

3.10 Economic Prosperity Element

3.10.1 GOALS

1. Create the opportunity for, and successfully attract, quality employers with a focus on diversity and multiple salary levels.
2. Brand Eloy as a prime regional location for business, community growth and capital investment.
3. Through public and private investment, make Main Street a centerpiece for Eloy featuring restaurants, shops, small businesses and activities supported by quality neighborhoods that offer housing choice.
4. Create a community with adequate infrastructure, utilities, community amenities and housing that will attract new businesses and residents.

3.10.2 PURPOSE

This Economic Prosperity Element, in conjunction with the Economic Development Strategic Plan (EDSP), adopted in July 2019 provides the community with a focus that is more than just creating or retaining jobs and expanding the tax base. It is also about crafting a climate that is attractive for investors and businesses and a place where workers and their families can flourish. To attract and retain investment, Eloy must have cultural amenities, modern infrastructure, quality schools, broadband and a trained workforce with skills that match business needs.

The Strategic Plan recognizes the opportunities and constraints that exist for Eloy and lays out the mission of economic development, the vision for the future, and the four fundamental goals/building blocks necessary to prepare the City to achieve its desired economic prosperity. These building blocks include: Jobs, Image, Downtown Redevelopment, and Infrastructure and Housing.

3.10.3 EXISTING CHARACTER

Eloy was first established in the early 1900's as a rail stop and rapidly became a hub for agriculture. Although cotton was the primary crop, a wide variety of vegetables, feed crops, melons, fruit and nuts were also produced. Although agriculture remains an important part of Eloy today, water costs and its long-term availability will require a significant effort to establish new agricultural technology and crops well suited to an arid, desert environment. Over the years, Eloy added a significant industrial and retail truck stop presence, which, with some exceptions, has done well. Several of the businesses attracted in the 1990's and early 2000's continue to thrive. However, the Great Recession in the middle of the last decade hit Eloy especially hard. In the last ten years, very few new employers have located in Eloy, several have shuttered their doors and there have been very few land transactions (even though land costs are lower than surrounding communities and significantly lower than the Phoenix and Tucson areas). The majority of private employers that are located in the City are located within the corridor formed by Frontier Street and Interstate 10. The only exceptions are CoreCivic to the northeast and SkyDive Arizona up at the Eloy Municipal Airport as shown on EP-1.

Economic Character Areas

In addition to 1,000's of acres in agricultural production, Eloy has four key economic character areas, which are illustrated on Map E-1, Economic Character Areas.

Robson Ranch

Robson Ranch was initially developed in 2006, and currently provides over 1,000 upscale homes with quality-of-life amenities sought by active adults. Single-family housing and condominium living are complemented by facilities to accommodate a variety of sports activities including 18-hole golf, arts and crafts sessions, hiking and biking, an aquatics center, Pickle ball and tennis as well as access to retail and commercial services. New phases of development are currently under construction.

Eloy Employment Corridor

This predominately commercial and industrial business area is home to many of Eloy's industrial employers. The Corridor is south of, and parallel to, the Union Pacific Rail line and extends to the south of Interstate 10. A large inventory of vacant, industrially zoned and utility-served property is available for development. There are several, older, smaller vacant buildings that could accommodate some retail or commercial businesses. The majority of those are located on Frontier Street and along Sunshine Boulevard. Although these structures offer limited opportunity for reuse, many of Eloy's buildings are currently empty and in disrepair, diminishing the opportunity for existing business vitality and expansion and the potential for future businesses moving to the area.

Downtown Eloy (including a segment of Frontier Street)

Downtown Eloy is the heart of the city and home to a new City Hall, a soon to be new Police facility, the U.S. Post Office, various small businesses, Santa Cruz Valley Union High School and Main Street Park, which for years has served as Eloy's 'living room' for special events and festivals. The Downtown area offers investment opportunities for new construction and building renovation serving the mix of residential, office and retail uses. The area is also home to a number of community services, including Sun Life Family Health Center, Pinal Hispanic Council, Community Action Human Resources Agency and Eloy Veterans Center, among others.

Eloy Municipal Airport

The Eloy Municipal Airport is located approximately three miles northwest of Downtown and encompasses approximately 100 acres. With two active runways, the airport is available to general aviation aircraft from dawn to dusk. Hangars and T-shades are located on airport properties, and aviation fuel is available for sale. The Eloy Municipal Airport is home to Skydive Arizona, a world-class facility attracting skydivers from around the world. The Bent Prop Café is located onsite for food services, as well. The City owns approximately 280 acres adjacent to the airport for a future business/industrial park.

3.10.4 DISCUSSION

Over the last several years, the Eloy City Council has updated the Land Use Element of the Eloy General Plan. During those efforts, considerable attention was paid to setting aside sufficient land for Eloy's commercial, industrial and employment uses. Of the approximately 72,100 acres within the City limits, 4,500 acres (6%) are designated as commercial and 6,400 acres (11%) are designated as industrial. Primary challenges to commercial and industrial growth in these areas are lack of rooftops in the primary trade area, limited access and lands unserved with

shovel ready infrastructure. Strengths include approximately 20 miles of I-10 freeway frontage and the opportunity for Union Pacific rail spur service.

In July 2019, the Eloy City Council adopted the Eloy Economic Development Strategic Plan (EDSP). This comprehensive effort, in conjunction with the General Plan, is intended to guide Eloy’s business retention and expansion and business attraction efforts. The plan focuses its attention most aggressively in the first five years but provides guidance for economic sustainability and growth of many important economic activities over a much longer term. The EDSP states, “The success of this ambitious strategy requires alignment of goals and funding priorities between City departments and other organizations. The City will collaborate with public and private sector partners throughout the community/region to carry out the actions recommended by the strategy. Without adequate resources, this economic development strategic plan will not be successful. This strategy requires reliable multi-year operating support for the key initiatives, including work that supports job growth, capital improvements that foster economic development and marketing and promotion that brands and propels the community forward”.

Strengths, Weaknesses, Opportunities and Threats

A key component of the EDSP was the development of a Strengths, Weaknesses, Opportunities and Threats Analysis. This analysis is the compilation of over 30 interviews conducted with key community stakeholders and is summarized below:

Table E.1, Strength, Weakness, Opportunity and Threat Summary

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> •Centrally located between Phoenix and Tucson •Proximity to major transportation and rail corridors •Existing workforce in production jobs •Central Arizona College •Strong civic leadership •Concentration of education and civic uses downtown •Downtown festivals and events •Vacant industrial zoned land 	<ul style="list-style-type: none"> •Undefined image and no real brand •Aging road infrastructure •Absence of new workforce housing stock •Slow household growth •Shortage of amenities for residents and business •Inadequate infrastructure to industrial sites •Lack of available industrial buildings •Absence of regional cooperation and collaboration •Underperforming schools 	<ul style="list-style-type: none"> •Downtown revitalization and adaptive reuse of old buildings •Downtown facade improvement program •Leverage relationship with SkyDive Arizona for Eloy tourism •Target industry attraction •Potential "Economic" corridor for electric and autonomous vehicles •New housing development to attract a workforce population •Transportation planning and improvements •Facilitating shovel ready sites •Water Resources 	<ul style="list-style-type: none"> •Economic development fragmentation •Growing competition from other cities •Majority of sales tax comes from I-10 business •Majority of property tax comes from correctional institutions •Economic stagnation •Negative perception cast on the city due to Eloy Detention Center

Addressing the weaknesses and threats and leveraging the strengths and opportunities will take a concerted effort by not only the City of Eloy, but the myriad of community organizations such as the Chamber of Commerce, School Districts, and most importantly, all of Eloy’s existing businesses and residents.

Offsetting many of the weaknesses and threats are Eloy’s Strengths and Opportunities. Eloy is well positioned on Interstate 10 and the Union Pacific rail line with excellent proximity to Arizona’s

border with Mexico - three ideal assets for attracting manufacturing, distribution and warehousing operations. Another key in Eloy's future lies with its equidistant, one hour drive time to Phoenix and Tucson, both high growth areas that are beginning to experience rapid decreases in affordability for land and building in virtually every economic sector. Proximity to Casa Grande and Coolidge will also play a role as new industries such as Lucid Motors and Nikola (both considered leaders in the future of personal and commercial truck transportation) which are expected to hire a minimum of 2,000 employees once each comes to fruition. As the area begins to attract new users and investment, all three communities stand to benefit equally. Additionally, Eloy has hundreds of acres available and entitled for development, and a City rich in heritage with strong community pride.

Also as a direct offset to several of Eloy's challenges are two Foreign-Trade Zone's, (FTZ) and an Opportunity Zone, (OZ) located in the Growth Corridor as shown on Map E-2. The FTZ is a designated location where companies can use special procedures that encourage U.S./International trade by allowing delayed or reduced duty payments on foreign merchandise, as well as other savings.

The OZ was created under a provision of the Tax Cuts and Jobs Act, and signed into law December 2017. Investors who reinvest capital gains monies in Opportunity Zone funds will receive reductions on capital gains taxes relative to the years of their investment.

Education

As the region develops, it will be important to develop and attract a skilled labor force to staff these new businesses. It will also be important to adopt policies that will support the attraction of amenities that improve the City's overall quality of living.

Educational success will also play a key role in attracting businesses. Most of today's workforce requires a strong work ethic, certifications, degrees and other levels of training. If a community does not have residents with the necessary level of education or vocational training and/or certificates, then the company will be pulling "talent" from other communities to fill their positions, or the company will locate within a community that has a population that meets its job-related qualifications.

When it comes to education, Arizona Department of Education data shows that only 12 percent of the population have attained an Associate's Degree or higher. The resident population, however, still trails behind Pinal County with 28 percent of the population having an Associate's Degree or higher. Educational attainment is an indicator of the strength and aptitude of the local workforce. Aligning educational/vocational attainment with the City's industry targets can help identify existing training deficiencies that can be corrected with workforce development programs.

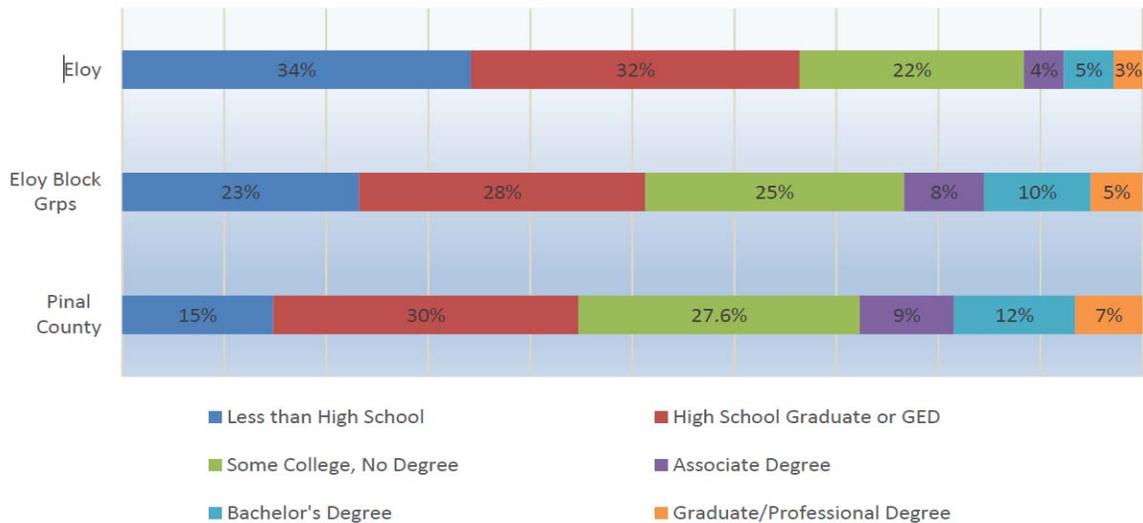
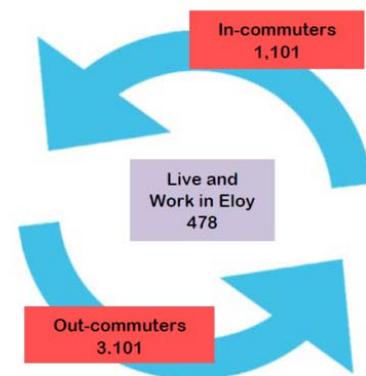


Table E.2, Educational Attainment

Labor Force

As per the EDSP, there is a viable labor force in Eloy, however, less than 500 residents both live and work here. Approximately 1,100 workers commute in for work and 3,100 commute out for work to neighboring communities and as far away as the Phoenix and Tucson suburbs. Attracting employment opportunities for these 3,100 workers will be a priority as the EDSP is implemented.

As a small rural community, Eloy will need to contend with its rural setting and limited size of its labor force with lower skill levels. 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.



Potential Windfalls

There are several factors that can and will have a significant impact on the community and will no doubt require the updating of this element over time. In the last 18 months, numerous projects have been announced with sophisticated hiring requirements and 1,000's of potential job openings. Four of them include:

Phoenix Mart

Began construction of over 1.5 million square feet of display space in east Casa Grande (north of Eloy) featuring a Business to Business buying and selling experience for manufactured goods and products from throughout the world. The building will house over 1,800 showroom suites. Although this project seems to be on hold, it will be one of the largest private sector employees in the region, when completed.

Lucid Motors

First announced their plans in 2016 to build an electric vehicle manufacturing facility located on 500 acres just south of Downtown Casa Grande, less than 10 miles west of Eloy. Initially, Lucid plans to employ over 600 skilled and semi-skilled workers ramping up to over 2,000 in the first five years.

Nikola Corporation

Has announced that it will construct a one million square foot facility to build hybrid Class 8 semi-trucks on the outskirts of Coolidge (adjacent to Eloy) and only four miles from our Downtown. Nikola has stated it will hire 1,800 to 2,000 skilled employees at an average annual salary of \$60,000-80,000.

Attesa Motorsports

Has announced a motorsports lifestyle center in south Casa Grande (west of Eloy) with several race circuits, testing and research for amateur and professional racers. The project includes off-road race tracks, entertainment venues, a luxury resort and a convention center on roughly 500 acres. Attesa anticipates employing over 15,000 when fully operational.

Whether or not these projects come to fruition is yet to be determined. However, when complete, they will have a significant impact on the entire region. It will be up to the Eloy elected officials and staff to be ready to leverage benefits in Eloy from these investments.

Targeted Industry Clusters

Based on research outlined in the EDSP, six industry clusters were identified as suitable for Eloy. Industries within these clusters were further evaluated for employment growth, wages, market strength and existing presence in Eloy. Forty-four industries were short listed as potential industry targets, based on a combination of industry growth over five years, wages, market strength in Pinal County and whether the industry currently has a presence in Eloy. An existing cluster, (manufacturing) with 10 industries, was classified as a “future” target. These future industries are based on the prospect of Nikola Corporation and Lucid Motors operating their truck and vehicle manufacturing facilities near Eloy. Nikola is located approximately two miles northeast of Eloy’s Downtown and Lucid Motors is located approximately six miles west of the City.

The listing of proposed industry clusters and targets includes the following as shown on Table E.3, Eloy Industrial Clusters:

Table E.3, Eloy Industrial Clusters

Industry Cluster	Industry Target
Agribusiness	<ul style="list-style-type: none"> • Tree nut farming • Greenhouse, nursery, and floriculture production • Other animal food manufacturing • Fluid milk manufacturing • Dry, condensed, and evaporated dairy product manufacturing • Fertilizer, mixing only, manufacturing
Arts, Enter, Recreation & Visitor Industries	<ul style="list-style-type: none"> • Other amusement and recreation industries • Other accommodations • Full-service restaurants • Limited-service restaurants • All other food and drinking places
Business & Financial Services	<ul style="list-style-type: none"> • Facilities support services • Waste management and remediation services
Manufacturing	<ul style="list-style-type: none"> • Paperboard container manufacturing • Synthetic dye and pigment manufacturing • Other basic organic chemical manufacturing • Polish and other sanitation good manufacturing • Plastics packaging materials and un-laminated film and sheet manufacturing • Plastics pipe and pipe fitting manufacturing • Polystyrene foam product manufacturing • Plastics bottle manufacturing • Other plastics product manufacturing • Other pressed and blown glass and glassware manufacturing • Glass product manufacturing made of purchased glass • Cement manufacturing • Ready-mix concrete manufacturing • Nonferrous metal, except copper and aluminum, shaping • Secondary processing of other nonferrous • Fabricated structural metal manufacturing • Sheet metal work manufacturing • Metal tank (heavy gauge) manufacturing • Spring and wire product manufacturing • Electroplating, anodizing, and coloring metal • Construction machinery manufacturing • All other industrial machinery manufacturing • Power-driven hand tool manufacturing • Software and other prerecorded and record reproducing • Motor vehicle electrical and electronic equipment manufacturing • Other motor vehicle parts manufacturing • Custom architectural woodwork and millwork
Personal & Commercial Services	<ul style="list-style-type: none"> • Commercial and industrial machinery and equipment repair and maintenance
Transportation & Logistics	<ul style="list-style-type: none"> • Warehousing and storage • Rail transportation • Truck transportation

Source: City of Eloy Economic Development Strategic Plan: July 2019

3.10.5 OBJECTIVES

The success of this ambitious strategy requires the continued alignment of objectives among City departments and organizations that have a role to play in the City's economic success. Successful implementation requires reliable multi-year operating support for the key initiatives, including work that supports job growth, capital improvements that foster economic development and marketing and promotion that propels the community forward. Without adequate resources, this Economic Prosperity Element will not be successful.

Specific Economic Prosperity objectives include:

1. Implement An Industrial/Business Recruitment Program
2. Collaborate To Retain And Expand Existing Businesses
3. Create A Repository Of Entrepreneurship Information And Programs
4. Work Collaboratively To Prepare Youth For Success In School And Work
5. Promote Adult Workforce And Skill Development Programs
6. Support The Eloy Airport As An International Skydiving Center And Future Aviation Employment Center
7. Develop And Implement A Plan To Encourage And Enhance Eloy's Potential To Attract International Employees
8. Market And Encourage Vacant Land Purchases
9. Attract A Full Service Hotel With Meeting, Conference And Food Services

In year four and beyond, specific Economic Prosperity Activities and Tactics include the continuance of all of the above, plus the following:

1. Collaborate to Retain and Expand Existing Businesses
2. Create A Repository Of Entrepreneurship Information And Programs
3. Design And Adopt A Municipal Airport Specific Plan
4. Prepare And Adopt An Airport Business Plan
5. Promote Eloy As A Location For Shooting Film And Video Production



Economic Character Areas Map

Eloy General Plan

Economic Character Areas

- Downtown Eloy
- Robson Ranch
- Eloy Municipal Airport
- Employment Corridor

Reference

- Eloy City Limits
- Interstate
- Railroad



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Downtown Eloy is the heart of the city and home to City Hall, the U.S. Post Office, and the police and fire stations. Wrapping around the city's governance complex and Main Street Park, the downtown area offers a host of investment opportunities for new construction and building renovation serving residential, office and retail uses. The area is also home to a number of community services, including Sun Life Family Health Center, Pinal Hispanic Council, Community Action Human Resources Agency and Eloy Veterans Center, among others.

Employment Corridor Eloy's business corridor is home to many of Eloy's retail and industrial employers. Frontier Street is north of and parallel to the Union Pacific Rail line as well as Interstate 10 to the south. A large inventory of vacant, industrially-zoned and utility-served property is available for development.



Economic Prosperity Map

Eloy General Plan

Economic Focus Areas

- 1 Interstate 10 Corridor
- 2 Eloy Municipal Airport
- 3 Prison Complex
- 4 Nikola Contributing Area
- 5 North-South Freeway Corridor
- 6 Downtown Eloy
- 7 Rail Related

Foreign Trade Zone

- City of Eloy - 80 Acres
- Sunshine Industrial Park

Opportunity Zone

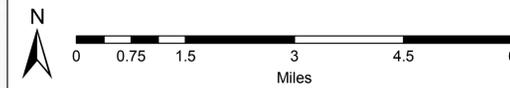


Roadways

- Interstate
- State Highway
- Major Arterial (130' ROW)
- Minor Arterial (110' ROW)
- Two Lane Collector (80' ROW)
- Union Pacific Railroad

Reference

- Eloy City Limits
- Eloy Planning Boundary



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