest in additional rail infrastructure, through a multijurisdictional partnership to free rail adjacent state or federal lands; opportunities for importing lumber, plastics, fuel and exporting new manufacturing products.
- Recruit and support the establishment of trade schools that provide job-oriented training for skilled trades that are needed by existing business and industry.
- Build and expand the entrepreneurial ecosystem in Northern Arizona by supporting a culture of local, small business support and resilience and by facilitating resource connection, networking and training opportunities.
- Establish incentive programs for medical personnel to train and stay in Northern Arizona, e.g., tuition for graduates who agree to practice in Northern Arizona for a defined period of time.
- Strengthen and expand the biomedical / biotech sector, building upon the concentration of existing firms in Northern Arizona.
- Continue to support Lowell Observatory's expansion.
- Continue to implement the flood mitigation measures that have been approved.
- Increase the capacity of Flagstaff Pulliam Airport, e.g., attract and retain more commercial daily flights.
- Expand broadband throughout the entire region, including the most underserved communities.
- Continue management of the region's water portfolio, including increasing potable reuse.

SWOT ANALYSIS

TOP 12 THREATS

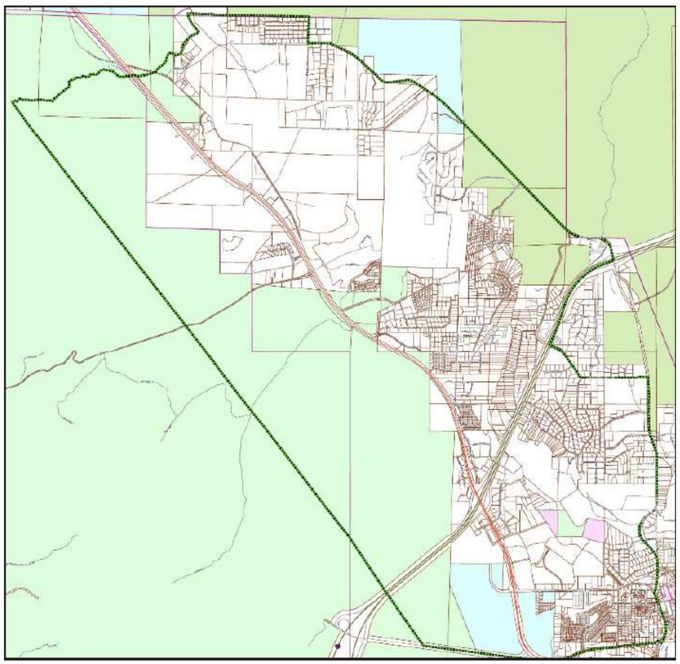
Top 12 Threats

- Continued lack of action to address the acute housing shortage and to plan for and promote the development of housing to accommodate current and future residents, including employees, recent college graduates, medical professionals.
- Drought in the Western United States.
- Increasing water scarcity in Arizona.
- Natural disasters, e.g., fires and resulting floods due to burn scars.
- Failure of federal government to appropriate sufficient funding to the United States Forestry Service (USFS) for forestry management and flood mitigation - this has shifted the burden of paying for firefighting, flood mitigation, etc., on local and county governments.
- Lack of action to reverse the exodus of young, college educated workers in search of more accessible housing.
- Inaction on the part of the municipal/county governments to better connect and engage with existing employers and small businesses to earnestly address concerns about the increasingly hostile business climate within certain segments of the public sector.
- Wage inflation and other increased business costs created by local policies further erode Northern Arizona's competitiveness as a business location; this encompasses the persistent higher than average cost of living in the region, largely due to escalating housing prices as well as burdensome, high-cost government policies and regulations.
- Continued escalation of highly vocal anti-growth contingent - both within certain public sector entities and among citizenry.
- Inaction to invest in and expand public transit locally and regionally.
- Declining population based on current and future projections for many of the municipalities in the ECoNA region; some communities have zero growth, some are experiencing population decline, and two communities have very minimal population growth.
- The deteriorating fabric of the community into a "tourist town" that is pushing permanent residents out in favor of short-term rentals and seasonal homes.

GROWTH OPPORTUNITIES

CAMP VERDE

Camp Verde Opportunity Zone – 20 square miles. Commercial, Employment & Multifamily focus. Includes Verde Valley Industrial Park, with available power, water, and natural gas. Home to Frametec – new 110,000 SF facility and 180 new jobs.



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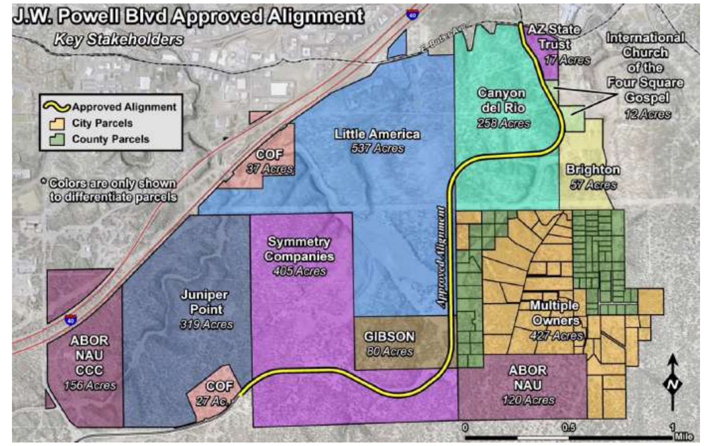
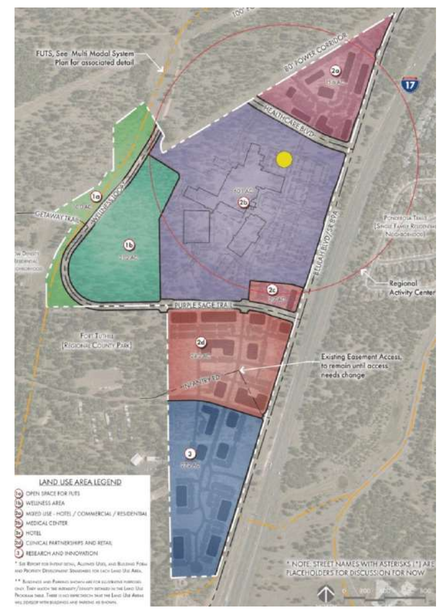
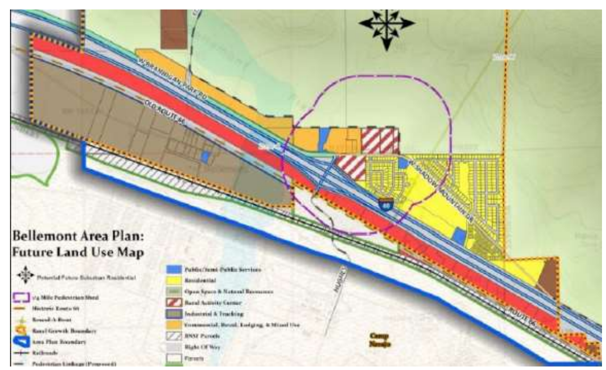
GROWTH OPPORTUNITIES

FLAGSTAFF



1. **Airport Business Park** – 32 acres. bioscience, technology and research park. 750,000 SF of R&D, manufacturing, and hospitality space.
2. **NAH Wellness Village** –state of the art hospital, outpatient surgery, imaging, rehabilitation & clinic spaces. Also includes new housing, dining, retail, grocery, lodging and open space with trails integrated into Flagstaff's existing trail system. Will also help activate hundreds of acres of developable land for new housing.
3. **Bellemont/Camp Navajo** –Specific area plan recommends campgrounds, RV parks, industry, and manufactured housing south of I-40 and commercial, mixed use, and residential expansion along the north side. North edge of Camp Navajo also identified for manufacturing, transportation, distribution, and logistics.
4. **JW Powell Boulevard Expansion Corridor** – Will service 2,200 acres. Will help activate several master planned communities including housing of various types and density as well as commercial areas.



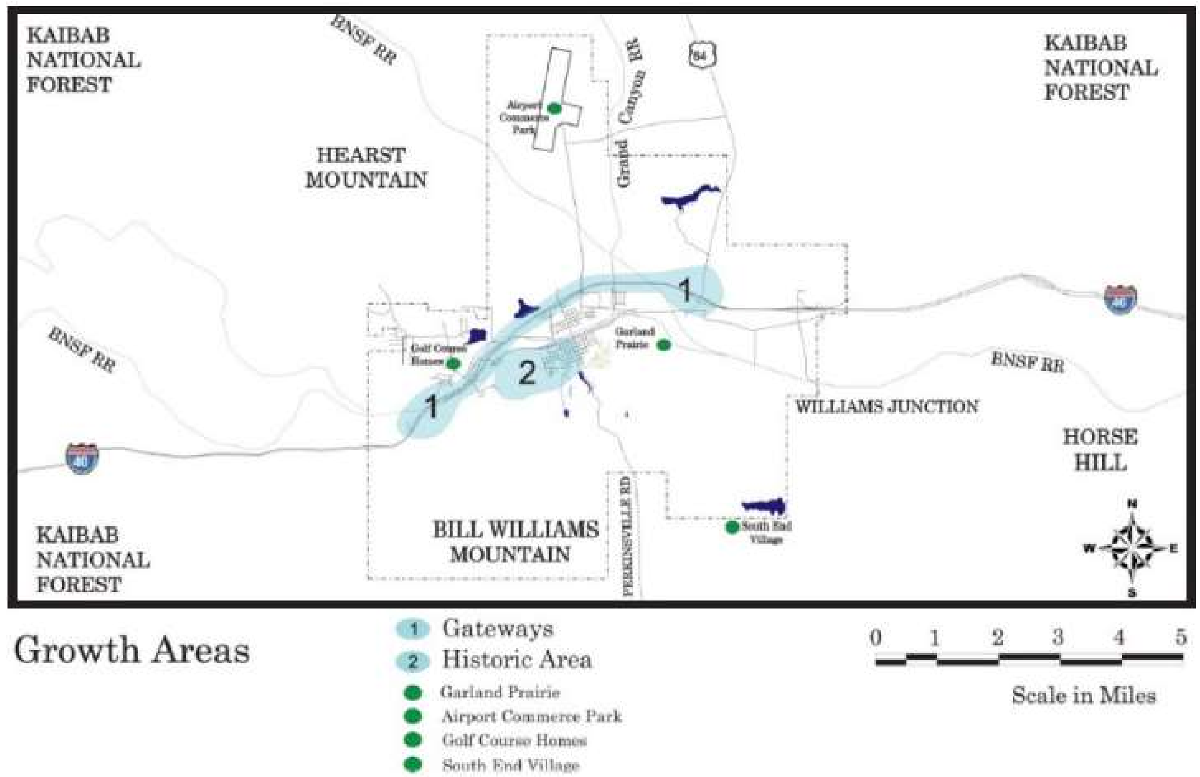


GROWTH OPPORTUNITIES

WILLIAMS

1. The area on the south side of Interstate 40 at the Garland Prairie interchange, east of State Route 64, has been identified as a potential center of employment for Williams.

2. City of Williams' Main Street, the airport area, and the I-40 corridor have also been identified as potential growth areas for employment, retail, and tourism.



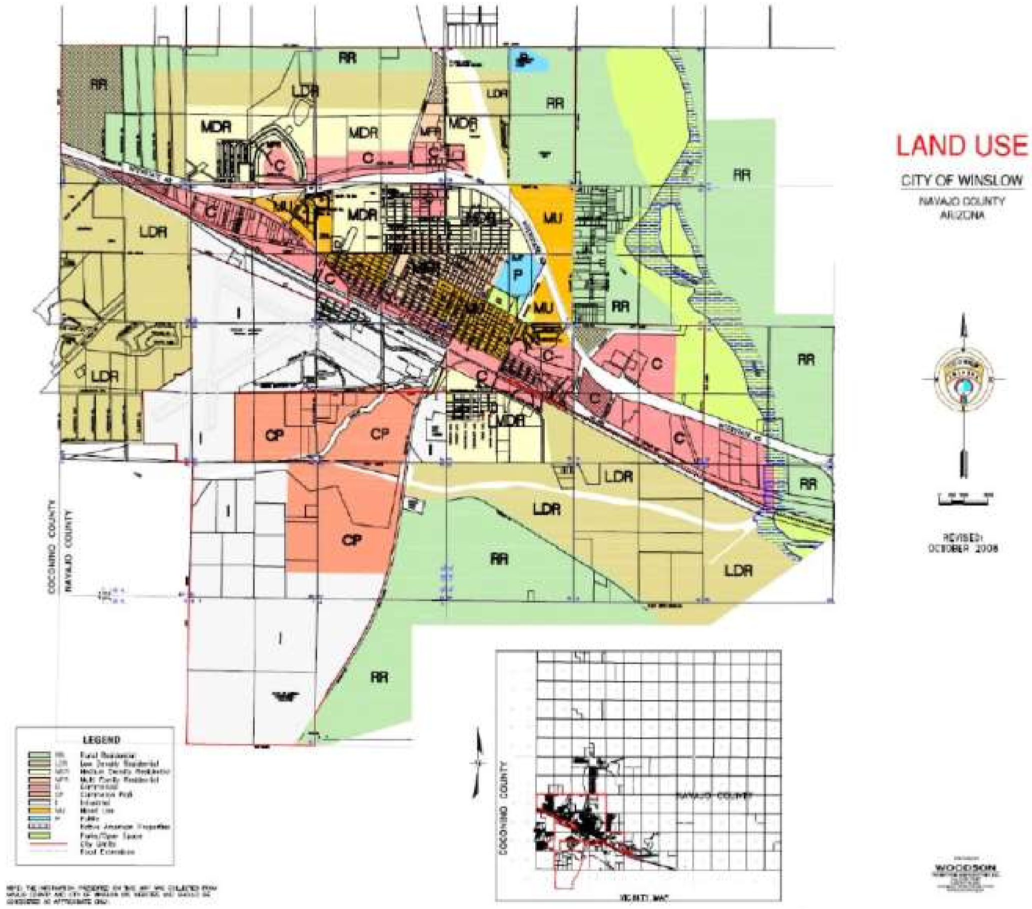
GROWTH OPPORTUNITIES

WINSLOW

The City of Winslow has abundant land resources for growth opportunities in the identified targeted sectors.

1. Commercial frontage within the city's downtown as well as Mike's Pike and North Park can accommodate additional retail, restaurants, entertainment, hospitality, or professional service-related operations.

2. There is also potential for a large-scale commerce park adjacent to the airport served by both the highway and rail line that would be ideal for transportation, logistics, distribution, and a variety of manufacturing businesses.



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GROWTH OPPORTUNITIES

SEDONA

Sedona's most substantial opportunity to expand its inventory of more attainable housing, identified via City staff within their Housing Needs Assessment are the city-owned parcels to the west of the City near the wastewater treatment plant along State Route 89A.

This area consists of 226 acres and could accommodate a substantial number of new homes to help house the local workforce at more attainable prices.

GOALS & OBJECTIVES

"A VIBRANT ECONOMY IS THE RESULT OF DELIBERATE CHOICES AND ACTIONS. ALL COMMUNITIES NEED A PERSON OR AN ORGANIZATION THAT WAKES UP EVERY DAY CHARGED WITH IMPROVING THE HEALTH OF THE LOCAL ECONOMY.

THAT'S WHAT ECONOMIC DEVELOPERS AND ECONOMIC DEVELOPMENT ORGANIZATIONS DO."

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GOALS & OBJECTIVES

6 MAIN GOALS

Goal 1: Strengthen and Improve Locational Assets and Business Climate

Goal 2: Invest in and Build Quality of Life / Quality of Place Necessities and Amenities

Goal 3: Develop and Grow the Region's Workforce through Collaboration, Education and Training

Goal 4: Expand Investment in and Completion of Infrastructure and Growth Capacity

Goal 5: Invest in, Expand and Evaluate Economic Development Programs and Resources

Goal 6: Strengthen Existing and Build New Regional, State and Federal Partnerships to Leverage Economic Development Opportunities

GOALS & OBJECTIVES

EACH GOAL CONTAINS SEVERAL OBJECTIVES, METRICS, & MILESTONES

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GOALS & OBJECTIVES

IMPLEMENTATION TIMETABLE EXAMPLE

	ACTION	YR 1	YR 2	YR 3	YR 4	YR 5
	ECONA'S ECONOMIC DEVELOPMENT FRAMEWORK ACTION AGENDA					
	Goal 1: Strengthen and Improve Locational Assets and Business Climate					
a.	Continue to address both perceived as well as real business climate issues region-wide; the ECoNA region is generally perceived as being dominated by both public bodies and their policies as well as increasing numbers of residents who generally oppose change and population and business growth.	✓	✓	✓	✓	✓
b.	Twice annually, conduct a third-party administered confidential survey of all businesses in each jurisdiction to establish a measurable baseline of perceptions and concerns about operating a business in the ECoNA region; publish the results and spur action to improve the region's business climate.	✓	✓	✓	✓	✓
c.	Inventory and develop a portfolio of well-planned, shovel ready sites suitable for employers and their operations: • Develop an interactive inventory of all vacant, developable and available land throughout ECoNA's region including land both adjacent and proximate to the Flagstaff Pulliam Airport, Northern Arizona Healthcare's new medical campus and other locations as well. • Work with the USFS to sell/trade land to free up land for other uses, including employment and housing. • Encourage Coconino County to turn over private lands over which it has control so that it can be utilized for housing.	✓	✓	✓	✓	✓

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QUESTIONS?

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