



2011 General Plan Committee Community Development

Date: Wednesday, August 8, 2012

To: Councilman Steve Blair, Brad Devries, Dave Fisher, Glenn Gooding, Miriam Haubrich, Councilman Chris Kuknyo, Terry Marshall, Zena Mitchell, Roxanne Nielsen, David Quinn, Elisabeth Ruffner, George Sheats and Gary Worob

From: Tom Guice, Community Development Director
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Staff Memo Draft Economic Development Element - Suggested Changes

PURPOSE:

To discuss updates to the Economic Development Element and address suggested changes by staff. After reading the draft individually prior to the meeting, be prepared to discuss any requested changes to the text, goals and strategies regarding the content and character of the element. Grammatical corrections or simple word substitutions that do not change the character of the element may be submitted to staff prior to the meeting.

CHANGES MADE:

Wendy Bridges, Economic Development - Tourism & Economic Development Coordinator has updated data, project descriptions, goals, strategies, etc. Don Prince, Tourism Director also contributed updates and comments.

The Element has been edited for continuity, repetitious wording, long narration, and information covered in previous elements has been minimized with references made to the appropriate element. Text has been reworded and updated for clarification and consistency whenever possible. Goals and strategies were updated or deleted to more accurately reflect City activities and directives.

11.0 ECONOMIC DEVELOPMENT ELEMENT

11.1 INTRODUCTION

The health and vitality of Prescott's economy is a key factor in sustaining the community's quality of life. Prescott's future demands a healthy economy with a strong tax base. A healthy tax base will provide the fiscal resources to maintain and enhance services, pursue park, recreation, trail and open space plans and meet the demands placed upon the city by businesses and residents. Local availability of goods and services contribute to a self-sustaining, independent community. A solid and diverse employment base supports a family-friendly community, as does a diversity of housing opportunities. Maintaining the balance, quality, character, and sustainability of the community are all intertwined with economic development.

The Economic Development Element is not mandated by Growing Smarter but is included in Prescott's General Plan in recognition of the vital part our economic health plays in the quality of life of this community.

Maintaining a self-sustaining independent community is intertwined with economic health. Prescott's future depends on a strong tax base to provide the fiscal resources to maintain and enhance services. A solid, diverse employment base and local availability of goods supports a family-friendly lifestyle.

Prescott's economy includes retail sales, tourism, education, real estate, industry, construction, federal, state, county and municipal government. The historic downtown, airport, industrial parks and regional commercial developments along Highway 69/Prescott Lakes Parkway are recognized as economic centers for the City.

Manufacturing and industrial employment are important to the economy. However, sales tax is the primary source of City income. Since the 1990s, economic development has been emphasized in the City, including partnerships with the private sector to expand the availability of commercial & industrial space and fund associated infrastructure improvements.

The mission of the Prescott Economic Development Division is to facilitate a balanced local economy, business attraction/expansion/retention, create jobs, enhance the tax base, redevelop target areas and increase tourism. This is the mission of all City staff. The Economic Development Element outlines the goals and strategies used in the pursuit of this mission.

11.2 EXISTING CONDITIONS, TRENDS & CHALLENGES

Strategies to maintain a healthy economy may have undesirable impacts on nearby residential neighborhoods and the natural environment. However, business, commercial and industrial development must be maintained to maintain a healthy economy. Should conflicts occur between residential and non-residential uses, community-wide interests should take precedence. When community wide interest is not at stake, then neighborhood interests should prevail in resolving conflicts.

11.2.1 Downtown

A Downtown Specific Area Action Plan was adopted in 1997. The Plan called for a partnership between the City and downtown businesses resulting in the formation of the Prescott Downtown Partnership, Inc., which acts as a manager for downtown activities and also functions as a liaison between the City and the private sector. A downtown renovation project was initiated in 1998 to enhance the visitor experience by replacing

sidewalks, adding pavers to crosswalks, landscape planters, lampposts, benches and waste receptacles as pedestrian friendly amenities. There is ongoing coordination with the Prescott Downtown Partnership when scheduling events. With the completion of the Granite Street Parking Garage in 2005, the City has invested more than \$8.5 million in the downtown's infrastructure and assets.

A Historic Preservation District was formed to protect the historic integrity of the buildings surrounding the Plaza. Downtown Prescott remains the most significant tourist draw for the community with its combination of historic structures, cultural amenities, community events and varied mixture of businesses.

The City purchased the Elks Opera House in 2001. The Elks Opera House Foundation, with assistance from the Prescott Area Arts and Humanities Council, completed renovation of this structure, which, since 1905, is the home of live performances, movies, and meetings. The Elks Opera House Foundation is currently trying to purchase the Elks Opera House from the City.

11.2.2 Housing

A state commissioned study by Elliott D. Pollack & Company identified a trend in Prescott where there is not a sufficient number of housing units to meet the demands of service level workers and other residents that are at or below the median income level. The recent economic downturn has changed this situation to an unknown degree. The Land Use Element provides additional information on the Pollack study and possible solutions to the challenge of providing housing for a balanced community.

11.2.3 Workforce

Trends in commercial development have moved commercial centers and employment to major arterial corridors, such as Highway 69. Suitable sites for industrial development have been created in the airport area with promotional efforts to attract employers. Commercial corridors have been designated along arterial roadways within Specific Area Plans, distinguishing those areas for commerce and industry growth.

To maintain a sustainable economy, a diverse retail/commercial presence is needed at locations throughout the city to provide employment, goods and services near neighborhoods. The redevelopment of vacant sites, left by the relocation of retailers, offices and other employers, is needed to attract new businesses back into neighborhood areas.

An important concern is that a significant portion of the local workforce is underemployed, meaning their education and skills are not being fully utilized. Underemployment can be mitigated through business attraction and retention, providing jobs requiring higher education and skills. Another concern is that a portion of the workforce is lacking the skills desired by employers. Inadequate training is addressed by educational institutions and employers working together to improve workforce development and providing skill preparation programs.

11.3 SUSTAINING A BUSINESS FRIENDLY ENVIRONMENT

Arizona Public Service, the Prescott Chamber of Commerce, City of Prescott and other local partners combined to develop the 2008 Focused Future II Action Plan for economic development. This plan provides information regarding business relocation, expansion

and retention in Prescott. The Focused Future II plan was designed around four focus areas:

1. Business Attraction, Retention and Expansion. Support industries that are currently looking to relocate or are already within the community. Particular attention is given to industries that are growing, deliver high wages or provide high capital investments.

2. Community Image and Quality of Life. Cultivate a dynamic community that preserves Prescott's natural /historic environment, emphasizes art, culture, recreation, heritage and ensures a quality way of life for residents of all ages. Expand excellent healthcare facilities and services to meet the area's future needs.

3. Prescott as the Regional Hub. Maintain Prescott's position as the regional economic hub. Be the leader in crafting unique and sustainable partnerships throughout the region. Maintain Prescott as the county seat.

4. Educational Excellence. Maintain the predominance of high-quality educational opportunities in Prescott, such as quality K-12 through post-secondary school and specialized job training.

These focus areas are important to sustaining a business-friendly environment and furthering opportunities for success in commerce and industry.

11.3.1 Commerce and Industry

Large scale commercial development trends have resulted in the creation of regional commercial nodes such as the Gateway Mall and the Highway 69 corridor. The downtown commercial node includes restaurants, banks, professional offices and tourist related businesses which form the core of the City. Other commercial nodes include the Village at the Boulders, Willow Creek Shopping Center and the auto dealerships.

Smaller roadway corridors support neighborhood businesses and provide interconnectivity to regional nodes. Less intense neighborhood oriented commercial development provides goods and services to areas of the community without requiring long travel times. The Prescott East Area Plan and the Willow Lake South Area Plan designate areas suitable for neighborhood oriented commercial development. Redevelopment has potential in areas such as Miller Valley/Grove, Montezuma/Whipple, Montezuma/White Spar and along Iron Springs road. Area Plans and the Land Development Code support and encourage this pattern of development through the designation of smaller scale, less intense commercial areas.

Industrial land is readily available in Prescott, however, available industrial buildings over 20,000 sq. ft. do not exist. Prescott has sites available and ready for the construction of industrial and business parks. The oldest industrial parks in the city are the Sundog Road industrial park off highway 89 and the Sixth Street industrial area near downtown. These parks are nearly built out with little vacant land and boundaries that encroach nearby neighborhoods. New industrial parks are located in and around the Prescott airport and Granite Dells.

Geographical groupings encourage the clustering of interdependent and/or complimentary businesses within the same area. To some extent, this was the traditional commercial development style until the road and rail networks allowed a greater dispersion of interdependent businesses. Building upon the interdependency concept allows local communities to focus economic development efforts more efficiently by recognizing how business groupings interrelate.

The Prescott airport is both a transportation asset and an economic focal point for the City and the region. Ernest A. Love Field is the one of the busiest airports in the state and also one of the busiest regional airports in the country. Its economic importance to the City stems from direct airport operations such as the large number of hanger tenants, general aviation services, flight training operations, cargo services, the forest service fire-fighting operations and the FAA tower. Much of the land near the airport is designated for industrial and intense commercial uses related to the airport, and includes a significant number of the region's manufacturing and technology jobs. The 2009 Airport Master Plan, the Airport Business Plan and the Airport Specific Area Plan (ASAP) have been adopted to address Airport land-use protection and to assure the continued economic vitality of the airport.

11.3.2 Commerce and Industry Goals & Strategies

Goal 1. Continue to encourage development of suitable sites for commerce and industry.

Strategy 1.1 Identify geographic locations specifically targeted for commercial development, employment centers and neighborhood oriented business.

Strategy 1.2 Support appropriately sized and placed commercial and industrial development areas through the implementation of adopted Area Plans and the Land Use Element of this Plan.

Strategy 1.3 Facilitate and encourage annexation of potential business sites for future employment, commercial and retail development.

Goal 2. Enhance the city's major commercial corridors to attract businesses.

Strategy 2.1 Improve non-vehicular access to businesses along major corridors consistent with the Bicycle and Pedestrian Circulation Plan.

Goal 3. Actively recruit commerce and industry.

Strategy 3.1 Encourage business and commercial development which augments the current business mix and introduces new retail and services while continuing to retain and expand existing local business. Working with Wendy Bridges to add specific methods to accomplish this task.

Strategy 3.2 Promote the healthcare industry by supporting Yavapai Regional Medical Center, West Yavapai Guidance Clinic and the Northern Arizona Veterans Administration Health Care Center in expanding the types of healthcare services offered at these facilities.

- Strategy 3.3** Continually refine commerce and industry targets, marketing campaigns and economic development strategies.
- Strategy 3.4** Encourage industrial, light manufacturing, research and development, financial services and other clean industry such as information technology, health care and education which improve the variety of employment opportunities and bring higher paying jobs into the community. Working with Wendy Bridges to add specific methods to accomplish this task.
- Goal 4.** Provide physical, fiscal and regulatory incentives for commerce and industry, including small businesses, to locate, remain and/or expand in Prescott.
- Strategy 4.1** Participate in the costs of public infrastructure improvements where longer term benefits to the City will accrue.
- Strategy 4.2** Investigate grant opportunities to assist in relocation or start-up of commerce and industry.
- Strategy 4.3** Expand the scope of the city's Economic Development Incentives Policy to attract and retain smaller businesses within existing commercial areas.
- Strategy 4.4** Periodically reassess the regulatory environment and change as needed to facilitate expansion of commerce and industry.
- Strategy 4.5** Eliminate unnecessary or burdensome regulation and simplify/streamline development permitting review and approval procedures in order to attract commerce and industry.
- Goal 5.** Ensure the continuation of the industrial and commercial character of the airport vicinity.
- Strategy 5.1** Support and maintain the land uses established in the Airport Specific Area Plan and the Land Use Element of this General Plan.
- Strategy 5.2** Coordinate with adjacent jurisdictions to assist in the implementation of the Airport Specific Area Plan land uses within their corporate limits or anticipated to be within their corporate limits based upon mutual boundary agreements.

- Strategy 5.3** Actively recruit airport related or airport dependent businesses to occupy available commercial and industrial space within the airport boundaries.
- Strategy 5.4** Periodically review and update the Airport Business Plan and the Airport Specific Area Plan to ensure these plans are current.

11.4 ENSURING A STRONG TAX BASE

Due to state law, the City relies primarily on the transaction privilege sales tax, and to a much lesser degree, property tax to generate revenue necessary for providing services such as police, fire, building safety, parks and recreation.

11.4.1 Retail and Commercial development

As the regional market continues to grow, major business location and/or relocation decisions will be made. Given that \$10 million in sales within the city limits generates \$200,000 in city revenue and \$10 million in sales outside the city yields about \$397 in city revenues (though state revenue sharing), where retail business locates and where people shop is of tremendous importance. Prescott needs to position itself strategically to capture a reasonable share of that development, sufficient to achieve and maintain an 5% annual growth in sales tax revenues.

To successfully compete in the regional market, Prescott must solicit, recruit and encourage major retail/commercial development to locate within the community. Large sales volumes draw on a regional market and attracts additional development. Neighborhood-oriented business is smaller in scale providing for the availability of goods and services for neighborhood residents, and also contributes to sales tax revenues to a lesser degree.

11.4.2 Tourism Promotion

Tourism is an important sector of the local economy. The 2009 Prescott Area Tourism Study, produced for the Arizona Office of Tourism by Northern Arizona University, indicated that visitors to the Prescott area spent an estimated 196.7 million dollars that year. The merchants and service providers then provided paychecks to employees, bought merchandise and made other business related expenditures resulting in an indirect economic impact of an additional 40 million dollars. Indirect business taxes produced an additional \$23 million. The total economic impact supported 4,761 direct, indirect and induced jobs. The above illustrates how tourism supports and stimulates the City economy.

	Per Party-per day	Per person-per-day	Per person - Per trip	Population	Expenditure
Lodging	\$109	\$55	\$109	423,345	\$46,144,629
Restaurant/bar	\$91	\$29	\$86	953,653	\$81,619,170
Transportation including gas	\$51	\$16	\$48	816,291	\$39,529,469
Shopping arts/crafts	\$38	\$12	\$35	613,589	\$21,699,300
Recreation fees	\$12	\$4	\$11	442,420	\$4,999,305
Other	\$35	\$11	\$33	84,444	\$2,758,959
Total	\$336	\$127	\$322		\$196,750,832

Tourist development and promotion is a complex issue. To attract visitors, Prescott must develop and maintain amenities and attractions. The City's cultural heritage is an important draw for tourists along with recreational opportunities offered by area golf courses, parks, lakes, trails and the Prescott National Forest. Community groups work with the City to create events to keep Prescott a center for entertainment and culture in Yavapai County. In recent years, visitor attractions have included new events such as the Prescott Film Festival, New Year's Eve Boot Drop, Chaparral Music Fest and Ghost Talk. Signature long-time events include the Prescott Frontier Days, Acker Night, the Bluegrass Festival, Phippen Memorial Art Show and the Cowboy Poets gathering.

There is a need to market and promote these attractions so that potential visitors are aware of local amenities. The City created a Tourism Office in 2010 by hiring a fulltime Tourism Director. The function of this Office is to strategically promote Prescott in order to increase visitor spending. This is accomplished by developing and implementing a marketing plan targeting potential visitors with certain demographic, geographic and sociological profiles. Once visitors are here, strategies, such as providing available free parking and maintaining a safe clean environment, are pursued to ensure that they enjoy a positive experience while in the community.

11.4.3 Historic Downtown

Through concerted efforts by the City, Chamber of Commerce, Prescott Downtown Partnership, Yavapai Heritage Foundation and citizen historic preservation supporters, the downtown area continues to be the focal point exhibiting the character of Prescott.

The Downtown Business District is a priority economic development (and re-development) area. Downtown is characterized by a traditional mixed use development pattern typical of many small town centers, with retail, hospitality, light industrial, professional offices, government and residential activities. Retail in the downtown is largely tourism-oriented businesses. The mix also includes arts, culture, entertainment and hospitality services.

Preservation of the downtown as a historic and an economic asset requires continuous attention. The growth and diversification of Prescott's economy will continue to create competitive challenges for downtown businesses. Challenges for the Downtown in the coming years include responding to changes in ownership of key properties downtown and providing for adequate circulation, consistent parking management and maintaining the downtown vitality.

Efforts to enhance the character of downtown are needed to retain its historic attraction as a tourist destination, to retain the mix of businesses to support that tourism and to support local citizen shopping and service needs. The ongoing efforts of the Prescott Downtown Partnership has positively affected the economic viability of the downtown. The City's Historic Preservation Master Plan guides preservation efforts for historic sites throughout the city, many of which are located in or near downtown. These efforts have yielded good results, demonstrating that keeping pace with economic climate and protection of historic character are not mutually exclusive.

Preserving historic assets, identifying new business potential, adding to the arts/cultural amenities and promoting the enhancement of buildings and streetscapes are recommended to increase the economic capacity of the downtown area.

11.4.4 Retail, Tourism and Downtown Goals & Implementation Strategies

Goal 1. Expand Prescott's taxable sales base.

Strategy 1.1 Solicit, recruit and encourage new regional retail/commercial development at targeted locations.

Strategy 1.2 Encourage retention and expansion of neighborhood oriented business at appropriate locations throughout the city.

Goal 2 Position Prescott as a tourist destination.

Strategy 2.1 Using bed tax dollars, enhance the City's efforts to advertise and promote Prescott as a tourist destination with excellent historic, cultural, recreational and arts amenities.

Strategy 2.2 Develop a comprehensive tourism marketing plan directed to travel consumers, media and the travel trade using a mix of traditional and emerging marketing technologies supplemented by direct sales efforts.

Strategy 2.3 Promote Prescott as a suitable location for film and advertising productions.

Strategy 2.4 Develop strategies to encourage greater visitor spending by visitors to Prescott.

Goal 3. Preserve and continually vitalize the downtown business community.

Strategy 3.1 Create public/private partnerships to re-establish and sustain a mix of uses in Downtown including residential, government, professional, institutions, entertainment and retail.

Strategy 3.2 Encourage retention of current government functions (City, County, State and Federal), including courts and law enforcement administration agencies.

Strategy 3.3 Expand cultural and leisure facilities and activities within the Downtown, with an emphasis on the Elks Opera House.

Goal 4. Enhance the character and ambiance of the downtown.

Strategy 4.1 Develop and implement additional functional and aesthetic improvements within the downtown rights-of-ways. Such improvements should include the continuation of landscaping, streetscape improvements and pedestrian circulation improvements.

Strategy 4.2 Encourage downtown businesses to renovate and maintain building facades that would enhance the historic character of downtown structures.

Strategy 4.3 Enforce the 1998 Courthouse Plaza Historic Preservation District to maintain the character of the downtown.

Strategy 4.4 Encourage the formation of a Enhanced Services District by downtown property owners to maintain and enhance infrastructure and preserve the downtown as a destination for tourists and local residents.

11.5 QUALITY JOBS: MAINTAINING A STRONG EMPLOYMENT SECTOR

11.5.1 Employment sectors

Sales tax revenues support the provision of city services. However, expanding this tax base creates an emphasis for jobs in the retail/service sector. The growth in retail service employment resulting from efforts to expand the tax base should be balanced with efforts to increase higher paying jobs in the manufacturing and professional sector. This will provide employment opportunities for working class individuals and families of all age and income groups and assist in maintaining an available workforce for business attraction and retention in Prescott.

The strategies in the business attraction, retention and expansion focus areas of the Focused Future II plan are targeted at growing the economy to create well-paying jobs. The plan sets out four focus areas deemed to be appropriate for this community and represents existing local commerce and industry: 1) Biomedical/Biosciences 2) Medical Services 3) Aviation-Related Businesses and 4) Advanced Technology & Manufacturing

Business recruitment in the research/development field can be expected in the future. This business type tends to pay higher wages with less environmental impacts than other types of businesses. Existing companies in the area, especially small business, generate most new jobs. Focus on retention and expansion efforts for existing

businesses should be proactive, as well as the development of new small businesses since they are responsible for new jobs.

In 2012, the top employment sector in the Prescott Metropolitan Statistical Area (MSA) is the food service and retail trade. Over 21% of area residents are employed in this sector. The median wage for retail sales clerks in Yavapai County is \$10.37 an hour and the median wage for food servers is \$8.53 an hour. At full time employment, this equates to annual incomes of \$21,569 and \$17,742 respectively. Fewer workers are employed in the high paying professional occupational groups such as business/financial, computer/mathematical, architecture/engineering and science. Less than 5% of the workforce in the Prescott MSA is employed in the top paying sectors of legal, healthcare practitioners and technical occupations, with average wages at \$33.38- \$42.09 an hour. Office and administrative support jobs (the single largest sector) accounts for 16.23% of employment, and pays a median wage of \$13.84 or \$28,787 annually.

Major employers in Prescott include:

- City of Prescott
- Cobham Aerospace Communications
- Embry Riddle Aeronautical University
- Prescott College
- Prescott Unified School District
- Pure Wafer
- Sturm Ruger and Company
- Veteran's Affairs Medical Center
- West Yavapai Guidance Clinic
- Yavapai College
- Yavapai County
- Yavapai Regional Medical Center

The State offers incentive programs to provide benefits to companies that invest in creating jobs. The Arizona Job Training Program is a reimbursable grant program that supports training plans for employers who create new jobs or increases the skill and wage levels of current employees. The Quality Jobs Tax Credit program encourages business investment and the creation of high-quality employment by providing tax credits to employers. Both programs are well matched to the types of employers suggested by Focused Future II.

11.5.2 Workforce Characteristics

In Prescott, 30.8% of the population is older than 65. This compares to approximately 13% in Arizona. The working age population earns 52.5% of Prescott's aggregated City income, compared with 61.5% for the state. In 2010, the median household income, counting all sources, wages, pensions, investment income, etc., was \$44,278 compared to \$50,448 for the state.

The 2008 recession caused an increase in unemployment. At 9.6% the Yavapai County unemployment rate is greater than the national rate of 8.5 %, and the state rate of 8.7%. Prescott currently has an unemployment rate of 8.6%, however, since Prescott has a high retirement age population, unemployment in the surrounding area effects the available workforce within the City. Also, a low unemployment rate can be seen as a shortcoming by businesses needing workers and considering relocating this area.

The Quad-City Arizona Area Labor Availability Report was completed in 2010 to determine the availability of workers in the area. The Quad-City area is referred to as the "labor shed" and has a total population of 133,400. The labor shed contains a civilian labor force of approximately 62,300 with a pool of about 6,600 unemployed persons who are actively seeking work. The study indicated that an additional 7,100 workers are considered to be underemployed, or working at jobs below their skill and qualification levels. Survey interviews with employers revealed that worker productivity and attitudes were rated as good or excellent by major employers. However, those same employers expressed some concerns about basic skill (reading/ writing/ calculations) competency among the local workforce. The study indicated that 1% of underemployed and 8% of unemployed individuals actively seeking work have less than a high school diploma. However, Prescott has a better educated labor force overall when compared to the state. The 2010 U.S. Census indicates that 91.9% of persons age 25+ in the City of Prescott are high school graduates compared to 85% for the state. Also, 33.9% of persons age 25+ have a Bachelor's degree or higher compared to 26.3% for the state.

11.5.3 Employment Sector Goals and Strategies

Goal 1. Create quality job opportunities for Prescott area residents within employment sectors which complement Prescott's demographics, labor force, available sites and quality of life.

Strategy 1.1 Establish suitable locations for employment centers and participate in development/expansion of infrastructure to support the designated sites.

Strategy 1.2 Leverage federal and state economic development grants, low interest loans and job training programs to attract employers in targeted sectors.

Strategy 1.3 Facilitate industrial development bond financing.

Strategy 1.4 Promote relocation / expansion of business in Prescott to create professional employment positions.

Goal 2. Work with higher education institutions to attract and retain commerce and industry with higher level jobs with higher salaries.

Strategy 2.1 Form a liaison council with representatives from the city, commercial entities and each higher educational institution to explore opportunities and strategies to improve the job base.

Strategy 2.2 Develop a business retention policy tied to Small Business and Work Force Development programs sponsored by local agencies and higher education institutions.

Strategy 2.3 Participate in periodic business retention/expansion surveys to determine existing employers needs for increased or re-trained workforce.

11.5.4 Education and the Workforce

There are three campus based institutions of higher learning located in Prescott - Embry-Riddle Aeronautical University, Yavapai College and Prescott College. Local colleges can draw high-end economic development to Prescott by providing an educated workforce. In some cases providing for the needs of a specific industry, such as Embry-Riddle's aeronautics curriculum, which is a benefit the Prescott airport. Yavapai College provides workforce development through a trade school curriculum that is catered to the Prescott area. This provides a connection to Prescott's economic vitality. Yavapai College creates a 131.2 million dollar economic impact on Yavapai County per an [independent study](#) conducted in August 2011. Prescott College contributes to a balanced workforce by providing education and training through a Liberal Arts curriculum.

Educational hubs attract students from inside and outside of the area, bringing money into the community. Education, quality job training and skill development lead to high paying and diverse jobs with an improved standard of living. According to the National Center for Educational Statistics, the 2009 average annual earnings for a worker with a high school education or with a GED is \$30,000 while a two-year associates degree earns \$36,000. The median wage for holders of a bachelors degree is \$45,000. A well trained, well compensated and diversified labor force contributes to a balanced and sustainable local economy. A positive community image will assist in attracting new job opportunities. Statistically, education directly benefits the community with reduced absenteeism, smoking, alcohol abuse, welfare, unemployment and crime.

Coordinating the personnel needs of new and existing business with skills training programs creates a stable workforce. Demand-based training programs respond to the changing needs of the businesses community, transfer technology from education centers and will encourage the development of new businesses.

11.5.5 Education and the Workforce Goals & Policies

Goal 1. Collaborate with the local schools, other government agencies and the colleges and universities to improve the basic workforce skill level of their students.

Strategy 1.1 Work closely with Prescott Unified School District and other local schools to support their vocational and career counseling programs to improve the basic work skills of students.

Strategy 1.2 Foster a closer working relationship with the Yavapai College Small Business Development Center to assist in the encouragement of entrepreneurial business development.

Strategy 1.3 Work closely with the colleges and universities to address the workforce development focus of their programs to meet the actual workforce needs of the community.

Goal 2. Foster cooperation between education, government and commerce to improve the adequacy of the workforce.

- Strategy 2.1** Work closely with the educational institutions to support those programs which will result in the increased employability of students, including career counseling.
- Strategy 2.2** Improve working relationships with the Office of Workforce Development at Yavapai College, including the Small Business Development Center so as to enhance entrepreneurial business development.
- Strategy 2.3** Work with the Yavapai County Workforce Investment Board to take advantage of their workforce development programs.

11.5.6 Housing Affordability and the Workforce Goals & Policies

- Goal 1** Promote rehabilitation and preservation of existing housing stock to maximize longevity of those units and encourage a diversity of housing options.
 - Strategy 1.1** Implement, under city sponsorship or in partnership with community agencies, programs that provide housing rehabilitation funds and grants for owner occupied dwellings (similar to the program currently underway in the Dexter neighborhood).
 - Strategy 1.2** Make Community Development Block Grant (CDBG) or other appropriate funds under city control, available for direct housing assistance (either directly or through public/private partnerships).
 - Strategy 1.3** Investigate feasibility of establishing (under city sponsorship or in partnership with community agencies) revolving loan funds for housing rehabilitation.
 - Strategy 1.4** Promote greater public understanding, through the City website and other media, of the positive aspects of higher density, more compact development forms, including mixed use neighborhoods, multi-family housing, cluster housing and manufactured homes.
 - Strategy 1.5** Provide public education that addresses misperceptions about the look and quality of more affordable housing types.

11.5.7 Regional Competition and Cooperation

Due to the Arizona tax structure and state law, transaction or sales tax is the primary source of revenue for counties, cities and towns. Communities therefore compete with one another in attracting retail within their city limits in order to maximize revenue streams, which in turn support city services. Tourism is an effective way to boost sales

tax revenue. On a regional basis out of state and foreign tourism will boost regional sales tax revenue.

The City faces obstacles in the competitive economic development arena, especially with regard to retail development. Developed sites are easier for economic development. Because undeveloped sites are difficult and expensive to build on, financial participation by the City to upgrade infrastructure is sometimes necessary. This is common in other Cities in competitive economic environments and may continue to be necessary for future development projects.

Competition for retail business will continue. However, economic development strategies in other areas offer opportunities for cooperation among neighboring jurisdictions. Cooperation is necessary when fostering a regional transportation network, collaborating to address workforce development and promote regional assets for businesses seeking to relocate. Regional cooperation would help to provide the population base and road infrastructure needed to attract larger employers to the area by providing a nearby workforce from areas adjacent to Prescott. This would create jobs, raise the wage scale, and benefit the tax base of the region.

11.5.8 Regional Competition and Cooperation Goals & Policies

Goal 1. Pursue regional planning efforts with other jurisdictions to promote mutually beneficial cooperation.

Strategy 1.1 Join with adjacent jurisdictions to finance and promote regional tourism advertisement and projects designed to draw in large groups of out of town visitors who boost regional sales tax revenues.

Strategy 1.2 Encourage and participate in regional planning forums to address transportation and housing for regional tourists and regional projects.