



2015

# Cottonwood Focus on Success II Economic Development Strategic Plan

SPONSORED BY



# Cottonwood Focus on Success

## Economic Development Strategic Plan

PREPARED BY:  
**ESI CORPORATION**

**5635 North Scottsdale Road  
Suite 170**

**Scottsdale, Arizona 85250  
(602) 265-6120**

**[www.esicorp.net](http://www.esicorp.net)**

**August 2015**

Table of Contents

Acronyms and Abbreviations ..... iii

Acknowledgements..... iv

1. Executive Summary..... 1

    Planning Process Overview ..... 1

    Key Findings ..... 2

    Economic Vision..... 3

    The Strategy ..... 3

2. Economic Landscape ..... 6

    Background..... 6

    Population Growth and Demographics ..... 6

    Age and Ethnicity ..... 7

    Income ..... 10

    Educational Attainment ..... 11

    Labor Force and Employment..... 12

3. Competitive Assessment..... 19

    Human Resources ..... 20

    Finance ..... 22

    Infrastructure ..... 23

    Access to Markets ..... 24

    Quality of Life ..... 24

    Business Climate..... 25

4. Industry Cluster Driven Approach..... 26

    Methodology ..... 26

    Analysis Findings ..... 28

    Cluster Targets..... 29

    Cluster Occupations and Workforce Development Alignment..... 30

5. Strategic Plan ..... 32

    Potential Opportunities..... 32

    Economic Development Plan ..... 34

Appendix A – City of Cottonwood SWOT Assessment..... A-1

Appendix B - Industry Cluster Analysis ..... B-1

List of Tables

Table 1 - Key Initiatives and Goals ..... 4
Table 2 - Population and Projections, CAGR..... 6
Table 3 - Population by Race and Ethnicity, City of Cottonwood and Verde Village CDP, 2010 ..... 9
Table 4 - Household Income, 2010 ..... 10
Table 5 - Civilian Labor Force, Population 16 Years and Older ..... 12
Table 6 - Employment by Industry, Cottonwood and Verde Village, 2010..... 13
Table 7 - Median Earnings by Industry for Cottonwood, Yavapai County and Arizona..... 16
Table 8 - Cottonwood and Verde Village Worker Inflow Outflow Characteristics, 2011 ..... 17
Table 9 - Cottonwood Location of Employment/ Residence, 2011 ..... 18
Table 10 - Arizona's Instrument to Measure Standards (AIMS) Results Fiscal Year 2014 ..... 21
Table 11 - Distance to Major Metropolitan Markets..... 24
Table 12 - Cottonwood Region Industry Cluster Average Wage and Employment Growth..... 29
Table 13 - Cottonwood Target Cluster Occupations..... 31

List of Figures

Figure 1 - City of Cottonwood, Verde Village CDP and Yavapai County ..... 7
Figure 2 - Median Age City of Cottonwood, Verde Village CDP and Yavapai County (2010) ..... 8
Figure 3 - City of Cottonwood and Verde Village CDP Age Breakdown (2010) ..... 8
Figure 4 - Race and Ethnicity Trend within the Cottonwood Region..... 9
Figure 5 - Median Household Income Growth, 2000-2010 ..... 10
Figure 6 - Highest Level of Educational Attainment ..... 11
Figure 7 - Unemployment Rates, 2000-2011 ..... 12
Figure 8 - Employment by Industry, Cottonwood/Verde Village, Yavapai County and Arizona, 2010..... 14
Figure 9 - Occupational Employment, 2010..... 15
Figure 10 - Cottonwood Worker Inflow-Outflow..... 17
Figure 11 - Summary SWOT Assessment ..... 19
Figure 12 - Industry Cluster Geography ..... 26
Figure 13 - Cottonwood Region Industry Concentration and LQ Growth (2008-2013)..... 28
Figure 14 - Economic Development Initiatives and Goals ..... 35

---

## Acronyms and Abbreviations

---

ACA	Arizona Commerce Authority
AIMS	Arizona's Instrument to Measure Standards
BAC	Business Assistance Center
BRE	Business Retention and Expansion
CAGR	Compound Annual Growth Rate
CDP	Census Designated Place
CTE	Career Technical Education
FTZ	Foreign Trade Zone
GPEC	Greater Phoenix Economic Council
LEHD	Longitudinal Employment and Household Dynamics
LQ	Location Quotient
MSA	Metropolitan Statistical Area
MUHS	Mingus Union High School
NAICS	North America Industrial Classification System
QCEW	Quarterly Covered Employment and Wages
SBA	Small Business Administration
SBDC	Small Business Development Center
SCORE	Service Corps of Retired Executives
SWOT	Strength, Weaknesses, Opportunities and Threats
TAC	Technical Advisory Committee
VACTE	Valley Academy for Career Technology Education

## Acknowledgements

Arizona Public Service and ESI Corporation would like to acknowledge and thank the people and organizations who contributed to this planning process effort.

### Technical Advisory Committee

Name	Representing	Name	Representing
Kyla Allen	City of Cottonwood	Kelsey Melvin	Local First
Doug Bartosh	City of Cottonwood	Berrin Nejad	City of Cottonwood
David Bentler	APS	Kelly Patton	APS
Jackie Bessler	Yavapai Broadcasting	James Perey	Yavapai College
Elaine Bremner	Verde Valley Senior Center	Dan Peterson	Villa East Development
Juliana Brutsche	Arizona Culture	Rudy Rodriquez	City of Cottonwood
Linda Buchanan	Yavapai College	Casey Rooney	City of Cottonwood
Darla Deville	APS	Karl Schloeman	Faith Lutheran Church
Michelle Dube	KPPV Radio	Morgan Scott	City of Cottonwood
Andy Groseta	Groseta Ranches	Lori Simmons	Chase Bank
Norela Harrington	NAMA	Tania Simms	Verde Valley Habitat for Humanity
Kurt Haskell	Yavapai County SBDC, Yavapai College	Paul Tighe	Mingus Union high School District
Linda Henrickson	APS	Lana Tolleson	Cottonwood Chamber of Commerce
Meg Jamison	Local First	Mark Tufte	Country Bank
Diane Joens	City of Cottonwood	Barbara U'Ren	Cottonwood Oak Creek School District
Bill Jump	Out of Africa	Keith Watkins	Arizona Commerce Authority
Mitch Levy	Cottonwood Old Town Association	Tricia Winters	Cottonwood Oak Creek School District
Trista MacVittie	Northern Arizona Healthcare-VVMC	Mike Wise	Realtor/developer
Matt Meierbachtol	APS	Alex Wright	Yavapai County REDC

**Stakeholder Interviews**

Name	Representing
Susan Beach	Verde River Nature Organization
Barbara Dember	Verde Valley Medical Center
Gary Eliseo	Competition Machine
Ralph Fobair	Mingus High School, CTE
Norela Harrington	Bent River and Northern Arizona Manufacturing Association
Mitch Levy	Burning Tree Cellars
Barb Predmore	Alcantara
Tom Schumacher	Yavapai College and Entrepreneur
Lana Tolleson	Cottonwood Chamber of Commerce
Paula Woolsey	Revelation Wines
Alex Wright	Regional Economic Development Center

**Cottonwood City Council Members**

Diane Joens	Mayor
Karen Pfeifer	Vice-Mayor
Jesse Dowling	Councilmember
Tim Elinski	Councilmember
Randy Garrison	Councilmember
Terrence Pratt	Councilmember



*This report was sponsored by Arizona Public Service to assist communities in understanding the economy of their region and help them develop a strategic plan that fits their circumstances.*

Prepared by ESI Corp



Real Estate and Economic Development Counselors Since 1990

## 1. EXECUTIVE SUMMARY

Cottonwood's first economic development plan was prepared in 2009 and included a strategic focus on tourism and agribusiness. Over this 6 year timeframe, the City has been successful in creating jobs in these two sectors. Community leaders want to expand upon their success and in addition to these two sectors, there is a strong desire to enhance the economy through the creation of jobs in higher wage industries. This new economic development plan for the City of Cottonwood spans over a 5-year time horizon and is anchored by the community's vision and designed around six key initiatives with overarching goals and strategies. As a part of this plan, industry clusters have been identified that have the greatest potential to improve the economic performance of the region. This more robust plan is a bold new step for the City and will require augmentation of staff and financial resources in order to achieve success.

### Planning Process Overview

The Economic Development Plan process included extensive input from city staff, council members and stakeholders. A Technical Advisory Team was created consisting of both public and private sector representatives to provide strategic input to the plan. This Team met several times to discuss the future of Cottonwood, agree upon an economic vision, identify the community's opportunities and constraints, and provide feedback on the plan. Independent research was also conducted to assess Cottonwood's strengths to support and sustain economic development and identify any challenges that may need to be overcome. The culmination of this inclusive process was the creation of this Strategic Plan.





## Key Findings

### *Sociodemographics*

An examination of the socio-economic characteristics of Cottonwood and Verde Village CDP was prepared and compared to Yavapai County. Like much of the state during the Great Recession, the population growth of Cottonwood, the CDP and Yavapai County slowed down between the years 2000 and 2010. Cottonwood experienced a 2.1 percent compounded annual growth rate from 2000 to 2010, which is slightly below Yavapai County at 2.3 percent. Population projections provided by the demographer's office of the State of Arizona shows that population growth over the next two decades for both Cottonwood and the CDP are expected to lag the County.

The median age of Cottonwood residents is 46.2 which is lower than Yavapai County at 49.2 years of age, but higher than Verde Village CDP at 42.4 years of age. When it comes to median income and educational attainment, Cottonwood falls behind the CDP with a median income of \$35,870 and 17 percent of its population earning a Bachelor's Degree or higher, compared to the CDP at \$44,223 and 18 percent with a Bachelor's Degree or higher. Both areas lag Yavapai County who has a median household income of \$50,256 and 24 percent of the population achieving a Bachelor's degree or higher.

There are some variations when it comes to industry employment between Cottonwood and the CDP. Cottonwood has a higher concentration of jobs in Arts, Entertainment and Accommodations (26%) and Retail Trade (18%) compared to the CDP with 14 percent and 12 percent respectively. The highest concentration of employment within the CDP's is in Education and Healthcare with 21 percent. The combined workforce employed in Manufacturing is 5 percent compared to Yavapai County at 6 percent and the State at 8 percent.

### *Workforce Development*

Based on the 2014 AIMS test scores, Cottonwood's K-12 school system is producing students who are performing at a higher rate than the state as a whole. Resident at MUHS campus is the Valley Academy for Career Technology Education (VACTE) which offers career and technical education in 10 different program areas. This bodes well for the region's future labor force and pathways to higher education. Yavapai College offers 6 Associate Degrees and 26 Associate of Applied Science Degrees. In addition they offer 65 certification programs which range from accounting assistant to viticulture. Many of these degree and certificate programs can be completed on line.

### *Market Accessibility*

The City of Cottonwood is located in eastern Yavapai County at the intersection of two state highways: State Route 260 and State Route 89A, and with good proximity to I-17, which will improve after the completion of the SR 260 expansion project. Access to the Phoenix metropolitan region is from SR 260 and I-17, about 100 miles to the south.

### *Planning Process*

The planning process for the development of this strategic plan identified several opportunities for the community to embrace, as well as challenges that need to be overcome. Below is a summary of the Strength, Weaknesses, Opportunities and Threats (SWOT) assessment that was prepared. The complete SWOT analysis is included in the Appendix.

## SWOT Summary

Strengths	Weakness	Opportunities	Threats
<ul style="list-style-type: none"> <li>• Cottonwood is the Commercial Hub of the Verde Valley</li> <li>• Yavapai College</li> <li>• Verde Valley Medical Center</li> <li>• Proximity to Sedona and I-17</li> <li>• Reputation as a wine destination with a growing culinary scene</li> <li>• Cottonwood has a sense of community, family values, moderate climate, and outdoor recreation</li> <li>• Conservation focused and forward thinking</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of exposure to markets outside of Arizona</li> <li>• Shortage of industrial buildings and fully improved sites</li> <li>• Inadequate resources devoted to economic development</li> <li>• Inadequate broadband</li> <li>• Lack of water and sewer along SR260 to service future economic development</li> <li>• Lack of economic diversity with too many low wage jobs</li> <li>• The existence of a very small manufacturing sector and few support industries to service this sector</li> </ul>	<ul style="list-style-type: none"> <li>• Attract clean light industry</li> <li>• Implement a manufacturing supply chain strategy</li> <li>• Grow the visitor market by promoting Eco and Agri-Tourism</li> <li>• Establish a business incubator that has 3D printers for entrepreneurs and inventors</li> <li>• Create a culinary program at the Verde Valley campus of Yavapai College</li> <li>• Develop marketing outreach aimed at industry targets and geographic market</li> <li>• Tie education and workforce development programs to business/industry targets</li> </ul>	<ul style="list-style-type: none"> <li>• Perception of water shortage</li> <li>• Intense competition locally, regionally and nationally</li> <li>• Concentration and growth of social services in Cottonwood</li> <li>• Exodus of young adults who can't find a job locally</li> <li>• Retiring Baby Boomers will be leaving the workforce, which will leave a void in the job market</li> <li>• Increasing traffic congestion on SR 260/89A</li> <li>• Growth for the sake of growth, while ignoring smart growth.</li> </ul>

## Economic Vision

The economic vision for Cottonwood is based on the values and the fundamental principles that the community holds. Input from elected officials and stakeholders, including the TAC, share a vision of people employed in good jobs and earning a competitive and sustainable income. They believe that the quality of life is crucial to a healthy and vibrant economy and that business will prosper in their unique setting. Their shared economic vision of the future serves as the foundation for this strategic plan.

***Cottonwood is the vibrant commercial trade center of the Verde Valley. It has a thriving and sustainable economy with an abundance of high paying jobs that foster the attraction and retention of talent. Its superior quality of life, ambiance of Old Town, ample outdoor attractions, and a focus on resource conservation sets Cottonwood apart, which adds to its uniqueness and authenticity as a highly desirable business location.***

## The Strategy

The City of Cottonwood and its stakeholder partners have carved out an enviable niche as a one of the top wine destinations in Arizona. This distinction has fostered the rebirth of Old Town and enhanced the culinary scene within the City. Over the last 10 years job creation has been robust within agriculture, arts and entertainment, and retail trade. However, in spite of Cottonwood's desirable location within the Verde Valley, the City has been unable to leverage its location and key attributes to attract/create higher wage jobs. Developing job growth through the attraction of industry clusters is a focus of this strategy. While agritourism and arts and entertainment are still important to the City's economy and will remain a focus of the plan, an enhanced economic development strategy is needed in order to fulfill the economic vision.

The industry clusters identified for Cottonwood that have high potential for growth, that will foster diverse job creation, and complement the city’s strengths include:

- ▶ Arts, Entertainment, Recreation and Visitor Industries
- ▶ Agribusiness
- ▶ Healthcare and Biomedical
- ▶ Manufacturing
- ▶ Transportation and Logistics

In addition to industry recruitment, there is a focus on stimulating entrepreneurship and growing small and local business. This strategy will also have a positive impact on the economy by helping to create jobs, and increase the volume and velocity of income to generate wealth within the City.

To accomplish the goals set out in this plan, the City of Cottonwood will need to build organizational capacity for economic development by developing internal resources and tools that are necessary to successfully implement the Focus on Success Plan. This includes adding one full time economic development staff to assist in research, BRE, and prospect handling. Developing and maintaining an online database of sites and buildings is essential in order to meet the needs of developers and companies seeking a location.

The economic development strategy is designed around six key initiatives and overarching goals as noted in Table 1. These major initiatives build on the City's economic strengths to ensure long-term vitality and quality of life.

Table 1 - Key Initiatives and Goals	
Initiative	Goal
<b>Business Development</b>	Diversify the economy and provide greater job opportunities for Cottonwood residents.
<b>Small Business and Entrepreneurship</b>	Generate job growth through assistance to small business and aspiring entrepreneurs.
<b>Tourism</b>	Establish Cottonwood as a premier tourist destination.
<b>Community Planning and Development</b>	Provide the basic framework for a healthy and sustainable community.
<b>Education and Workforce</b>	Create a first class workforce that provides existing and future business with a “job ready” employment base.
<b>Marketing and Promotion</b>	Position Cottonwood as a business location.

Achieving the goals of the strategic plan requires an equal focus on job growth, product improvement and marketing and promotion. Implementation of the strategy will:

- ▶ Generate robust job growth within industry clusters by maximizing the assets that Cottonwood has;
- ▶ Promote job creation and revenue generation of small business and local entrepreneurs;
- ▶ Guide investment in infrastructure and other capital projects to stimulate private sector development and job growth;
- ▶ Align workforce development with industry needs; and
- ▶ Develop the marketing tools to effectively reach its target audience.

The strategies under each initiative are prioritized as short term (1-2 years) or long term (3-5 years), which will help direct the City and its stakeholder partners in the allocation of resources.

2. ECONOMIC LANDSCAPE

Background

In 2009 an economic development plan was prepared for the City of Cottonwood, which included an economic base analysis that illustrated economic and social characteristics of Cottonwood and the Verde Village Census Designated Place (CDP). These two areas define the Cottonwood region. This new economic development plan also showcases the growth of the region and compares important characteristics against Yavapai County.

Data provided within this chapter comes from a variety of sources including the decennial U.S. Census, the American Community Survey (ACS), and the Arizona Department of Administration Demographers Office. The ACS data presented in this report comes from the 2009-13 five year estimates. It is not a census of the population, but rather an average of data over the five year period in which the survey data was gathered. Like any survey, the ACS data has sampling error that includes a margin of error. Given that the data is an average of the five years, it is not recommended that you use the ACS data in a time series for comparison purposes. However, to accommodate the request of community representatives to present “more current data”, in some cases the ACS is presented alongside the U.S. Census data.

Population Growth and Demographics

Like much of the state during the Great Recession, the population growth of Cottonwood, the CDP and Yavapai County slowed down between the years 2000 and 2010 with an annualized growth rate of 2.1 percent, compared to 3.5 percent during the prior decade. Future projections provided by the State of Arizona shows that population growth over the next two decades for both Cottonwood and the CDP are expected to lag the County.

Table 2 - Population and Projections, CAGR

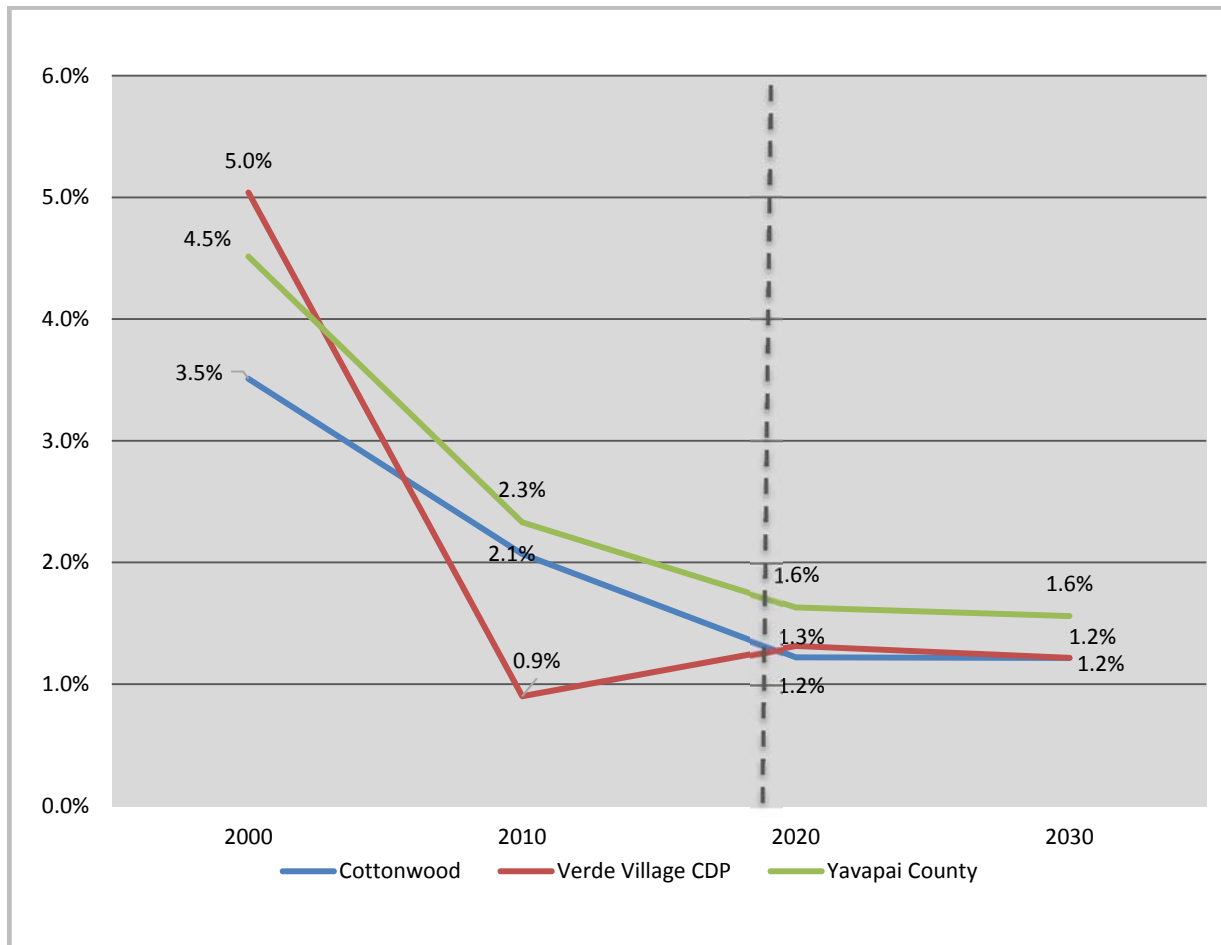
Year	City of Cottonwood		Verde Village CDP		Yavapai County	
	Population	CAGR <sup>1</sup>	Population	CAGR	Population	CAGR
1990	6,501	-	6,489	-	107,717	-
2000	9,179	3.5%	10,610	5.0%	167,517	4.5%
2010	11,265	2.1%	11,605	0.9%	210,899	2.3%
2020	12,718	1.2%	13,223	1.3%	247,911	1.6%
2030	14,351	1.2%	14,922	1.2%	289,381	1.6%

Source: U.S. Census Bureau, Arizona Department of Administration, Employment and Population Statistics

<sup>1</sup>Compound Annual Growth Rate

Figure 1 illustrates that the annualized growth rate and projections over a 30 year time horizon for all three geographies. All three regions show a modest increase in population, with the County as a whole projected to have the fastest growth rate compared to Cottonwood and the Verde Village CDP.

Figure 1 - City of Cottonwood, Verde Village CDP and Yavapai County Compound Annualized Growth Rate and Projections, 2000-2030

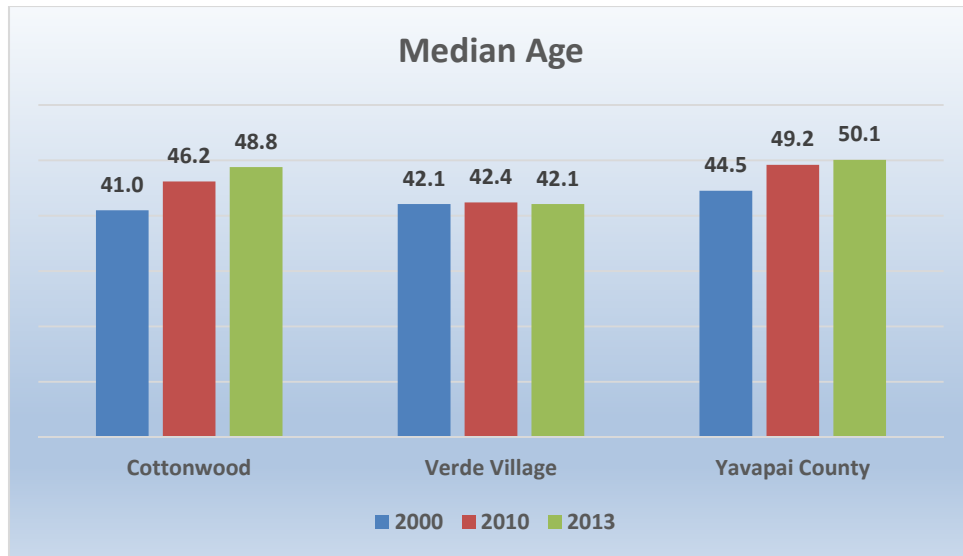


Source: U.S. Census Bureau, Arizona Department of Administration, Employment and Population Statistics

### Age and Ethnicity

Based on the 2013 ACS, the median age of Cottonwood residents is 48.8 which is lower than Yavapai County at 50.1 years of age, but higher than Verde Village CDP at 42.1 years of age. The age of the population over time has been increasing for all three regions with Cottonwood increasing at a more rapid rate. For comparison, the median age in Arizona for 2010 is 35.9.

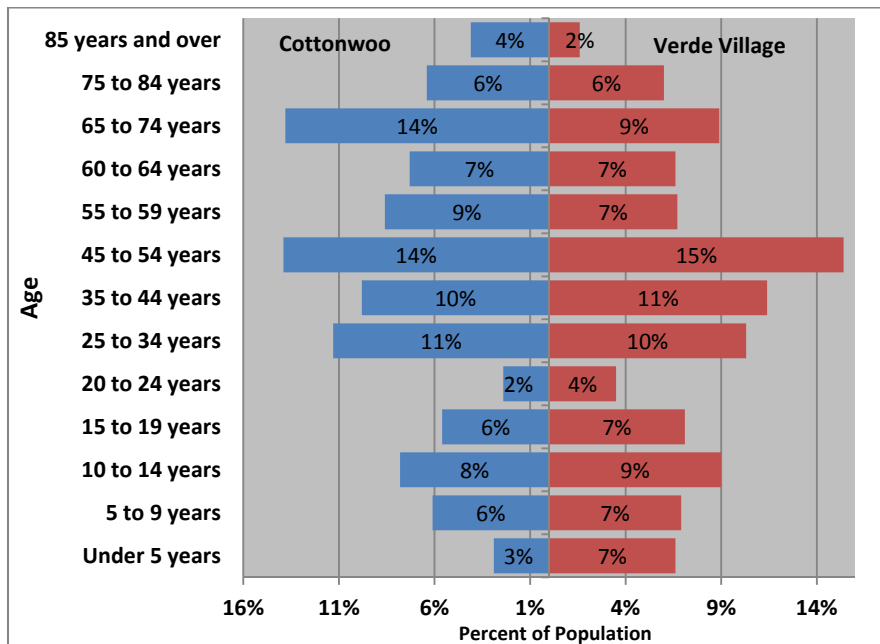
Figure 2 - Median Age City of Cottonwood, Verde Village CDP and Yavapai County



Source: US Census 2000 and 2010, ACS 2013

An analysis of the region’s population by age and gender is useful to planners and employers. When comparing Cottonwood to the Verde Village CDP, Cottonwood has a greater percentage of people age 60 and older than Verde Village, with Verde Village having a larger percentage of teenagers and children. Overall the combined region’s population within their prime working years of 25 to 54 is represented by 36 percent of the population.

Figure 3 - City of Cottonwood and Verde Village CDP Age Breakdown



Source: ACS 2009-13

The race and ethnic composition of Cottonwood region is largely white. Table 3 provides a detailed breakdown of population by race, including an estimate of Hispanic or Latino ethnicity. Nearly 33 percent of Cottonwood residents identify themselves of Hispanic origin compared to 23 percent for Verde Village.

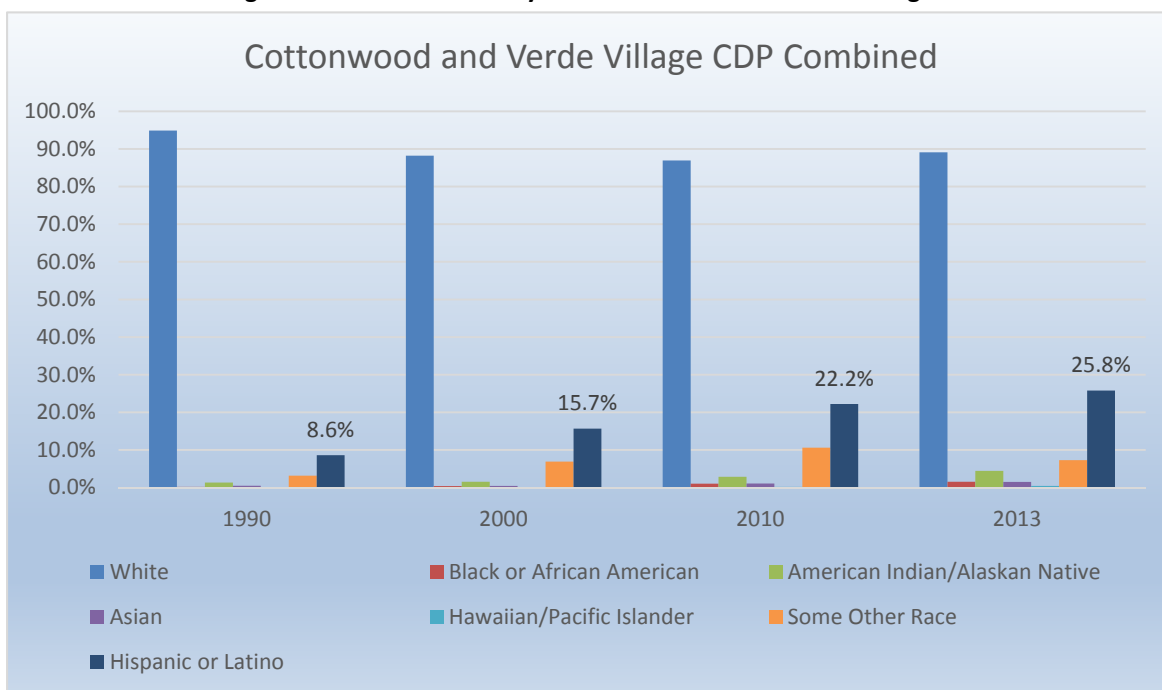
**Table 3 - Population by Race and Ethnicity, City of Cottonwood and Verde Village CDP**

Race	Cottonwood		Verde Village CDP	
	Count	%	Count	%
Total	11,266	100.0%	12,785	100.0%
White	9,742	86.5%	11,687	91.4%
Black or African American	262	2.3%	107	0.8%
American Indian/Alaskan Native	762	6.8%	303	2.4%
Asian	209	1.9%	154	1.2%
Hawaiian/Pacific Islander	93	0.8%	9	0.1%
Some Other Race	1,112	9.9%	644	5.0%
<b>Ethnicity</b>				
Hispanic or Latino (of any race)	3,690	31.5%	2,512	23.0%

Source: ACS 2009-13

When examining US Census data over the last three decades, most categories with the exception of white have grown since 1990, making it evident that the population in this area is becoming more diverse. The greatest increase has been with those identifying themselves as “some other race.” In 2013 nearly 26 percent of the population within the region is of Hispanic or Latino ethnicity.

**Figure 4 - Race and Ethnicity Trend within the Cottonwood Region**



Source: US Census and ACS 2009-13



Income

Residents of Cottonwood have a median household income of \$35,870 compared to Verde Village at \$44,223, both of which lag Yavapai County with a median household income of \$50,256. When looking at higher income earners, the combined region shows that nearly 12 percent earn greater than \$100,000 which compares to 14 percent for the County and 19 percent for the state, as can be seen in Table 4.

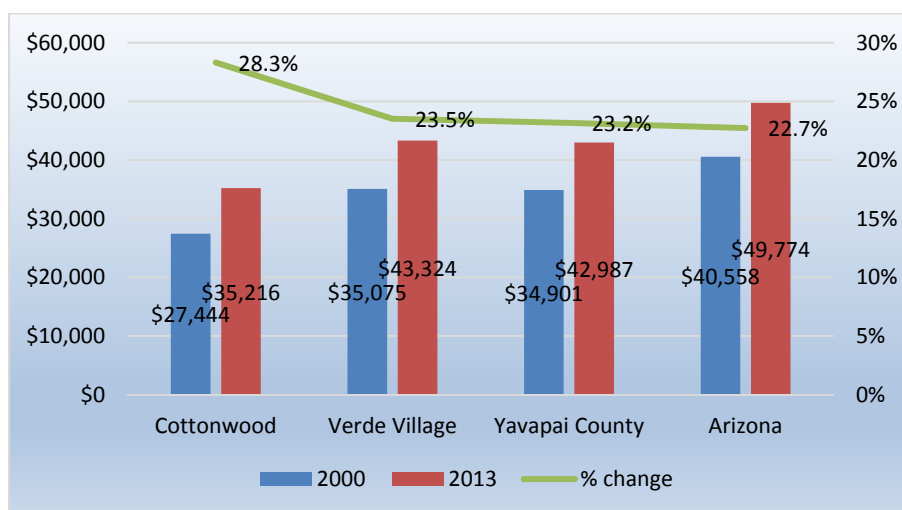
Table 4 - Household Income, 2013

INCOME AND BENEFITS	Cottonwood		Verde Village CDP		Yavapai County	
	Households	Percent	Households	Percent	Households	Percent
Less than \$10,000	400	8.1%	501	10.3%	6,841	7.2%
\$10,000 to \$14,999	497	10.1%	220	4.5%	6,421	6.3%
\$15,000 to \$24,999	846	17.2%	480	9.9%	11,842	12.9%
\$25,000 to \$34,999	700	14.2%	628	12.9%	11,768	13.2%
\$35,000 to \$49,999	948	19.2%	839	17.3%	15,528	17.1%
\$50,000 to \$74,999	566	11.5%	1,051	21.7%	17,471	19.0%
\$75,000 to \$99,999	550	11.2%	482	9.9%	9,636	10.8%
\$100,000 to \$149,999	263	5.3%	342	7.1%	7,512	8.6%
\$150,000 to \$199,999	133	2.7%	260	5.4%	2,631	2.6%
\$200,000 or more	27	0.5%	48	1.0%	1,699	2.3%
Median household income	\$35,216		\$43,323		\$42,987	

Source: ACS 2008-13

Growth in the median household income over the last decade for both Cottonwood and Verde Village outpaced Yavapai County and Arizona. Cottonwood’s median income increased 28 percent compared to the county overall at 23 percent.

Figure 5 - Median Household Income Growth

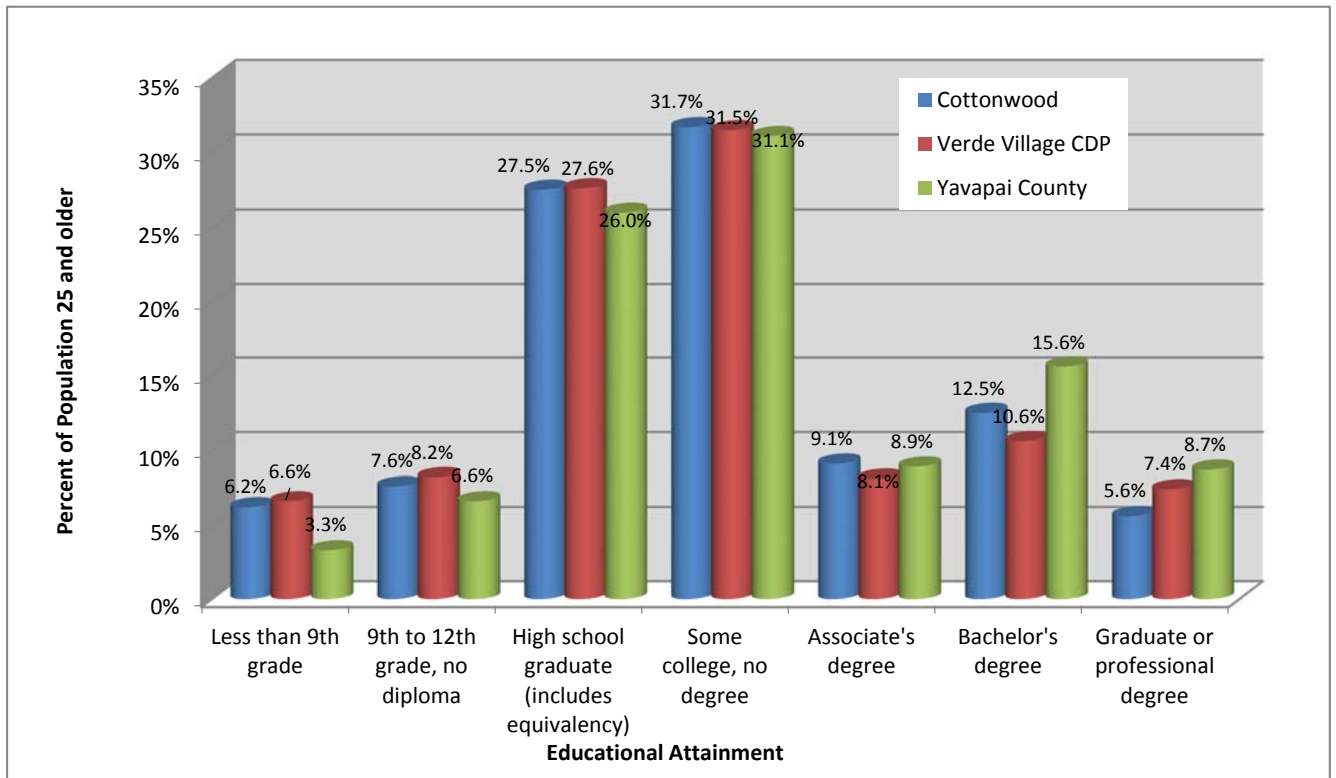


Source: U.S. Census 2000 and ACS 2008-13

### Educational Attainment

When comparing educational attainment between Cottonwood and Verde Village, residents in Verde Village have a greater percentage of people with a graduate degree. The percentage of people who have earned a Bachelor’s Degree in Cottonwood is 12.5 percent compared to Verde Village at 10.6 percent. However, both fall behind the County with 15.6 percent of the population earning a Bachelor’s Degree.

**Figure 6 - Highest Level of Educational Attainment  
Cottonwood, Verde Village, and Yavapai**



Source: ACS 2009-13

### Labor Force and Employment

Much like the population, the labor force in Cottonwood has shown positive growth over the last 10 years, as shown in Table 5. Labor force growth in Cottonwood outpaced the growth of Yavapai County and the state of Arizona.

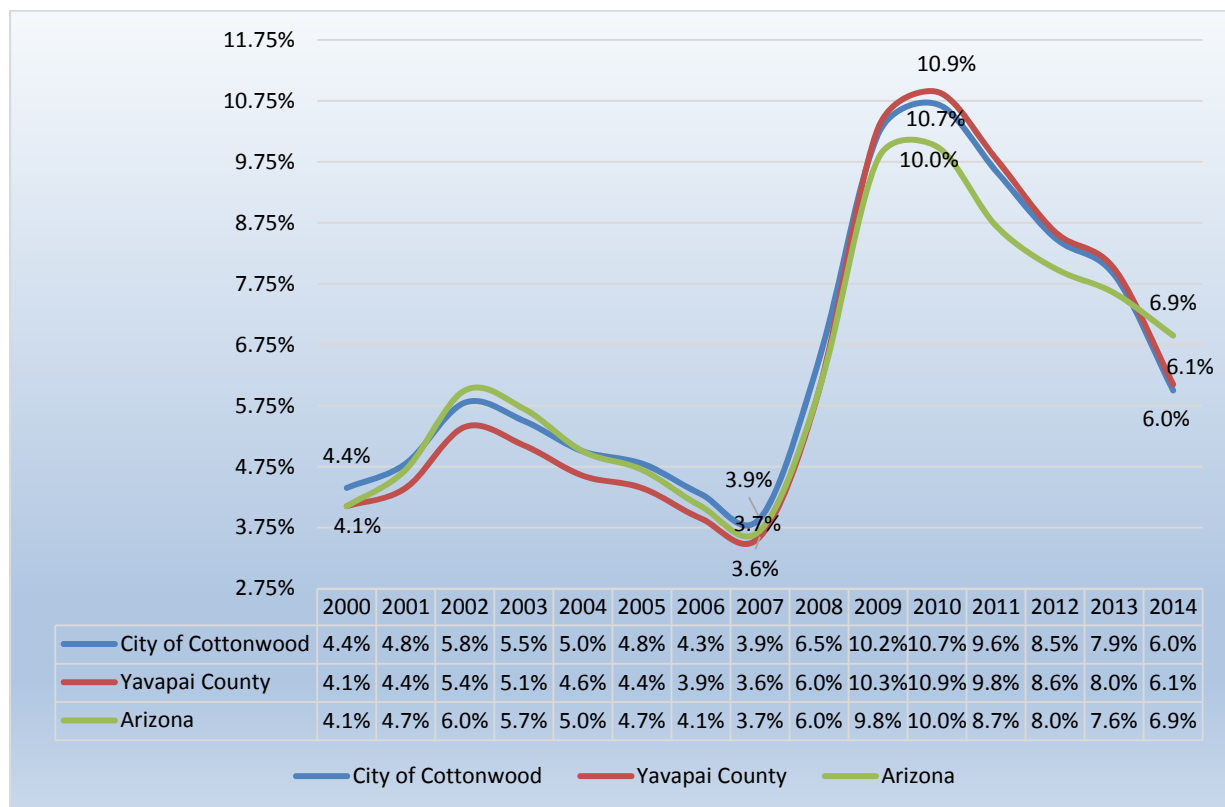
**Table 5 - Civilian Labor Force, Population 16 Years and Older**

	2000	2010	CAGR
Cottonwood	3,859	5,154	3.4%
Yavapai County	71,714	93,517	3.0%
Arizona	2366372	3,020,669	2.8%

Source: ACS 2008-12, Census 2000 Summary File

When comparing the unemployment rate of Cottonwood against Yavapai County over the years 2000 to 2014, Cottonwood’s rate was consistently higher than the County’s during the first 8 years. However, by 2009 Cottonwood experienced employment gains at a faster pace than the County and the unemployment rate has been lower than the county’s every year thereafter.

**Figure 7 - Unemployment Rates, 2000-2014**



Source: Arizona Workforce Informer

## Employment by Industry

According to the ACS, there are a combined 10,018 people over the age of 16 living in Cottonwood and Verde Village that are employed. Their combined employment is highly concentrated in arts, entertainment and recreation (20%) followed by educational, health and social services (18%), retail trade (12%), and construction (10%). Professional services combined with finance, insurance and real estate represents 17 percent of all jobs, as depicted in Table 6.

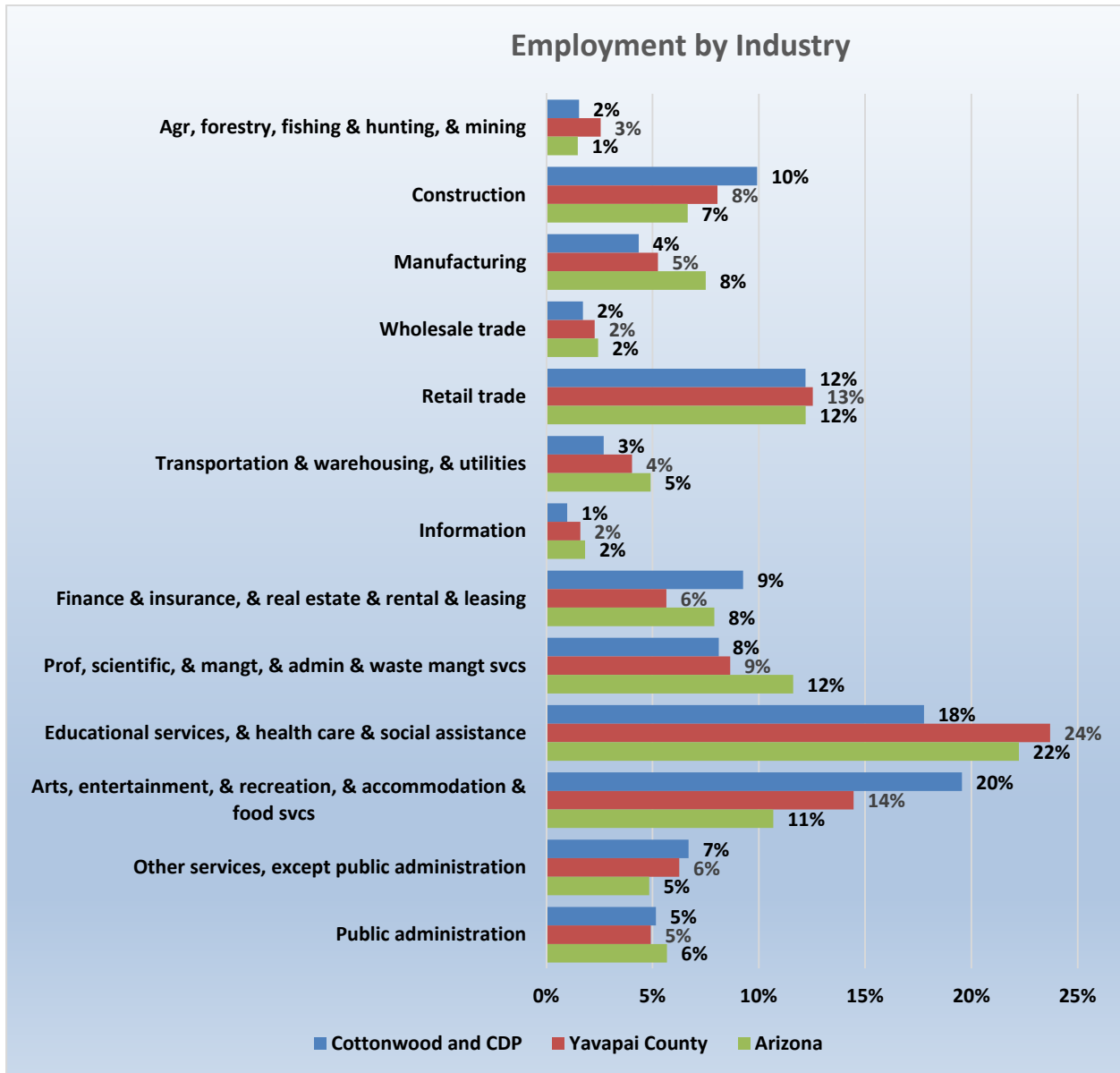
**Table 6 - Employment by Industry, Cottonwood and Verde Village**

	Cottonwood		Verde Village CDP		Combined	
	Total	%	Total	%	Total	%
<b>Civilian employed population 16 years &amp; over</b>	<b>4,424</b>	<b>100%</b>	<b>5,594</b>	<b>100%</b>	<b>10,018</b>	<b>100%</b>
Agr, forestry, fishing & hunting, & mining	114	3%	41	1%	155	2%
Construction	348	8%	646	12%	994	10%
Manufacturing	92	2%	344	6%	436	4%
Wholesale trade	34	1%	139	2%	173	2%
Retail trade	563	13%	659	12%	1,222	12%
Transportation & warehousing, & utilities	75	2%	196	4%	271	3%
Information	22	0%	77	1%	99	1%
Finance & insurance, & real estate & rental & leasing	437	10%	491	9%	928	9%
Prof, scientific, & mangt, & admin & waste mangt svcs	487	11%	326	6%	813	8%
Educational services, & health care & social assistance	668	15%	1,112	20%	1,780	18%
Arts, entertainment, & recreation, & accom & food svcs	1,225	28%	734	13%	1,959	20%
Other services, except public administration	255	6%	416	7%	671	7%
Public administration	104	2%	413	7%	517	5%

Source: ACS 2008-12

When comparing the mix of employment to the county and state (Figure 8), Cottonwood and Verde Village residents have a higher concentration of employment in arts and entertainment, finance and insurance, and construction than Yavapai County. The region lags the county and state in manufacturing, information, educational and healthcare jobs.

Figure 8 - Employment by Industry, Cottonwood/Verde Village, Yavapai County and Arizona

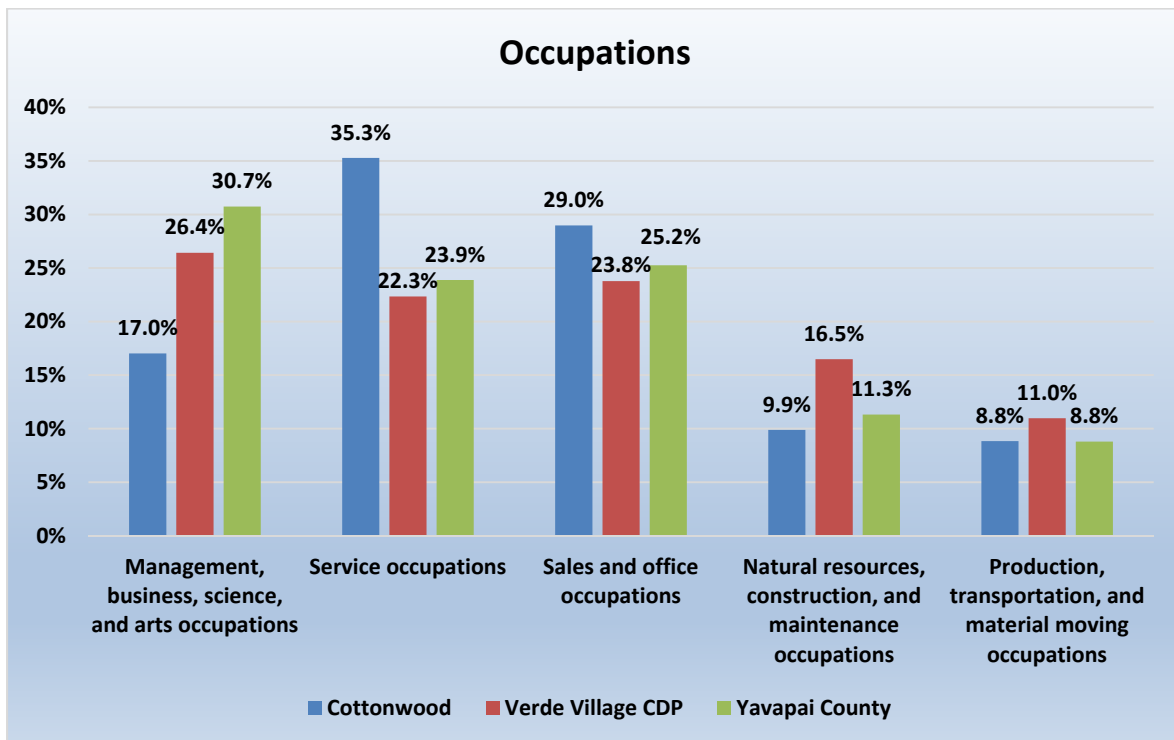


Source: US Census, 2009-13 ACS

*Employment by Occupation*

The following chart shows the breakdown of Cottonwood and Verde Village resident occupations, compared to the county. Cottonwood has a greater percentage of its residents employed in service occupations (35.3%) and sales and office related occupations (29.0%) compared to Verde Village and Yavapai County. Cottonwood lags the other two regions in management and production related occupations.

Figure 9 - Occupational Employment



Source: ACS 2009-13

Median earnings by industry in Cottonwood were compared to Yavapai County and the State of Arizona and presented in Table 7. The dataset is from the American Community Survey and represents one year estimates, which are subject to sampling variability. Based on this dataset, most industries in Arizona pay significantly higher wages when compared to Cottonwood and Yavapai County.

Table 7 - Median Earnings by Industry for Cottonwood, Yavapai County and Arizona

	Cottonwood	Yavapai County	Arizona
Agr, forestry, fishing & hunting, & mining	\$31,141	\$18,750	\$33,503
Construction	\$37,772	\$29,707	\$32,198
Manufacturing	\$28,750	\$44,935	\$47,699
Wholesale trade	\$38,750	\$58,417	\$41,421
Retail trade	\$18,650	\$25,355	\$22,126
Transportation & warehousing, & utilities	\$22,361	\$34,221	\$42,299
Information	-	\$48,750	\$41,026
Finance & insurance, & real estate & rental & leasing	\$35,597	\$35,779	\$41,518
Prof, scientific, & mangt, & admin & waste mangt svcs	\$14,030	\$16,250	\$33,998
Educational services, & health care & social assistance	\$27,059	\$40,776	\$34,152
Arts, enter, & recreation, & accommodation & food svcs	\$13,336	\$22,672	\$16,063
Other services, except public administration	\$26,217	\$11,887	\$21,840
Public administration	\$63,182	\$61,171	\$48,150

Median earnings for Information Industry for Cottonwood had too few samples to compute an estimate

Source: ACS 2009-13

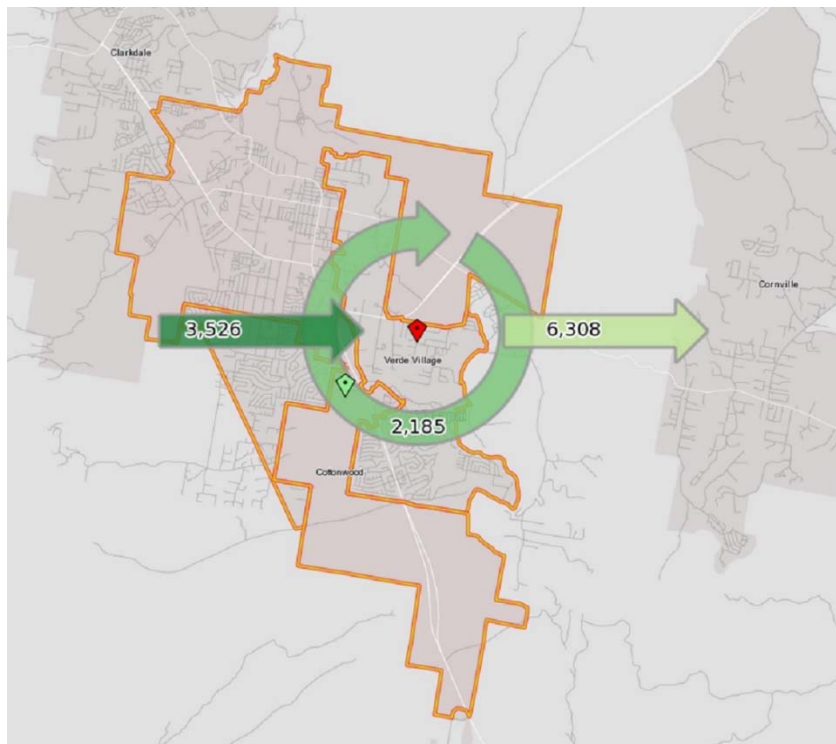
Some of the lower wage industries in Cottonwood, such as arts and entertainment and retail trade are also the industries that Cottonwood has a higher employment concentration in.

**Worker Inflow/Outflow**

According to the U.S. Census, nearly three fourths of Cottonwood’s and Verde Village’s workforce out commute to jobs in other cities. The combined area of Cottonwood and Verde Village has a workforce of 8,493 people,<sup>1</sup> of which 6,308 or 74.3 percent of the residents commute outside of the area to work. At the same time, 3,526 people commute into Cottonwood and Verde Village to work, while 2,185 both live and work in Cottonwood and the Verde Village. This inflow and outflow of the workforce is depicted in Figure 10.

<sup>1</sup> This figure comes from US Census LEHD Origin-Destination Employment Statistics, which will not match the figure provided in the US Census 2010 Employment by Industry data.

Figure 10 - Cottonwood Worker Inflow-Outflow



Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002-2011).

When examining the characteristics of worker inflow and outflow (Table 8), a greater percentage of residents out commute to goods producing jobs and a greater percentage of internal jobs are filled by outside workers in the trade, transportation and utilities industry. An equal number of people flow into, out of and within the study area are earning more than \$3,333 a month.

Table 8 - Cottonwood and Verde Village Worker Inflow Outflow Characteristics, 2011			
	External Jobs Filled by Residents	Internal Jobs filled by Outside Workers	Internal Jobs Filled by Residents
<b>External Jobs Filled by Residents</b>	<b>6,308</b>	<b>3,526</b>	<b>2,185</b>
Workers Aged 29 or younger	22.3%	21.2%	23.0%
Workers Aged 30 to 54	53.3%	49.9%	52.1%
Workers Aged 55 or older	24.4%	28.8%	24.9%
Workers Earning \$1,250 per month or less	28.8%	33.7%	36.4%
Workers Earning \$1,251 to \$3,333 per month	47.7%	42.4%	40.2%
Workers Earning More than \$3,333 per month	23.5%	23.9%	23.4%
Workers in the "Goods Producing" Industry Class	10.9%	7.9%	9.7%
Workers in the "Trade, Transportation, and Utilities"	20.6%	28.9%	15.7%
Workers in the "All Other Services"	68.5%	63.2%	74.6%

Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics



When it comes to what city Cottonwood/Verde Village residents work in, a closer examination shows that nearly 23 percent of the residents work in Cottonwood, followed by 15 percent in Phoenix while 10.6 percent commute to Sedona (Table 9).

**Table 9 - Cottonwood Location of Employment/ Residence, 2011**

	Workers Living in the Study Area		Workers Employed in the Study Area	
	Count	Percent	Count	Percent
<b>Total Count</b>	<b>8,493</b>	<b>100.0%</b>	<b>5,711</b>	<b>100.0%</b>
Cottonwood	1,915	22.5%	1,087	19.0%
Phoenix	1,250	14.7%	188	3.3%
Sedona	901	10.6%	151	2.6%
Flagstaff	719	8.5%	172	3.0%
Prescott	483	5.7%	--	--
Camp Verde	338	4.0%	239	4.2%
Verde Village CDP	270	3.2%	1,098	19.2%
Scottsdale	257	3.0%	--	--
Prescott Valley	223	2.6%	249	4.4%
Tempe	150	1.8%	--	--
Cornville	--	--	203	3.6%
Clarkdale	--	--	164	2.9%
Lake Montezuma CDP			99	1.7%
All Other Locations	1,987	23.4%	2,061	36.1%

Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics

At the same time Cottonwood and Verde Village imports workforce from other cities to fill the demand by area employers. Most of the in-commuters come from Prescott Valley (4.4%), Camp Verde (4.2%) and Cornville (3.6%). Finally, 2,185 people, representing 25.7 percent of the workforce, both live and work in Cottonwood/Verde Village.

3. COMPETITIVE ASSESSMENT

There are several building blocks or foundations that support and sustain economic development, which have a major impact on the community’s competitiveness. These economic foundations provide distinctive competitive advantages for targeted industry, and include the following:

- **Human Resources:** Developing and sustaining the workforce skills needed for competitiveness (preparation, advancement, skills enhancement).
- **Finance:** Providing the continuum of capital needed to form and expand companies (initiation, expansion, and restructuring).
- **Infrastructure:** Access to land; funding sewer/water; Cost-effective development (Initiation, Expansion, and Restructuring).
- **Access to Markets:** Ensuring the flow of goods (mobility, storage).
- **Business Climate:** How the taxes, regulations and policies impact competitiveness and how the responsiveness of local governments affect employer and resident needs (tax, regulation, administration).
- **Quality of Life:** Providing for the amenities and services that draw new people to the City (housing, climate, recreation).

In assessing Cottonwood’s competitiveness, ESI Corp conducted a Strengths, Weaknesses, Opportunities and Threats (SWOT) assessment utilizing several sources of information, including research conducted for the existing conditions analysis, examination of other city documents and reports relevant to this planning process, interviews with city council members and key Cottonwood stakeholders, and meetings with the Cottonwood Technical Advisory Committee. The full SWOT matrix is included in Appendix A, with key findings noted below.

Figure 11 - Summary SWOT Assessment



General conclusions about the City of Cottonwood and the foundations that support and sustain economic development follow.

## Human Resources

Human resources is widely recognized as being key to successful economic development. Building a sustainable economy requires both educating people and ensuring that jobs are available that reward their investment in education. The local labor market and skills development are assessed in terms of workforce skill levels and production of graduates. Measuring these systems includes: preparation (K-12), advancement (college and university), and skills enhancement (continuing education and retraining).

Cottonwood region is anchored with K-12 schools and Yavapai College. The high school graduation rates are higher than the state as a whole, with Mingus Union High School (MUHS) having a total enrollment of 1,229 students and boasting a 76 percent graduation rate. In addition, Mingus offers on line instruction through the Mingus Online Academy. The US News and World Report rated Mingus in the top 27 percent of all public high schools in the U.S. in 2014 and 2015, and MUHS received the A+ School of Excellence Award from the Arizona Educational Foundation in 2015.

Cottonwood has several charter schools, and with the exception of New Visions Academy, all of them exceed the state averages in the four main testing areas of math, writing, reading and science. The American Heritage Academy, has a much smaller student body population, and a 78 percent graduation rate. The statewide average is 75 percent.

Yavapai College, Verde Valley campus provides a robust educational curriculum that strives to meet the needs of local employers and economic development targets. Its offerings include 6 Associate Degrees and 26 Associate of Applied Science Degrees. In addition they offer 65 certification programs, as noted on their web site, which range from accounting assistant to viticulture. Many of these degree and certificate programs can be completed on line.

### *Education Achievement*

As a gauge of student proficiency, Arizona currently conducts the Arizona's Instrument to Measure Standards (AIMS) to assess academic content standards in writing, reading, mathematics and science. Table 10 shows public and charter schools in the Cottonwood area and their percent pass rate in the four testing areas. Private school scores are not reported.

The majority of the students in the Cottonwood region are performing at a higher rate than the state as a whole. As can be seen in Table 10, three of the high schools, the Clarkdale-Jerome Elementary School, Mountain View Preparatory Academy, the American Heritage Academy and Desert Star Community School exceed the statewide passing percentage in all four testing areas. The two notable exceptions are the Cottonwood Middle School and Desert Star Community School in which the students underperformed the statewide test percentage in three of the four testing areas.

Table 10 - Arizona's Instrument to Measure Standards (AIMS) Results Fiscal Year 2014

8th Grade

	% Passing Math	% Passing Reading	% Passing Writing <sup>1</sup>	% Passing Science	School Grade
<b>State Score</b>	<b>59</b>	<b>70</b>	<b>36</b>	<b>62</b>	<b>n/a</b>
Beaver Creek Elementary School	55	61	38	82	C
Clarkdale-Jerome Elementary School	76	82	83	80	B
Oak Creek Elementary School	50	90	41	80	B
Mountain View Preparatory Academy	72	68	69	80	B
Cottonwood Middle School	51	56	38	59	B
<b>Charter Schools</b>					
American Heritage Academy	63	71	52	75	B
Desert Star Community School, Inc.	86	93	n/a	93	B

10th Grade

	% Passing Math	% Passing Reading	% Passing Writing	% Passing Science	School Grade
<b>State Score</b>	<b>64</b>	<b>86</b>	<b>75</b>	<b>39</b>	<b>n/a</b>
Mingus Union High School District	69	88	77	42	B
<b>Charter Schools</b>					
American Heritage Academy	67	97	81	41	B
New Visions Academy	17	58	36	n/a	C

<sup>1</sup> Reflects 7th grade percent since writing score was suspended for 8th Grade from Spring 2012 to Spring 2014

Source: Arizona Department of Education, 2014 AIMS Results

In 2011 Arizona State Board of Education adopted the A-F Letter Grade accountability system. For each school noted in Table 10, there is an associated grade. With the exception of Beaver Creek Elementary School, all schools received a “B” rating. Going forward, Senate Bill 1289, adopted during the 2015 legislative session, will prohibit A-F letter grades for school years 2014-15 and 2015-16, but require the Department of Education to continue to identify schools with “below average levels of performance,” defined as schools that formerly had a “D” grade.

The purposed of the A-F Letter Grades were designed to place equal value on current year achievement and longitudinal academic growth, specifically the growth of all students as well as a school’s lowest achieving students. Academic growth was determined by comparing the change in AIMS test scores from one year to the next for similarly achieving students across the state. This was done to evaluate how well a school is growing its students, academically, as they advance from one grade to the next. According to the Department of Education, the letter grade scoring system breakdowns as follows:

“A” schools demonstrate an excellent level of performance. For example, an “A” school may have the large majority of their students passing AIMS and AIMS A and typical academic growth in at least the 70th percentile.

“B” schools demonstrate an above average level of performance. For example, a “B” school may have about 60% of their students passing AIMS and AIMS A and typical academic growth in at least the 60th percentile.

“C” schools demonstrate an average level of performance. For example, a “C” school may have about half of their students passing AIMS and AIMS A and typical academic growth around the 50th percentile.

“D” schools demonstrate a below average level of performance. For example, “D” schools earn fewer points than a school that has 50 percent of students passing AIMS and has typically lower academic growth than most schools.

“F” schools are those that receive a “D” letter grade for three consecutive years. The Arizona Department of Education monitors the school for three years following the “F” letter grade and requires that “F” schools participate in a school improvement program.

In addition to the elimination of the A-F Grade Accountability system, Arizona will also implement a new statewide achievement test called Arizona’s Measurement of Educational Readiness to Inform Teaching (AzMERIT), which will replace the AIMS test for reading, writing and math. It will also be a computer based test with the goal of measuring critical thinking skills for college and career readiness. Testing is scheduled to begin in the Spring of 2015.

## Training

As a part of the Valley Academy for Career Technology Education (VACTE) school district, MUHS campus offers Career and Technical Education (CTE). This program provides a work experience program that contributes to a student’s career objective. There are currently 10 different programs offered at MUHS:

- Agri-science
- Applied Health Services
- Audio/Visual Technology
- Automotive Technologies
- Construction Technologies
- Drafting & Design Technologies
- Education Profession
- Graphic Communications
- Nursing Services
- Welding Technology

VACTE programs provide students with the ability to earn industry certification, college credit and internship opportunities. Often times these programs are supported by business and industry, equipping students with relevant skills and working industry knowledge, propelling them in their future careers and higher learning endeavors.

## Finance

The goal of providing financing in the marketplace is to have the continuum of capital that is needed for the formation and expansion of companies. The three levels of financing that exists and includes seed capital and early stage financing, commercial credit for established firms that would like to expand and specialized credit for mergers/acquisitions or restructuring. Cottonwood has several national and community banks that lend money to business customers, and recently through an EDA grant, the VVREO established a loan pool to provide financing to local business. The financing that is still missing is venture capital or seed money to facilitate new start-up firms or growing existing companies in the city who are not a part of an established and recognized industry.

## Infrastructure

**Water** - In 2005 the City of Cottonwood purchased the four primary water companies that served the residents of the City and surrounding area to ensure an adequate supply of water would be available to meet the needs of its citizens. The City has since purchased two additional private water companies. The City of Cottonwood, like all other communities in the Verde Valley, is dependent exclusively on local groundwater sources from the Verde Formation to meet the potable water needs of its customers. With the acquisition of the private water companies and the upgrades and maintenance to those systems, Cottonwood has reduced the volume of water previously pumped by the private water companies by almost 30 percent and reduced the volume of water that was lost and unaccounted for by more than 80 percent. In 2009, the City of Cottonwood applied for and received a Designation of Adequate Water Supply for 6,000 acre-feet of water annually from the Arizona Department of Water Resources (ADWR), which is almost two and half times more than the volume of water the City currently pumps. In order to receive a Designation of Adequate Water Supply, the City had to demonstrate to ADWR that it could continuously pump 6,000 acre-feet of water annually without causing groundwater levels to decline below a statutorily defined limit. Through effective water planning and management, Cottonwood has achieved impressive results in water conservation ensuring a future supply will be available for residential and business development.

**Wastewater** – The City of Cottonwood has developed plans to construct a new reclaimed water treatment plant in 2015/16 at the Riverfront Park complex. This plant will increase the City’s treatment capacity to more than 2000 acre-feet of effluent annually and will improve the quality of reclaimed water available for reuse and recharge. The City’s mission of sustainability includes promoting the use of reclaimed water for recharge and for irrigating existing and proposed new agriculture including turf and viticulture. An example of this commitment was the construction of a pipeline from the existing wastewater treatment plant to the vineyards operated by Yavapai College as part of their viticulture program. This effort enables the College to use reclaimed water rather than potable water from the aquifer to irrigate its vineyards. Expansion of other types of local agriculture that rely on flood irrigation is not anticipated and will be limited exclusively to lands that are already flood irrigated because of the laws governing the use of surface water. Wherever possible the City will promote the use of reclaimed water for irrigating existing and proposed new agriculture including viticulture. The City also will begin recharging up to 300 acre-feet of reclaimed water annually in 2015/16. With the completion of the new wastewater treatment plant at Riverfront Park, the City has plans to also recharge up to 300 acre-feet of reclaimed water produced by that plant as well.

**Electricity and Natural Gas** - The city of Cottonwood is served by APS for electrical service and Unisource for natural gas services. In addition there are three propane gas providers.

**Telecommunications** – Telephone, television and internet services are currently provided by CenturyLink, Cable ONE, SuddenLink Internet, SpeedConnect, and Vonage. Direct TV provides television and internet service. In order to stay abreast of technological changes and consumer demand, the Verde Valley Broadband Coalition was formed to address the needs for higher broadband quality and speed. A regional broadband infrastructure plan was prepared with a goal of enhancing this infrastructure. This plan lays out a two-pronged approach which begins with ADOT who will be widening State Route 260 from I-17 to Thousand Trails Road, which provides the opportunity for a trench that could accommodate conduit and fiber. The second focus is targeting telecommunication providers to lay conduit and/or fiber in the trench.

**Sites and Buildings** - Cottonwood currently does not maintain a real estate database that provides a business prospect or developer information about the availability of existing space or vacant land, including key attributes such as square feet, cost, zoning, etc. This information is critically important given that every site search begins with looking for real estate. The City will need to work with building/land owners and the brokerage community to begin preparing this list and maintaining its accuracy over time.

### Access to Markets

The City of Cottonwood is located in eastern Yavapai County, Arizona at the intersection of two state highways: State Route 260 and State Route 89A. SR 260 provides a primary connection between Cottonwood and Interstate 17 located approximately 15 miles south in Camp Verde. State Route 89A connects Cottonwood with the Prescott and Prescott Valley area through Jerome to the southwest, and to Sedona and Flagstaff to the north. Access to the Phoenix metropolitan region is from SR 260 and I-17, about 100 miles to the south. Distance to major markets that can be serviced with overnight delivery include Phoenix to the south and as far as Denver at 739 miles.

Table 11 - Distance to Major Metropolitan Markets	
Major Metro Market	Distance (Miles)
Phoenix	103
Albuquerque	389
Las Vegas	316
Los Angeles	452
Denver	739
San Diego	449
Salt Lake City	586

Sources: www.RandMcNally.com

The city of Cottonwood is serviced by the Cottonwood Municipal Airport which sits at 3,560 feet in elevation. It includes a single asphalt runway that measures 4,250 feet in length and 75 feet wide, and a 1,600 square foot terminal building. Services provided includes 24 hour self-service fueling and tie downs.

The Verde Canyon Railroad runs from Drake to Clarkdale and connects to the Burlington Northern Santa Fe Railroad. This line is used mostly for passenger sightseeing excursions, with limited freight on the 38 mile stretch.

The Cottonwood Area Transit (CAT) provides both fixed route and ADA service connecting Cottonwood with Clarkdale, Bridgeport and Verde Village area. Service is offered Monday through Friday from 6:45 a.m. to 6:45 p.m. The Verde Lynx provides intercity transportation between Cottonwood and Sedona and service is offered seven days a week.

### Quality of Life

The quality of life in Cottonwood is highly desirable and includes a wide range of outdoor recreation activity, a vibrant downtown and an emerging culinary scene. The Verde Valley boasts of an amenable year-round climate with average temperatures ranging from 45 to 75 degrees year-round. Access to healthcare services is above average with its primary provider the Verde Valley Medical Center which is a

full service hospital with 99 beds, as well as Spectrum Healthcare that provides an integrated healthcare service delivery.

The median price of a single family home in Cottonwood has increased 21 percent over the year 2013 from \$145,000 to \$174,950. Condos and townhouses increased 10 percent from \$105,025 to \$116,000.<sup>2</sup> The inventory in the lower price ranges has decreased and distressed inventory is now only 5 percent of the listing inventory compared to 30 percent during 2010 and 2011.<sup>3</sup> Having a diverse stock of affordable housing can serve to attract businesses interested in locating to the area and a workforce that desires to live in the Verde Valley.

## **Business Climate**

The key features of business climate that effects economic development include the tax levels, regulatory efficiency and administrative complexity. For the most part the business climate in Cottonwood is supportive of economic development, however, recently there have been concerns raised regarding the permit processing time and the degree of uniformity in the enforcement of regulations. Understanding how the permit process and fee structure compares to neighboring and competitive cities will be useful in ensuring that the community is “open for business.”

---

<sup>2</sup> ERA Real Estate Professionals, “Sedona and Verde Valley Real Estate 2014 in Review,” pp. 34-37.

<sup>3</sup> ERA Real Estate Professionals, “Sedona and Verde Valley Real Estate 2014 in Review.”

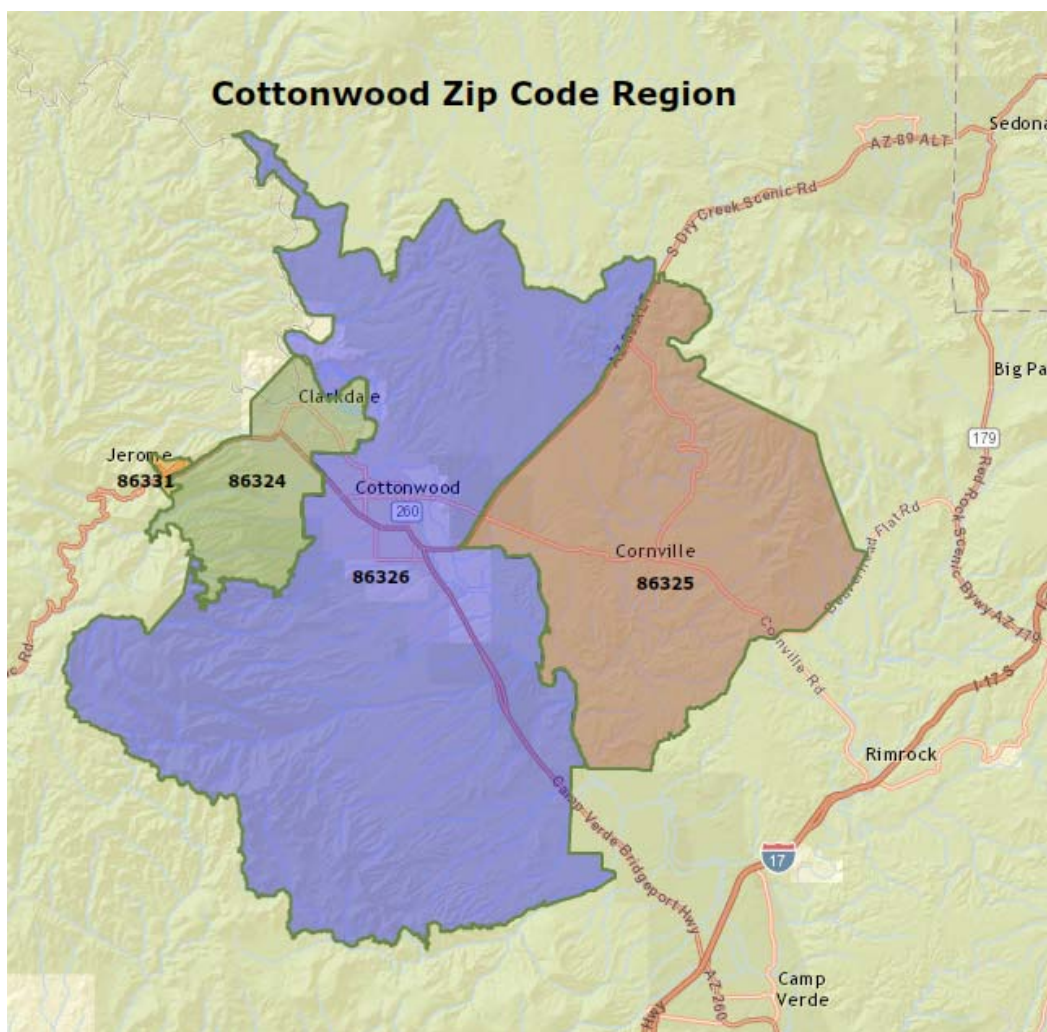


4. INDUSTRY CLUSTER DRIVEN APPROACH

Methodology

The key to building Cottonwood’s economic prosperity is to identify and strengthen its industry clusters. Clusters are led by export-oriented lead industries, supplied by local supplier companies and supported by an array of public and private institutions. The industry cluster analysis was prepared for a region that comprises Cottonwood, Clarkdale, Jerome and Cornville (Figure 12). This analysis focuses on the major industry sectors, their growth and importance to the Cottonwood economy.

Figure 12 – Industry Cluster Geography



Several factors are utilized when evaluating the various industry sectors, including the relative employment concentration, known as the location quotient (LQ), the number of jobs linked to each industry sector, employment growth, and change in the LQ (relative concentration of the industry).

Location quotients are used to identify the relative concentration of local employment within a given business sector. For the purpose of this analysis the LQ for Cottonwood region was examined against Arizona. A total of 503 industries were examined at the six digit NAICS level. A location quotient is computed for each industry, using the following mathematical formula:

$$LQ = \frac{\text{Employment in Industry within Region} / \text{Total Employment within Region}}{\text{Employment in Industry within Arizona} / \text{Total Employment within Arizona}}$$

An industry with an LQ equal to 1.0 has the same share of total employment as the industry’s share of Arizona’s employment. If a LQ is greater than 1.0, that signifies that the industry is more concentrated within the economic region than Arizona. Likewise, if an LQ is less than 1.0 that means it is less concentrated than Arizona.

### Steps in the Process

The cluster analysis excludes the government sector. The first step in the industry cluster analysis was to calculate the employment growth over a five year time horizon (2008-2013) at the six digit NAICS code and delete any industries that had zero employment. The second step was to calculate the location quotient for each industry against the state of Arizona and eliminate those industries that did not have a LQ greater than 1.0.

The last step was to organize the industries within 13 industry clusters and graphically portray the clusters’ significance to the local economy, its growth projection, and size of employment. Appendix A includes a data table that details employment payroll by industry, and LQ for all industries in the Cottonwood region compared to Arizona.

The 13 industry clusters that were analyzed include:

- Agribusiness
- Arts, Entertainment, Recreation & Visitor Industries
- Healthcare/Biomedical/Biotechnical
- Business & Financial Services
- Construction
- Education & Knowledge Creation
- Information Technology
- Mining
- Manufacturing
- Personal Services
- Printing & Publishing
- Transportation & Logistics
- Energy

When reviewing Figure 13, the bubble size represents the cluster size by number of workers. The vertical axis represents the LQ which shows the relative concentration of that cluster to the Arizona as a whole. Anything 1.0 or greater reveals a greater concentration in employment than Arizona.

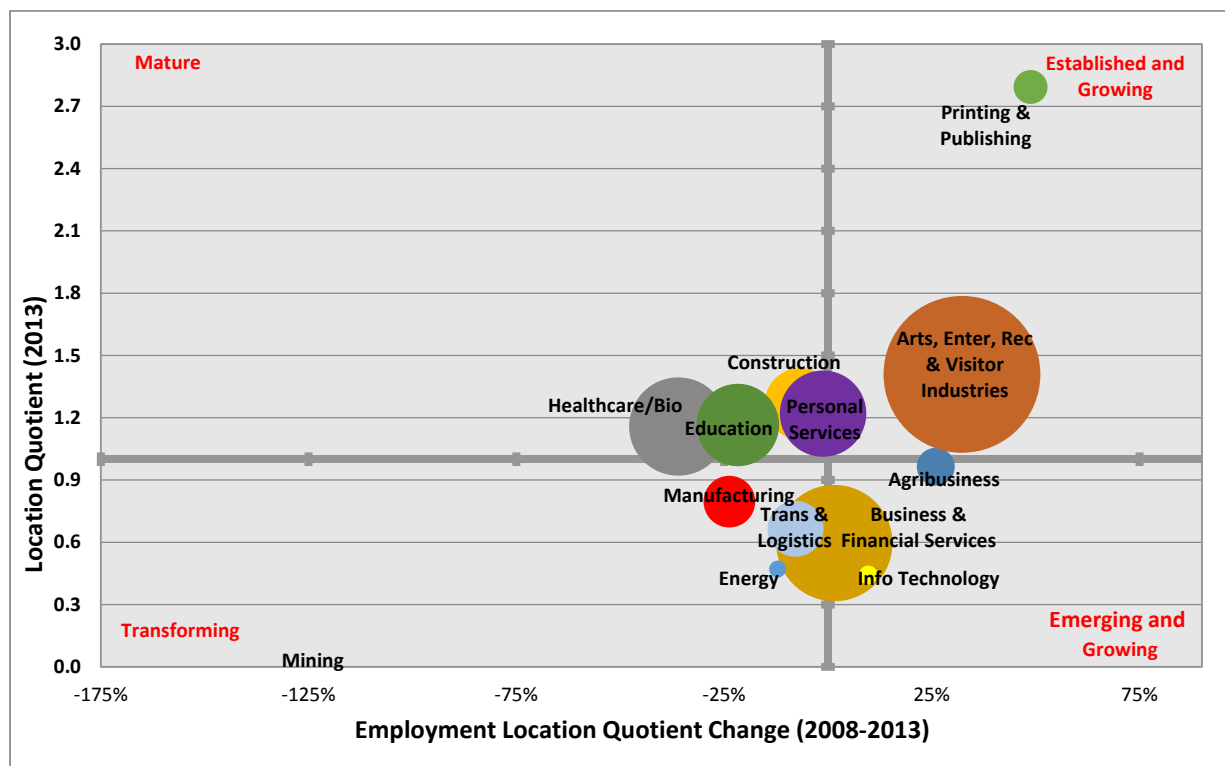
The horizontal axis represents change in the LQ from 2008 to 2013. The bubbles right of the vertical axis are driving the region's growth. Industries above the horizontal axis are more significant to the region than to the rest of Arizona. (In terms of workers employed.)

### Analysis Findings

The four quadrants of the chart illustrates the industry's economic position within the region. Industries with a LQ greater than 1.0 are a major source of employment growth and have a high local concentration. Each quadrant of the chart tells a story.

Established and growing industries that are driving the region’s growth include Arts, Entertainment, Recreation and Visitor Industries, Agribusiness, Personal Services, and Printing and Publishing. Industries that are mature but have lost some concentration in the region include Education, Healthcare, Personal Services, and Construction. Industries that are not as concentrated relative to the state as a whole, but continue to emerge and contribute to the region’s economic base include Business and Financial Services and Information Technology. Manufacturing and Transportation and Logistics, are less concentrated in the region and have declined in employment due to industry-wide technological market changes or a declining competitive advantage.

Figure 13 - Cottonwood Region Industry Concentration and LQ Growth (2008-2013)



Source: IMPLAN

Table 12 provides a snapshot of employment growth and average wages for all defined clusters, including Government within the region. Overall the region experienced a 4.4 percent increase in employment with an average wage of \$32,555. The largest employment gains were experienced in Agribusiness at 63 percent, Information Technology at 54 percent, Arts and entertainment at 30 percent, and Personal Services at 25 percent. While the Energy sector also grew, it employs a very small percentage of the

workforce at less than 1 percent. The clusters that show the largest declines in employment are Mining, which employs an insignificant percentage of the workforce, and Construction.

The higher wage clusters that employ at least 3 percent of the workforce include Manufacturing with an average wage of \$49,242, Transportation and Logistics at \$46,816 and Healthcare at \$41,547. The Government sector which includes local, state and federal employment has the highest average wage at \$65,732.

**Table 12 - Cottonwood Region Industry Cluster Average Wage and Employment Growth**

Cluster	Average Wage	2013 Emp	Percent of Total Emp	Emp Growth 2008-2013
<b>Cottonwood Region</b>	<b>\$32,324</b>	<b>11,746</b>	<b>100.0%</b>	<b>4.4%</b>
Agribusiness	\$15,441	203	1.7%	63.1%
Arts, Enter, Recreation & Visitor Industries	\$19,797	3,462	29.5%	29.9%
Healthcare/Biomedical	\$41,547	1,361	11.6%	-0.1%
Business & Financial Services	\$24,315	1,906	16.2%	11.8%
Construction	\$33,577	713	6.1%	-35.2%
Education & Knowledge Creation	\$40,475	955	8.1%	-14.5%
Energy	\$24,494	41	0.3%	26.0%
Government	\$65,782	877	7.5%	10.9%
Information Technology	\$32,292	50	0.4%	54.1%
Mining	\$53,863	2	0.02%	-94.8%
Manufacturing	\$49,242	376	3.2%	-29.5%
Personal Services	\$21,868	1,049	8.9%	25.1%
Printing & Publishing	\$37,420	162	1.4%	1.5%
Transportation & Logistics	\$46,819	441	3.8%	-9.8%
Unclassified	\$14,178	148	1.3%	-40.9%

Source: IMPLAN

Appendix B includes a complete list of industries by cluster for the Cottonwood Region compared to Arizona. This table includes employment growth rate, earnings and location quotient for the region and state.

### Cluster Targets

Industry clusters drive the economy and produce goods and services that are sold outside the city, which brings in new economic wealth. Industry clusters are geographically concentrated and feature inter-related groups of firms and other entities that do business with each other. Clusters often reach across several sectors. Industry clusters have been identified for Cottonwood that will take advantage of Cottonwood's assets, generate jobs and wages for area residents. The exporting industries within these clusters are linked to related supply industries and economic input institutions. This will generate economic activity that will have a multiplier effect creating benefits to the region by generating tax revenue that fuels local public services, which supports the outstanding quality of life that Cottonwood

residents enjoy. For these reasons, these industry clusters provide the logical starting point for an Economic Strategy for Cottonwood.

## Targeted Clusters

**Arts, Entertainment, Recreation and Visitor Industries** – comprises galleries, culinary industry, retail, museums and zoos, recreation, and lodging.

**Agribusiness** – includes greenhouses, ranching and value added agriculture such as wineries and other food processing, and support business and services to the viticulture industry (such as banks, restaurants, hotels and viticulture programs).

**Healthcare and Biomedical** - includes health and veterinarian services, home health care, elderly community care facilities, medical & diagnostic laboratories, outpatient care centers, acute care hospitals, doctor’s offices, dentist’s offices, ambulatory services, biosciences and medical products and research and development.

**Manufacturing** - made up of advanced manufacturing, defense and security, primary metals, forest and wood products, glass and ceramics and machinery.

**Transportation and Logistics** – includes all forms of transportation, warehousing and storage.

## Cluster Occupations and Workforce Development Alignment

Yavapai College Regional Economic Development Center (REDC) conducted a workforce demand analysis that examined jobs by industry within the entire Verde Valley. The goal of this analysis was to identify high wage/high demand occupations so that workforce development pathways could be devised for each industry sector. REDC conducted industry roundtables and employer interviews with representatives in Manufacturing, Food/Accommodation and Retail, Agriculture and Healthcare, and concluded that management occupations will continue to experience a steady growth in demand<sup>4</sup> within these industries.

Implementing workforce development and job training activities to industry clusters is a challenge faced by most communities. Continuing reaching out to industry through roundtable discussions and employer interviews, economic development representatives and local education and training providers will be able to obtain information on occupation growth and skill needs, thereby aligning workforce development with industry needs, which will position the community for economic prosperity.

The following table identifies the key occupations by industry cluster, which is a starting point in pinpointing the skills required by local employers. Armed with this information, education and training providers can reassess their programs to ensure that they are adequately servicing the market.

---

<sup>4</sup> Yavapai College Regional Economic Development Center, “Verde Valley Workforce Demand Analysis 2015.

**Table 13 - Cottonwood Target Cluster Occupations**

Cluster	Occupations
<b>Agribusiness</b>	General and operations managers, marketing managers, sales managers, industrial production managers, bookkeepers, industrial engineers, chemists, sales representatives, order fillers, farm workers and laborers
<b>Manufacturing</b>	General operations manager, welding, soldering, and brazing workers, production workers, assemblers and fabricators, inspectors, testers, sorters, samplers, weighers, machinists and maintenance machinery workers, purchasing agents, computer controlled machine tool operators, computer numerically controlled machine tool operators, sales representatives, customer service representatives, production, planning, and expediting clerks, first-line supervisors, machinists, team assemblers, electromechanical equipment assemblers
<b>Transportation and Logistics</b>	General operations managers, sales representatives, retail salespersons, parts salespersons, bookkeeping, accounting, and auditing clerks, order clerks, shipping, receiving, and traffic clerks, stock clerks and order fillers, truck drivers, laborers and freight, stock, and material movers
<b>Healthcare and Biomedical</b>	Dental hygienists, surgical technologists, ophthalmic medical technicians, dental assistants, phlebotomists, physical therapist assistants, diagnostic medical sonographers, physical therapist aides, medical assistants and secretaries, home health aides, substance abuse and behavioral disorder counselors, mental health counselors, mental health and substance abuse social workers, registered nurses, medical and clinical laboratory technicians, licensed practical and licensed vocational nurses, nursing aides, orderlies, and attendants
<b>Arts, Entertainment, Recreation and Visitor Industries</b>	Amusement and recreation attendants, museum technicians, curators, fine artists, bicycle repairers, retail salespersons, cashiers, first line supervisors, hotel/motel desk clerks, hosts and hostesses, cooks, waiters and waitresses, dishwashers, bartenders, and baristas

## 5. STRATEGIC PLAN

Cottonwood has been successful implementing their 2009 economic development plan and is ready to take business development to the next level by combining their success in tourism and agribusiness to include a focus on export industries. This new economic development plan for the City of Cottonwood spans over a 5-year time horizon and is anchored by the community's vision and designed around six key initiatives with overarching goals and strategic initiatives. As a part of this strategy, industry clusters have been identified that have the greatest potential to improve the economic performance of the region. This more robust plan is a bold new step for the City and will require augmentation of staff and financial resources in order to achieve success.

Cottonwood has good proximity to I-17, which will improve with the completion of the SR260 expansion project. During the Great Recession, Cottonwood fared better than Yavapai County and the State with a lower unemployment rate.

The planning process for the development of this strategic plan identified several opportunities for the community to embrace, as well as challenges that need to be overcome.

### Potential Opportunities

#### *Business Development*

Cottonwood's economy is highly reliant on tourism with a significant concentration of employment in arts, entertainment, retail trade, accommodations and food services. While tourism is very important to the community and generates sales tax for local government, the industries associated with this sector pay well below the overall median wage for the region. Community leaders recognize the importance of diversifying the economy and would like to foster the creation/attraction of higher paying jobs. Enabling and building a cluster based initiative will allow the region to more efficiently employ its resources to deliver maximum economic impact and diversify its economy. Industry clusters identified for the Cottonwood region include:

- Agribusiness - this cluster builds on the region's role as the heart of Arizona's wine industry and benefits from the recent growth in wineries.
- Manufacturing - this cluster is transforming and has the potential for growth and expansion in niche industries within defense and security, primary metals, forest and wood products, and glass and ceramics. Cottonwood should work with REDC at Yavapai College on the creation of a supply chain strategy.
- Arts, Entertainment and Visitor Industries - this is the leading employment cluster and will continue to play a major role as the region positions itself for Eco and Agritourism.
- Health Services/Bio medical - this cluster encompasses both the delivery of healthcare as well as diagnostic laboratories and medical products and research and development.
- Transportation and Logistics - this cluster supports the wine industry and strengthens Cottonwood's position as the trade center of the Verde Valley.

Implementing a cluster based approach to economic development does not preclude the city from pursuing or working with other industries, however, time and effort expended should yield the best results and align with the City's economic development goals.

Besides the business attraction program, another pillar of economic development is implementing a business retention program through the collaboration with the Chamber of Commerce in order to help local business grow and prosper. This strategy is intended to seize opportunities and identify issues before they become challenges.

In addition to business attraction and retention and small business development, there are several catalyst projects that community leaders would like to advance which would enhance the quality of life and economic vitality of the City. Among these projects is a conference facility and hotel which can help establish Cottonwood as a convention destination and attract more visitors. Other projects include a cultural center, bowling alley and movie theater.

## *Tourism*

Cottonwood is a key visitor destination in the Verde Valley with unique assets not found elsewhere. The groundwork has been laid for tourism to thrive, which includes the rebirth of Old Town and a growing arts, culture and culinary scene, all of which entice visitors from outside the area. With the continuing development of the wine industry, Cottonwood can put a spot light on the agricultural heritage experiences through agritourism by focusing on the wineries that are visitor ready, and stimulating the development of fresh new agritourism experiences for travelers. Outdoor recreation opportunities are plentiful and include riparian activity, bird watching, hiking, climbing, biking, boating, and hang-gliding.

An overarching tourism strategy is being developed by the National Geographic Center for Sustainable Destinations for the entire Verde Valley called the "National Geographic Geotourism Plan." Cottonwood can leverage this plan by taking advantage of those strategies that fit the community's vision and focus.

## *Community Development*

One of the foundations that support and foster economic development is the regulatory climate, which can have a major impact on the competitiveness of the clusters. Cottonwood has the opportunity to foster higher-quality jobs and further investment in the community, but needs to maintain a business climate that is conducive to doing business. Overly burdensome regulations and complex administrative policies are road blocks that brand a community as "difficult to do business with" and can set back or destroy the momentum of plan implementation.

Providing adequate infrastructure is crucial to succeeding in economic development. Private investment typically follows public investment; meaning that employment sites, which are fully serviced with water, sewer and other public infrastructure, are ready to be marketed and allow communities to successfully compete for business. During the site selection process, sites which don't have adequate infrastructure are deemed unviable and the community is eliminated from consideration. Cottonwood has several key industrial parcels located in various areas of the city with the proper zoning in place, but these parcels currently lack infrastructure. One area in particular is on SR 260 with good proximity to I-17. These parcels, given their proximity to I-17 could be highly desirable for business. Investing in the future by advancing the infrastructure to priority parcels will serve as a catalyst for the attraction of new development and the creation of jobs.

Old Town has become one of the City's crown jewels. Its ambiance and unique sense of place serves as a magnet for locals and visitors alike. Identifying other areas within the city that are ripe for redevelopment is a priority of this plan, and will require identification of financial resources, collaboration and the creation of strategies that are acceptable to the target neighborhoods.



## *Workforce Development*

Although the population has grown, the region has also experienced a retiring workforce and out migration of young people. In some cases employers have had a difficult time attracting skilled talent in certain professions. Out migration could be the result of a lack of opportunity within the community, as well as strong pull factors from other nearby regions. Identifying occupations in which retiring boomers will be departing and helping to pass the baton to young adults endangered of leaving the area could help reverse the trend.

Business, labor and education need to continue to work together to help build the skills of workers needed by existing business and targeted industry clusters. The work prepared by REDC is an excellent start in the active engagement of public and private sectors by addressing many of the common workforce development needs such as skill gaps and identifying vacancies.

## *Small Business and Entrepreneurship*

Growing small business is one of the pillars of the economic development plan. Through the Business Assistance Center (BAC) Cottonwood has collaborated with NACOG and the SBDC in offering a variety of training courses to help small business grow and prosper. These small business or entrepreneurs typically employ 1 to 9 employees and have less than \$1 million per year in revenues. These companies are by far the largest group of businesses in the U.S. Most of these firms are start-ups and lifestyle businesses, but some of them are growth oriented companies as well. Lifestyle businesses, also known as mom 'n' pop's, are the small retail, service, and manufacturing businesses in the community. They increase the velocity of money recirculating throughout the economy and are essential to a vibrant and desirable place to live and work. These small businesses are important drivers of the economy and Cottonwood will want to create/maintain an environment that supports their growth.

## **Economic Development Plan**

The 2015 Focus on Success Economic Development Plan for the City of Cottonwood spans over a 5-year time horizon and is designed around six key initiatives with overarching goals and strategic actions. The order of the initiatives presented in Figure 14 are not prioritized based on their value to the City. To achieve any measure of success in economic development, the implementation of strategies within all key initiatives should be undertaken simultaneously. Accomplishing the goals of the strategic plan requires an equal focus on job growth, product improvement and marketing and promotion. Implementation of the plan will help Cottonwood with the following outcomes:

- ▶ Generate robust job growth within industry clusters by maximizing the assets that Cottonwood has;
- ▶ Promote job creation and revenue generation of small business and local entrepreneurs;
- ▶ Guide investment in infrastructure and other capital projects to stimulate private sector development and job growth;
- ▶ Align workforce development with industry needs; and
- ▶ Develop the marketing tools to effectively reach its target audience.

Figure 14 - Economic Development Initiatives and Goals



The major initiatives build on the City's economic strengths to ensure long-term vitality and quality of life. Each initiative of the following action plan has an overarching goal followed by an objective and a series of strategies. Performance Measures to gauge progress have also been identified for each initiative, along with the lead and supporting organizations taking responsibility for implementation. Following is the City of Cottonwood Focus on Success Economic Development Plan, which identifies both the short term (1-2 years) and long term (3-5 years) strategies.

*Business Development Goal – Diversify the economy and provide greater job opportunities for Cottonwood residents.*

Objective 1: Foster the creation of high-wage jobs that pay benefits.		
Strategies:	1-2 Yrs.	3-5 Yrs.
1.1 Establish a business recruitment program within the City’s Economic Development Department. <ul style="list-style-type: none"> <li>a. Prepare a marketing outreach program and budget that supports the economic development plan.</li> <li>b. Add a full-time person to the economic development staff who will focus on recruitment and retention activities.</li> <li>c. Collaborate and pull together the resources of the City, CEDC, Chamber, VVREO, ACA, APS, and others for implementation.</li> <li>d. Develop the tools needed to conduct an effective recruitment program including a comprehensive community profile, labor force assessment, education and workforce development providers, etc. (cross reference with Marketing and Promotion)</li> <li>e. Develop and maintain a sites and building inventory for the community using <i>Zoom Prospector</i> or similar on-line portal. (cross reference with Marketing and Promotion)</li> <li>f. Develop recruiting packages to attract small business owners and commercial and industrial developers. (cross reference with Marketing and Promotion)</li> </ul>	X	
1.2 Identify industry targets which leverage the region’s existing economy and/or supports the objective of creating higher wage jobs and growing the tax base.	X	
1.3 Collaborate with the Regional Economic Development Center at Yavapai College on the creation of a supply chain strategy for key industry sectors including manufacturing, arts and culture, and agri-business.	X	
1.4 Work with the Chamber of Commerce and APS to establish a business retention and expansion program. <ul style="list-style-type: none"> <li>a. Assess challenges businesses are facing and help match available resources to their needs.</li> <li>b. Create a task force or leadership team and determine the roles, responsibilities and protocols.</li> <li>c. Determine the types of services that will be provided, which could include: assistance with land and buildings, streamlining the permitting process, financing referrals, buyer-supplier connections, workforce development, job boards, and business training.</li> <li>d. Identify the business sectors and/or issues that will be targeted.</li> <li>e. Utilize survey tools when reaching out to existing business establishments.</li> <li>f. Track and report results on a regular basis.</li> </ul>		X

Strategies:	1-2 Yrs.	3-5 Yrs.
1.5 Participate in ACA and APS sponsored trade shows and prospecting trips geared towards Cottonwood’s industry targets.		X
<b>Lead:</b> Cottonwood Economic Development Department		
<b>Supporting:</b> Cottonwood Chamber of Commerce, CEDC, VVREO, Yavapai College, Local First		
<b>Performance Measures:</b> Number of net new jobs (FTE's) created within each industry cluster; number of companies that locate; value of capital investment made within the community; average salary		

<b>Objective 2: Identify and pursue catalyst projects desired by the community.</b>		
Strategies:	1-2 Yrs.	3-5 Yrs.
2.1 Prepare a list of potential catalyst projects such as movie theater, cultural center, bowling alley, etc. and evaluate and rank their potential for success. <ul style="list-style-type: none"> <li>a. Select one or two projects to pursue and prepare an approach, which could include conducting a market analysis or feasibility study, identifying funding/incentives, securing grant funds, selecting potential locations, assembling a “strike team,” etc.</li> <li>b. Work with and gain the support of collaborative partners such as CEDC, VVREO, NACOC, ACA, Yavapai College, etc. to bring the project(s) to fruition.</li> </ul>	X	
2.2 Work with the wine industry, including the Verde Valley Wine Consortium, Arizona Wine Growers Association, and Southwest Wine Center, and develop a business plan around the establishment of an equipment wine cooperative in Cottonwood.		X
<b>Lead:</b> City Council, Community Development Department, Finance Department, and Economic Development Department		
<b>Supporting:</b> CEDC, VVREO, Southwest Wine Center, Yavapai College Regional Economic Development Center, Yavapai College, Verde Valley Wine Consortium, and Arizona Wine Growers Association, Local First, Community Development Committee, Chamber of Commerce, AZ Culture, Arizona Manufacturing Association, Verde Valley Agriculture Coalition		
<b>Performance Measures:</b> Securing funding for a market study, identify potential development partners, evaluate models of business cooperatives in other markets		

<b>Objective 3: Expand the retail/restaurant offerings available to Cottonwood residents.</b>		
<b>Strategies:</b>	<b>1-2 Yrs.</b>	<b>3-5 Yrs.</b>
3.1 Conduct a gap analysis to determine Cottonwood and the region’s trade leakage, and identify retail and restaurant offerings that the region could support.		X
3.2 Prepare a list of potential targets to pursue and create a marketing piece designed to inform potential targets about Cottonwood as a location. This information should include trade area map(s), key demographics and potential sites. (cross reference with Marketing and Promotion)	X	
3.3 Continue attending the national and/or regional International Council of Shopping Centers (ICSC) conference and trade show to generate leads.	X	
<b>Lead:</b> Cottonwood Economic Development Department		
<b>Supporting:</b> CEDC, Local First, Arizona Rural Development Council		
<b>Performance Measures:</b> Increase in commercial establishments, increase in sales tax generation, number of jobs created		

***Small Business and Entrepreneurship Goal – Generate job growth through assistance to small business and aspiring entrepreneurs.***

<b>Objective 1: Nurture the growth of small business.</b>		
<b>Strategies:</b>	<b>1-2 Yrs.</b>	<b>3-5 Yrs.</b>
1.1 As an adjunct to the business retention and expansion activity within the City’s Economic Development Department, create an “economic gardening” program and provide the following services: <ul style="list-style-type: none"> <li>a. Assist small business in seeking certifications such as Disadvantage Business Enterprise (DBE) Service Disable Veteran Owned Small Business (SBVOSB), Economically Disadvantaged Woman Owned Small Business (EDWOSB), 8A, etc.</li> <li>b. Formalize and market a bid/match program for existing Cottonwood businesses (BRE)</li> <li>c. Develop/market a program to assist business in marketing/selling to larger companies and governmental organizations through introduction to small business outreach advocates.</li> </ul>		X
1.2 In collaboration with the BAC and SBDC conduct training courses and seminars directed at young and startup companies on various topics that could include talent attraction, basic financial skills, business plan development, website design/analysis, press release writing/dissemination, marketing and sales, and graphic design.	X	

Strategies:	1-2 Yrs.	3-5 Yrs.
1.3 Create a mentoring program for small business using seasoned executives, such as SCORE, that can help provide the connections, experience and guidance to help small business		X
<b>Lead:</b> Cottonwood Economic Development Department		
<b>Supporting:</b> Chamber of Commerce, BAC, SBDC, SCORE, Local First		
<b>Performance Measures:</b> Number of new business, number of jobs, sales tax generation, track use of BAC		

<b>Objective 2: Create an “entrepreneurial ecosystem” throughout Cottonwood.</b>		
Strategies:	1-2 Yrs.	3-5 Yrs.
2.1 Assess the entrepreneurial pipeline in Cottonwood by conducting community surveys (using the City’s business license database), obtaining referrals from partner organizations, including NAU, Yavapai College, high schools, and conducting open houses. etc.	X	
2.2 Use the City’s Business Assistance Center (BAC) and other resources to connect entrepreneurs to the programs and resources provided by the local community, its partners and the state. (cross reference with Goal 1.2)	X	
2.3 Seek out qualified volunteers to be entrepreneur coaches.		X
2.4 Work with Mingus Union High School and VACTE to create an annual premier entrepreneurial education competition. <ul style="list-style-type: none"> <li>a. Research other high school entrepreneurship programs for ideas and curriculum.</li> <li>b. Develop competition program guidelines.</li> <li>c. Recruit a qualified panel of judges.</li> <li>d. Provide the winner or winning team with a cash award.</li> </ul>	X	

Strategies:	1-2 Yrs.	3-5 Yrs.
2.5 Embrace the “maker movement” and support the creation of a fab lab that includes robotics and CNC fabrication equipment, such as computers running easy-to-design software, and linked to production machinery and a 3D printer. <ul style="list-style-type: none"> <li>a. Evaluate other fab labs around the country to understand how they are funded and what equipment and services are offered.</li> <li>b. Monitor the success of the Yavapai College at the CTEC campus in Prescott.</li> <li>c. Determine the best approach for Cottonwood.</li> </ul>		X
<b>Lead:</b> Cottonwood Economic Development Department		
<b>Supporting:</b> Yavapai College, BAC, SBDC, Mingus Union High School, VACTE		
<b>Performance Measures:</b> Evaluate the education dollars being spent on CTE and benchmark spending to other areas.		

***Tourism Goal – Establish Cottonwood as a premier tourist destination.***

Objective 1: Market and leverage Cottonwood’s unique assets.		
Strategies:	1-2 Yrs.	3-5 Yrs.
1.1 Work with Old Town merchants, Old Town Association, the Chamber of Commerce, Local First, Old Town Association, and others as appropriate to market and promote Old Town. <ul style="list-style-type: none"> <li>a. Create a public relations and robust social media campaign that can be embraced and implemented by all stakeholders. Track web traffic, “Likes” and forwards and increased Twitter posting and re-tweets.</li> <li>b. Encourage all merchants to use social media, and if necessary conduct workshops and seminars to show them how.</li> </ul>	X	

Strategies:	1-2 Yrs.	3-5 Yrs.
<p>1.2 Coordinate and promote Cottonwood as a destination for outdoor recreation, including riparian activity at the Verde River, bird watching, fishing, hiking, biking, boating, horseback riding, hang gliding, etc.</p> <ul style="list-style-type: none"> <li>a. Identify partners and tourism bloggers that can help promote Cottonwood as an outdoor destination.</li> <li>b. Leverage the efforts of the National Geographic Geotourism Plan currently underway in the Verde Valley.</li> <li>c. Support and promote the work of the Verde Front Group who are identifying various districts along the Verde River from Clarkdale to Camp Verde.</li> <li>d. Utilize the services and cooperative advertising dollars from the Arizona Office of Tourism.</li> <li>e. Create an online guide of recreation, entertainment and special events.</li> <li>f. Work with the State Parks Department to explore the opportunity to organize boat, canoe and kayak rentals at Dead Horse State Park.</li> </ul>	X	
<p>1.3 Leverage the interest in agricultural heritage experiences by fostering agritourism in the region.</p> <ul style="list-style-type: none"> <li>a. Work with the Verde Valley Wine Consortium and the Arizona Wine Growers Association to create an app of winery and wine tasting room locations (Verde Valley Wine Trail).</li> <li>b. Resume the dialog with the Arizona Department of Transportation regarding directional way finding signage for the wine trail.</li> <li>c. Continue to take advantage of the public’s interest in local cuisine and annual wine and dine events.</li> <li>d. Continue to expand the tourist experience by encouraging the wineries to offer wine making demonstrations and on-farm dinners.</li> </ul>		X
Strategies:	1-2 Yrs.	3-5 Yrs.
<p>1.4 Implement the new brand “Heart of Arizona Wine Country.”</p> <ul style="list-style-type: none"> <li>a. Incorporate the logo and the slogan into as many visual elements as possible, including visitor materials, banners, signage, etc.</li> <li>b. Work with the local wine producers and the Verde Valley Wine Consortium to stage the annual premier wine festival (Tilted Earth) in Cottonwood that attracts visitors from around the country. Include local restaurants and artists to incorporate a culinary and arts and cultural experience.</li> </ul>	X	



Strategies:	1-2 Yrs.	3-5 Yrs.
1.5 Promote the farm to table experience with local restaurants and producers.		X
<b>Lead:</b> Cottonwood Economic Development Department <b>Supporting:</b> Cottonwood Chamber of Commerce, Old Town Association, Local First, Verde Valley Wine Consortium, Arizona Wine Growers Association, and the Arizona Office of Tourism, Sedona-Verde Valley Tourism Council, AZ Culture, Old Town Center for the Arts, Verde Valley Agriculture Consortium		
<b>Performance Measures:</b> Increase in bed and sales tax, number of bus tours, increase in lodging sleeping rooms, monitor hits on social media		

<i>Objective 2: Promote the arts and the creation of more cultural events in Cottonwood.</i>		
Strategies	1-2 Yrs.	3-5 Yrs.
2.1 Work to bring more cultural events to Cottonwood. Consider having interested members of the community meet and discuss new ideas for community events.		X
2.2 Create a cultural arts master plan for Cottonwood.		X
2.3 Conduct a meeting and discuss the vision of Cottonwood for public art.	X	
2.4 Consider initiating a “percentage for the arts” program and identify sites within the community to commission the placement of public art.		X
2.5 Support the creation of an arts council created by volunteers.	X	
2.6 Identify HUD and Arizona Commission for the Arts funding for the development of affordable artist work/live areas that can accommodate artists in residency.		X
<b>Lead:</b> Cottonwood Economic Development Department <b>Supporting:</b> Cottonwood Chamber of Commerce, Verde Valley Arts Council, AZ Culture, Local First, Old Town Center for the Arts		
<b>Performance Measures:</b> Number of cultural events staged annually, placement of public art, funding for arts and culture		

<i>Objective 3: Establish Cottonwood as a Convention destination.</i>		
Strategies	1-2 Yrs.	3-5 Yrs.
3.1 Determine the market feasibility for the establishment of a world class conference facility and hotel in Cottonwood. <ul style="list-style-type: none"> <li>a. Identify and evaluate potential locations within the city based on established criteria (i.e. size, proximity to amenities, etc.)</li> <li>b. Commission a feasibility study to determine the size of the hotel (number of sleeping rooms) and square feet and configuration of meeting room space that could be supported.</li> <li>c. Prepare preliminary conceptual site/building plans and develop cost estimates.</li> <li>d. Identify funding sources.</li> </ul>	X	
<b>Lead:</b> Cottonwood Economic Development Department, <b>Supporting:</b> Chamber of Commerce		
<b>Performance Measures:</b> Securing funding for a market study, identify potential development partners		

<i>Objective 4: Create a visitor center that has a better “front door” than the existing Chamber of Commerce location.</i>		
Strategies	1-2 Yrs.	3-5 Yrs.
4.1 Identify existing space in Cottonwood for a relocated Visitor’s Center that is highly visible and more easily accessible than the current location at the Chamber of Commerce. <ul style="list-style-type: none"> <li>a. Continue to staff the center and provide information on dining, lodging, recreation, activities, and tourist attractions, such as the wineries, etc.</li> </ul>	X	
<b>Lead Agencies:</b> Cottonwood Chamber of Commerce <b>Supporting Agencies:</b> City of Cottonwood		
<b>Performance Measures:</b> Improved location and increase in visitors to the center		

**Community Planning and Development Goal – Provide the basic framework for a healthy and sustainable community.**

<b>Objective 1: Ensure a business friendly development process.</b>		
<b>Strategies</b>	<b>1-2 Yrs.</b>	<b>3-5 Yrs.</b>
1.1 Review the development process and identify ways in which steps can be fast tracked. Invite the participation of the development community. (administrative review versus meetings with commissions)	X	
1.2 Continue implementing an initial project review program in which applicants can meet with city staff and obtain answers to questions.		X
1.3 Continue evaluating other city’s web-based building permit systems to determine if it would work for the City of Cottonwood.		X
1.4 Engage in annual reviews of the Fast-Track process and seek to improve the efficiency and expediency of the process.	X	
1.5 As needed review the zoning code to ensure its relevance to the current market.	X	
<b>Lead:</b> Cottonwood Community Development Department		
<b>Supporting:</b> Chamber of Commerce, Cottonwood Economic Development Department, Community Development Committee		
<b>Performance Measures:</b> Satisfaction survey, reduction in the length of time in the development process, increase in staff, creation of checklist, develop electronic submission for permitting, communication with the development community, frequency of review process		

*Objective 2: Foster the revitalization of selected areas within the city.*

Strategies	1-2 Yrs.	3-5 Yrs.
2.1 Identify areas within the city for revitalization and redevelopment opportunities, take advantage of various funding programs and mechanisms. Create a map that shows these locations and post it on the city’s website.	X	
2.2 Enforce code violations and property clean up.		X
2.3 Incentivize redevelopment by offering relaxed permitting timelines and fees.		X
2.4 Pursue grants for infrastructure enhancement to these redevelopment areas.	X	
<p><b>Lead:</b> Cottonwood Community Development Department, Economic Development Department, Cottonwood Police Department</p> <p><b>Supporting:</b> Yavapai College Rural Economic Development, Arizona Rural Development Council, Habitat for Humanity, Neighborhood Watch, AZ Culture</p> <p><b>Performance Measures:</b> Size and frequency of neighborhood clean-up events, number of participants, identification of districts</p>		

*Objective 3: Ensure the economic sustainability of Old Town.*

Strategies	1-2 Yrs.	3-5 Yrs.
3.1 Foster a variety of housing types in Old Town to appeal to a broader audience, including Millennials and empty nester Boomers.		X
3.2 Prepare an Old Town Master Plan that establishes the framework for long term viability and addresses land use, urban form, open space, mobility, and infrastructure. <ul style="list-style-type: none"> <li>a. Determine the cost and obtain the services of a qualified planning firm through a RFP process.</li> <li>b. Ensure that there is adequate community input into the planning process.</li> <li>c. Adopt and implement the plan.</li> </ul>		X
<p><b>Lead:</b> Cottonwood Community Development Department</p> <p><b>Supporting Agencies:</b> Old Town Association, Local First, Chamber of Commerce, AZ Culture, Verde Valley Wine Consortium</p> <p><b>Performance Measures:</b> Number of homes remodeled, increase mixed use, new housing, maintain occupancy levels, percentage of owner occupied housing in Old Town, replacement of aging infrastructure</p>		

*Objective 4: Maintain and enhance the environmental sustainability and economic viability of agriculture.*

Strategies	1-2 Yrs.	3-5 Yrs.
4.1 Work with Yavapai County to help them recognize the importance of agritourism to Cottonwood as a generator of jobs, local spending and tax revenue.	X	
4.2 Provide input to the County prior to the reclassification of agricultural land to another land use.	X	
4.3 Encourage the county to acknowledge the Cottonwood brand “Heart of Arizona Wine Country” and champion the creation of county policies that support and enhance agritourism.	X	
<p><b>Lead:</b> Cottonwood Economic Development Department, City Management, City Council,  <b>Supporting:</b> Verde Valley Wine Consortium, Arizona Wine Growers Association, VVREO, Cottonwood Chamber of Commerce, Local First, Verde Valley Agriculture Coalition, County Extension Service, National Resource conservation District</p> <p><b>Performance Measures:</b> Education programs on water conservation, increased food production, locally provided produce, increased participation and productive area in the community garden, increased availability of reclaimed water</p>		

*Objective 5: Provide adequate infrastructure and public facilities to remain competitive and meet the needs of a growing community.*

Strategies	1-2 Yrs.	3-5 Yrs.
5.1 Continue the planning effort to consolidate general government functions into a new city hall. a. Identify funding options, evaluate various sites and prepare a timeline.		X
5.2 Ensure existing infrastructure is maintained and new infrastructure available to support future economic development as feasible through options such as public private partnerships, bonding, CFD and municipal improvement districts (MID).	X	
5.3 Foster new economic development by installing infrastructure in key areas in advance of new development.	X	
5.4 Complete the broadband infrastructure plan (VVREO) and identify the aggregate demand (business, schools and residents) in Cottonwood/Verde Valley to present to service providers. Dedicate the necessary time and resources to implement the findings.	X	

Strategies	1-2 Yrs.	3-5 Yrs.
5.5 Acknowledge the traffic congestion approaching the intersection of SR260 and 89A and start collaborating with ADOT to come up with solutions.	X	
5.6 Consider the use of public financing for key capital projects.		X
<b>Lead:</b> Cottonwood City Management, Finance, and Public Works Departments <b>Supporting:</b> CEDC, VVREO, Chamber of Commerce		
<b>Performance Measures:</b> Increase availability of reclaimed water to the public, identify funding sources		

*Objective 6: Continue the dialog with the Arizona State Land Department (ASLD) on state trust land holdings within the city’s planning area.*

Strategies	1-2 Yrs.	3-5 Yrs.
6.1 Collaborate with the State Land Department to ensure that the City’s interests are met as it relates to future growth.		X
6.2 Prepare a conceptual land use plan to present to the ASLD that provides Cottonwood with economic and environmental sustainability.		X
6.3 As needed retain the services of a qualified and respectable land use/real estate attorney that can interface with the ASLD on behalf of the City.		X
6.4 Update the City’s General Plan to include the proposed land uses within the State land parcels.		X
<b>Lead:</b> Cottonwood City Management and Community Development Departments <b>Supporting:</b> CEDC		
<b>Performance Measures:</b> Ongoing talks with ASLD and ADOT regarding land on the southeast off of SR 260, ASLD land annexed into the city		

**Education and Workforce Goal - Create a first class workforce that provides existing and future business with a “job ready” employment base.**

<b>Objective 1: Align workforce development activities and programs with economic development targets and the needs of the business community.</b>		
<b>Strategies</b>	<b>1-2 Yrs.</b>	<b>3-5 Yrs.</b>
1.1 Organize and collaborate with partners in education and business and create a common understanding of the knowledge and skills required to compete successfully. <ul style="list-style-type: none"> <li>a. Utilize the findings from the Yavapai College Regional Economic Development Center (YCREDC) workforce demand analysis and leverage resources to help fill the skill gaps. Review the findings and update annually</li> <li>b. Leverage resources with K-12 and Yavapai College to design programs and provide opportunities for training.</li> <li>c. Convene meetings with representatives from the school district and Yavapai College to discuss the potential the skill gaps and CTE training that is needed.</li> <li>d. Continue to engage the business community by surveying them to identify skills and career technical education that is needed.</li> </ul>	X	
1.2 Based on the city’s industry targets, identify the education and skill requirements that are needed and work closely with K-12, CTE and Yavapai College to ensure education and training are aligned.	X	
1.3 Support partnerships with higher education to create a pipeline of students. <ul style="list-style-type: none"> <li>a. Support and encourage a seamless connection between the education programs offered at K-16 and Yavapai College by identifying career pathways and training gaps.</li> </ul>		X
1.4 Explore certification programs for the existing nursing staff to advance to the next level of their training, including critical care and surgical nursing programs.		X
1.5 Support basic computer training in the use of existing programs in software systems, such as Word and Excel.		X
1.6 Identify jobs and professions that secondary household earners and out-commuters are looking for and target those businesses.		X
1.7 Collaborate with the healthcare industry to assist them in the attraction of doctors and other healthcare professions, as well as identifying jobs for the “trailing” spouse/partner.		X

Strategies	1-2 Yrs.	3-5 Yrs.
1.8 Work with non-profit agencies geared towards the underserved population to offer business classes to improve the education level of people seeking assistance so they can be more qualified for employment opportunities.		X
1.9 Support the development of programs at Yavapai College that support existing and future economic development opportunities.	X	
<b>Lead:</b> Yavapai College, School Districts		
<b>Supporting:</b> Cottonwood Economic Development, Chamber of Commerce, Verde Valley Medical Center		
<b>Performance Measures:</b> Evaluate and assess current curriculum and pathways from secondary to postsecondary education. Explore programs and curriculum that provide educational opportunities and prepare students for the workforce.		

*Objective 2: Support the creation of a culinary arts program at Yavapai College.*

Strategies	1-2 Yrs.	3-5 Yrs.
2.1 Support the exploration/creation of certification programs such as bartenders, sommeliers, and cicerone.	X	
2.2 Once curriculum is in place, identify restaurants that can serve as training sites for student internships. Identify partnerships and opportunities for students.		X
<b>Lead:</b> Cottonwood Economic Development		
<b>Supporting:</b> CEDC, Verde Valley Wine Consortium, VVREO, Yavapai College		
<b>Performance Measures:</b> Evaluate and assess successful certification programs in the areas of bartenders, sommeliers, and cicerone. Explore the possibility of incorporating and launching these types of certificate programs as part of the culinary program.		



**Objective 3: Expand youth paid and unpaid work experiences.**

Strategies	1-2 Yrs.	3-5 Yrs.
<p>3.1 Help youth gain career readiness skills, increase their knowledge of workplace settings, and establish a work history.</p> <ul style="list-style-type: none"> <li>a. Create an internship program and career counseling at the high schools.</li> <li>b. Identify opportunities for job shadowing with area employers (public and private) to help youth gain an up-close look at the world of work; facilitate the connections.</li> <li>c. Ask area employers to provide workplace visits and tours for small groups of students; show a range of occupations and career options (Examples include healthcare, finance, manufacturing, and government).</li> <li>d. Invite employers to come to the schools and be guest speakers and talk about their industry and careers.</li> <li>e. Work at the grass roots level through the Chamber of Commerce Education Committee, Rotary Club, local business groups, and YCREDC to identify local business that would provide internship opportunities.</li> </ul>	X	
<p>3.2 Explore a summer youth employment program that combines classroom basic soft skills training with on-the-job work experience. Seek partnership with YCREDC and funding from Goodwill and other organizations.</p>		X
<p>3.3 Engage youth in volunteer work experiences by pairing them with AmeriCorps and other organizations that carry out service projects, such as environmental conservation.</p>		X
<p>3.4 Continue to sponsor and market the Verde Valley Sci-Tech Festival to ignite imagination and creativity.</p>		X
<p><b>Lead:</b> Cottonwood Chamber of Commerce  <b>Supporting:</b> Yavapai College and school districts</p>		
<p><b>Performance Measures:</b> Evaluate and assess current market for internships/supervised experiences. Explore successful internship programs and their components. Develop plan for future exploration and development.</p>		

**Marketing and Promotion Goal – Position Cottonwood as a business location.**

<b>Objective 1: Develop marketing tools and collateral materials to use in business development efforts.</b>		
<b>Strategies</b>	<b>1-2 Yrs.</b>	<b>3-5 Yrs.</b>
1.1 Prepare a community profile (demographic information) on Cottonwood and its trade area that can be printed as well as downloaded from the city’s website; update it annually.	X	
1.2 Improve the economic development landing page on the City’s website and update it regularly. a. Include the services provided, demographic information, links to sites and buildings and other resources. b. Provide a downloadable map of the community		X
1.3 Market Cottonwood sites and buildings on AZ Prospector, CoStar, Loopnet and others.		X
1.4 Tap into the co-op advertising program offered through ACA to raise awareness of manufacturing sites available in Cottonwood.		X
1.5 Develop a standard package to provide to new and expanding business that includes all aspects of site selection criteria such as labor, taxes, fees, real estate, vendors, suppliers, etc.)	X	
1.6 Develop social media outreach i.e. facebook, pintrest, flicker tweet	X	
<b>Lead:</b> Cottonwood Economic Development Department		
<b>Supporting:</b> APS, ACA, CEDC		
<b>Performance Measures:</b> Complete the brochure/marketing materials, track inquiries, track social media, number of new locates and business expansions, number of ads		

**Objective 2: Ensure that Cottonwood is well positioned for new business development and is a cost competitive location to do business.**

Strategies	1-2 Yrs.	3-5 Yrs.
2.1 Engage UPS & Fed Ex to define transportation cost to the Verde Valley/Cottonwood (costs/delivery times).		X
2.2 Benchmark the cost of doing business in Cottonwood against various competitor cities, evaluating taxes, wage rates, land and building costs, and city fees.		X
2.3 Work with community leaders (help them understand) and create a positive message about the availability of water resources for businesses and jobs.		X
2.4 Develop sustainable funding sources and partnerships to deliver economic development services.	X	
2.5 Delineate a marketing message for economic development based on the community’s vision for higher paying jobs.		X

**Lead:** Cottonwood Economic Development

**Supporting:** CEDC, Chamber of Commerce

**Performance Measures:** community service announcements/education about city accomplishments, complete benchmark report, fund economic development, continue education of the public of all ages regarding conservation and availability of water

**APPENDIX A – CITY OF COTTONWOOD SWOT ASSESSMENT**

Cottonwood Focus on Success SWOT Analysis	
STRENGTHS	WEAKNESSES
<p><b>Location</b></p> <ul style="list-style-type: none"> <li>• Cottonwood is the commercial hub of the Verde Valley</li> <li>• Proximity to Sedona and I-17</li> <li>• Good access to Verde River and parks</li> </ul> <p><b>Quality of Life</b></p> <ul style="list-style-type: none"> <li>• Cottonwood has a sense of community, family values, moderate climate, and outdoor recreation</li> <li>• Ambiance of Old Town...it's got a good "vibe"</li> <li>• Great location and friendly environment</li> </ul> <p><b>Assets</b></p> <ul style="list-style-type: none"> <li>• Yavapai College in Verde Valley and the course offerings that meet local needs</li> <li>• Articulation agreements with K-12 and YCC</li> <li>• Verde Valley Medical Center is a key asset</li> <li>• Good gunsmith and machine shop programs at Yavapai College</li> <li>• Cottonwood is gaining a reputation as a wine destination</li> <li>• Growing culinary scene</li> <li>• Expansion of SR260</li> <li>• Vacant buildings at the airport ready for users</li> <li>• Stable political environment in Cottonwood and business friendly</li> <li>• Cottonwood has a 100 year certificate of assured water supply from DWR</li> <li>• Conservation focused and forward thinking</li> <li>• The Cottonwood Recreation Center</li> </ul>	<p><b>Marketing and Promotion</b></p> <ul style="list-style-type: none"> <li>• Not many people outside of Arizona have heard of or know about Cottonwood; lack of exposure</li> <li>• There is no formal packet of information to provide a business that may be interested in Cottonwood</li> <li>• Accessing the Chamber of Commerce building is difficult especially for motorhomes and 5<sup>th</sup> wheels</li> <li>• Not enough financial and staff resources at chamber and city to expand economic development service delivery</li> </ul> <p><b>Economic Development</b></p> <ul style="list-style-type: none"> <li>• The existence of a very small manufacturing sector and few support industries to service this sector</li> <li>• Shortage of good industrial buildings and fully improved sites; no spec space</li> <li>• Insufficient focus on business retention and expansion</li> <li>• Lack of incentives</li> <li>• Small business lending is inadequate and working capital for entrepreneurs is lacking</li> <li>• Lack of economic diversity with too many low wage jobs</li> <li>• Lack of reciprocity with other states for wine sales</li> <li>• Not enough "things" for young people to do</li> <li>• The absence of enabling legislation for Tax Increment Financing in Arizona</li> <li>• The 3-tier water price structure could be a deterrent to business such as restaurants</li> </ul> <p><b>Infrastructure</b></p> <ul style="list-style-type: none"> <li>• Inadequate high speed internet</li> <li>• Transportation infrastructure is limited</li> <li>• Lack of water and sewer along SR260 to service future economic development</li> <li>• City has little desire to use CFD financing mechanism for infrastructure</li> </ul> <p><b>Community Planning and Development</b></p> <ul style="list-style-type: none"> <li>• Inadequate wayfinding signage to the vineyards</li> <li>• Inadequate wayfinding signage to the Verde River for recreation purposes</li> <li>• Lack of vision and overall plan for Old Town</li> <li>• Increasing Cottonwood regulations, fees and bureaucratic red tape when it comes to the development process, which can be an impediment to business</li> </ul> <p><b>Training / Workforce Development</b></p> <ul style="list-style-type: none"> <li>• Employers have a difficult time finding qualified workers</li> <li>• Teachers are undervalued and underpaid</li> <li>• Teachers are retiring and not enough young people are going into the profession</li> <li>• Can't attract doctors and other healthcare providers due to lack of jobs for the secondary wage earner</li> </ul>

Cottonwood Focus on Success SWOT Analysis	
OPPORTUNITIES	THREATS
<p><b>Economic Development</b></p> <ul style="list-style-type: none"> <li>• Help manufactures localize their supply chain by implementing a supply chain strategy.</li> <li>• Attraction of firearms manufacturers and clean light industry</li> <li>• Development of a multi-purpose event center and hotel</li> <li>• Create/attract businesses that services the agriculture/wine industry</li> <li>• Develop a business plan to create an equipment cooperative for the wine industry</li> <li>• Grow the visitor market by promoting Eco and Agi-Tourism</li> <li>• Stage more community events</li> <li>• Continue to promote Cottonwood as a visitor destination</li> <li>• Expansion of the healthcare industry</li> <li>• Additional retail offerings for Cottonwood residents and visitors</li> <li>• Establish a business incubator that has 3D printers for entrepreneurs and inventors</li> <li>• Potential spin off activity resulting from the U of A Veterinarian School locating on SR260 south of Cottonwood</li> </ul> <p><b>Training/Workforce Development</b></p> <ul style="list-style-type: none"> <li>• Tie education and workforce development programs to business/industry targets</li> <li>• Create a culinary program at the Verde Valley campus of YCC and include food service and certificate programs for bartenders and sommeliers</li> <li>• Collaborate with the SBDC and conduct counseling and workshops for small business and entrepreneurs</li> <li>• Identify CTE training that is needed in the community</li> <li>• YCC collaboration and coordination with the future U of A Veterinarian science school in Verde Valley in order to create a pipeline of students</li> <li>• Capture Cottonwood residents who out-commute to work to stay and work in Cottonwood</li> </ul>	<p><b>Physical</b></p> <ul style="list-style-type: none"> <li>• Aging septic systems in Verde Village and the potential for contamination of the Verde River</li> <li>• Lack of cohesiveness in development and design</li> <li>• Continuing perception that there is a water shortage</li> <li>• Increasing traffic congestion on SR 260/89A</li> <li>• There is the potential overuse of the river by the public. Need to work with partners such as National and State Parks, Forest Service and NGO's to conduct an education program.</li> </ul> <p><b>Social</b></p> <ul style="list-style-type: none"> <li>• Concentration and growth of social services in Cottonwood</li> <li>• Large percentage of students that qualify for free or reduced lunch program, meaning parents are not adequately employed</li> <li>• Youth drug problem</li> <li>• The fear that all growth is evil</li> <li>• Lack of age diversity in Cottonwood with too many retirees on a fixed income</li> <li>• Exodus of young adults who can't find a job locally</li> <li>• There are not enough young families in Cottonwood</li> <li>• Retiring Baby Boomers will be leaving the workforce, which will leave a void in the job market</li> </ul> <p><b>Economic</b></p> <ul style="list-style-type: none"> <li>• Reclassification of County agricultural land to nonagricultural uses</li> <li>• Arizona's laws and distributors are holding the Arizona wine industry back; need to educate legislators</li> <li>• Decisions made by YCC in Prescott, which are not in the best interest of Verde Valley</li> <li>• Growth for the sake of growth, while ignoring smart growth.</li> </ul>

Cottonwood Focus on Success SWOT Analysis	
OPPORTUNITIES	THREATS
<p><b>Marketing and Promotion</b></p> <ul style="list-style-type: none"> <li>• Develop marketing outreach aimed at industry targets and geographic markets, especially California</li> <li>• Cooperative advertising</li> <li>• Leverage “farm to table” and promote the wine and culinary business</li> <li>• Leverage the Southwest Wine Center at YCC as a national draw</li> <li>• Market Cottonwood sites and buildings on CoStar and Loopnet and AZ Prospector</li> </ul> <p><b>Community Planning and Development</b></p> <ul style="list-style-type: none"> <li>• Continue improvements in Old Town with better pedestrian linkages to the river/trails and other streets, and the creation of an overlay district to help with preservation.</li> <li>• Development of State Trust lands</li> <li>• Develop an airport master plan and identify targeted uses/industries</li> <li>• Bring a variety of housing to Old Town</li> <li>• Emulate the success of Old Town in Mid Town Cottonwood and other strategic locations</li> <li>• Use public financing tools for infrastructure development</li> <li>• Complete the broadband infrastructure plan (VVREO) and identify the aggregate demand (business, schools and residents) in Cottonwood/Verde Valley to present to service providers</li> <li>• Work with regional partners to identify an underground aquifer as a future water source</li> </ul>	

December 4, 2014

**APPENDIX B - INDUSTRY CLUSTER ANALYSIS**



Cottonwood Industry Cluster Analysis

Description	Cottonwood Region Employment		Arizona Employment		2008-13 Employment Growth		Cottonwood Payroll 2013	Arizona Payroll 2013	2013 Earnings Per Employee		Cottonwood to Arizona LQ	
	2008	2013	2008	2013	Cottonwood	Arizona			Cottonwood	Arizona	2008	2013
<b>Total</b>	<b>11,248</b>	<b>11,746</b>	<b>3,376,989</b>	<b>3,417,501</b>	<b>4.4%</b>	<b>1.2%</b>	<b>\$379,678,254</b>	<b>\$150,648,776,998</b>	<b>\$2,324</b>	<b>\$44,082</b>	<b>1.00</b>	<b>1.00</b>
<b>Agribusiness</b>												
Grain farming	1.4	0.5	1,415	607	-67.8%	-57.1%	\$940	\$2,747,396	\$2,014	\$4,529	0.31	0.22
Vegetable and melon farming	0.1	2.6	3,064	8,084	2418.6%	163.9%	\$27,725	\$145,656,860	\$10,554	\$18,019	0.01	0.09
Fruit farming	0.3	0.8	342	503	153.5%	47.0%	\$3,011	\$4,480,767	\$4,804	\$8,903	0.26	0.43
Tree nut farming	0.2	0.2	157	321	43.2%	104.0%	\$4,254	\$11,675,935	\$18,063	\$6,359	0.31	0.21
Greenhouse, nursery, and floriculture production	26.6	41.8	2,643	2,596	-1.8%	-1.8%	\$413,485	\$49,558,666	\$9,898	\$19,091	3.02	4.68
All other crop farming	1.9	3.8	3,507	5,341	103.9%	52.3%	\$30,243	\$91,304,077	\$7,921	\$17,094	0.16	0.21
Beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming	9.4	12.1	4,114	3,156	-23.3%	-23.3%	\$73,974	\$15,863,445	\$6,089	\$5,026	0.68	1.12
Poultry and egg production	0.7	0.4	57	165	-41.3%	189.0%	\$3,404	\$2,715,279	\$8,421	\$16,493	3.63	0.71
Animal production, except cattle and poultry and eggs	2.8	1.7	1,048	819	-39.8%	-21.9%	\$13,956	\$5,422,502	\$8,380	\$6,622	0.79	0.59
Commercial hunting and trapping	0.1	0.7	81	313	465.6%	284.3%	\$0	\$66,960	\$-	\$214	0.48	0.68
Support activities for agriculture and forestry	13.9	46.4	16,164	14,405	-234.1%	-10.9%	\$306,367	\$380,171,875	\$6,606	\$26,391	0.26	0.94
Bread and bakery product, except frozen, manufacturing	0.0	52.6	2,601	6,727	New	New	\$1,472,511	\$206,594,788	\$27,993	\$30,711	0.00	2.28
Frozen cakes and other pastries manufacturing	0.0	0.7	167	212	New	New	\$22,090	\$6,265,413	\$29,570	\$29,604	0.00	1.03
Breweries	0.8	0.7	14	99	-14.2%	590.4%	\$20,311	\$2,658,775	\$28,975	\$26,741	17.03	2.05
Wineries	43.0	36.2	72	104	-15.7%	44.8%	\$991,726	\$3,007,683	\$27,368	\$28,818	179.12	101.02
Fertilizer, mixing only, manufacturing	0.9	1.1	69	247	23.4%	260.0%	\$55,084	\$11,767,331	\$50,128	\$47,639	3.90	1.29
<b>Arts, Entertainment, Recreation &amp; Visitor Industries</b>												
Motor vehicle and parts dealers	247.9	162.6	49,407	29,518	-34.4%	-40.3%	\$6,385,240	\$1,467,085,815	\$9,281	\$49,701	1.51	1.60
Furniture and home furnishings stores	30.5	37.2	15,083	11,179	-22.2%	-25.9%	\$826,164	\$377,251,282	\$22,191	\$33,745	0.61	0.97
Electronics and appliance stores	70.5	21.3	14,114	13,111	-69.8%	-7.1%	\$632,736	\$555,329,168	\$29,698	\$42,355	1.50	0.47
Building material and garden equipment and supplies stores	278.9	210.8	26,770	23,843	-23.0%	-10.9%	\$5,804,397	\$798,659,912	\$27,533	\$33,497	3.07	2.57
Food and beverage stores	401.6	242.6	61,339	51,033	-39.6%	-16.8%	\$7,260,710	\$1,546,258,667	\$29,927	\$30,299	1.97	1.38
Health and personal care stores	58.2	78.8	21,986	22,788	35.4%	3.6%	\$2,401,158	\$903,979,309	\$30,474	\$39,669	0.79	1.01
Gasoline stores	36.8	78.1	17,636	16,656	-112.3%	-5.6%	\$1,632,071	\$432,050,690	\$20,902	\$25,939	0.63	1.36
Clothing and clothing accessories stores	36.6	38.0	27,186	28,002	3.9%	3.0%	\$572,886	\$522,242,554	\$15,064	\$18,650	0.40	0.40
Sporting goods, hobby, musical instrument and book stores	23.2	35.6	16,093	14,155	-53.6%	-12.0%	\$703,219	\$269,025,757	\$19,754	\$19,505	0.43	0.73
General merchandise stores	332.6	378.9	68,107	61,963	-13.9%	-9.0%	\$10,774,699	\$1,712,609,009	\$28,440	\$27,644	1.47	1.78
Miscellaneous store retailers	82.9	87.6	34,021	34,556	5.7%	1.6%	\$1,072,388	\$612,325,928	\$12,243	\$17,720	0.73	0.74
Nonstore retailers	53.7	57.0	44,664	39,568	-6.1%	-11.4%	\$526,843	\$721,458,252	\$9,248	\$18,233	0.36	0.42
Scenic and sightseeing transportation and support activities for transportation	119.4	501.4	10,857	16,106	319.8%	48.4%	\$22,345,324	\$750,292,053	\$44,565	\$46,584	3.30	9.06
Motion picture and video industries	0.8	6.3	5,723	6,750	676.5%	17.7%	\$55,432	\$131,468,445	\$8,807	\$19,477	0.04	0.27
Radio and television broadcasting	15.5	18.6	4,432	3,868	-19.6%	-12.7%	\$522,941	\$294,816,589	\$28,156	\$60,703	1.05	1.40
Travel arrangement and reservation services	7.0	35.0	8,697	9,904	396.8%	13.9%	\$782,846	\$430,958,160	\$22,386	\$43,515	0.24	1.03
Performing arts companies	38.6	39.6	7,141	7,061	-2.6%	-1.1%	\$116,367	\$53,933,716	\$2,939	\$7,638	1.62	1.63
Commercial Sports Except Racing	0.0	23.1	11,174	10,386	New	New	\$136,587	\$476,320,374	\$5,904	\$45,862	0.00	0.65
Racing and Track Operation	0.0	1.1	739	1,711	New	New	\$4,595	\$10,647,990	\$4,127	\$6,223	0.00	0.19
Promoters of performing arts and sports and agents for public figures	101.0	85.4	7,182	10,766	-15.5%	49.9%	\$197,172	\$72,465,729	\$2,309	\$6,731	4.22	2.31
Independent artists, writers, and performers	2.3	6.7	2,699	2,281	194.0%	-15.5%	\$65,670	\$34,111,614	\$9,753	\$14,953	0.25	0.86
Museums, historical sites, zoos, and parks	0.0	1.2	1,624	2,224	New	New	\$349,920	\$77,106,392	\$28,823	\$34,671	0.00	1.59
Amusement parks and arcades	3.0	1.8	5,383	1,220	-39.5%	-77.3%	\$16,273	\$16,952,713	\$8,946	\$12,255	0.17	0.43
Gambling industries (except casino hotels)	4.7	43.4	8,351	8,928	830.7%	6.9%	\$1,114,232	\$298,511,353	\$25,672	\$33,436	0.17	1.41
Other amusement and recreation industries	4.7	55.0	12,791	14,314	1060.7%	11.9%	\$1,010,830	\$586,266,693	\$18,381	\$24,889	0.11	1.12
Fitness and recreational sports centers	44.1	38.7	10,454	10,921	-12.2%	4.5%	\$448,997	\$175,008,820	\$11,604	\$16,026	1.27	1.03
Bowling centers	0.0	9.9	1,076	1,264	New	New	\$138,057	\$23,643,316	\$13,957	\$18,706	0.00	2.28
Hotels and motels, including casino hotels	54.0	154.4	31,704	30,774	186.1%	-2.9%	\$4,616,025	\$1,047,229,980	\$29,889	\$34,030	0.51	1.46
Other accommodations	26.2	30.7	3,235	1,595	17.4%	-50.7%	\$664,412	\$47,351,566	\$21,636	\$29,680	2.43	5.60
Full-service restaurants	270.8	512.4	93,723	97,734	89.2%	4.3%	\$10,490,681	\$2,175,116,211	\$20,474	\$22,256	0.87	1.53
Limited-service restaurants	287.9	291.1	99,658	95,561	-1.1%	-4.1%	\$5,141,553	\$1,755,089,355	\$17,661	\$18,366	0.87	0.89
All other food and drinking places	33.4	167.1	11,565	42,664	400.2%	268.9%	\$3,805,941	\$1,071,954,712	\$22,771	\$25,125	0.87	1.14

Cottonwood Industry Cluster Analysis

Description	Cottonwood Region Employment		Arizona Employment		2008-13 Employment Growth		Cottonwood Payroll		Arizona Payroll		2013 Earnings Per Employee		Cottonwood to Arizona LQ	
	2008	2013	2008	2013	Cottonwood	Arizona	Cottonwood	Arizona	2013	2013	Cottonwood	Arizona	2008	2013
<b>Business &amp; Financial Services</b>														
Monetary authorities and depository credit intermediation	68.4	103.3	31,851	39,818		25.0%	\$4,657,059	\$2,663,264,160	\$ 45,103	\$ 66,886	0.64	0.75		
Nonmonetary credit intermediation and related activities	75.4	117.7	52,742	45,420	-84.5%	-13.9%	\$450,492	\$3,330,566	\$ 38,660	\$ 78,453	0.43	0.07		
Securities and commodity contracts intermediation and brokerage	35.1	43.7	17,284	43,798	24.5%	153.4%	\$307,532	\$1,207,950,684	\$ 7,041	\$ 27,580	0.61	0.29		
Other financial investment activities	42.6	63.9	20,984	25,182	50.0%	20.0%	\$489,021	\$621,558,594	\$ 7,651	\$ 24,682	0.61	0.74		
Insurance carriers	22.8	17.6	22,533	29,077	-22.5%	29.0%	\$885,862	\$1,809,233,398	\$ 50,216	\$ 62,222	0.30	0.18		
Insurance agencies, brokerages, and related activities	62.6	59.4	25,505	27,255	-5.1%	6.9%	\$1,537,913	\$1,462,890,259	\$ 25,909	\$ 53,674	0.74	0.63		
Real estate	181.5	661.8	207,418	211,679	264.7%	2.1%	\$2,400,233	\$1,741,136,841	\$ 3,627	\$ 8,225	0.26	0.91		
Legal services	77.0	80.9	27,289	27,840	5.0%	2.0%	\$1,679,989	\$1,581,516,066	\$ 20,769	\$ 56,207	0.85	0.85		
Accounting, tax preparation, bookkeeping, and payroll services	175.7	133.9	29,147	24,462	-23.8%	-16.1%	\$2,592,798	\$901,898,132	\$ 19,361	\$ 36,869	1.81	1.59		
Architectural, engineering, and related services	60.7	42.9	46,631	39,939	-29.4%	-14.4%	\$943,521	\$2,608,544,434	\$ 22,006	\$ 65,313	0.39	0.31		
Custom computer programming services	0.0	36.8	23,373	24,184	0.0%	3.5%	\$1,254,551	\$1,543,047,852	\$ 34,069	\$ 63,805	0.00	0.44		
Computer systems design services	39.0	12.3	16,796	15,152	-68.4%	-9.8%	\$312,657	\$959,563,233	\$ 25,346	\$ 63,328	0.70	0.24		
Other computer related services, including facilities management	0.4	7.6	2,683	9,461	1644.8%	252.6%	\$151,946	\$520,174,133	\$ 20,020	\$ 54,983	0.05	0.23		
Management consulting services	16.3	37.6	28,250	28,993	130.6%	2.6%	\$1,018,366	\$1,392,920,044	\$ 27,049	\$ 48,043	0.17	0.38		
Environmental and other technical consulting services	0.8	12.9	2,613	4,692	1428.8%	79.5%	\$676,595	\$228,136,336	\$ 52,394	\$ 48,623	0.10	0.80		
Advertising, public relations, and related services	5.8	13.4	12,745	12,251	133.8%	-3.9%	\$152,771	\$43,736,877	\$ 11,360	\$ 35,403	0.14	0.32		
Photographic services	8.7	2.5	2,040	1,405	-70.9%	-31.2%	\$36,882	\$23,424,183	\$ 14,865	\$ 16,676	1.28	0.52		
Marketing research and all other miscellaneous professional, scientific, and technical services	1.4	7.6	6,833	9,243	449.7%	35.3%	\$229,836	\$351,306,458	\$ 30,417	\$ 38,007	0.06	0.24		
Management of companies and enterprises	36.7	93.1	28,563	32,738	153.5%	14.6%	\$395,681	\$2,891,341,553	\$ 4,251	\$ 88,318	0.39	0.83		
Office administrative services	3.8	26.4	12,577	20,000	598.3%	59.0%	\$1,076,000	\$1,321,266,724	\$ 40,776	\$ 66,064	0.09	0.38		
Facilities support services	0.0	2.0	5,053	5,830	0.0%	15.4%	\$85,367	\$252,992,783	\$ 41,735	\$ 43,395	0.00	0.10		
Employment services	611.9	156.6	138,355	123,606	-74.4%	-10.7%	\$3,774,013	\$3,646,332,764	\$ 24,098	\$ 29,500	1.33	0.37		
Business support services	0.0	15.4	32,170	40,931	0.0%	27.2%	\$211,279	\$1,181,724,243	\$ 13,763	\$ 28,871	0.00	0.11		
Investigation and security services	1.2	13.5	17,438	19,411	1065.0%	11.3%	\$275,256	\$541,957,642	\$ 20,427	\$ 27,920	0.02	0.20		
Services to buildings	94.5	111.8	29,286	31,778	18.3%	8.5%	\$1,330,577	\$694,111,389	\$ 11,906	\$ 21,843	0.97	1.02		
Landscape and horticultural services	65.0	95.5	20,141	19,254	-4.4%	-4.4%	\$1,498,990	\$503,286,407	\$ 15,689	\$ 26,139	0.97	1.44		
Other support services	0.0	5.9	3,946	4,675	0.0%	18.5%	\$89,007	\$1,604,144,867	\$ 15,152	\$ 34,253	0.00	0.37		
Waste management and remediation services	14.7	36.4	4,910	5,742	146.9%	16.9%	\$1,365,020	\$349,229,950	\$ 37,533	\$ 60,817	0.90	1.84		
<b>Construction</b>														
Health care structures	58.4	23.0	13,869	5,810	-60.6%	-58.1%	\$882,748	\$339,562,714	\$ 38,317	\$ 58,441	1.26	1.15		
Manufacturing structures	42.9	27.2	10,069	6,832	-36.6%	-32.2%	\$1,079,903	\$408,192,505	\$ 39,655	\$ 59,747	1.28	1.16		
Power and communication structures	82.2	45.6	19,558	10,387	-44.5%	-47.4%	\$2,227,720	\$632,150,513	\$ 48,867	\$ 61,448	1.26	1.29		
Educational and vocational structures	109.8	29.7	26,076	7,431	-73.0%	-71.5%	\$864,550	\$326,591,217	\$ 29,140	\$ 43,948	1.26	1.16		
Highways and streets	161.9	36.0	14,716	9,089	-41.7%	-38.2%	\$1,455,618	\$559,926,025	\$ 40,392	\$ 61,605	1.26	1.15		
Commercial structures, including farm structures	62.6	34.8	38,623	8,834	-78.6%	-77.1%	\$1,387,888	\$520,659,851	\$ 39,881	\$ 58,936	1.26	1.15		
Other nonresidential structures	61.7	108.9	14,668	27,364	76.6%	86.6%	\$3,927,758	\$1,500,823,853	\$ 36,067	\$ 54,846	1.26	1.16		
Single-family residential structures	244.4	102.6	49,606	21,328	-58.0%	-57.0%	\$2,928,934	\$936,388,550	\$ 28,555	\$ 43,904	1.48	1.40		
Multifamily residential structures	25.6	17.5	5,196	3,606	-31.7%	-30.6%	\$585,542	\$184,306,274	\$ 33,511	\$ 51,110	1.48	1.41		
Other residential structures	83.3	112.1	16,901	23,132	34.6%	36.9%	\$353,496	\$111,266,930	\$ 3,154	\$ 4,810	1.48	1.41		
Nonresidential maintenance and repair	100.8	91.6	24,042	23,100	-9.2%	-3.9%	\$2,980,363	\$1,146,442,505	\$ 32,540	\$ 49,629	1.26	1.15		
Residential maintenance and repair	51.1	50.0	10,362	10,315	-2.1%	-0.5%	\$1,693,218	\$532,960,266	\$ 33,878	\$ 51,670	1.48	1.41		
Maintenance and repair of highways, streets, bridges, and tunnels	17.0	34.5	4,058	8,704	108.8%	114.5%	\$1,122,929	\$431,951,843	\$ 32,540	\$ 49,629	1.26	1.15		
<b>Education &amp; Knowledge Creation</b>														
Elementary and secondary schools	98.7	131.2	19,681	24,411	33.0%	24.0%	\$3,967,240	\$7,691,855,164	\$ 30,229	\$ 31,537	1.51	1.56		
Junior colleges, colleges, universities, and professional schools	0.0	138.7	18,759	19,225	New	2.5%	\$6,791,974	\$880,327,942	\$ 48,982	\$ 45,791	0.00	2.10		
Other educational services	22.0	52.8	17,442	21,948	140.2%	25.3%	\$1,664,977	\$832,717,407	\$ 31,504	\$ 38,113	0.38	0.70		
Employment and payroll of local gov't, education	757.0	632.3	141,804	144,116	-16.5%	1.6%	\$32,367,302	\$7,849,533,691	\$ 51,886	\$ 54,467	1.60	1.28		
<b>Energy</b>														
Drilling oil and gas wells	1.9	3.6	177	850	89.5%	381.2%	\$18,515	\$12,436,677	\$ 5,114	\$ 14,633	3.25	1.24		
Support activities for oil and gas operations	6.1	24.2	336	343	294.1%	2.2%	\$757,599	\$9,258,802	\$ 31,990	\$ 26,977	5.49	20.53		
Water, sewerage and other systems	19.6	12.7	2,350	2,034	-35.4%	-13.5%	\$470,343	\$159,573,135	\$ 37,079	\$ 78,468	2.51	1.81		

Cottonwood Industry Cluster Analysis

Description	Cottonwood Region Employment		Arizona Employment		2008-13 Employment Growth		Cottonwood Payroll 2013		2013 Earnings Per Employee Arizona		Cottonwood to Arizona IQ	
	2008	2013	2008	2013	Cottonwood	Arizona	Cottonwood Payroll 2013	Arizona Payroll 2013	Cottonwood	Arizona	2008	2013
<b>Government</b>												
Employment and payroll of federal gov't, military	78.8	65.8	38,668	35,575	-15.6%	-8.0%	\$2,332,735	\$2,356,453.125	\$ 35,472	\$ 66,240	0.61	0.54
Postal service	35.1	28.0	11,917	9,145	-20.3%	-23.3%	\$2,231,687	\$769,833,008	\$ 79,694	\$ 84,178	0.88	0.89
Other local government enterprises	69.7	141.5	14,127	27,697	103.0%	96.1%	\$7,204,829	\$1,955,897,339	\$ 50,931	\$ 70,677	1.46	1.49
Employment and payroll of state gov't, non-education	182.2	65.9	57,024	45,693	-63.9%	-19.9%	\$3,929,776	\$2,913,971,191	\$ 59,671	\$ 63,713	0.56	0.42
Employment and payroll of local gov't, non-education	354.1	473.7	110,818	88,726	-33.8%	-19.9%	\$29,059,572	\$6,157,529,785	\$ 61,942	\$ 69,399	0.96	1.55
Employment and payroll of federal gov't, non-military	45.9	102.3	41,110	29,492	-28.3%	-12.0%	\$11,001,219	\$3,417,426,025	\$ 107,579	\$ 115,875	0.33	1.01
<b>Healthcare/Biomedical/Biotechnical</b>												
Scientific research and development services	0.0	80.0	6,529	27,641	0.0%	323.4%	\$3,911,769	\$1,902,759,521	\$ 48,904	\$ 68,838	0.00	0.84
Veterinary services	50.2	92.2	8,618	9,464	83.9%	9.8%	\$1,527,256	\$245,126,877	\$ 16,557	\$ 25,900	1.75	2.84
Offices of physicians	310.0	182.3	60,295	61,035	-41.2%	1.2%	\$12,366,774	\$5,112,574,707	\$ 7,822	\$ 83,765	1.54	0.87
Offices of dentists	81.4	85.6	15,827	20,301	5.2%	28.3%	\$3,736,401	\$980,501,526	\$ 43,639	\$ 48,299	1.54	1.23
Offices of other health practitioners	62.6	75.4	12,179	18,088	20.5%	48.5%	\$2,688,081	\$659,054,993	\$ 35,633	\$ 36,436	1.54	1.21
Outpatient care centers	96.7	106.2	17,802	26,667	9.8%	49.8%	\$4,962,860	\$1,478,470,823	\$ 46,740	\$ 55,442	1.63	1.16
Medical and diagnostic laboratories	43.7	29.7	8,048	7,951	-1.2%	-1.2%	\$1,018,022	\$453,798,950	\$ 34,228	\$ 57,073	1.63	1.09
Home health care services	55.0	89.0	19,759	24,964	61.6%	26.3%	\$1,882,244	\$736,186,584	\$ 21,160	\$ 29,089	0.84	1.04
Other ambulatory health care services	38.1	55.2	7,009	10,869	45.1%	55.1%	\$1,984,215	\$543,550,842	\$ 35,524	\$ 50,008	1.63	1.48
Hospitals	402.1	241.1	71,677	86,574	-40.0%	20.8%	\$17,623,775	\$5,982,092,773	\$ 73,089	\$ 69,098	1.68	0.81
Nursing and community care facilities	177.9	291.5	32,234	36,459	63.8%	13.1%	\$9,898,305	\$1,224,881,104	\$ 33,959	\$ 33,596	1.66	2.33
Residential mental retardation, mental health, substance abuse and other facilities	44.4	32.5	8,048	14,513	-26.9%	80.3%	\$1,329,374	\$459,452,515	\$ 40,909	\$ 31,659	1.66	0.65
<b>Information Technology</b>												
Wired telecommunications carriers	18.8	44.8	10,682	11,287	138.2%	5.7%	\$1,984,506	\$812,935,303	\$ 44,288	\$ 72,025	0.53	1.16
Satellite, telecommunications resellers, and all other telecommunications	1.9	4.8	1,071	1,543	154.7%	44.1%	\$97,515	\$121,032,227	\$ 20,295	\$ 78,419	0.53	0.91
<b>Manufacturing</b>												
Other basic organic chemical manufacturing	0.0	0.3	33	37	New	14.2%	\$21,242	\$2,845,140	\$ 68,957	\$ 76,166	0.00	2.40
Dental laboratories	0.3	3.2	1,243	1,227	897.2%	-9.3%	\$209,440	\$47,018,002	\$ 65,180	\$ 41,723	0.08	0.83
Fiber, yarn, and thread mills	0.0	1.1	138	120	New	-13.3%	\$80,846	\$5,151,217	\$ 72,137	\$ 43,082	0.00	2.73
Jewelry and silverware manufacturing	4.5	3.2	247	193	-29.2%	-21.7%	\$103,449	\$7,705,295	\$ 32,391	\$ 39,837	5.49	4.81
Toilet preparation manufacturing	0.0	0.8	606	625	New	3.1%	\$30,414	\$31,057,396	\$ 37,383	\$ 49,693	0.00	0.38
Laminated plastics, plate, sheet (except packaging), and shape manufacturing	2.1	2.7	33	26	28.9%	-21.9%	\$277,350	\$2,616,407	\$ 100,990	\$ 100,990	19.28	30.84
Rubber and plastics hoses and belting manufacturing	0.0	0.3	184	171	New	-7.4%	\$16,164	\$12,858,413	\$ 50,752	\$ 75,236	0.00	0.54
Electromedical and electrotherapeutic apparatus manufacturing	0.0	1.0	797	715	New	-10.3%	\$43,316	\$51,950,459	\$ 45,359	\$ 72,643	0.00	0.39
Small arms ammunition	0.0	2.2	6	50	New	781.7%	\$53,782	\$2,026,724	\$ 24,783	\$ 40,402	0.00	12.59
All other miscellaneous electrical equipment and component manufacturing	3.3	2.2	393	532	-32.0%	35.2%	\$178,303	\$42,584,435	\$ 79,758	\$ 80,063	2.51	1.22
Forestry, forest products, and timber tract production	0.3	0.4	135	98	32.6%	-27.6%	\$593	\$2,059,979	\$ 1,069	\$ 20,999	0.61	1.09
Other millwork, including flooring	0.3	1.4	886	297	403.4%	-66.5%	\$58,169	\$11,064,925	\$ 42,376	\$ 37,232	0.09	1.34
Paper bag and coated and treated paper manufacturing	0.0	78.9	398	480	New	20.6%	\$6,315,639	\$29,946,642	\$ 79,997	\$ 62,442	0.00	47.90
Wood kitchen cabinet and countertop manufacturing	13.7	25.5	3,264	2,087	85.7%	-36.1%	\$1,064,586	\$76,196,663	\$ 41,806	\$ 36,518	1.26	3.55
All other miscellaneous manufacturing	8.8	7.4	1,522	1,041	-15.6%	-31.6%	\$300,284	\$42,191,910	\$ 40,581	\$ 40,540	1.73	2.07
Pottery, ceramics, and plumbing fixture manufacturing	3.8	2.3	132	141	-38.3%	6.6%	\$28,885	\$4,170,887	\$ 12,463	\$ 29,600	8.53	4.79
Glass product manufacturing made of purchased glass	1.1	0.8	529	641	-29.7%	21.3%	\$14,252	\$30,994,480	\$ 18,253	\$ 48,323	0.63	0.35
Ready-mix concrete manufacturing	11.3	20.0	4,341	2,346	77.3%	-46.0%	\$1,147,672	\$137,530,853	\$ 77,995	\$ 20,820	0.78	2.48
Concrete block and brick manufacturing	0.0	0.3	643	635	New	-1.2%	\$18,246	\$38,363,861	\$ 53,810	\$ 60,448	0.00	0.16
Electroplating, anodizing, and coloring metal	0.0	4.2	791	633	New	-20.0%	\$187,979	\$29,576,387	\$ 44,882	\$ 46,703	0.00	1.92
Farm machinery and equipment manufacturing	0.0	2.7	289	280	New	-3.0%	\$168,076	\$25,319,527	\$ 62,995	\$ 90,341	0.00	2.77
Industrial mold manufacturing	0.0	1.3	410	338	New	-17.6%	\$48,451	\$20,006,695	\$ 38,375	\$ 45,932	0.00	1.09
Speed changer, industrial high-speed drive, and gear manufacturing	0.6	0.3	10	27	-55.3%	158.9%	\$8,352	\$1,231,911	\$ 31,789	\$ 49,327	17.05	2.85
Conveyor and conveying equipment manufacturing	1.3	1.1	57	166	-17.3%	192.0%	\$38,637	\$7,139,189	\$ 34,996	\$ 42,937	7.04	1.93
Other aluminum rolling, drawing and extruding	0.0	1.0	676	546	New	-19.1%	\$54,950	\$34,639,713	\$ 54,031	\$ 63,418	0.00	0.54
Other metal foundries	4.6	6.9	1,426	335	48.9%	-76.5%	\$452,431	\$22,594,728	\$ 65,991	\$ 67,436	0.97	5.95
Handtool manufacturing	0.8	0.2	261	198	-77.4%	-24.3%	\$7,341	\$8,365,703	\$ 42,634	\$ 42,275	0.87	0.25
Prefabricated metal buildings and components	0.6	3.6	996	512	515.0%	29.1%	\$195,914	\$43,760,513	\$ 54,677	\$ 85,523	0.44	2.04
Sheet metal work manufacturing	1.7	8.3	2,602	2,866	-34.3%	-9.2%	\$436,641	\$134,089,340	\$ 52,489	\$ 51,539	1.33	0.93
Hardware manufacturing	0.0	0.1	41	109	New	167.0%	\$9,376	\$6,960,875	\$ 63,683	\$ 63,882	0.00	0.39

Cottonwood Industry Cluster Analysis

Description	Cottonwood Region Employment		Arizona Employment		2008-13 Employment Growth		Cottonwood Payroll 2013		Arizona Payroll 2013		2013 Earnings Per Employee		Cottonwood to Arizona LQ	
	2008	2013	2008	2013	Cottonwood	Arizona	Cottonwood	Arizona	Cottonwood	Arizona	Cottonwood	Arizona	2008	2013
<b>Manufacturing (Continued)</b>														
Machine shops	14.7	41.4	3,679	4,205	181.2%	14.3%	\$1,769,985	\$235,910,004	\$ 42,729	\$ 56,105	\$ 1,200	\$ 1,200	2.87	0.47
Other fabricated metal manufacturing	0.0	1.1	487	709	New	45.6%	\$50,756	\$57,980,850	\$ 44,668	\$ 53,568	\$ 0.00	\$ 0.00	0.00	1.37
Motor vehicle electrical and electronic equipment manufacturing	0.0	0.8	285	172	New	-39.7%	\$45,677	\$8,138,362	\$ 56,329	\$ 47,386	\$ 0.00	\$ 0.00	0.00	1.33
Motor vehicle steering, suspension component (except spring), and brake systems manufacturing	0.0	2.0	379	426	New	12.3%	\$72,310	\$15,268,868	\$ 37,025	\$ 35,860	\$ 0.00	\$ 0.00	0.00	1.14
Other aircraft parts and auxiliary equipment manufacturing	0.0	14.19	3,167	3,709	0.0%	17.1%	\$6,424,718	\$317,393,677	\$ 59,353	\$ 85,579	\$ 0.00	\$ 0.00	0.00	11.14
<b>Mining</b>														
Gold ores	0.0	0.4	13	42	New	229.4%	\$27,729	\$3,671,938	\$ 65,603	\$ 87,469	\$ 0.00	\$ 0.00	0.00	2.93
Other chemical, fertilizer mineral mining	0.5	1.2	66	82	147.2%	23.7%	\$33,405	\$2,433,700	\$ 27,443	\$ 29,796	\$ 2.24	\$ 2.24	4.34	1.79
Metal mining services	0.0	0.8	58	125	New	117.2%	\$52,753	\$6,143,884	\$ 68,543	\$ 49,062	\$ 0.00	\$ 0.00	0.00	1.79
<b>Personal Services</b>														
Automotive equipment rental and leasing	22.4	10.7	6,476	8,984	52.4%	38.7%	\$163,215	\$291,487,610	\$ 15,304	\$ 32,444	\$ 1.04	\$ 1.04	0.35	1.21
General and consumer goods rental except video tapes and discs	67.8	26.0	5,568	6,243	-61.6%	12.1%	\$608,543	\$229,739,349	\$ 23,404	\$ 36,801	\$ 3.65	\$ 3.65	0.87	1.61
Commercial and industrial machinery and equipment rental and leasing	33.2	19.3	4,478	3,496	-41.9%	-21.9%	\$627,047	\$177,174,530	\$ 32,482	\$ 50,675	\$ 2.23	\$ 2.23	0.87	1.61
Individual and family services	84.0	143.8	24,959	36,743	71.3%	47.2%	\$2,447,868	\$717,906,616	\$ 17,025	\$ 19,559	\$ 1.01	\$ 1.01	0.76	2.25
Community food, housing, and other relief services, including rehabilitation services	69.2	88.2	11,629	11,434	-27.6%	-1.7%	\$1,944,560	\$278,023,339	\$ 22,039	\$ 24,316	\$ 1.79	\$ 1.79	0.83	0.83
Child day care services	58.5	43.4	18,577	15,265	-25.9%	-17.8%	\$768,023	\$253,773,666	\$ 17,712	\$ 16,624	\$ 0.95	\$ 0.95	0.83	1.64
Automotive repair and maintenance, except car washes	231.8	213.0	27,641	37,800	36.8%	36.8%	\$5,477,136	\$1,235,496,582	\$ 25,719	\$ 32,685	\$ 2.52	\$ 2.52	0.87	0.59
Car washes	12.1	25.6	6,972	8,571	111.4%	22.9%	\$360,447	\$153,494,247	\$ 14,073	\$ 17,910	\$ 0.52	\$ 0.52	0.18	0.34
Electronic and precision equipment repair and maintenance	2.6	9.0	4,409	4,413	245.0%	0.1%	\$287,882	\$214,716,934	\$ 31,965	\$ 48,653	\$ 0.18	\$ 0.18	0.12	0.34
Commercial and industrial machinery and equipment repair and maintenance	2.7	9.4	6,963	7,994	243.5%	14.8%	\$417,932	\$369,571,228	\$ 44,626	\$ 46,231	\$ 0.12	\$ 0.12	0.76	0.76
Personal and household goods repair and maintenance	21.3	14.4	5,004	5,499	32.3%	9.9%	\$286,975	\$146,332,108	\$ 19,870	\$ 26,609	\$ 1.28	\$ 1.28	0.90	1.81
Personal care services	27.7	100.9	18,942	32,727	263.8%	72.8%	\$611,074	\$327,676,483	\$ 6,058	\$ 10,012	\$ 0.44	\$ 0.44	0.90	1.81
Death care services	18.6	22.9	2,341	3,666	22.8%	56.6%	\$284,955	\$63,706,657	\$ 12,462	\$ 17,377	\$ 2.39	\$ 2.39	0.61	0.61
Dry-cleaning and laundry services	6.5	31.8	10,875	15,234	392.3%	40.1%	\$166,843	\$196,057,939	\$ 5,253	\$ 12,870	\$ 0.18	\$ 0.18	2.18	2.18
Other personal services	25.9	96.4	6,638	12,872	272.8%	93.9%	\$811,185	\$165,200,165	\$ 8,413	\$ 12,834	\$ 1.17	\$ 1.17	0.80	1.30
Religious organizations	28.9	28.3	8,985	10,242	-1.8%	1.0%	\$458,402	\$308,447,906	\$ 16,177	\$ 30,115	\$ 0.96	\$ 0.96	0.86	1.30
Grantmaking, giving, and social advocacy organizations	30.3	48.4	10,630	10,858	60.0%	2.1%	\$1,218,987	\$555,797,485	\$ 25,162	\$ 51,189	\$ 0.86	\$ 0.86	1.03	3.06
Business and professional associations	32.7	44.4	9,511	4,227	35.8%	-55.6%	\$2,783,316	\$297,460,144	\$ 62,634	\$ 70,368	\$ 1.03	\$ 1.03	1.27	1.27
Labor and civic organizations	36.7	73.3	10,670	16,789	99.7%	57.4%	\$1,107,805	\$442,365,234	\$ 15,110	\$ 26,348	\$ 0.26	\$ 0.26	4.71	4.71
<b>Printing &amp; Publishing</b>														
Printing	113.1	113.1	6,539	6,987	0.0%	6.9%	\$5,469,346	\$294,934,938	\$ 48,368	\$ 42,213	\$ 5.19	\$ 5.19	1.08	1.08
Sign manufacturing	8.0	5.1	1,796	1,375	-36.1%	-23.4%	\$267,623	\$66,956,247	\$ 52,230	\$ 48,677	\$ 1.34	\$ 1.34	3.10	3.10
Newspaper publishers	38.2	48.6	7,129	4,555	27.2%	-36.1%	\$1,286,286	\$188,019,424	\$ 26,472	\$ 41,279	\$ 1.61	\$ 1.61	0.48	0.48
<b>Transportation &amp; Logistics</b>														
Rail transportation	2.3	4.5	2,649	2,711	97.5%	2.3%	\$502,057	\$302,610,077	\$ 111,705	\$ 111,637	\$ 0.26	\$ 0.26	1.23	1.23
Truck transportation	153.0	122.1	28,707	28,801	-20.2%	0.3%	\$2,545,258	\$1,119,349,609	\$ 20,846	\$ 38,865	\$ 0.82	\$ 0.82	2.67	2.67
Transit and ground passenger transportation	28.9	105.2	10,649	11,480	263.5%	7.8%	\$2,014,450	\$331,574,768	\$ 19,152	\$ 28,882	\$ 0.82	\$ 0.82	0.52	0.52
Warehousing and storage	0.0	22.0	8,846	12,248	38.5%	0.0%	\$671,583	\$522,044,536	\$ 30,516	\$ 42,624	\$ 0.77	\$ 0.77	0.49	0.49
Wholesale trade	292.7	187.2	114,783	110,104	-36.1%	-4.1%	\$9,708,758	\$7,660,563,965	\$ 51,875	\$ 69,575	\$ 0.00	\$ 0.00	0.77	0.49

**City of Cottonwood  
827 North Main Street  
Cottonwood, AZ 86326**