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**ECONOMIC PROSPERITY ELEMENT****11.0 GOALS**

1. Create a community need for highly skilled and educated jobs.
2. Continue to support EDGE and other community and economic development efforts designed to increase jobs and economic growth within the community.
3. Encourage economic diversity and job creation, which are compatible with Eloy's strengths, as defined within the Rural Business Opportunity Grant Study completed in 2009.
4. Create employment opportunities for City residents.

**11.1 PURPOSE**

The Economic Prosperity Element analyzes the existing and proposed commercial and industrial acreages within the community to determine if there is enough land so designated to meet the needs of the community over the coming 10 to 50 years. There is also a fine balance between the Environmental Planning Element and the desire to preserve areas within the City and also the need to develop land for economic purposes. Balancing these two elements can be accomplished through the implementation of goals and objectives.

**11.2 EXISTING CHARACTER**

Currently, the City is experiencing low levels of commercial and industrial business activity. There are vacant buildings that could accommodate commercial or industrial businesses. Due to the economic downturn experienced by much of the country, Americans' are moving less. This negatively impacts both existing businesses and the potential for future businesses moving to the area. This in turn affects revenue levels for the City and has the potential to require a reduction in or cuts to necessary services.

**EDGE**

The City has partnered with an economic development group called EDGE which is not employed by the City. The Economic Development Group of Eloy (EDGE) was resurrected in 2006 and incorporated as a 501(c)6 organization in 2008 with the purpose of stimulating business and job growth within the City of Eloy. They specialize in helping businesses start, relocate or expand within the City.

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## CAREDF

The Central Arizona Regional Economic Development Foundation (CAREDF) is a nonprofit corporation that actively promotes economic development and growth within the central Arizona region (Pinal County, Eloy, Casa Grande, Maricopa, and Coolidge). The organization's focus is on business recruitment, expansion and retention. They provide services for site location information and assistance, customized research on specific business questions, representation in zoning and building permit approval process, private and public financing and job training assistance, support of local business expansions, and international trade and joint venture partnerships.

EP-1: Employment Data	
Largest Employers w/in the City of Eloy	EMPLOYEE COUNT
Corrections Corporation of America	1600
Schuff Steel	150
City of Eloy	140
Arizona Environmental Container Corp. Manufacturer of San Juan Pools	90
Owens Corning	70
Arizona Pacific Wood Preserving, Inc.	50
Skycast	30
Otto Environmental Systems (AZ), Inc.	27
HASA, Inc.	20
Townley Manufacturing Co.	20
Tarome, Inc	15
Ballard Truss	15

\*In addition to the above employers, the City acknowledges that the public education school districts have high employment numbers, however obtaining accurate employment information, specific to the City of Eloy and its Planning Area, was not available from the various districts.

EP-2: Vacant & Occupied Building Space w/in Eloy's MPA		
	Acres	Sq. Feet
Neighborhood Commercial	115	5,009,400
Community Commercial	4,668	203,338,080
Light Industrial	4,000	174,240,000
Industrial	11,720	510,523,200
Public	1,672	72,832,320
Institutional	149	6,490,440
Mixed Use	1,035	45,084,600

\*Acreage and Square feet totals include both Vacant and Occupied Space

The main revenue sources for the City have been interstate travelers who stop within the community using the available retail services and the construction of private correctional facilities.



To further increase City revenues, the City must find ways of drawing employers and businesses to the community. This can be accomplished by providing incentives to those businesses that would result in an "In-Flow" of cash to the community. Incentives that may be used could include a limited sales tax refund, reduction in property taxes, corporate tax breaks and shared infrastructure costs.

While these are but a few examples of incentives that could be used it may be important for the community to create a 'checklist' of requirements a business or employer must satisfy in order to receive an incentives package; the more items met on the checklist could then translate into a larger available incentive package. However, in the short term, the City of Eloy may need to provide more aggressive incentive packages to begin drawing businesses and employers to the community.

### 11.3 DISCUSSION

The City of Eloy has designated on the Land Use Map (Exhibit #2) areas to be developed for commercial, industrial and employment uses. The City has currently allocated approximately 5,413 acres of land for commercial uses, 10,713 acres for industrial uses, 857 acres for Mixed Use, and 1,075 acres for public facilities or institutions. The total Planning Area for the City is approximately 542 square miles.

It is anticipated, as Eloy approaches complete build out, that these areas will be developed with a myriad of uses that will improve the City's economy and bring additional revenue and residents to the community. Staff understands that there is a potential for these designated land use areas to grow or shrink depending on development opportunities, and the General Plan Amendment process may be used to modify the Land Use Map accordingly.

Regardless of how these areas develop it will be important to draw a skilled labor force to staff these businesses. As such it will be just as important to adopt policy to provide incentives and amenities that improve the city's overall quality of living. This could include seeking to draw estate housing or high income residents to the community.

Education plays a large role in attracting many different types of businesses, including high-tech companies, teachers, service oriented businesses (law firms, architects, engineers, surveyors, etc.). Most of these kinds of employment/careers require a minimum of a bachelor as well as a graduate degree (masters or doctorate). If a community does not have residents with this level of education then either the company will be pulling "talent" from other communities to fill the necessary positions, or the company will locate within a community that has a population that meets the job-related qualifications.

### 11.3 DISCUSSION

Currently within Eloy, approximately 17-percent of the population has a high school diploma or GED. Of those with a High School diploma (or GED) 4-percent have an associate's degree, 5-percent have received a bachelor's degree with 4-percent who have a higher degree. In order for the community to attract technology based businesses which require an educated workforce, the City must find a way of attracting residents with college degrees or higher. Educating existing residents is also an option open to the City to pursue.

The City has been asked to establish a General Purpose Foreign Trade Zone project in Pinal County, with the City Council as "Grantee". This new zone will have sites in Eloy, and surrounding areas of Pinal County. Arizona Revised Statutes 42-227(A)(8) allows for all real and personal property within an approved FTZ or subzone to be reclassified and taxed five-percent (5%) of their full cash value, rather than 22-percent as would otherwise be the case (lowering to 20% by 2012). The qualifications that a company must meet to receive this re-class are Federal in nature (meeting FTZ Board and Customs guidelines) and only those bona fide users of FTZ procedures qualify. This new FTZ project demonstrates Eloy's commitment to assist the business community through the promotion of international commerce. The City believes that the promotion of and use of the FTZ should not result in a reduction of the property tax base supporting local schools and other property taxing entities. Therefore, the City considers this policy "revenue neutral" as it provides incentives to new investment only (which creates more tax revenues).

According to the *Rural Business Opportunity Grant Study (RBOG)*, completed in 2009 Eloy has a set of strengths and weaknesses which will help the community attract certain types of businesses. Eloy's strengths include:

- Access to two interstate highways (I-10 and I-8);
- Low labor costs compared to Maricopa County;
- Low land costs compared to Maricopa County.

Eloy's weaknesses include:

- Location relative to large existing population and labor centers.
- Decline in housing construction activity due to the bursting of the housing bubble.
- Lack of a highly skilled work force that could help Eloy transition to the next level of economic growth. A skilled labor force in close proximity to Eloy will only begin to appear as Pinal County grows from a rural setting to more urban development.
- Modest sized industrial land inventory that is currently served by utilities.
- Lack of amenities that help attract population growth (shopping, entertainment, health care and restaurants).



For the near term, Eloy will need to contend with its rural setting and limited size of its labor force with lower skills. Over time as the community grows, these conditions will change. In the interim, Eloy's economic development opportunities will likely be limited to those industries that are attracted to its assets of good transportation access, low labor costs, and low land costs. Opportunities will expand to the extent that the community can piggyback on efforts in the broader sub region.

Larger municipalities and state sponsored programs typically have an employment count or wage level requirement to their incentive structures. Smaller communities on the front end of the growth curve are limited in this aspect and typically rely on simple items such as speedy response times for administrative processing and having shovel ready dirt. In these cases it is especially important to model the impact of potential businesses on the community and do not provide incentives in excess of these benefits.

Given these strengths and weaknesses, the community may want to, in the short term, build off of the established agricultural businesses found within the Community. As discussed in the RBOG study, these types of businesses include growing the food, packaging and shipping the food and processing, freezing, and packaging meals. Entertainment and tourism may also be a good source of revenue if these types of businesses can be attracted to the City.

## 11.4 OBJECTIVES

The objectives included in this Element were taken from the recommendations of the *Eloy Rural Business Opportunity Grant Study*, written by Elliot D. Pollack & Company and should provide the City with a framework to analyze acreages of commercial, industrial and employment land uses as the City of Eloy moves toward build out and implement needed changes in such quantities that will maximize the City's revenue potential. Furthermore, the objectives should also provide guidance and policy for possible incentives, research and identification of attributes that businesses should have in order to succeed within Eloy's market (given Eloy's characteristics and location).

1. Research and evaluate viable means of drawing skilled labor to Eloy.
2. Research and prepare incentive packages to help draw technology based businesses to the community but will not negatively impact the tax and revenue the City needs.
3. Overcome opportunity costs by working with property owners, public officials and developers / companies (and other stakeholders).



## 11.4 OBJECTIVES

4. Incorporate viable methods of “headhunting” to interested companies into visiting the community. Find ways to sell companies on the vision of Eloy’s future.
5. Adopt review criteria to help provide direction on whether an application is feasible or to identify potential "red flags" that would result in lost time, failed development, lost opportunities.
6. Adopt a Community Vision – to help focus City efforts on businesses to pursue.