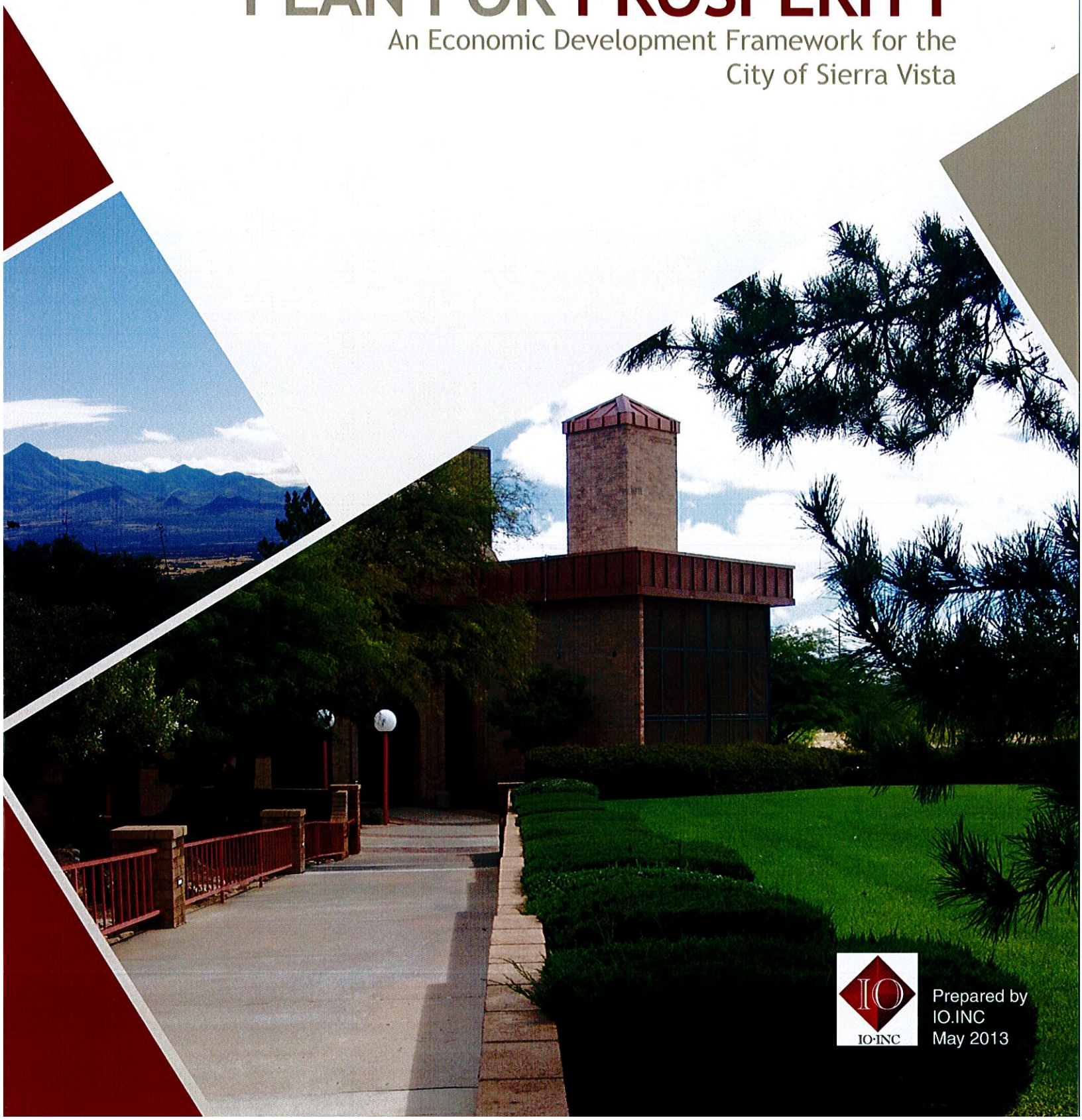


PLAN FOR PROSPERITY

An Economic Development Framework for the
City of Sierra Vista



Prepared by
IO-INC
May 2013

OUR FUTURE VISTAS FOR SIERRA VISTA: 2033

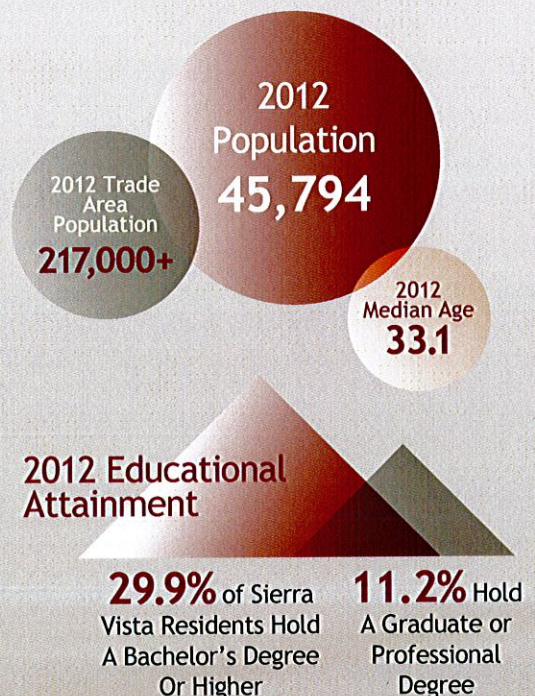
In the Spring of 2013, the Sierra Vista City Council initiated a forward-thinking strategic leadership planning process that builds on previous studies designed to guide and shape the community's future. In its strategic planning endeavors, the City Council has articulated its vision for Sierra Vista:

Imagine in 20 years (2033): Sierra Vista is still a young, vibrant community where through hard work and focused commitment, our residents and leaders have created a city where...

- ◆ Meaningful choices for housing, employment, education, recreation, cultural activities, medical care and retail opportunities are available;
- ◆ The area's unique environment is valued, protected, and enhanced through open space, parks, shared use paths, and other amenities that also encourage a healthy lifestyle;
- ◆ Good planning has provided opportunities for attractive and safe neighborhoods, successful commercial districts and expansion of city boundaries;
- ◆ A strong and diverse regional economy supports a thriving community and a dynamic Fort Huachuca;
- ◆ Visitors choose to come to enjoy the area's many attractions, natural beauty and rich western and military history;
- ◆ Management and stewardship of the community's assets and resources and the provision of superior services by city government is paramount;
- ◆ People and organizations communicate effectively to work in partnership for the benefit of the entire Sierra Vista and Fort Huachuca region.



Back Row (L-R): Hon. Bob Blanchard, Mayor Pro Tem; Hon. Rick Mueller, Mayor; Hon. Tom Crosby, Council Member; Hon. Tom Reardon, Council Member
Front Row (L-R): Hon. Rachel Gray, Council Member; Hon. Gwen Calhoun, Council Member; Hon. Henrietta "Hank" Huisling, Council Member



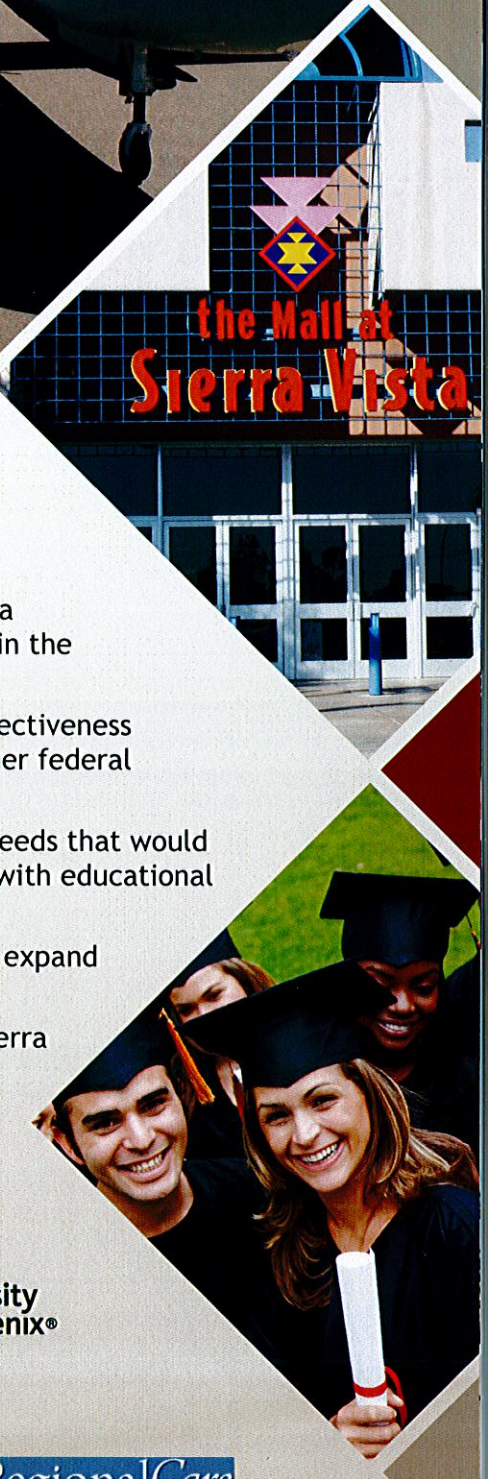


OUR FUTURE VISTAS FOR SIERRA VISTA 2018 ECONOMY AND EDUCATION GOAL

Actively promote the growth and expansion of a strong and diverse regional economic base while collaborating with employers and educational organizations to improve the quality of workforce readiness and economic development.

Toward the achievement of this goal, the City of Sierra Vista will have accomplished the following by 2015:

- ◆ Assume the leadership role in developing, overseeing and implementing a collaborative strategy to coordinate economic development efforts within the community.
- ◆ Identify ways in which the City and community partners can improve effectiveness in helping to retain and expand missions on Fort Huachuca as well as other federal operations.
- ◆ Engage area employers in identifying short- and long-term educational needs that would improve workforce competitiveness; then actively facilitate discussions with educational institutions for future incorporation into programs and curricula.
- ◆ Identify ways in which retail, business and tourism with Mexico can help expand the City's economic base.
- ◆ Develop and implement ways in which visitor attraction to the City of Sierra Vista can be improved.
- ◆ Identify infrastructure improvements that could position the City more advantageously for future business attraction and expansion.





ECONOMIC DEVELOPMENT STRATEGIC FRAMEWORK METHODOLOGY

To complement the Sierra Vista City Council's Future Vistas strategic planning process, IO.INC was engaged to facilitate the development of a collaborative, community-wide economic development framework to help guide the City Council in determining the City's role in economic development.

IO.INC engaged more than 100 Sierra Vista public, private and civic leaders; young people who serve on the city's Youth Commission; knowledgeable executives and professionals from the industry sectors that drive the city's economy; government officials at the federal and state levels; state, regional and local economic development leaders, and C-suite executives to provide input into the SWOT process and to review the recommended action agenda.

Using the universally-proven method of identifying and analyzing Sierra Vista's strengths, weaknesses, opportunities and threats (SWOT), a comprehensive review of all studies and reports on Sierra Vista's economy, including many on Southeastern

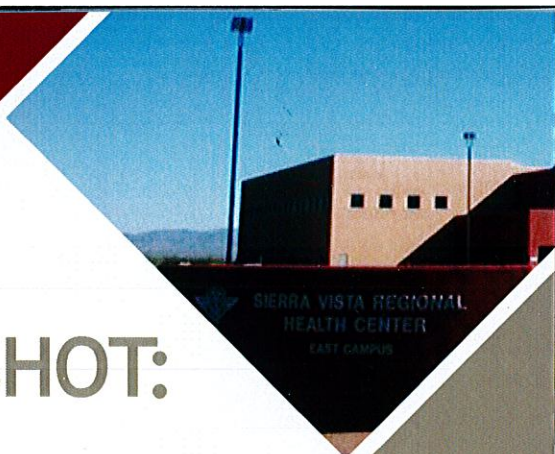
Arizona, and recent research conducted by the principals of IO.INC's team on the state of economic development in Arizona, a short to mid-term action agenda was developed. This action agenda supports and advances the achievement of the specific goals that the Sierra Vista City Council has established as part of its Future Vistas strategic planning process. IO.INC's recommendations are aligned with the Mayor and City Council's specific goals that have been established for Economy and Education.

The recommendations are based on time-tested and proven guiding principles. Sierra Vista's economic development endeavors should:

1. Build on Sierra Vista's abundant assets and advantages
2. Strengthen anchor institutions: eds, meds, and Feds
3. Retain, cultivate and attract youth
4. Diversify Sierra Vista's economic base
5. Maintain and invest in Sierra Vista's quality of life

GUIDING PRINCIPLES

SIERRA VISTA SWOT SNAPSHOT: APRIL 2013



STRENGTHS

Parks
 FORT HUACHUCA
 COCHISE COLLEGE
Recreation
 LOCAL ATTRACTIONS
 SVRHC Highly Educated
Weather
 U of A MEXICO

WEAKNESSES

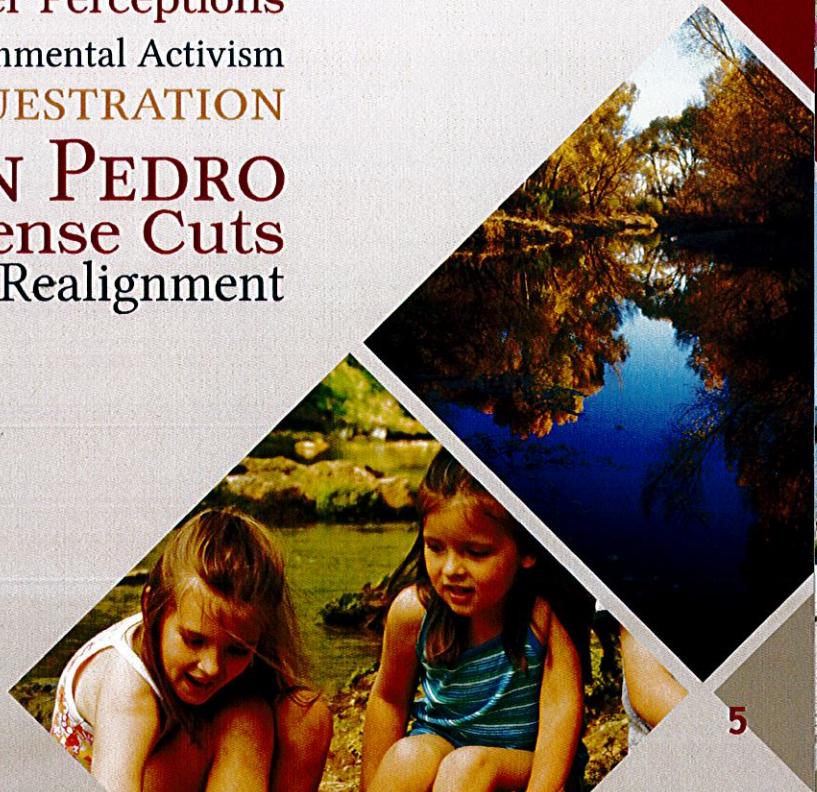
DEFENSE CUTS
Airport
 Retirees Amenities
 ECONOMIC DEVELOPMENT STRATEGY
 YOUTH EXODUS
 UNDERUTILIZED FOREIGN TRADE ZONE
 CONFUSING ROLES ISOLATED
Overreliance
 CITY PERMITTING PROCESS
 Diversification
 Business Appreciation
 SVEDF **Water** TOURISM

OPPORTUNITIES

West End **Mexico** City Center
 WATER CONSERVATION
Redevelopment
 New Jobs Marketing
 Collaboration Permitting Process
Tourism
 RETENTION EXPANSION
 Business Friendly Government
Airport
 UAS SVRHC

THREATS

Border Perceptions
 Environmental Activism
SEQUESTRATION
SAN PEDRO
 Defense Cuts
 Base Realignment



ECONOMIC DEVELOPMENT FRAMEWORK

1. Assume the leadership role in developing, overseeing and implementing a collaborative strategy to coordinate economic development efforts within the community.

2013 Objective 1.1: Elevate Sierra Vista's economic development competitiveness.

Action Agenda:

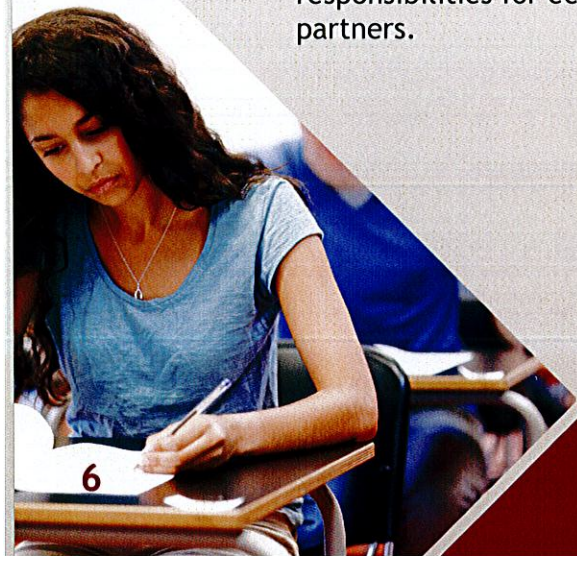
- ◆ Recommit to and strengthen ties with the Sierra Vista Economic Development Foundation (SVEDF).
- ◆ Establish the City of Sierra Vista Economic Development Advisory Council, co-chaired by Mayor and City Manager's Office.
- ◆ Advisory Council to be comprised of the chairs of all economic development partners: Sierra Vista Economic Development Foundation; Sierra Vista Chamber of Commerce; Huachuca 50; Cochise College Small Business Development Center; Sierra Vista Tourism Commission; SEAGO, new hotel association and other pertinent business, education and trade organizations.
- ◆ Convene a series of mini-summits to facilitate group discussions and agreement on primary roles and responsibilities for economic development partners.

- ◆ Provide follow-up and encouragement for rapid action to refine/clarify roles of each partner organization.
- ◆ Drive the development of a cohesive, joint plan for moving forward on urgent economic development issues.
- ◆ Strengthen partnerships with and among the Huachuca 50, Cochise College Small Business Development Center, Sierra Vista Chamber of Commerce, SEAGO and other business and trade organizations.
- ◆ Establish/strengthen direct relationships with the Arizona Commerce Authority, Arizona Mexico Commission, Tucson Regional Economic Opportunities, and other major business and trade organizations.

2013 Objective 1.2: Expand the City's leadership and investment in economic development.

Action Agenda:

- ◆ Establish a multi-year economic development budget for the City commensurate with Sierra Vista's market/trade area size.
- ◆ Create an Economic Development Executive Officer in the City Government.
- ◆ Internalize business retention/expansion functions and immediately implement a business visitation program with Mayor, Council representative(s), City Manager's Office.
- ◆ Increase the City's budgetary investment in tourism.
- ◆ Strengthen collaboration with all stakeholders who have a vested interest in the success of the visitor and hospitality industry.

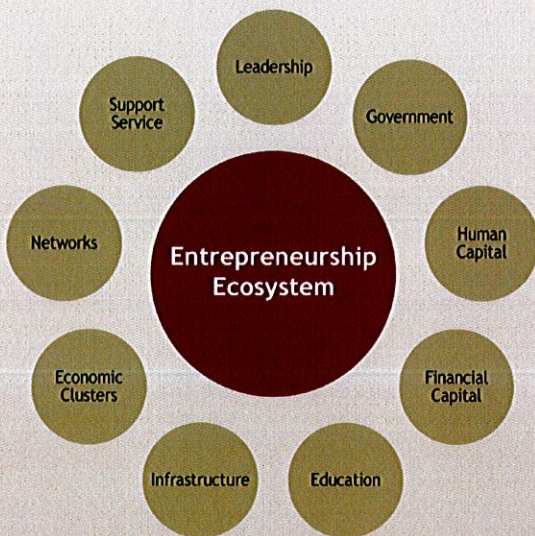




2013 Objective 1.3: Retain and grow the City's existing economic drivers.

Action Agenda:

- ◆ Continue to support the Arizona Commerce Authority and SVEDF in their quest to land a Federal Aviation Administration UAS test site designation for Southeastern Arizona.
- ◆ Create specific strategies to strengthen and support the City's anchor institutions: eds, meds and Feds.
- ◆ Work with the defense contractors and related enterprises through the City's business retention/expansion endeavors; identify specific measures that will support their continued operations and growth in Sierra Vista.
- ◆ Expand the city's ecosystem necessary to support more entrepreneurship and high-growth young enterprises.
- ◆ Identify and invest in strategic facilities/ programs that will spawn more entrepreneurs.
- ◆ Support the growth of startups and small businesses in targeted economic sectors.



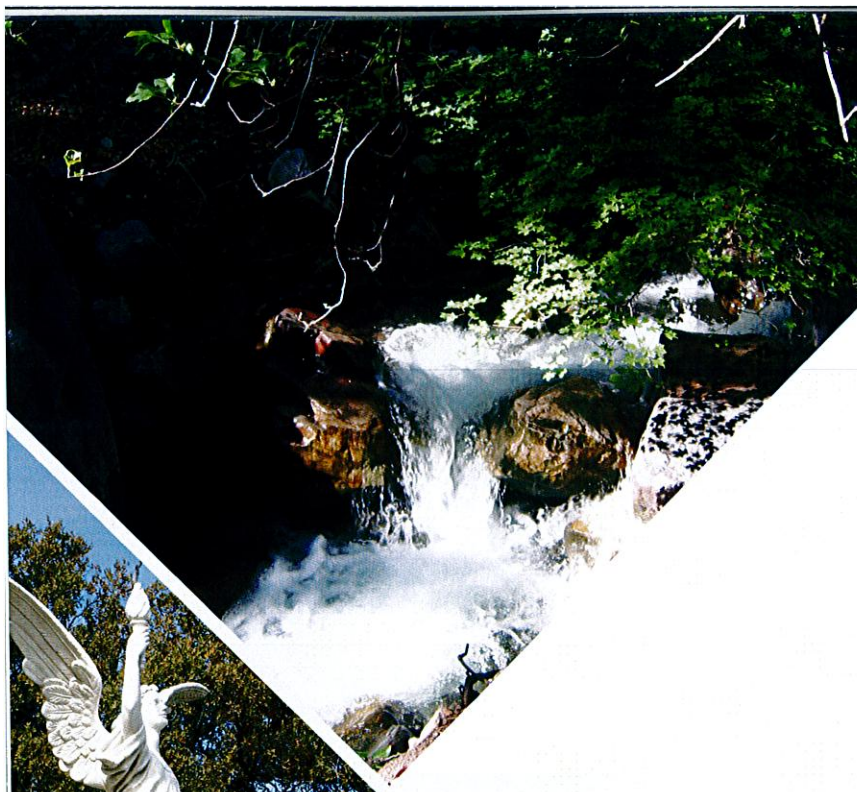
2. Identify ways in which the City and community partners can improve effectiveness in helping to retain and expand missions on Fort Huachuca as well as other federal operations.

2013 Objective: Re-affirm Huachuca 50 as the lead organization responsible for this initiative.

Action Agenda:

- ◆ Using the Sierra Vista Economic Development Advisory Council as a convener, develop a plan that will successfully retain existing missions that may be in jeopardy, and target and attract new missions and other federal contracts.
- ◆ Engage and encourage the broad participation of partner organizations, A&D firms and resident experts with strong knowledge and ties to the Department of Defense and other Federal agencies.
- ◆ Identify specific responsibilities for each partner.
- ◆ Establish a private-public budget for the plan, based on matching funds from Huachuca 50 and the private sector.





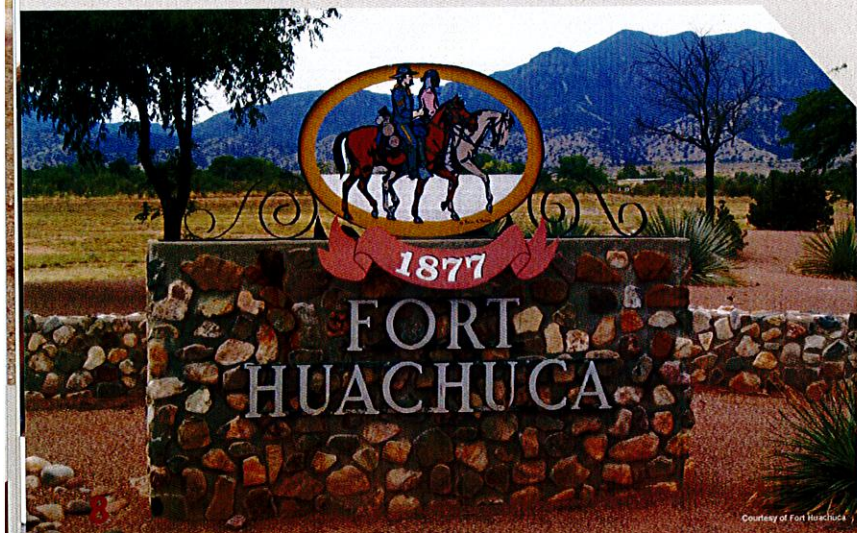
- ◆ With Huachuca 50 at the helm, support a special fund-raising initiative to secure the funds necessary to support the successful implementation of this plan over the long-term.
- ◆ Explore the potential to secure such missions as cyber-security and training of Army Special Forces to take advantage of Sierra Vista's unique terrain.
- ◆ Pursue Department of Homeland Security research/testing projects related to border security.
- ◆ Explore and/or expand partnerships with post-secondary educational institutions to develop a center for study and research that supports the intelligence community.

3. Engage area employers in identifying short- and long-term educational needs.

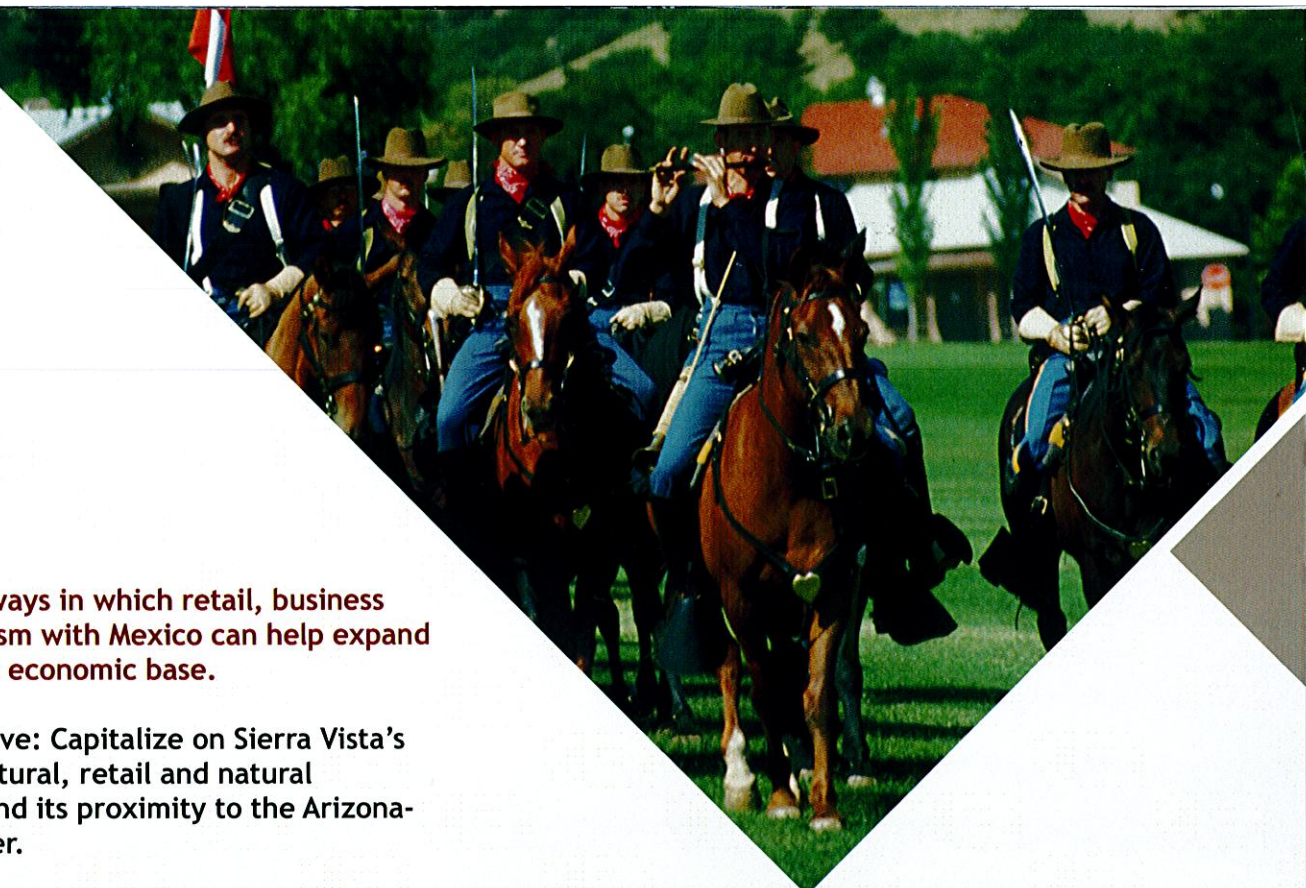
2013 Objective: Strengthen foundations for industries and jobs of the future.

Action Agenda:

- ◆ Establish a Sierra Vista Council for Talent and Workforce Development.
- ◆ Include the top administrators from the colleges and universities located in the community.
- ◆ Include employers representing all major sectors of Sierra Vista's economy, with a particular emphasis on STEM-related fields: healthcare, aerospace and defense, engineering, ITC, technology-based manufacturing.
- ◆ Inventory and reaffirm priorities for skill requirements and workforce shortages that have been identified in previous research and interviews.
- ◆ Develop implementation strategies to help the educational institutions provide the necessary training and education.
- ◆ Assist Sierra Vista employers and institutions in courting and recruiting talent, including medical professionals and trailing spouses.
- ◆ Establish and execute a "Sierra Vista Welcomes You" outreach program to immediately engage professional recruits and their spouses in community activities, boards and commissions that are in alignment with their personal interests and passions.
- ◆ Increase the educational attainment level of present and future residents.



Courtesy of Fort Huachuca



4. Identify ways in which retail, business and tourism with Mexico can help expand the City's economic base.

2013 Objective: Capitalize on Sierra Vista's business, cultural, retail and natural attractions and its proximity to the Arizona-Mexico border.

Action Agenda:

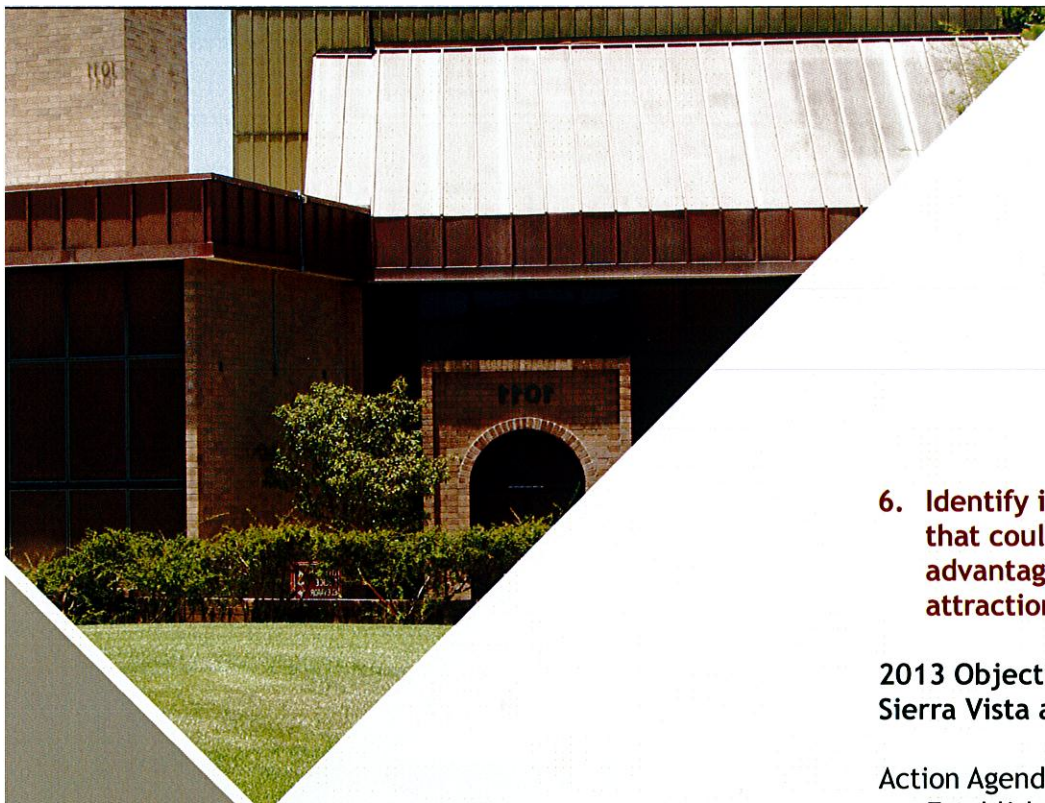
- ◆ Increase appreciation for and support of The Mall at Sierra Vista, other Sierra Vista retail establishments, and the hospitality industry.
- ◆ Foster a strong partnership between tourist attractions, The Mall and other retailers, and the hotels that serve the Mexican market.
- ◆ Strengthen and expand relationships with Cananea, Agua Prieta and Naco to encourage more trade.
- ◆ Partner with the City of Douglas as part of a southeastern corridor to serve the retail needs of visitors from Mexico.
- ◆ Partner with the Sierra Vista Regional Health Center/RegionalCare to identify potential medical niches that Sierra Vista could serve for Mexican visitors.
- ◆ Actively work with the Arizona Commerce Authority, Arizona Mexico Commission and SVEDF to participate in marketing missions and prospect visits.
- ◆ Engage with mayors on both sides of the border at events and meetings to identify new opportunities for business and tourism.

5. Develop and implement ways in which visitor attraction to the City of Sierra Vista can be improved.

2013 Objective: Re-energize Sierra Vista's tourism program with increased funding and focus on building new partnerships to attract more visitors.

Action Agenda:

- ◆ Convene a Task Force comprised of all private and public sector tourism, visitor and hospitality stakeholders.
- ◆ Task the members to develop and prioritize a "first things first" action plan, building on existing programs and assets.
- ◆ Revisit composition of Tourism Commission to ensure that the right people, institutions and stakeholders are represented.
- ◆ Institute a community-wide visitor and event calendar to improve coordination, planning and promotion.
- ◆ Budget for, pursue and obtain Arizona Office of Tourism matching grants for advertising Sierra Vista's attractions.
- ◆ Identify and leverage potential joint-promotions between City and private sector tourism/visitor/hospitality partners.

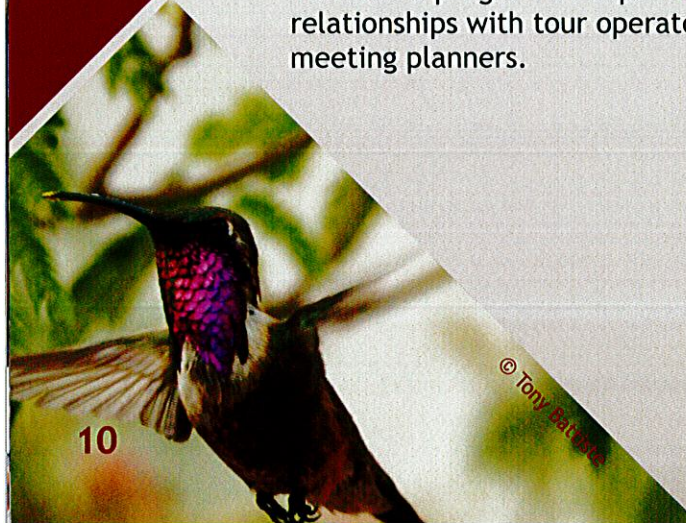


6. Identify infrastructure improvements that could position the City more advantageously for future business attraction and expansion.

2013 Objective: Invest in critical City of Sierra Vista assets.

Action Agenda:

- ◆ Relocate the Sierra Vista Visitors Center to a more accessible, visible and central location; establish kiosks in strategic locations throughout the City.
- ◆ Participate in and promote heritage-related events.
- ◆ Strengthen regional alliances, especially with Tucson, to attract more day visitors.
- ◆ Pursue more regional meetings to help fill hotel rooms.
- ◆ Work with the Arizona Office of Tourism to address visitor concerns about border safety.
- ◆ Continually update Sierra Vista's website for residents and prospective visitors who are looking for things to do and places to visit.
- ◆ Institute a program to expand the City's relationships with tour operators and meeting planners.
- ◆ Establish partnerships and invest in activities and facilities that cater to youth.
- ◆ Establish a culture of business-friendliness inside the City of Sierra Vista Government and institute performance measures tied to customer satisfaction.
- ◆ Improve City Government development and permitting processes.
- ◆ Create a design competition for major gateway/entry monuments into Sierra Vista and follow up by commissioning their construction and installation.
- ◆ Increase utilization of the Sierra Vista Municipal Airport.
- ◆ Develop a strategy to capitalize on Foreign Trade Zone #139.
- ◆ Ensure availability of sufficient shovel-ready sites for employers.
- ◆ Create a pedestrian-friendly City Center.
- ◆ Initiate a plan to redevelop the Fry Townsite/West End, with the City Government as the catalyst and lead investor.
- ◆ Continue to invest in parks, recreation and bike pathways.
- ◆ Continue to excel in water conservation.





7. Measure, evaluate and refine Sierra Vista's economic development effectiveness.

2013 Objective: Adopt metrics to assess both the City Government's and economic development partners' progress.

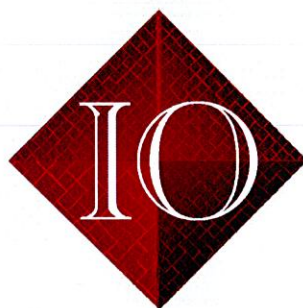
Action Agenda:

- ◆ Through the Sierra Vista Economic Development Advisory Council, develop a consensus-based system for performance measurement, with specific metrics for each economic development partner.
- ◆ Institute annual performance report cards.
- ◆ Assure accountability and transparency by publishing web-based report cards as well as through traditional media and public information venues.
- ◆ Institutionalize the performance accountability system.

8. Develop specific strategies to grow/attract quality firms and jobs in targeted sectors.

2013 Objective: Develop specific strategies to retain/expand, attract and grow firms in sectors that will benefit from and strengthen Sierra Vista's existing assets and advantages:

- ◆ Healthcare
- ◆ Healthcare IT and Related Technologies
- ◆ Cyber-security
- ◆ Information Technology and Communications
- ◆ International Business and Border Trade/Commerce
- ◆ Remote Sensing Technologies
- ◆ Entrepreneurship and Young Enterprises



IO·INC

Ioanna T. Morfessis, President and Chief Strategist
Ken Western, Senior Director

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

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