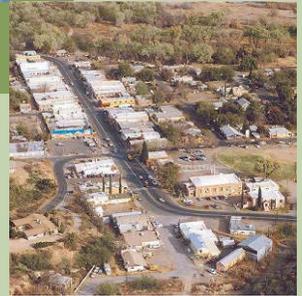
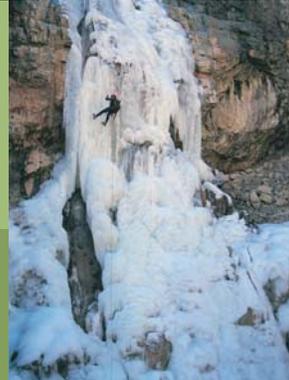
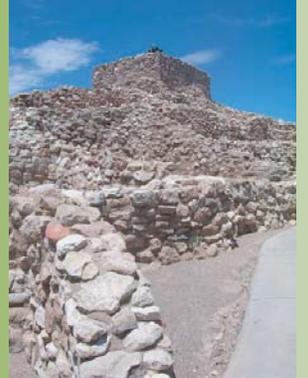


Focus on Success

Cottonwood Economic Development Plan



Sponsored By:



May 2009

City of Cottonwood

Focus on Success

Economic Development Strategic Plan

PREPARED BY:

ESI CORPORATION

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EXECUTIVE SUMMARY

The City of Cottonwood, Arizona is an historic city located approximately 100 miles north of Phoenix in the beautiful Verde Valley. The City itself is comprised of approximately 15.4¹ square miles of land, while the adjacent unincorporated areas of Verde Village and Bridgeport account for approximately 6.8 square miles. Despite the size discrepancy between these two geographies, the unincorporated area also known as the Cottonwood-Verde Village CDP has a slightly higher population. Cottonwood sits along the banks of the Verde River, a perennial source of water running from the upper basin area in Yavapai County to its junction with the Salt River just north of Phoenix.

Cottonwood is a centrally-located city in the Verde Valley, surrounded by cities such as Camp Verde, Jerome, Clarkdale, and Sedona. The Verde Valley is an area with a high capacity for attracting tourism, especially in outdoor recreation and ecotourism niches. Cottonwood has experienced moderate growth in recent years. The city has been working on marketing the burgeoning wine industry in the region, in addition to increasing community events and revitalizing their Old Town area.

Cottonwood has many opportunities to spur local economic growth. This plan aims at highlighting these opportunities and crafting detailed implementation guidelines.

THE PLANNING PROCESS

Under the umbrella of APS's *Focus on Success* program, the City of Cottonwood felt that completing a formal strategic economic development plan would be beneficial to their community and thus submitted an application for funding. The planning process employed in drafting the strategic plan for Cottonwood relied heavily on the insight of the community and local stakeholders. Input and feedback were solicited from a Technical Advisory Committee (TAC), the general public, and interviews with local business owners.

In addition to gathering input from Cottonwood area residents, ESI also conducted a review of previous studies and plans to gain insight. The following summarizes the main components of the planning process employed by ESI:

- Previous Studies and Plans – ESI reviewed several Arizona Department of Commerce and local studies on topics relating to economic development in Cottonwood. Furthermore, ESI reviewed the following internal reports relating to Cottonwood, including:
 - City of Cottonwood General Plan 2003

¹ According to the 2003 General Plan

- City of Cottonwood Council Strategic Initiatives 2008
 - Verde Valley Regional Land Use Plan 2006
 - Verde Valley Tourism Study 2008
 - Verde Valley Wine Consortium Meeting Minutes
 - Yavapai County General Plan 2003
 - Focused Future II October 2001
- TAC Interviews – ESI met with members of the Cottonwood TAC and asked them a series of questions about the community. Questions concerned barriers to economic development, likes and dislike about the community, queries on the local workforce, et cetera. These meeting resulted in a broad picture of the critical issues surrounding economic development in Cottonwood.
 - Economic Base Analysis (EBA) – understanding the current economic drivers of an economy is fundamental to economic development planning. ESI prepared an EBA on Cottonwood and the Cottonwood-Verde Village Census Designated Place (CDP) to understand growth trends and the socio-economic mix of the population.
 - Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis – this examined Cottonwood’s current situation in regards to labor force, transportation/market access, sites and buildings, utility/municipal services, cost of living/relocation, and other issues deemed relevant to its economic development.
 - Kick-Off Meeting – ESI met with the TAC as a group and went over the results of the economic base analysis that was performed, and solicited input on a vision statement for the community. This session produced the vision statement, which provides the foundation for all future actions undertaken in this project.

A total of four TAC meetings were held during the planning process. The second meeting was held to finalize the Vision Statement, present the findings of the SWOT analysis, and discuss industry targets. At this meeting the preliminary framework and goals for the plan were presented to obtain feedback. The third meeting was a working session to review the draft goals and objectives, and to identify a One-Year Action Plan.

In addition, two community open houses were held to garner citizen input on the economic development plan. The first public meeting was orchestrated to present and gather feedback on the findings of the economic base analysis, SWOT, vision statement, and preliminary goals and objectives. The second public meeting was arranged in order to present the finalized goals and objectives of the plan, and solicit feedback.

A vision statement was crafted which served as the overarching guide for policy suggestions throughout the planning effort. Collectively, ESI, the Cottonwood TAC, and area residents and stakeholders settled on the following vision statement:

“Nestled between majestic mountains and red rock vistas, amidst the perennial providence of the Verde River, Cottonwood, the commercial hub of the Verde Valley, is a progressive community where innovation and entrepreneurship run high. Its sustainable economy and environmental stewardship provide a solid foundation for job creation, tourism, and the arts, resulting in a robust quality of life. Cottonwood’s unique assets, combined with its home town values, offer a prosperous and accessible place to live, work, visit, and invest.”

KEY FINDINGS

Below are the key recommendations for Cottonwood’s One-Year Action Plan. For unabridged recommendations spanning the entirety of the five-year time horizon, please see Chapter III of this report. Recommendations included in Cottonwood’s strategic economic development plan were divided into seven focus areas. These focus areas represent key areas vital to the success of Cottonwood’s economic development efforts and include:

1. Education and Workforce
2. Innovation and Entrepreneurship
3. Tourism
4. Old Town
5. Sustainability
6. Leadership
7. Quality of Place

EDUCATION AND WORKFORCE

Educational attainment in Cottonwood is neither inadequate nor outstanding, based on comparisons with the State. Furthermore, K-12 educational performance is also quite moderate, as measured by Arizona’s Instrument to Measure Success (AIMS) test results. Education is an area that can always be improved.

Higher education opportunities are generally lacking in Cottonwood, although the City is currently home to Yavapai College, a high-quality provider of postsecondary education. Cottonwood would benefit from the creation of additional “2+2” degree programs working in conjunction with existing Yavapai College offerings. The lack of a four-year university with a physical presence makes it difficult to attract those companies who desire immediate access in recruiting four-year college graduates.

ESI, in conjunction with the Cottonwood TAC and general public, crafted three strategies for this focus area. The first strategy is to develop school and business partnerships to better prepare students for full-time employment. This was largely

in response to concerns that the local high school and college age population is generally lacking the basic soft skills needed to be successful in any workplace environment. Secondly, Cottonwood should continue to work with the Verde Valley Wine Consortium and Yavapai College to develop a curriculum that supports the emerging local wine industry. This is an objective that is already underway, but presents a great opportunity to bolster local viticulture efforts. The third strategy includes exposing local high school students to professions in medical and other key fields. This strategy is aimed at introducing students to fields that are in high demand locally, and which offer good prospects for a successful and stable career.

INNOVATION AND ENTREPRENEURSHIP

Perhaps the most exciting and upcoming industry in Cottonwood is the emerging winemaking industry. With the recent public launch of the Verde Valley Wine Consortium, along with Yavapai College's announcement it will begin offering courses in viticulture starting fall 2009; it is clear that this movement is gaining momentum.

Cottonwood is also very interested in how to best foster the development of home-based business. As City leadership sees it, home based businesses are a natural fit for Cottonwood. Given the high number of retirees living in the area, encouraging home based business may be a fruitful endeavor, as some, if not many, of the retired population are likely interested in a "second-career" type of entrepreneurial venture.

Winemaking and home-based businesses are two great entrepreneurial opportunities for Cottonwood residents. To help support the development of additional entrepreneurial ventures, several objectives were crafted for the City of Cottonwood:

1. Retain existing business and attract new business in order to create a more balanced economy and diversity in jobs.
2. Develop partnerships to create a research park at Yavapai College for sustainable agriculture, including the wine industry.
3. Identify missing ancillary business activity that supports the medical industry and create a recruitment campaign.
4. Collaborate with the lessees of the City airport area and identify business targets the City desires.
5. Research the viability of Cottonwood attracting alternative energy production, manufacturing, and/or related R&D type activities.

TOURISM

Given Cottonwood's moderate climate, beautiful natural surroundings, and proximity to nearby tourism hotspots such as Sedona and Jerome, Cottonwood has much to gain from increasing their capacity to accommodate local tourism. The

emerging winemaking industry in the Verde Valley is certainly a potential future draw for tourists, as are the prospects for local outdoor recreation. Local recreation opportunities are abundant in Cottonwood, ranging from boating to mountain biking to hang gliding. In supporting the growth of local tourism, three strategies were crafted.

The first strategy is to develop river access points and multi-use trails leading from Old Town and other areas in town to the river. This will increase connectivity between the river and amenities in Old Town Cottonwood, and will thus encourage additional tourists to visit one of the main attractions in the City: the Verde River.

The second tourism strategy involves creating and branding the “wine trail” in the Verde Valley. This would likely be a task for the newly introduced Verde Valley Wine Consortium. The general concept is borrowed from the successful “Salsa Trail,” which is located in the Safford area.

The third strategy included in the one-year plan is to better promote Cottonwood as a destination for outdoor recreation, including riparian activity, bird watching, hiking, climbing, biking, boating, hang gliding, sky diving, canyoneering, ballooning, etc. Cottonwood is blessed to have such easy access to so many great local recreation areas. Not capitalizing on this asset is a promising opportunity missed.

OLD TOWN

Cottonwood has a tremendous asset in Old Town. Although Old Town is currently a major contributor to the economic health of Cottonwood, there are many improvements that could be made to the area. The Old Town portion of the One-Year Action Plan includes two objectives that were deemed to be of high priority. These objectives include:

1. Enhance the viability and sustainability of Old Town.
2. Increase the frequency of community activities which bring people to Old Town, such as festivals, parades, farmer’s markets, and arts and entertainment events.

Enhancing the viability and sustainability of Old Town will assure its existence for generations to come. This sustainability is achieved primarily through the creation of a long-term plan for the district, in addition to seeking the appropriate designations that will open up additional options for funding improvements. Increasing Old Town’s role as the heart of the City of Cottonwood will bring more people into the area, and will help local businesses thrive and expand.

SUSTAINABILITY

With Cottonwood’s setting in a unique natural environment, being dependent on the health of the Verde River, sustainability plays a key role in the long-term health of the City. For this reason, it was important that Cottonwood include the following two objectives in their One-Year Action Plan.

The first objective is to adopt policies that preserve the riparian habitat and health of the Verde River. This is important for quality of place, environmental diversity, aesthetics, and other reasons. It is crucial that this wonderful natural resource and regional attraction be protected and promoted.

The second objective is to encourage the application of renewable, or green, energy technology (such as solar) and LEED certification in new development by ensuring that local building codes do not impede their implementation. By focusing on applying green energy technology to new development in Cottonwood, the City is not only making a statement, but taking action to actively reduce its carbon footprint on the natural environment. Applying sustainable technology in new development may require substantial additional investment up-front, but typically leads to a net cost savings in the long-run.

LEADERSHIP

Taking a leadership role in discussions regarding regional issues is extremely important for Cottonwood. From the widening of SR260, to the drawing down of the Big Chino aquifer, Cottonwood stands much to gain and little to lose from staying engaged in local debates. The Leadership segment of the One-Year Action Plan includes two objectives that were deemed to be of high priority.

The first objective is that Cottonwood, in coordination with the Arizona State Land Department, conceptually plan the City's state land holdings within the City's planning area. By conceptually planning the City's state land parcels, Cottonwood can ensure an optimal mix of land uses, including open space, rather than leaving that up to others to decide.

As a second objective, Cottonwood needs to better collaborate with regional partners to advance the City's goals. Maintaining good relations with nearby communities, putting strong leadership in place at the City, and staying involved in regional issues are all imperative to long-term economic health in Cottonwood.

QUALITY OF PLACE

Quality of place is of utmost importance when attracting business, as well as keeping existing residents satisfied. Many people choose to retire in the Verde Valley for its high quality of place. This is also the case with Cottonwood, specifically. Cottonwood offers a high quality of place for its residents, yet does have some key areas where improvement could be made. For inclusion in the One-Year Action Plan, Cottonwood created two objectives aimed at improving local quality of place.

The first objective is to better promote the arts and the creation of more cultural events in Cottonwood. The second objective involves finishing construction the City's recreation center and monitoring the use and demand for programs.

Through the promotion and creation of additional cultural and art events in Cottonwood, as well as providing a recreation center for the community, the City would be making great strides in improving the quality of place for Cottonwood residents. Ensuring a robust and lasting quality of place is imperative for the long-term health of the area.

STRATEGIC PRIORITIES

This plan contains many objectives and strategies that are designed to facilitate successful economic development in the City of Cottonwood. Detailed objectives complete with strategies, lead agencies, and other details can be found in the main plan of the text. On the following page, Table 1 summarizes the objectives included in the One-Year Action Plan, and lists where in the main report you can find the associated details. Some of the recommendations are best implemented on a city level, while others are best at the regional level.

Table 1 - Cottonwood One-Year Action Plan Priorities

Strategic Plan Priorities	Focus Area / Location	Page Number
Develop business and school partnerships to better prepare students for full-time employment	Education and Workforce	70
Work with the Verde Valley Wine Consortium and Yavapai College to develop a curriculum that supports the emerging local wine industry	Education and Workforce	70
Expose high school students to professions in the medical field and other key fields	Education and Workforce	71
Retain existing business and attract new business in order to create a more balanced economy and diversity in employment	Innovation and Entrepreneurship	73
Develop partnerships to create a research park at Yavapai College for sustainable agriculture, including the wine industry	Innovation and Entrepreneurship	75
Identify missing ancillary business activity that supports the medical industry and create a recruitment campaign	Innovation and Entrepreneurship	75
Collaborate with the lessees of the City airport area and identify business targets that the City desires	Innovation and Entrepreneurship	77
Research the viability of Cottonwood attracting renewable energy production, manufacturing, and/or related R&D type activities	Innovation and Entrepreneurship	77
Develop river access points and multi-use trails connecting Old Town and other areas in town to the river	Tourism	80
Create and brand the “wine trail” in the Verde Valley through collaboration with the local wine consortium	Tourism	80
Promote Cottonwood as a destination for outdoor recreation, including riparian activities, bird watching, hiking, climbing, biking, boating, hang gliding, sky diving, canyoneering, ballooning, etc	Tourism	82
Enhance the viability and sustainability of Old Town	Old Town	85
Increase the frequency of community activities which bring people to Old Town, such as festivals, parades, farmer’s markets, and arts and entertainment events	Old Town	86
Adopt policies that preserve the riparian habitat and health of the Verde River	Sustainability	90
Encourage the application of renewable energy technology (such as solar) and LEED certification in new development by ensuring that local codes do not impede their implementation	Sustainability	91
Collaborate with regional partners to advance the City’s goals	Leadership	93
In coordination with the Arizona State Land Department, conceptually plan the City’s state land holdings within the City’s planning area	Leadership	94
Promote the arts and the creation of additional cultural events in Cottonwood	Quality of Place	96
Construct the City’s recreation center and monitor the use and demand for programs	Quality of Place	97

NEXT STEPS

The goals and objectives outlined in this economic development strategic plan require a collaborative effort on the part of the City, community leaders, private employers, regional partners, and educators. This plan is holistic in its approach to facilitate the City's ability to achieve continuing economic development success and fiscal sustainability. Some of the objectives are intended to be implemented by City staff, while other objectives, such as improving education, are intended to be implemented through a collaborative effort on the part of the business and education communities.

The City of Cottonwood is in an ideal position to chart its path for the remainder of this decade. The State of Arizona is growing rapidly and Cottonwood is, and will continue to be, a beneficiary of this growth. This Strategic Plan serves as the economic development blueprint for policymakers to adopt, and staff to implement and advocate. By taking control of its destiny, Cottonwood can ensure a fiscally sustainable future, which is critical to the quality of life for future generations.

I. COTTONWOOD TODAY

BACKGROUND

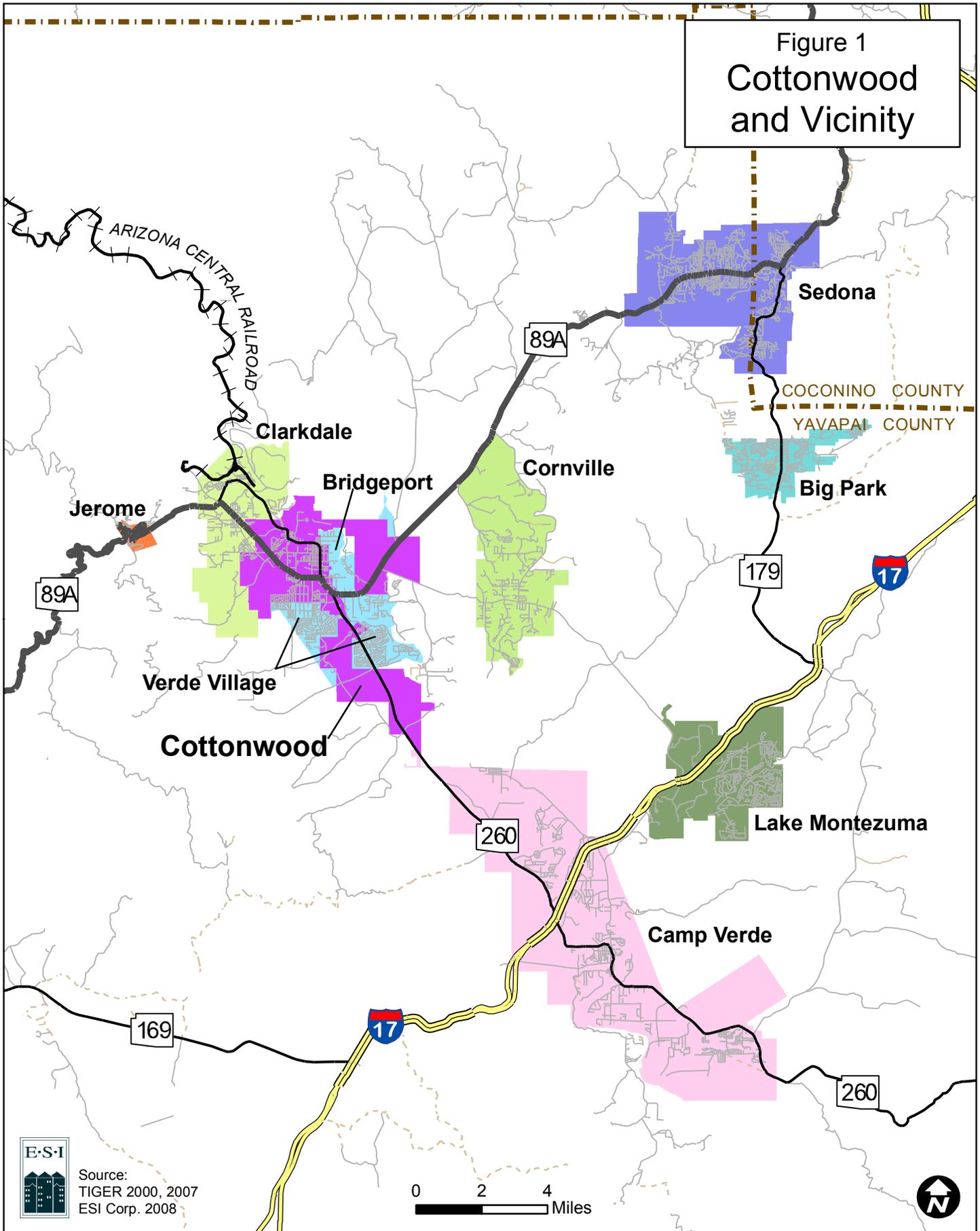
The City of Cottonwood, Arizona is centrally located in the lush Verde Valley, approximately 103 miles north of Phoenix and 50 miles southwest of Flagstaff, Arizona. The City is comprised of 15.4² square miles of land nestled between the Mingus Mountains and the perennial waterway of the Verde River. Neighboring cities include Clarkdale to the immediate northwest, Jerome to the west, Camp Verde to the South, and Sedona to the northeast, as seen in Figure 1.

Cottonwood was settled in 1879 by a small number of families who established a quaint farming and cattle running community. Early Cottonwood settlers made a living by selling their goods to the miners of Jerome and soldiers stationed in nearby Camp Verde. The area largely remained this way until World War I, when construction of the City boomed between the years of 1915 and 1917. During this time, major smelting operations were begun in the nearby mining communities of Clarkdale and Clemenceau. These operations flourished, and Cottonwood benefitted alongside them. Many people migrated to the Verde Valley to work at these operations.

Today, Cottonwood is a growing city with developing industrial and commercial centers. Outdoor opportunities abound, Cottonwood offers much to the outdoor enthusiast, whether they relish in observing the diverse community of birds to be found along the Verde River, touring vineyards along a meandering Oak Creek in Page Springs, or packing up the vehicle for a short trip out to the many Wilderness and National Forest areas surrounding the Valley.

² According to the 2003 General Plan

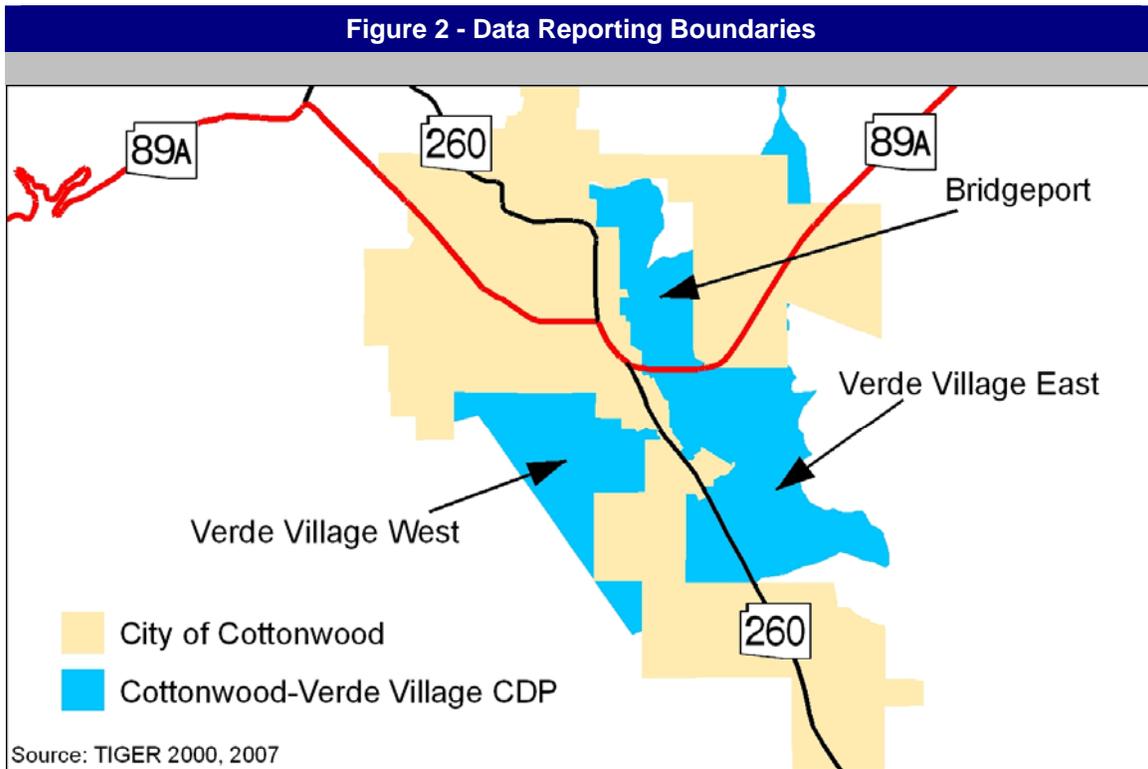
Figure 1
Cottonwood
and Vicinity



Source:
TIGER 2000, 2007
ESI Corp. 2008

Population Growth and Demographics

In analyzing the economic base for the City of Cottonwood, data was broken down into two separate geographies: the City of Cottonwood, and the Cottonwood-Verde Village Census Designated Place (CDP). The CDP includes areas very much linked to the City of Cottonwood, but technically outside the city limits thereof. Areas such as Bridgeport and Verde Village are included in this geography. The City of Cottonwood geography is confined by city limits. Hereafter in this report, tables and text will reference these two areas as “Cottonwood” and “Cottonwood CDP,” or some similar variation thereof. Figure 2 illustrates the data reporting boundaries of these distinct geographic areas.



Population growth in Cottonwood has been moderate in recent years, tracking slightly above Yavapai County at large. According to Table 2, annual population growth has been around 3.5 percent per annum since 1990. The Cottonwood CDP grew faster than Cottonwood City from 1990-2000, surpassing the City in terms of total population. Since 2000, the City of Cottonwood has grown relatively faster, thereby closing the population gap between the two regions. As of 2007, the combined population in the area is estimated to be 24,441. Predictions for population growth out to 2012 have both geographies experiencing slower growth than in previous periods, with annual growth rates between 2.1 and 2.8 percent. The

Cottonwood CDP is expected to grow at a slower rate than the City of Cottonwood from 2007-2012. In general, declining population growth rates were seen for both Cottonwood regions, as well as Yavapai County.

Table 2 - Population Growth						
Year	Cottonwood		Cottonwood CDP		Yavapai County	
	Population	CAGR¹	Population	CAGR	Population	CAGR
1990	6,501	-	6,489	-	107,717	-
2000	9,179	3.5%	10,610	5.0%	167,517	4.5%
2007	11,765	3.6%	12,678	2.6%	210,688	3.3%
2012	13,539	2.8%	14,066	2.1%	239,798	2.6%

Source: U.S Census Bureau, Applied Geographic Solutions

¹Compound Annual Growth Rate

The City of Cottonwood has also seen moderate growth in regards to households in recent years, as summarized in Table 3. Household growth has largely followed population growth in the two regions. Yavapai County as a whole, however, experienced very little household growth from 2000 to 2007, but is expected to grow by 2.4 percent annually from 2007-2012.

Table 3 - Household Growth						
Year	Cottonwood		Cottonwood CDP		Yavapai County	
	Households	CAGR	Households	CAGR	Households	CAGR
1990	2,706	-	2,627	-	44,778	-
2000	3,983	3.9%	4,071	4.5%	84,352	6.5%
2007	4,720	2.5%	4,972	2.9%	86,018	0.3%
2012	5,375	2.6%	5,460	1.9%	96,892	2.4%

Source: U.S Census Bureau, Applied Geographic Solutions

Table 4 shows the change in average household size over time for each geographic area. As evidenced by Table 4, the City of Cottonwood and the Cottonwood CDP have experienced increasing average household sizes since 1990. This is also the case with the whole of Yavapai County. This lends itself to the inference that perhaps more families are developing in the Verde Valley region, bringing a younger demographic to a considerably-aged existing population.

Table 4 - Average Household Size			
	Cottonwood	Cottonwood CDP	Yavapai County
1990	2.36	2.47	2.35
2000	2.27	2.53	2.40
2007	2.46	2.50	2.41
2012	2.49	2.53	2.44

Source: Source: U.S Census Bureau, Applied Geographic Solutions

AGE AND ETHNICITY

The City of Cottonwood has a relatively older population of residents, perpetuated by the City's favorable retirement climate. In fact, over one third of residents, both inside the city limits and outside, are aged 55 years or more. Detailed population data pertaining to the ages of Cottonwood-area residents are presented in Table 5. Data was aggregated due to the lack of any major deviation between the two geographic regions.

Table 5 - Age Distribution, Combined Area								
	1990		2000		2007		2012	
	Count	%	Count	%	Count	%	Count	%
Total Population	12,990	100%	19,789	100%	24,441	100%	27,605	100%
Less than 5 Years	823	6%	1,251	6%	1,448	6%	1,643	6%
5 - 9 Years	929	7%	1,309	7%	1,477	6%	1,578	6%
10 - 14 Years	885	7%	1,352	7%	1,487	6%	1,552	6%
15 - 19 Years	816	6%	1,315	7%	1,575	6%	1,691	6%
20 - 24 Years	523	4%	945	5%	1,567	6%	1,763	6%
25 - 34 Years	1,563	12%	2,065	10%	3,251	13%	3,998	14%
35 - 44 Years	1,650	13%	2,605	13%	2,614	11%	2,916	11%
45 - 54 Years	1,211	9%	2,521	13%	2,899	12%	2,988	11%
55 - 59 Years	624	5%	991	5%	1,273	5%	1,459	5%
60 - 64 Years	788	6%	1,053	5%	1,302	5%	1,515	5%
65 - 74 Years	1,843	14%	2,110	11%	2,452	10%	2,757	10%
75 - 84 Years	1,058	8%	1,732	9%	2,165	9%	2,577	9%
85+ Years	277	2%	540	3%	931	4%	1,167	4%

Source: Source: U.S Census Bureau, AGS

As evidenced by Table 5, the age distribution of the Cottonwood area has remained relatively constant since the 1990 census. Over time, there has persistently been

approximately a third of the population under 25, a third 55 and over, and a third in between.

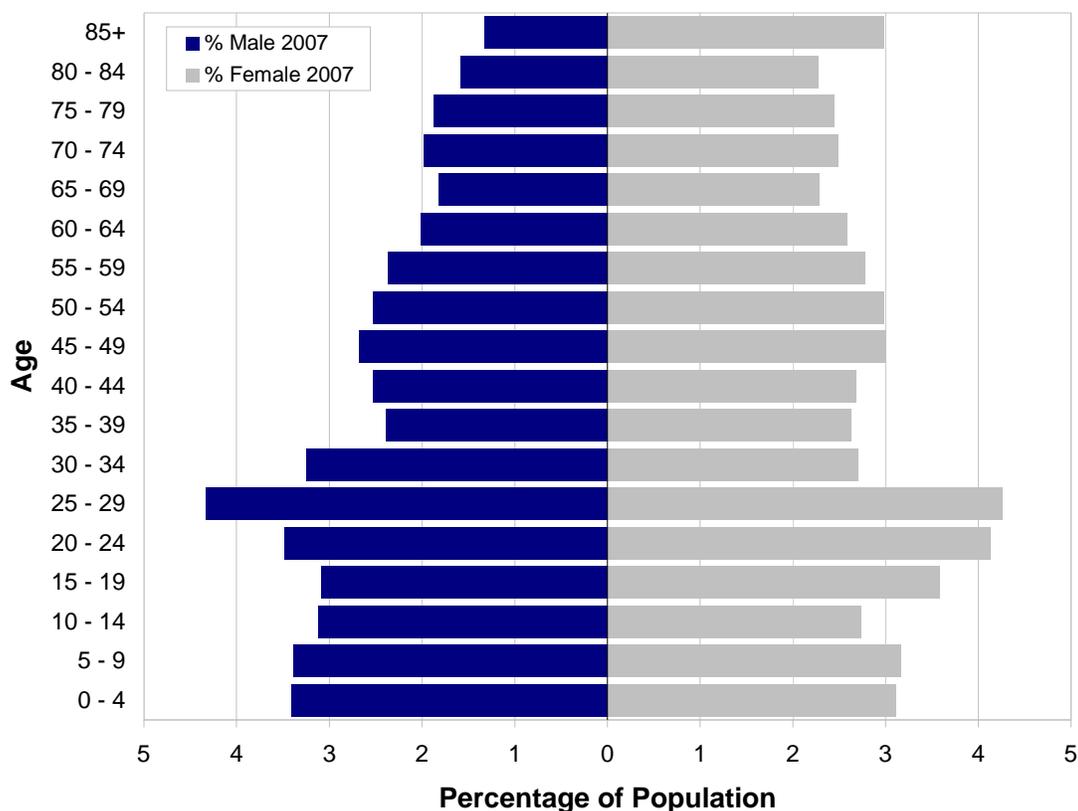
In analyzing the median ages of residents of Cottonwood-area geographies, it is quite clear that Cottonwood is considerably younger than their counterparts living outside city limits in the Cottonwood CDP or Yavapai County as a whole. Table 6 offers detail into the differing ages of residents between geographies. The median age of a Cottonwood resident is 37.2, compared the median CDP resident at 43.1.

Table 6 - Median Age by Geography, 2007			
	Cottonwood City	Cottonwood CDP	Yavapai County
Overall	37.2	43.2	44.4
Male	34.2	40.0	42.3
Female	40.2	46.2	46.2

Source: AGS

A population pyramid is a useful tool for analyzing the distribution of the age and gender of a defined geographic region. Chart 1 and Chart 2 illustrate the age and gender distribution for Cottonwood and the Cottonwood CDP in this fashion. As is clear, there are significant differences between the respective populations of each geographic area.

Chart 1 - City of Cottonwood Population Pyramid, 2007



The City of Cottonwood displays a stationary population pyramid, indicating a population experiencing declining birth rates, low death rates, and more people living to old age. This is likely influenced by the fact that the Verde Valley, and more broadly Yavapai County, is a popular place to retire.

There is a clear bulge in the pyramid in the age range of 20-34, which represents the latter half of Generation X, and the former half of Generation Y. The cause of this bulge is likely attributed to the relative affordability of Cottonwood. It is possible that adults between the ages of 20-34 are moving to Cottonwood in order to work in the service industry in nearby cities such as Sedona, Camp Verde, and Jerome.

Chart 2 - Cottonwood CDP Population Pyramid, 2007

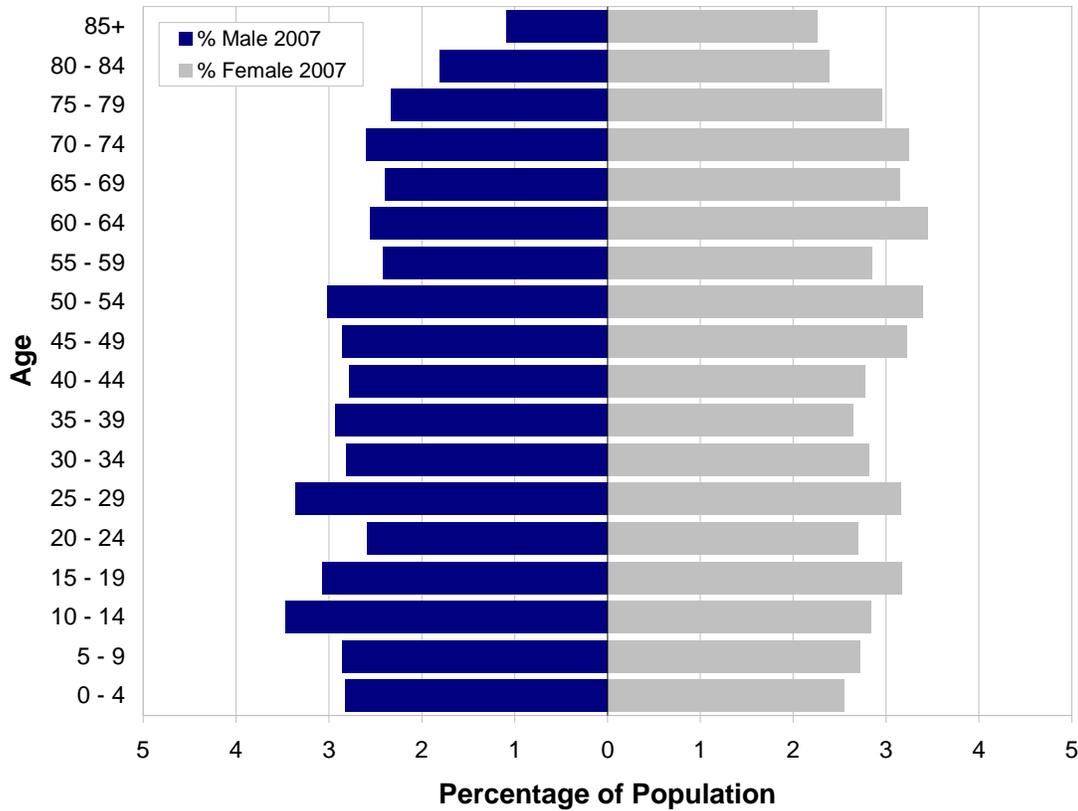


Chart 2 displays the 2007 population pyramid for the Cottonwood CDP. The population pyramid for the Cottonwood CDP is notably different than that for the City of Cottonwood. The general shape is quite different, and is approaching the shape known as a constricting population pyramid. A constricting population pyramid occurs when the percent of the population under 15 is fewer than the older cohorts, which generally indicates a highly stable population, with low birth rates and death rates, that is expected to grow very little in the future. Declining birth rates imply less future growth in populations by way of less births; low or declining death rates means a population is less likely to shrink from people passing away. These two conditions imply a population whose growth prospects are very low. This does not consider, however, increases in population due to in migration.

Ethnicity in the Cottonwood area is overwhelmingly white, with a small community of Native Americans. There is also a significant portion of residents who identify themselves as being Hispanic or Latino. Table 7 and Table 8 provide detailed

breakdowns of population by race, as well as providing an estimate of the Hispanic/Latino population.

Table 7 - Population by Race and Ethnicity, City of Cottonwood

Race or Ethnicity	Count				Percentage			
	1990	2000	2007	2012	1990	2000	2007	2012
Total	6,502	9,178	11,765	13,539	100.0%	100.0%	100.0%	100.0%
White	6,035	7,778	9,677	10,652	92.8%	84.7%	82.3%	78.7%
Black or African American	14	44	101	134	0.2%	0.5%	0.9%	1.0%
American Indian/AK Native	120	177	242	272	1.8%	1.9%	2.1%	2.0%
Asian	34	41	90	119	0.5%	0.4%	0.8%	0.9%
Hawaiian/Pacific Islander	0	3	4	3	0.0%	0.0%	0.0%	0.0%
Other	299	884	1,283	1,844	4.6%	9.6%	10.9%	13.6%
Two or More Races	-	251	368	515	-	2.7%	3.1%	3.8%
Hispanic or Latino	747	1,847	2,927	3,745	11.5%	20.1%	24.9%	27.7%

Source: U.S Census Bureau, AGS

Table 8 - Population by Race and Ethnicity, Cottonwood CDP

Race or Ethnicity	Count				Percentage			
	1990	2000	2007	2012	1990	2000	2007	2012
Total	6,489	10,610	12,678	14,065	100.0%	100.0%	100.0%	100.0%
White	6,290	9,676	11,287	12,375	96.9%	91.2%	89.0%	88.0%
Black or African American	7	33	76	96	0.1%	0.3%	0.6%	0.7%
American Indian/AK Native	51	125	170	190	0.8%	1.2%	1.3%	1.4%
Asian	27	49	102	134	0.4%	0.5%	0.8%	1.0%
Hawaiian/Pacific Islander	0	6	6	7	0.0%	0.1%	0.0%	0.0%
Other	114	479	691	859	1.8%	4.5%	5.5%	6.1%
Two or More Races	-	242	346	404	-	2.3%	2.7%	2.9%
Hispanic or Latino	372	1,253	1,900	2,372	5.7%	11.8%	15.0%	16.9%

Source: U.S Census Bureau, AGS

Through studying Tables 6 and 7, it becomes clear that the population of both Cottonwood and the Cottonwood CDP are becoming more diverse. Every racial category, with the exception of “White,” has seen growth in their share of the population since 1990. The Hispanic/Latino segment of the population has grown significantly in both the CDP and in Cottonwood proper.

It is also clear that the Cottonwood CDP is a much more homogenous population, racially speaking, in relation to those within Cottonwood city limits. The population of the Cottonwood CDP has a much higher percentage of whites than Cottonwood City across the four timeframes analyzed.

HOUSEHOLD INCOME

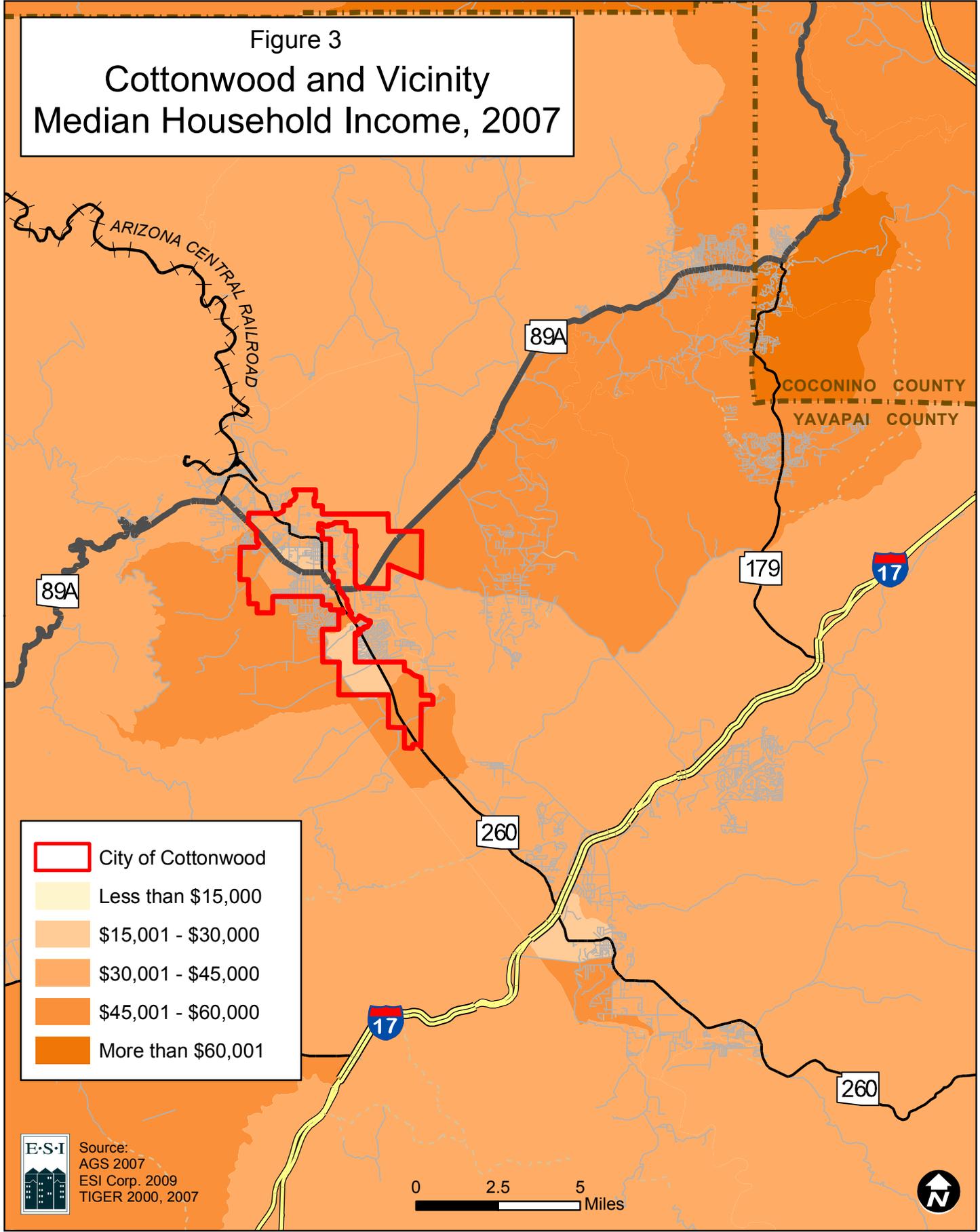
Residents of Cottonwood have a median household income of \$34,600, which is significantly lower than that of the Cottonwood CDP, and more broadly Yavapai County. As Table 9 shows, Cottonwood is similar in its distribution of household income in comparison to the County as a whole. However, Cottonwood's income distribution is weighted somewhat more toward the lower end of the spectrum, especially those earning "Less than \$10,000".

Table 9 - Household Income, 2007

	Cottonwood		Cottonwood CDP		Yavapai County	
	Households	%	Households	%	Households	%
Total	4,719	100.00%	4974	100.00%	86,018	100.00%
Less than \$10,000	534	11.32%	290	5.83%	6,549	7.60%
\$10,000 - \$14,999	323	6.84%	322	6.47%	4,934	5.70%
\$15,000 - \$24,999	767	16.25%	732	14.72%	12,329	14.30%
\$25,000 - \$34,999	759	16.08%	817	16.43%	12,020	14.00%
\$35,000 - \$49,999	732	15.51%	888	17.85%	15,076	17.50%
\$50,000 - \$74,999	857	18.16%	967	19.44%	16,317	19.00%
\$75,000 - \$99,999	385	8.16%	460	9.25%	8,282	9.60%
\$100,000 - \$149,999	215	4.56%	306	6.15%	6,484	7.50%
\$150,000 - \$199,999	47	1.00%	115	2.31%	1,866	2.20%
\$200,000 or more	100	2.12%	77	1.55%	2,161	2.50%
Median Household Income	\$34,600		\$40,414		\$41,994	

Source: AGS 2007

Figure 3
**Cottonwood and Vicinity
 Median Household Income, 2007**



City of Cottonwood
 Less than \$15,000
 \$15,001 - \$30,000
 \$30,001 - \$45,000
 \$45,001 - \$60,000
 More than \$60,000


 Source:
 AGS 2007
 ESI Corp. 2009
 TIGER 2000, 2007

0 2.5 5 Miles



Educational Attainment

From 2000 to 2007, Cottonwood saw more than a 5 percent increase in residents who have received a high school diploma or higher, which increased from 77.8 percent to 83.6 percent of the population. On the other hand, residents holding a Bachelor's degree or higher increased by 2.5 percent over the same period. Progress can also be seen in the City of Cottonwood's increasingly smaller population of those with less than a high school education. However, when compared to Yavapai County, Cottonwood still lags in educational attainment. Furthermore, educational attainment in Cottonwood is slightly behind levels found in the Cottonwood CDP.

Table 10 - Highest Level of Educational Attainment¹

	<u>City of Cottonwood</u>				<u>Yavapai County</u>			
	1990	2000	2007	2012	1990	2000	2007	2012
< 9 th Grade	12%	9%	6%	5%	7%	5%	3%	2%
9 – 12, No Diploma	14%	14%	10%	9%	14%	11%	8%	7%
HS Graduate (or Equiv.)	33%	31%	33%	35%	29%	28%	30%	32%
College, No Degree	25%	25%	22%	20%	26%	29%	25%	23%
Associate's Degree	4%	8%	11%	14%	6%	7%	10%	12%
Bachelor's Degree	7%	9%	10%	11%	12%	13%	14%	15%
Graduate/Prof. Degree	5%	6%	7%	7%	6%	8%	9%	10%
% HS Grad. or Higher	74.0%	77.8%	83.6%	86.9%	78.9%	84.7%	88.6%	90.7%
% Bachelor's or Higher	11.8%	14.3%	16.8%	18.1%	17.7%	21.1%	23.3%	24.6%

Source: U.S Census Bureau, AGS

¹Reflective of Population 25 years and older

LABOR FORCE AND UNEMPLOYMENT

Labor force participation rates between the City of Cottonwood, Yavapai County, and the State of Arizona show unique differences. The City of Cottonwood's participation rates have been steadily increasing since 2000. This indicates a growing working-age population. Yavapai County's participation rates are moving in the opposite direction, which may indicate an increase in the retiree population. Participation rates for the State as a whole appear more stable, but also show a steady decline from 2000 to 2007.

Table 11 - Labor Force Participation Rates¹

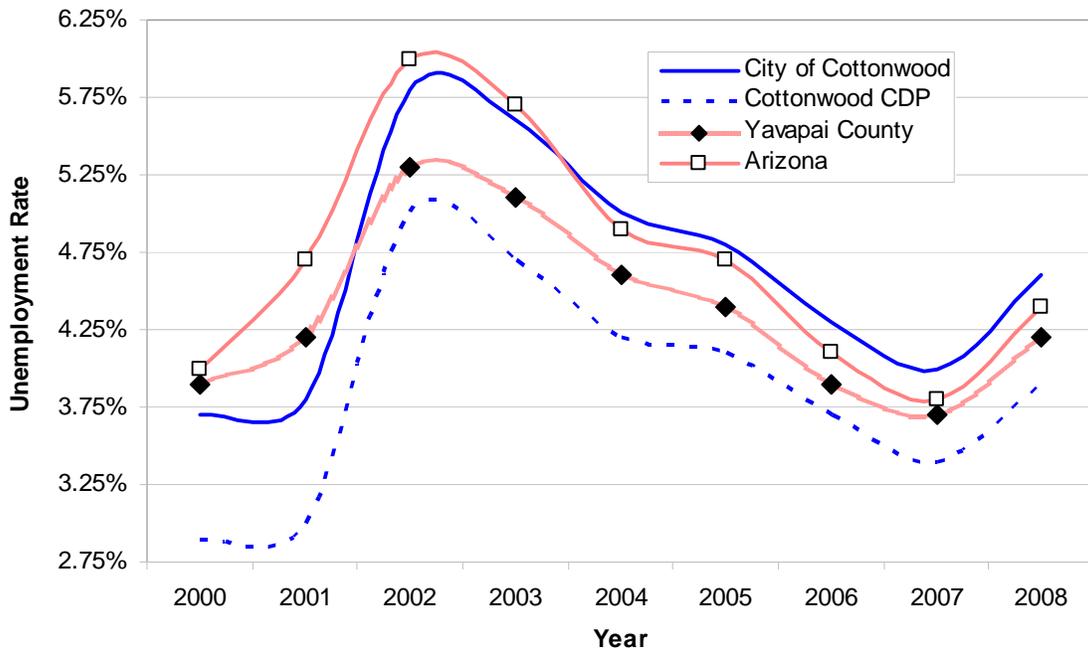
	City of Cottonwood	Yavapai County	Arizona
2000	44.3%	45.9%	49.5%
2001	42.8%	44.7%	49.3%
2002	44.6%	45.1%	49.6%
2003	44.4%	44.5%	48.8%
2004	44.7%	43.5%	48.2%
2005	45.1%	43.9%	47.9%
2006	47.4%	45.0%	48.4%
2007	47.6%	44.6%	47.8%

Source: Arizona Workforce Informer, Arizona Department of Commerce

¹Data for workers 16 years and older

Unemployment rates for Cottonwood, the Cottonwood CDP, the County, and the State all move in relative unison. In general, the City of Cottonwood has shown the highest unemployment rate out of the group in recent years, while the Cottonwood CDP has shown the lowest. In between these extremes are Yavapai County and the State of Arizona, the latter showing a higher rate than the former, as can be seen in Chart 3. The shaded bars represent recessionary periods in the United States.

Chart 3 - Unemployment Rates¹



Source: Arizona Workforce Informer, Bureau of Labor Statistics

EMPLOYMENT BY INDUSTRY

Employment in the Cottonwood region is heavily oriented towards 1) retail trade, 2) education, health and social services, and 3) arts, entertainment, recreation, accommodation, and food services industries. Each of these three aforementioned industries is more highly represented in the City of Cottonwood and/or Cottonwood CDP relative to Yavapai County as a whole.

Industries which are relatively underrepresented in the Cottonwood area include 1) professional, scientific, management, administrative and waste management services and 2) agriculture, forestry, fishing, hunting, mining. Table 12 shows a detailed breakdown of employment by industry for the City of Cottonwood, the Cottonwood CDP, Yavapai County, and the State of Arizona.

Yavapai County, when compared to the state as a whole, is more involved in the agriculture/forestry/fishing/hunting/mining industry, in addition to having a greater share of employment in construction, and arts, entertainment, recreation, accommodation, and food services industries. Relative to the state, Yavapai County has fewer jobs in finance, real estate, and insurance, in addition to manufacturing.

Table 12 - Employment by Industry, 2000

	<u>City of Cottonwood</u>	<u>Cottonwood CDP</u>	<u>Yavapai County</u>	<u>State of Arizona</u>
Agriculture/Forestry/Fishing/Hunting/Mining	1.8%	0.9%	4.2%	1.3%
Construction	9.4%	10.7%	12.9%	11.2%
Manufacturing	9.3%	4.1%	6.0%	7.9%
Wholesale Trade	1.0%	4.0%	3.3%	3.0%
Retail Trade	16.0%	15.8%	12.0%	12.1%
Transportation/Warehousing/Utilities	5.2%	2.5%	5.2%	5.0%
Information	0.9%	2.1%	1.9%	2.0%
Finance/Insurance/Real Estate	6.6%	5.9%	6.5%	8.7%
Prof., Scientific, Mgt., Admin., and Waste Mgt. Services	6.6%	7.1%	9.5%	11.1%
Educational, health and social services	18.2%	21.9%	17.7%	17.9%
Arts, Entertainment, Rec., Accom., and Food Services	16.9%	15.0%	12.5%	10.0%
Other Services	4.9%	5.1%	5.0%	4.7%
Public Administration	3.0%	4.9%	3.5%	5.2%

Source: Arizona Workforce Informer, Bureau of Labor Statistics

EMPLOYMENT BY OCCUPATION

The occupational concentration of Cottonwood residents is rooted in sales and office occupations; service occupations; and management, professional, and related occupations. These occupations comprise more than 73 percent of all occupations held within the community in 2000. This trend generally follows suit with Yavapai County. Notably, both Cottonwood and the CDP have higher concentrations of service industry occupations, which could be expected from the strong tourism base of the Verde Valley.

Table 13 - Employment by Occupation¹, 2000

	Cottonwood	Cottonwood CDP	Yavapai County
Sales and Office	26.0%	30.8%	26.9%
Service	25.8%	22.9%	19.2%
Management, Professional, and Related	21.4%	23.3%	28.3%
Construction, Extraction, and Maintenance	13.9%	12.0%	13.2%
Production, Transportation, and Material Moving	12.5%	10.7%	11.6%
Farming, Fishing, and Forestry	0.4%	0.5%	0.8%

Source: Census 2000

¹Ages 16 and over

When examining wages in Cottonwood compared to the State as a whole, it is obvious that the State pays significantly higher compensation across most industries in Arizona.

With the exception of the mining sector, which leads the state by \$9,379, annual wages in Yavapai County lag the state as a whole, as can be seen in the following table. The average annual wage in Yavapai County in 2007 was \$32,996 compared to the state as a whole at \$41,694. The manufacturing, information, financial service sectors pay significantly less in Cottonwood than the State as a whole. Beyond mining, the highest paying industries relative to Arizona in Yavapai County were leisure and hospitality and other services, both of which paid more than \$2,500 less per year than the average job in the same industry statewide.

Table 14 - Annual County Wages by Industry, Compared to Arizona

	Yavapai Co.	Arizona
Mining	\$44,028	\$34,649
Construction	\$32,823	\$42,522
Manufacturing	\$37,121	\$58,400
Trade, Transportation, and Utilities	\$28,682	\$38,727
Information	\$39,110	\$53,332
Financial Activities	\$40,312	\$54,567
Professional and Business Services	\$32,766	\$43,589
Education and Health Services	\$35,609	\$43,733
Leisure and Hospitality	\$16,430	\$19,092
Other Services	\$25,480	\$28,653
Unclassified	\$30,590	\$41,366
Average	\$32,996	\$41,694

Source: U.S. Bureau of Labor Statistics, Quarterly CEW Data, as of Q2 2007

II. SWOT ANALYSIS

INTRODUCTION

Understanding the business foundations within a community or region that support and sustain economic development is critical to the overall strategic planning process. As such, a Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis was conducted from a corporate site locator's perspective.

One of the key elements of the SWOT analysis was to interview representatives from the Cottonwood Economic Development Committee, City department heads, and Cottonwood elected officials to get a wide range of opinions on topics such as labor force, education, transportation, quality of life, the cost of doing business, etc. We also inquired about a host of local issues, trends, and actions that local leaders have witnessed or undertaken, such as:

- Key economic development opportunities over the next five years
- Necessary resources and programs that would be needed to take advantage of identified opportunities
- Positive and negative aspects of the local business climate
- Advice to similar businesses relocating to Cottonwood
- Efforts to improve the education and skills of the workforce, and make them more applicable to the desired economic targets
- Regional issues impacting the community

In addition, separate interviews were conducted with area employers to gauge the quality and quantity of the local labor force in the Verde Valley. Each employer was asked to rate the availability and quality of the available workforce, project their future labor needs, identify how they currently train their workforce, and rate the availability and quality of local city services. The list of individuals interviewed is included in Appendix A.

Last, as a part of the SWOT analysis, ESI conducted its own research on key site location variables to determine how Cottonwood measures up. Companies choose to expand and locate in communities that are strong in the site selection criteria most important to their success. We assessed the following site selection criteria:

Labor Force

- Wages
- Availability
- Quality

Education

- Local Schools
- Training Providers

Transportation and Access to Markets

- Interstate Access
- Courier Service

Sites and Buildings

- Availability
- Incentives

Utility/Municipal Services

- Water and Sewer Capacity
- Electric
- Telecommunications

Quality of Place

- Medical Services
- Housing
- Recreation
- Cultural Facilities
- Crime

STRENGTHS AND WEAKNESSES ASSESSMENT

Every community has both strengths that they can capitalize on and weaknesses that they need to overcome in order to be successful in economic development endeavors. Within the framework of an economic development plan it is important to identify both, and to improve upon and promote the positive and mitigate the negative.

The interview responses, input during meetings with the TAC, and internal research were the basis for the SWOT Analysis, which has been summarized in the following table.

Table 15 - City of Cottonwood SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> ▪ Abundance of outdoor recreation and ecotourism opportunities ▪ Verde River provides perennial water source ▪ Central commercial location within Verde Valley region ▪ Relative affordability to nearby Sedona ▪ Well-suited to viticulture ▪ Business-friendly municipal government ▪ Major birding destination ▪ Regional serving and Modern healthcare facilities ▪ Moderate climate well suited to retirement ▪ Strong retiree population base ▪ A friendly community; small town feel ▪ Excellent access to local markets ▪ Low taxes ▪ Excellent transit system ▪ Favorable customer loyalty ▪ Clean air, open space, and spectacular vistas ▪ Historic character of Old Town ▪ Cultural diversity ▪ Low crime rate ▪ Access to higher education through Yavapai College ▪ Rich history ▪ City acquired the water company and has taken a leadership role in managing water and wastewater treatment ▪ Presence of regional recreational facilities and trails systems ▪ Abundance of open space and scenic vistas ▪ Providers of leadership in economic development in the Verde Valley ▪ Airport 	<ul style="list-style-type: none"> ▪ Insufficient public awareness of local employment opportunities ▪ Lack of work ethic in younger generation ▪ “Brain Drain” is a major issue in the community ▪ Relatively narrow economic base resulting from over-emphasis on retiree attraction ▪ Apparent lacking of funding/loan sources needed to spur investment and stimulate economic growth ▪ Lack of shovel-ready sites ▪ Spotty broad-band internet infrastructure ▪ Establishments frequently closed after 7pm ▪ Lack of a diversified housing stock ▪ Little opportunities for nightlife for younger generation ▪ Need better inventory of current buildings and sites to attract prospects ▪ Lack of competitively priced commercial/industrial land ▪ Less than vibrant Old Town ▪ No cohesive branding, marketing program or funding ▪ Arizona Central Railroad infrastructure inadequate for existing businesses ▪ Transportation corridor between I-17 and Verde Valley inadequate for many industries, and increasing congestion is exacerbating the issue ▪ Under funded government services (i.e. street management and maintenance) ▪ Inability to have more control over the leased land at the airport

Table 15 - City of Cottonwood SWOT Analysis (Con't)

Opportunities	Threats
<ul style="list-style-type: none"> ▪ Foster partnerships between the City of Cottonwood, Yavapai College, K-12, and the Verde Valley Medical Center in order to help meet local and statewide medical workforce shortage ▪ Joint Tech District to help produce a job ready workforce ▪ Create better linkages between schools and business ▪ Customized education and training programs to suit the needs of local business ▪ Wine-making certificates, Associate’s degrees, or 2+2 Bachelor’s degrees at Yavapai College ▪ Online job board to facilitate quicker staffing of enterprises ▪ Incentive programs aimed at retaining young skilled workers (e.g. the Kalamazoo Promise) ▪ Stimulate investment and development in Old Town ▪ Encourage awareness and use of Cottonwood Area Transit ▪ Annexation of Verde Village and Bridgeport ▪ Annexation of state lands off SR 260 and 89A ▪ Completion of the recreation center ▪ Growth in local viticulture ▪ Marketing outdoor recreation (birding, 4x4-ing, hiking, hang gliding, climbing, mountain biking, fishing, backpacking, canyoneering, etc.) ▪ Existing and future river access points to facilitate recreation along the Verde River ▪ Development and promotion of the local airport ▪ Creating a “Wine Trail” (c.f. the “Salsa Trail” of Safford/Clifton/Duncan area) ▪ Encourage work-from-home entrepreneurship ▪ Creating Cottonwood as “green” and “eco-friendly” ▪ Commercial opportunity between Sedona and Cottonwood on HWY 89A ▪ Attraction of industries that support the local medical industry ▪ Abundance of cultural attractions (Tuzigoot, Montezuma’s Well, Montezuma’s Castle, et cetera) ▪ Brand Cottonwood ▪ Capitalize on regional tourism to capture its share ▪ Attract a resort/conference center ▪ 60 acres of city owned land west of the airport 	<ul style="list-style-type: none"> ▪ Aging septic systems in proximity to the Verde River ▪ City’s reliance on sales tax revenue for general funding ▪ Competing for ADOT’s financial resources to provide a solution to the transportation corridor from I-17 ▪ Segment of the community’s resistance to change; the “shutting the door behind them” attitude ▪ The unwillingness of Camp Verde to allow a 4-lane HWY260 to run from the I-17 to Cottonwood city limits ▪ Competition with Verde Valley Railroad for use of the rail line ▪ Covenants, Conditions, and Restrictions (CC&R) not enfranchising home-based business ▪ Rapid growth and the inability to advance infrastructure ▪ Lack of control and competing interests relating to regional water supply ▪ Concentration and growth of social services in Cottonwood

LABOR FORCE

LABOR AVAILABILITY AND QUALITY

The ability to find workers with the necessary skills is crucial to the success of business. Through interviews with local employers, we were able to determine the overall quality and availability of local labor for multiple occupations in the City of Cottonwood.

Overall today in the Cottonwood Area market:

- Skilled labor availability is “average.” This may be a deterrent to relocation and expansion of industries like health care and manufacturing.
- Unskilled and semiskilled worker availability is “above average”. This has provided a base for the current industry present in Cottonwood.
- Clerical availability is “above average”, providing a positive environment for employers of office/service positions.
- Technical availability is “below average” to “average”. This dynamic should be of concern to the manufacturing sector.
- Management availability is “below average”. Most responses stated that filling management positions required going outside of the region to find qualified candidates.

The interviews also revealed that the job readiness of the workforce is not as sound as it could be. Some of the issues mentioned included a lack of skills needed for higher paying jobs, a poor “work ethic,” and a high rate of drug screening failures.

EDUCATION AND TRAINING

TRAINING PROVIDERS

The Cottonwood area does not currently have any Career Technical Education (CTE) training institutions; however, Yavapai College is working to fulfill the niche of workforce development through the courses and programs they offer, such as automotive technology, business information technology systems, construction technologies, precision metal working, and fire science, to name a few. Yavapai College is a local source of enhanced workforce training, and has indicated they are willing to work with area employers and the City to help meet workforce needs.

LOCAL SCHOOLS

Business looks upon education as the training ground for their future employees. How well a school district performs can be an indicator for whether a business chooses to stay, expand, or relocate to that community.

The State of Arizona created a standardized method to test the academic achievement of students throughout the state. This test, known as AIMS, attempts to quantify academic achievement in reading, writing, and mathematics. Prior to graduating from high school, every student in Arizona must take the examination and achieve a passing score. The AIMS scores illustrated in Table 16 are for 2007-08 school year and are reflected for 8th and 12th grade students. The score is the mean scaled score (MSS) on a 200-800 scale. A student must achieve a score of 500 to meet the state expected performance standard. Importantly, the AIMS test is not required of private schools, thus does not imply anything regarding their specific academic performance.

The most recent published data indicate there is room for improvement in educational performance in Cottonwood. In terms of high school performance, results are only available for Mingus Union High School. Mingus Union High School scored above statewide averages in all three categories, albeit only marginally-so in mathematics and reading. Mingus Union High School did significantly better than the statewide average regarding writing skills.

Concerning 8th-grade performance, the results were mixed for the Cottonwood-Oak Creek School District. Cottonwood Middle School students scored on par with statewide figures for mathematics and reading, while scoring slightly better on the writing portion of the test. The Oak Creek School scored significantly better on the mathematics and writing portions of the exam, but scored only slightly better on the reading portion.

As per the two Mingus Union feeder schools outside of the Cottonwood-Oak Creek School District, the Beaver Creek School in Rimrock fell significantly short of statewide averages across the board, while Clarkdale-Jerome Elementary School excelled in all three areas.

The one local charter school with AIMS scores on record, the American Heritage Academy, performed poorer than the state in terms of mathematics, but scored significantly higher than the state concerning reading and writing skills.

Notably, all applicable schools in the Cottonwood area are, on average, meeting the state expected performance measure of 500 in all three focus areas.

Table 16 - Local School Enrollment and AIMS Performance

	Count	Enrollment	AIMS - Math		AIMS - Reading		AIMS - Writing	
			8th ²	12th	8th	12th	8th	12th
School Districts	4							
Mingus Union High School District		1,262	---	675	---	674	---	688
Mingus Union High School		1,262	---	675	---	674	---	688
Cottonwood – Oak Creek School District		1,125	560	---	521	---	558	---
Cottonwood Middle School		736	558	---	520	---	556	---
Oak Creek School		389	567	---	524	---	568	---
Beaver Creek Elementary District		327	540	---	502	---	546	---
Beaver Creek School		327	540	---	502	---	546	---
Clarkdale-Jerome Elementary District		395	597	---	542	---	576	---
Clarkdale-Jerome Elementary School		395	597	---	542	---	576	---
Charter Schools	1							
American Heritage Academy		319	554	---	538	---	568	---
State of Arizona Averages			557	669	521	669	550	661

Source: Arizona Department of Education (2008 scores)

SECONDARY EDUCATION

With more than 2,800 classes available at five campuses, with more than 75 sites throughout the county, Yavapai College is a major local source of education and workforce training in the Verde Valley³.

Yavapai College offers 24 associate degree programs and 40 certificate programs, in addition to offering numerous non-degree programs aimed at occupational training, career enhancement, and community education. Of these programs, 15 associate degree programs and 23 certificate programs are offered specifically at the Verde Valley campus.

Yavapai College also offers a limited number of bachelor’s and master’s degrees through partnerships with local Arizona universities. These programs allow local Yavapai County residents to complete a significant portion of their studies locally at Yavapai College, and transfer to these partner universities to finish earning their bachelor’s or master’s degree. These programs allow local students to remain more involved in their communities while pursuing a college education, and work to minimize the tuition costs of earning a degree from a larger and more expensive institution.

³ <http://www2.vc.edu/content/academics/>

Yavapai College and Arizona State University (ASU) have partnered to offer “2+2” programs in Fire Service Management, Agribusiness/Business Administration, and Organizational Studies. Programs offered through Northern Arizona University (NAU) include approximately 18 bachelor degree programs, 14 master’s programs, and several certificate programs. Yavapai College has also partnered with Old Dominion University to offer 14 bachelor degree programs, 7 master’s programs, and even one PhD program in Community College Leadership.

TRANSPORTATION / MARKET ACCESS

INTERSTATE HIGHWAY ACCESS

The City of Cottonwood is located 103 miles north of Phoenix and 50 miles southwest of Flagstaff, Arizona. Cottonwood is situated off of SR 260, which runs east 242 miles to Springerville, Arizona, which is only 12 miles west of the New Mexico state border. A section of SR 89-A which goes from Prescott to Flagstaff, Arizona, also runs through the City of Cottonwood. These two highways serve as the major routes into and out of the City (Figure 2). The nearest interstate highway is I-17, which is approximately 12 driving miles from the junction of SR 89A and SR 260. Cottonwood can be accessed off of I-17 which provides connection to I-40, I-10, and I-89 leading to major economic centers in California, New Mexico, Utah, as well as many other nearby markets. A location in the City of Cottonwood can easily access many major markets within an overnight delivery.

Table 17 - 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

Source: www.RandMcNally.com

Currently, there is growing concern regarding increased traffic congestion along the I-17 through the Verde Valley. Interviews of local business owners cited inadequate transportation infrastructure as a major issue in the community. This situation could have a negative impact on furthering economic development efforts in Cottonwood as congestion continues to grow.

COMMERCIAL AIR SERVICE

The east Verde Valley area is serviced by the Cottonwood Municipal Airport, located just south of SR 89A, approximately 2 miles west of SR 260. The Airport is situated on approximately 210 acres of land and is served by a single asphalt runway, which is oriented northwest-southeast. The runway measures 4,250 feet in length by 75 feet in width. The Cottonwood Municipal Airport is managed by Aerobear Aviation and is a general aviation airport.

Table 18 - Cottonwood Area General Aviation Airport Facilities

Name	Location	Runways	Runway Lengths	Services
Cottonwood Municipal Airport	Cottonwood	1	4,250	Maintenance & Repair, Fueling, Instruction, Rentals, Tie-Downs

Source: Aerobear Aviation, Cottonwood Economic Development Council

RAIL SERVICE

Businesses whose raw materials include plastics, metals, or other bulky items will typically want a rail spur or other access to rail. The Arizona Central Railroad (AZCR) is the primary railroad servicing industrial clients in the area. The AZCR runs a length of 38 miles from Clarkdale to a switching yard at Drake, AZ, where the line connects with the BNSF Railway.

The AZCR is owned by the Western Group out of Ogden, Utah, and was purchased from Santa Fe Railroad in 1989. At the present time, the Arizona Central's primary customer is the Salt River Materials Group (SRMG). The traffic base is made up of outbound loads of cement and inbound loads of coal and coke (and occasionally fly ash) and occasionally bauxite. Additionally, the line hosts excursion trains along a 19 mile section known as the Verde Canyon Railroad.

The base of operations of this line is in Clarkdale. Two GP-9 locomotives are utilized to make three trips per week, hauling loaded cement cars outbound and loaded coal cars inbound.⁴

Currently, rail service is insufficient to service the needs of existing businesses in the area. SRMG, formally known as Phoenix Cement, is interested in a significant

⁴ <http://www.thewesterngroup.net/rrArizonaCentral.html>

expansion of operations but is hampered by the capacity and condition of the track. SRMG has even expressed interest in helping to pay for rail improvement, provided the Central Arizona Railroad would haul their freight two to three times per day. Unfortunately, there currently aren't any laws written which allow for public-private partnerships in building new rail lines. Clarkdale Metals is also interested in using the line to supply materials to their business, and would be the second-largest user behind SRMG, but has also run into obstacles.

Understandably, BNSF says it's not worth it to them to improve the track unless that improved track were to run at least 100 cars. Currently, the line is too steep for 100 cars at a time, but may be improved enough to accommodate approximately 20.

SITES AND BUILDINGS

It is extremely beneficial to possess fully improved industrial sites and business parks, and modern "smart" buildings to serve local expansions and attract new businesses. The City of Cottonwood can gain a competitive advantage by having several options available to expanding businesses. On the contrary, if a community does not possess opportunities for a relocating firm to immediately inhabit a pre-existing facility, it risks being removed from the firm's list of potential sites.

The City of Cottonwood advertises at least twelve separate sites that are suitable to all sizes of businesses. These sites and structures range in size from just over 1,000 square feet to upwards of 700,000 square feet. Currently, eleven of the twelve sites are available for sale and nine are available for lease. Table 19 provides a summarization of the available sites for development.

Table 19 - Cottonwood Development Sites

#	Address	Type of Site	Min Size (SF)	Max Size (SF)	For Sale	For Lease
1	1010 S. Main St. 86326	O/R	1,800	1,800	Yes	Yes
2	1028 N. Main St. 86326	R	2,500	5,000	Yes	Yes
3	211 Jennifer Dr. 86326	O	3,053	3,053	Yes	Yes
4	218 Justin Dr. 86326	O/I	6,834	6,834	Yes	Yes
5	228 Justin Dr. 86326	O/I/W	24,600	24,600	Yes	No
6	237 Justin Dr. 86326	I	1,074	4,048	No	Yes
7	277 Justin Dr. 86326	I	2,608	2,608	Yes	No
8	30 N. Alamos Dr. 86326	I	12,000	12,000	Yes	Yes
9	839 W. Mingus Ave. 86326	O/I/W	7,806	7,806	Yes	Yes
10	Cottonwood Business Park	L	21,780	43,560	Yes	No
11	Selected Location	L	731,808	731,808	Yes	Yes
12	Selected Location	L	714,384	714,384	Yes	Yes

Source: Cottonwood Economic Development Council; azprospector.com

O = Office, R = Retail, I = Industrial, W = Warehouse, L = Land

INCENTIVES

Economic development incentives are not usually the first location criteria. However, they are critical when a company is down to finalist communities and all other considerations are equal. They are often the “hidden” criteria, or used as the tie breaker.

BUSINESS INCENTIVES

The City of Cottonwood or the State of Arizona offers a number of economic incentives to encourage business expansion and location. These incentive programs include, but are not limited to, the following:

1. **“Angel Investment” Small Business Capital Investment Tax Incentive** – The main objective of the Angel Investment program is to expand early stage investments in targeted Arizona small businesses. The program accomplishes this goal by providing tax credits to investors who make capital investment in small businesses certified by the Arizona Department of Commerce.
2. **Solar Tax Credit** – Designed to stimulate the production and use of solar energy saving devices in commercial and industrial businesses. Commercial or industrial businesses must have a qualified solar energy device installed, provide records of installation, certify the device is operational, and show proof of payment for the device. Tax credit amounts are ten percent of the total installed

cost of the device, excluding financing costs, up to \$25,000 for one building in a single tax year. The program limits participants to \$50,000 of total tax credits per tax year.

3. **Accelerated Depreciation** – Accelerated Depreciation provides an aggressive depreciation schedule to encourage new capital investment and reduce personal property tax liability.
4. **Arizona Job Training Program** – A program administered by the Arizona Department of Commerce and is available to business establishments for the design and delivery of customized training to meet specific needs of employers. Currently, award amounts range from \$2,000 to \$5,000 per position for employers with 100 or more employees, or from \$5,000 to \$8,000 per position for rural or small employers or employers located in an Enterprise Zone.

Most of these incentives are available to Cottonwood's competitor communities throughout Arizona, and, in fact, similar programs are available in other states. If Cottonwood wants to be truly competitive in the realm of business attraction, a specialized incentive program should be developed for targeted industries.

UTILITIES / MUNICIPAL SERVICES

Providing adequate municipal and utility services for existing and future business establishments is critical to the success of economic development. A prospective business or corporate site locator will not only want to know the cost of service, but will be interested in the providers' ability to meet the companies demand today and well into the future.

WATER AND SEWER

The City of Cottonwood provides municipal water and sewer services to its residents and business. The source of Cottonwood's water supply is currently 100 percent groundwater provided by a number of city wells, which are being acquired well ahead of anticipated need. The closest the city has come to reaching peak demand for water was at 75 percent of capacity. Some areas of the city currently have more capacity than other areas; however the City is working to interconnect the entire system in the near future. Currently, Cottonwood and Clarkdale share a water system and by July 2009 Clarkdale will split apart from Cottonwood and operate its own water system and wells. This dividing of the water system along political boundaries will free up more capacity for Cottonwood water system.

The sewer system in Cottonwood has a rated capacity of 1.5 million gallons a day with current flows of 1,010,000 million gallons per day. In anticipation of new development, the City has committed to providing sewer service to a 750 acre commercial and residential development by installing a satellite water reclamation facility (WRF). Additionally, the City's goal is to achieve 100 percent consumptive

reuse of wastewater and will be conducting a feasibility study on Riverfront Park to locate a WRF to process wastewater for irrigation purposes at the park and City owned cemetery.

Table 20 - City of Cottonwood Water & Sewer		
	Water	Sewer
Provider	City of Cottonwood Municipal Water System	City of Cottonwood Public Works Department
Connection Fee	\$1,500	None
Cost/1,000 Gallons		
Block 1 (1,001-10,000 gal)	\$2.90	
Block 2 (10,001-20,000 gal)	\$4.06	
Block 3 (>20,001 gal)	\$5.68	
Base charge per month	n/a	\$3.75
Use charge per 1,000 gal	n/a	\$2.60

Source: City of Cottonwood

Although the supply of water is currently more than adequate for the City of Cottonwood’s needs, there is concern surrounding the future availability of water in the region. Much of this concern stems from various cities vying for the same finite quantity of water in the Verde River. This issue has come to a head in recent years as Prescott has sought to increase the amount of groundwater pumped from aquifers at the Verde River’s upper basin. Many fear the increased drawing from the upper basin aquifers will do irreparable damage to the river, in addition to severely limiting future development in the region. Uncertainty regarding basic utility needs such as water could negatively impact the potential for future economic development. For this reason it is imperative that regional cooperation be sought out as a way to develop a sustainable management plan for the Verde Valley.

ELECTRICITY AND NATURAL GAS

The City of Cottonwood is serviced by APS for electrical service and Unisource for natural gas services. Electrical service for Cottonwood has a capacity of 76 megawatts. To measure reliability, APS has developed four indices for Cottonwood. These indices are described in the following table and reliability numbers are given for each on a per year basis.

Table 21 - City of Cottonwood Electricity Provider

Provider	Capacity	Reliability Index	Explanation	Score
APS	76MW	System Average Interruption Frequency Index	How often a customer experiences a sustained interruption over a period of time	1.16 times/year
		Momentary Average Interruption Frequency Index	How often the average customer experiences interruption over a period of one year	3.67 times/year
		System Average Interruption Duration Index	Total duration of interruptions for the average customer during a period of one year	109 min/year
		Customer Average Interruption Duration Index	Average time required to restore service for interruptions over one minute, over a period of one year	94 min/year

Source: APS, Cottonwood Economic Development Council

For Cottonwood, there are bundled and unbundled rates for electricity. The cost per kilowatt-hour (kWh) for typical monthly usage levels are provided in Table 22.

Table 22 - City of Cottonwood Electricity Rates

Charges	Bundled Rates	Unbundled Rates
May – October	\$12.260/KW	\$3.380/KW + \$0.01125/KW hour
November – April	\$8.420/KW	\$1.850/KW + \$0.01380/ KW hour
Other Service Charges	\$0.493/day	\$0.500/day

Source: APS, Cottonwood Economic Development Council

Additionally, gas services, provided by Unisource, maintains a capacity of 21,000 MMscfd in addition to a reliability rating of 99.90 percent. It is important to note that Unisource receives its natural gas from El Paso Natural Gas Company. Currently Unisource has no plans of expansion, but if the demand for natural gas services increases in the future, Unisource can compensate for the additional demand by requesting more gas services from El Paso Natural Gas Company.

Table 23 - City of Cottonwood Natural Gas Provider

Provider	Capacity	Reliability	Rates	
			Customer Charged	Charge/Therm
Unisource Energy Services	21,000 MMscfd ⁵	99.90%	\$8.50	\$0.3270

Source: Unisource Energy Services

TELECOMMUNICATIONS

To be truly competitive in a global economy, state of the art telecommunications infrastructure is absolutely necessary. This includes offering a combination of wireless and wired high-speed bandwidth, DSL, and POP (point of presence). Infrastructure that includes fiber rings insures dual redundancy and provides a competitive advantage for job centers and business parks. Currently there are no fiber optic rings existing or proposed by private providers within the City of Cottonwood.

Cottonwood relies on Cableone for television and broad-band internet service, while Qwest provides telephone service and Direct TV provides satellite television. Table 24 summarizes telecommunication providers located in Cottonwood.

Table 24 - Cottonwood Telecommunications

Provider	POP Location	Switch Technology	Fiber/Cable Available	ISDN Available
Cableone	Bridgeport, Clarkdale, Cornville, Cottonwood,	Digital	Yes	Yes
Qwest	Cottonwood, Clarkdale, Cornville, Jerome, Sedona	Digital	Yes	Yes
Direct TV	Jerome, Clarkdale, Cornville, Cottonwood, Verde Village	Digital	No (Satellite)	Yes

Source: CottonwoodEDC.com

⁵ 1 MMscfd = 1,000,000 standard ft³ per day

QUALITY OF PLACE

The quality of life in Cottonwood is regarded by stakeholders as very favorable, though there are some notable improvements that could be made. Positive aspects include easy access to local recreational opportunities, an abundance of public facilities and parks, presence of a local college and the availability of health care services. Some weaker aspects of quality of life in Cottonwood include a lack of affordable housing,⁶ inadequate diversity of housing options, and poor retention of youth, in addition to a generally “anti-progressive” culture as identified from TAC committee interviews. These aforementioned concerns could likely be resolved with a concerted community effort to accommodate the specific needs of different age groups in the community.

Additional comments put forth by members of the TAC committee included the development of sustainable, green-collar jobs, and the attraction of renewable energy production industries. This emphasis on sustainability underscores Cottonwood’s strong desire to become a “green community” and a leader in sustainable technologies. Other quality of place suggestions included building nicer hotels, more sit down restaurants, and attracting a car rental establishment, movie theatre, and bowling alley.

MEDICAL

The City of Cottonwood maintains above average access to medical services, with its primary facility, Verde Valley Medical Center (VVMC). The VVMC was awarded nine national customer service awards in 2005. It is a non-profit healthcare organization which returns any additional revenue to the community in the form of improved facilities, new equipment, and additional healthcare education programs. The VVMC offers full service certified clinical laboratories, a 24-hour emergency department with an onsite helicopter and Intensive Care Unit, newborn services, parental education, neurodiagnostic services, a joint replacement program, and a variety of other services.

Currently, the Verde Valley Medical Center is working on a massive facility expansion project started in 2006. This project is scheduled to be completed in late 2009 and includes the following additions/renovations⁷:

- New women’s health area that will feature a separate imaging (X-ray) suite, two ultrasound rooms, two mammography rooms, and a stereotactic bone density room
- Private waiting area for exclusive use by imaging patients and guests
- New Laboratory suite with four draw stations

⁶ Interviews were conducted prior to the dramatic decrease in housing values statewide.

⁷ <http://www.verdevalleymedicalcenter.com/AboutVVMC/ExpansionProject/default>

- Relocated Respiratory Care Services
- Renovated Cardiology Care Unit
- Expanded Emergency department
- New Perinatal Services department with C-section/OR suite

Information gleaned from TAC feedback and public input support the notion that the Verde Valley Medical Center is in need of additional nurses, radiology technicians, and pharmacy technicians.

Given the long-run growth prospects for the healthcare industry, it is important that the VVMC continue to meet their staffing needs and become engaged with the local community.

HOUSING

Not unlike other housing markets across the state and nation, real estate in the Cottonwood area saw a significant jump in prices from 2004 to 2006. The rapid appreciation in home values during this period created affordability issues for many community residents, and jeopardized Cottonwood's historic role as a bedroom community for nearby Sedona. Since the housing bubble burst in June 2006, however, home values have fallen dramatically across the state, including the Verde Valley. Given the current volatile state of the market, it is difficult to accurately estimate where price levels will rest, or where the affordability index will settle. Much of it depends on if and how the government gets involved in addressing the issue. One can be certain, however, that the softening of personal incomes, in combination with a general oversupply of homes on the market will work to alleviate the bulk of affordability issues in the local market. Having a 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. Retaining an overall affordability of housing is essential to maintaining a positive overall quality of life in the City of Cottonwood.

One issue expressed by the TAC was a lack of diversity in the local housing stock. It was expressed that maintaining a diverse stock of housing, spanning from the affordable to high-end, is vital in attracting and keeping residents in Cottonwood. One specific issue cited was the lack of high-end housing in the Cottonwood area. Many people felt there is a missed opportunity represented by the fact that many, if not all, doctors and highly paid medical professionals working at the Verde Valley Medical Center choose to live in Sedona. Many attribute this to the fact that Cottonwood simply doesn't have the high-end housing that type of resident would be searching for.

CULTURAL FACILITIES AND EVENTS

The City of Cottonwood is currently limited in arts and culture facilities. Results from TAC input, including survey results, suggests Cottonwood is below average in this area. Currently, Cottonwood has one museum, the Clemenceau Heritage Museum, although the City itself is surrounded by interesting museums and archeological sites in Jerome, Sedona, Clarkdale, and Camp Verde. Cottonwood is also home to the Verde Valley Theatre, which boasts live theatrical performances, and the Verde Valley Fairgrounds, which hosts an assortment of community and regional events.

Cottonwood hosts several interesting community events on an annual basis, including the Farmer's Market Jamboree, the Miniature Goat Show, Jordan's Circus, Fall Fine Art Gallery and Boutique, Verde River Days, Verde River Show and Glow Car Show, the Motorcycle Rally Smoke Out, Early Settlers' Day, Annual Alzheimer's Associated Memory Walk, Fall Carnival, Safe Trick-or-Treating in Old Town, Grumpy Dave's Auction, the Chocolate Lovers' Walk, and the annual Cottonwood Christmas Parade. Many of these events take place at the Clemenceau Heritage Museum, Dead Horse Ranch State Park, or the Verde Valley Fairgrounds.

The Verde Valley is rich in arts and cultural opportunities, although there is certainly room for more community involvement within the City proper.

RECREATION

Cottonwood possesses recreational opportunities for several types of outdoor activities. Favorably located between the red rocks of Sedona and the imposing Mingus Mountain in the Black Hills Mountain Range, Cottonwood's abundance of open space and natural beauty offers an array of recreational activities within close proximity. Families and persons of all ages can take advantage of the abundance of natural beauty found along the Verde River in Dead Horse Ranch State Park, which also happens to be a nationally renowned area for birding. Hang gliders can take advantage of the Black Hills and Mingus Mountain, which abuts Cottonwood city limits to the west. Hikers, backpackers, campers, hunters, climbers, and canyoneers can all revel in the abundance of local backcountry opportunities. Several popular outdoor recreation areas are within a short drive from the City of Cottonwood: the Granite Mountain Wilderness Area in Prescott, Mingus Mountain, Red Rock State Park, Slide Rock State Park, Black Canyon just outside of the City of Cottonwood, Sycamore Canyon Wilderness Area, West Clear Creek Wilderness Area, Dead Horse Ranch State Park, Wet Beaver Wilderness Area, and plenty of open space in the Prescott and Tonto National Forests. Cottonwood is well-suited as an affordable, centrally-located jump-off point for a diverse array of outdoor enthusiasts.

In addition, there are several parks within the City that offer recreational opportunities, including:

- Riverfront Park
 - 77 acre park with athletic fields and playground areas
 - ramadas for picnics
 - large swing sets
 - a jungle gym for kids
 - horseshoe pits
 - volleyball courts
 - four softball fields
 - three little league fields
 - a soccer field
 - batting cages
 - a skate park
 - in-line roller hockey court
- Garrison Park
 - children's play apparatus
 - the City of Cottonwood municipal swimming pool
 - basketball court
 - swing sets
 - five tennis courts

One way in which Cottonwood is currently working on improving the recreational opportunities afforded to its residents is through the development of additional multi-use paths and trails which will link up to existing regional trails and paths in the area. This, in addition to a new municipal recreation center the City is constructing, will provide additional recreational opportunities to area residents.

These amenities provide City of Cottonwood residents several opportunities to engage in nearby recreational activities. These aspects of a community are easily overlooked; however, it is clear that the existence of these recreational opportunities plays a prominent role in economic, educational, and community development.

CRIME

The City of Cottonwood and Yavapai County are reasonably secure areas with relatively low levels of criminal activity. The statistics below in Table 25, part of the FBI's Uniform Crime Report (UCR) program, support this notion. As can be seen, given the three years of data available for examination, there are no apparent upward trends in any single crime category for the City of Cottonwood. If any trend were apparent, it would likely be negative, as many of the figures for Cottonwood remain stable or decrease significantly. The same cannot be said for Yavapai County

as a whole, however, where violent crimes and motor vehicle thefts appear to be on the rise.

One important factor to consider when examining this data is the lack of information regarding drug-related offenses. Given the TAC's concern that drug problems may be having negative effects on the local labor force, one would expect to see this either illustrated or refuted in the data. Because we are left with no quantitative data regarding this concern, we are left with little more than anecdotal evidence in support of this claim.

Table 25 - Crimes Reported						
	2004		2005		2006	
	Yavapai County	Cottonwood	Yavapai County	Cottonwood	Yavapai County	Cottonwood
Violent Crime	221	76	260	43	354	44
Murder/Manslaughter	2	1	0	1	5	0
Forcible Rape	6	4	7	4	13	0
Robbery	9	9	9	3	10	2
Aggravated Assault	204	62	244	35	326	42
Property Crime	1,861	763	1,590	671	1,703	438
Burglary	548	156	462	100	408	54
Larceny-Theft	1,154	557	967	530	1,092	357
Motor Vehicle Theft	159	50	161	41	203	27
Arson	10	3	7	5	7	5

Sources: FBI Uniform Crime Reports <http://www.fbi.gov/ucr/ucr.htm>

SITE LOCATION SUMMARY

Below, Table 26 presents a summary of the SWOT analysis which includes an overall assessment of each site location factor.

Table 26 - City of Cottonwood Site Selection Criteria Summary

Site Location Factor	Assessment
Labor Force	
▪ Availability	
○ Semi-Skilled	Average
○ Unskilled	Above Average
○ Management	Below Average
○ Technical	Below Average
○ Clerical	Average
▪ Labor Quality	Above Average
Education	
▪ Local Schools	Average
▪ CET Programs/Facilities	Average
▪ Secondary Education	Above Average
Transportation	
▪ Highways	Average
▪ Air Service	Above Average
▪ Rail Service	Poor
Sites and Buildings	
▪ Improved Sites	Average
▪ Buildings	Above Average
Utility/Municipal Services	
▪ Water and sewer service	Average
▪ Electric and Gas	Above Average
▪ Telecommunications	Average
Quality of Life	
▪ Medical Services	Above Average
▪ Housing	
○ Availability	Above Average
○ Affordability	Below Average
○ Quality	Above Average
○ Diversity	Below Average
▪ Recreation	Above Average
▪ Cultural Facilities	Below Average
▪ Crime	Above Average

Source: Employer Interviews with City of Cottonwood Stakeholders and ESI Research

LAND USE AND ZONING

The tradition of Euclidian Zoning (the segregation of land uses) at the municipal level began in the early 20th century as a means to protect the health, safety, and welfare of city residents. This tradition, a type of market regulation, often creates a host of side effects and unplanned outcomes, as do most market regulations. One of the important outcomes of zoning is that it severs the ability of land uses to reach a market equilibrium. This quality necessitates the need for long range planning to ensure that as the City grows, the ratio of employment to residential land uses is monitored in order to ensure ample employment opportunities and services for area residents. A simple way to express this ratio is jobs per capita (number of employed divided by total population). This ratio is an indicator most commonly used to gauge the viability of the local economy and perpetuate a high perceived quality of life.

EXISTING LAND USE

The City of Cottonwood is predominantly composed of residential land uses, with commercial uses along State Highway 260 and Main Street. National Forest makes up the majority of the land uses in the southern half of the City, while Dead Horse Ranch State Park anchors the northern part of the municipality. Industrial uses are clustered around the Airport, while residential land uses appear to be evenly distributed about the entire City. In addition, State Trust land occupies a large portion of the south-central and eastern parts of the City.

EXISTING ZONING

The City of Cottonwood Zoning Ordinance regulates development and land use within the City's incorporated area. The Zoning Ordinance provides the standards by which the uses recommended in the General Plan may be implemented. The majority of the City, approximately 32.2 percent is zoned National Forest, closely followed by the Agricultural/Residential zone at 29.5 percent. The next largest zoned area is Residential, representing 8.8 percent of the entire City area, and includes R-1, R-2, R-3 and R-4 zoning categories. Several other zoning categories allow residential uses, such as the Agricultural/Residential mentioned above, Planned Area Development, Manufactured Home, and Commercial/Residential zoning designations. Approximately 52.9 percent of the City is designated non-residential zoning of some type. Only approximately 0.2 percent of the City is zoned for Community Facilities, which includes parks, community services, and other community uses. Figure 4 depicts the current zoning categories within the City of Cottonwood.

Table 27 - Existing Zoning

Zone	Acres	Percent
Agricultural / Residential	3,208.1	31.43%
National Forest	2,967.3	29.07%
Planned Area Development	1,305.7	12.79%
Residential	845.6	8.28%
Industrial	718.7	7.04%
Commercial	648.0	6.35%
Other	260.2	2.55%
Manufactured Home	130.5	1.28%
Community Facility	101.4	0.99%
Agricultural	20.5	0.20%
Commercial / Residential	1.0	0.01%
TOTAL	10,207	100.0%

Source: City of Cottonwood 2008

GENERAL PLAN LAND USE

The General Plan land uses represent the proposed land uses, or vision for the City of Cottonwood, as laid out in the comprehensive planning document entitled *Cottonwood General Plan 2003-2013*. Public/Institutional land uses dominate the General Plan land use with 33.8 percent of the total, followed by Planned Development uses at 25.9 percent. The remaining land uses are more evenly distributed with Low Density Residential, Parks/Open Space, and Commercial occupying 9.1, 8.5, and 8.0 percent of the total General Plan land uses, respectively. The High Density Residential Category makes up the smallest portion of the Cities' land area with only 135 acres, or 1.5 percent. Figure 5 shows the distribution of land uses throughout Cottonwood.

The General Plan also considers areas outside of the City limits that fall under the direct influence of the City of Cottonwood and are included in Cottonwood's Planning Area.

Figure 6 displays the City of Cottonwood Planning Area which encompasses the incorporated City, as well as State Trust land northeast of the City limits, private and State Trust lands to the south of the current City limits, and areas near the junction of State Routes 89A and 260. These undeveloped parcels have been identified within the City's General Plan as growth areas, based largely on their proximity to existing infrastructure. The General Plan encourages the continued development of these areas as a means to make more effective use of existing infrastructure, consolidate traffic flows, create jobs, and to provide better opportunities for pedestrian oriented development and housing.

Table 28 - General Plan Land Use

Land Use	Acres	Percent
Public/Institutional	3,053.4	33.8%
Planned Development	2,334.4	25.9%
Low Density Residential	822.3	9.1%
Parks/Open Space	764.2	8.5%
Commercial	724.9	8.0%
Medium Density Residential	550.8	6.1%
Public	300.4	3.3%
Industrial	190.1	2.1%
Performance Commercial/Industrial	149.4	1.7%
High Density Residential	135.0	1.5%
TOTAL	9,025	100.0%

Source: City of Cottonwood 2008

EXISTING LAND OWNERSHIP

The City of Cottonwood encompasses private, city, state, and federal land. The vast majority of the City (61.6 percent) is privately owned, followed by the United States Forest Service at 28.1 percent. The remaining land is dominated by Arizona State Trust land at a total of 9.9 percent of the City. Arizona State Park and City owned lands each represent 0.2 percent of the Cities' land area.

Table 29 - Ownership

Owner	Acres	Percent
Private	6,500.8	61.6%
National Forest	2,967.3	28.1%
State Trust Land	1,040.8	9.9%
State Park	22.6	0.2%
City of Cottonwood	20.5	0.2%
TOTAL	10,552	100.0%

Source: ALRIS 2005; City of Cottonwood 2008

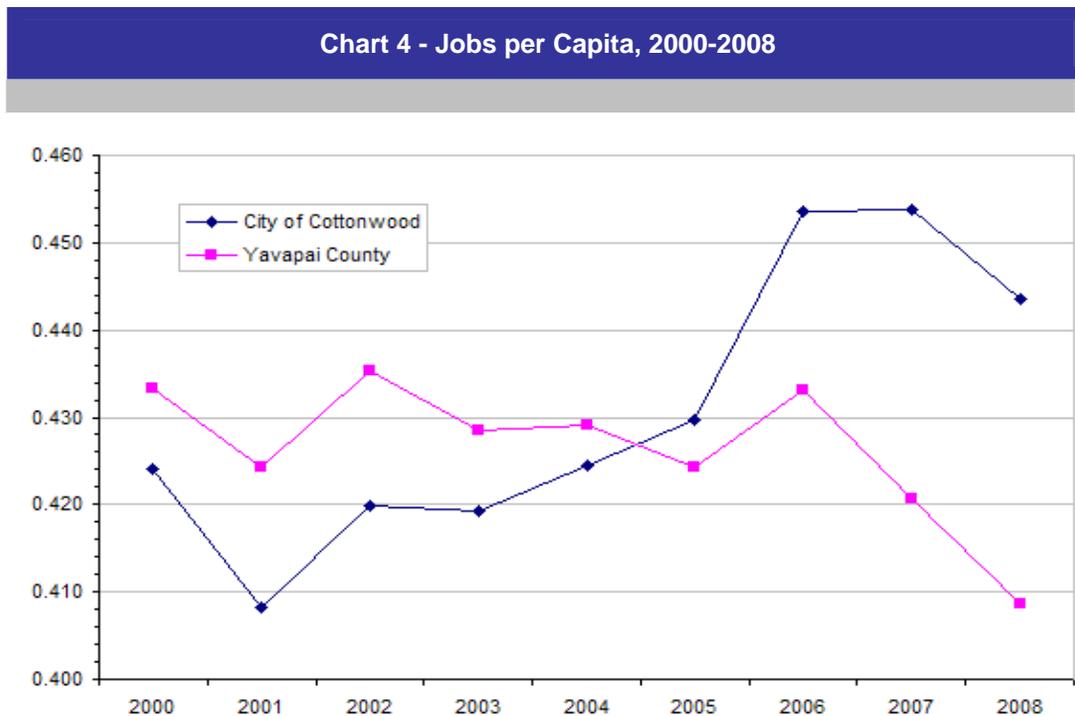
FUTURE PLANNING

Achieving a fiscally sustainable economy depends upon the right mix of employment generating land uses and population density. Monitoring the residential and employment land uses that occupy the City is becoming more important today as communities focus on their economic health and vitality. A metric that is often used

is the ratio of employment to population, known as the jobs per capita ratio. Utilizing a floor area ratio (FAR) and an employment generation figure (usually expressed as some form of square feet per employee), it is possible to estimate how many jobs and population will be generated given different land use intensities. In this way, the City can more accurately plan for the future.

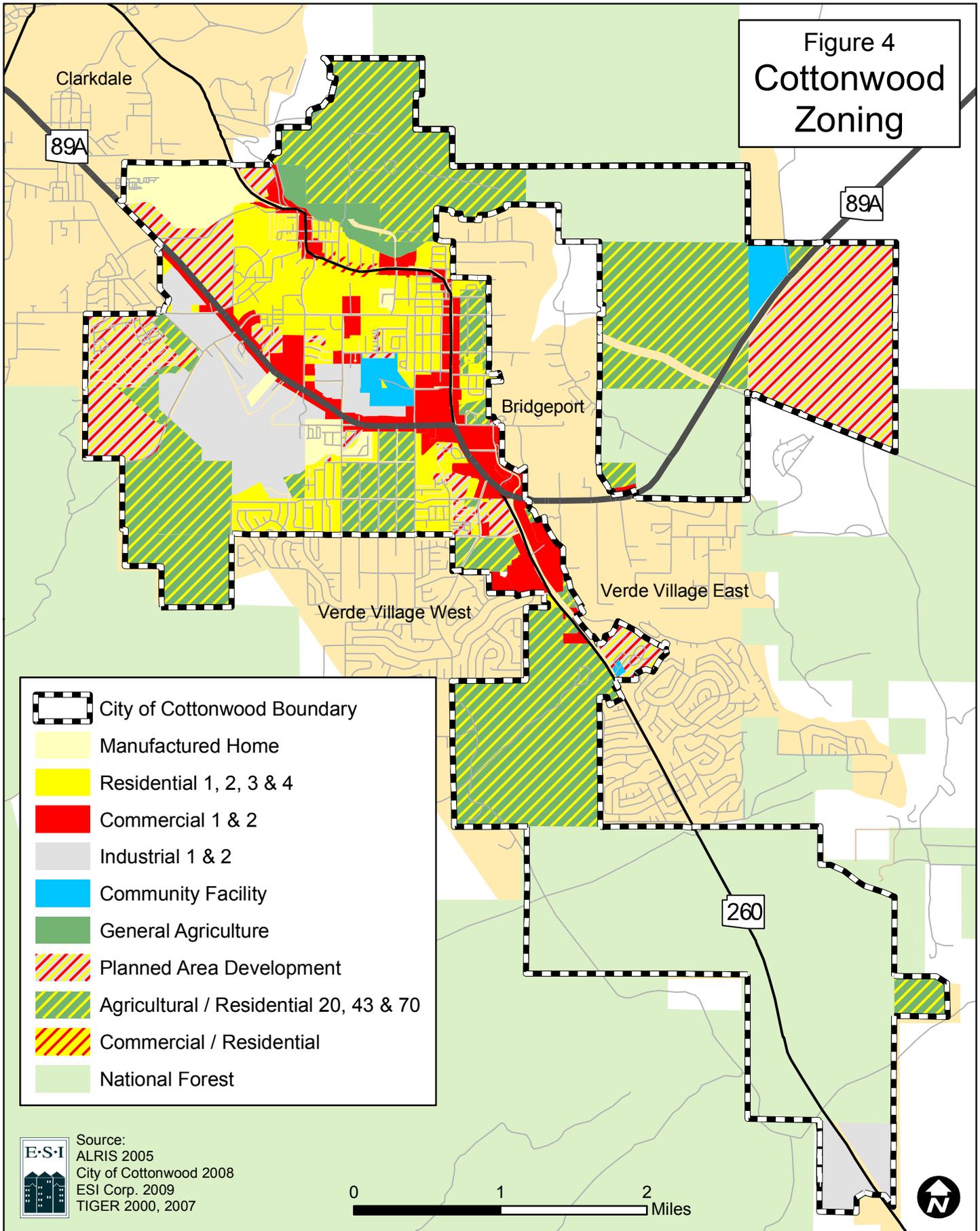
As can be seen in Chart 4, in 2005 the City of Cottonwood surpassed Yavapai County in terms of jobs per capita, eventually reaching a peak in 2006. As of 2008, the City of Cottonwood has a jobs per capita ratio of 0.444 compared to Yavapai County which is estimated at 0.409. For comparison, Maricopa County has a jobs per capita ratio of approximately 0.500.

As the community entitles new development within its boundaries and considers annexation of new land, the proposed land uses should generate a higher density of jobs to people in order to create a sustainable economy. Maintaining or increasing jobs per capita should be a goal for the community during the next General Plan update.



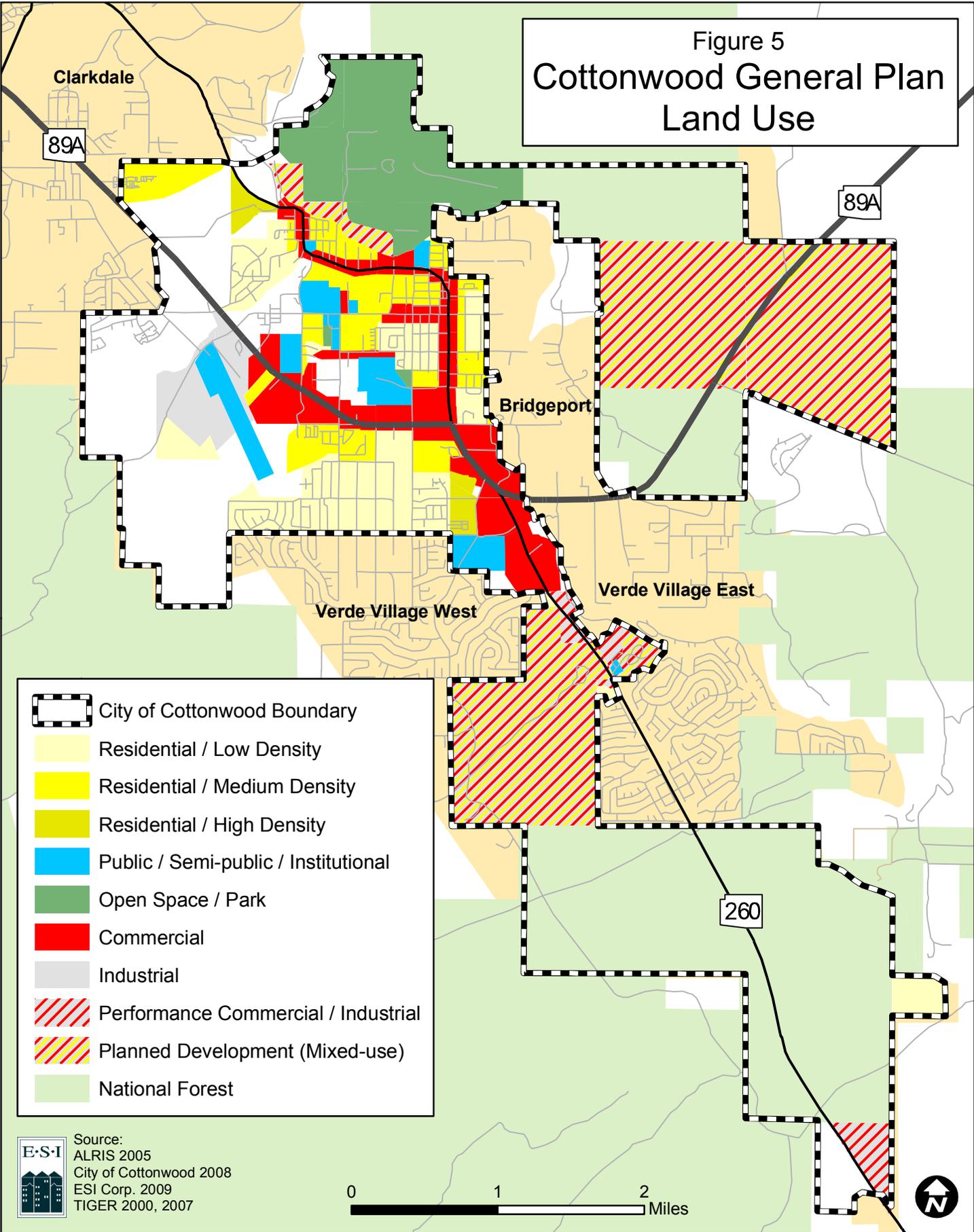
Source: U.S. Census 2000; State of Arizona, Department of Commerce, Research Administration, CES/LAUS Unit and Population Statistics Unit ALRIS 2005; City of Cottonwood 2008

Figure 4
Cottonwood
Zoning



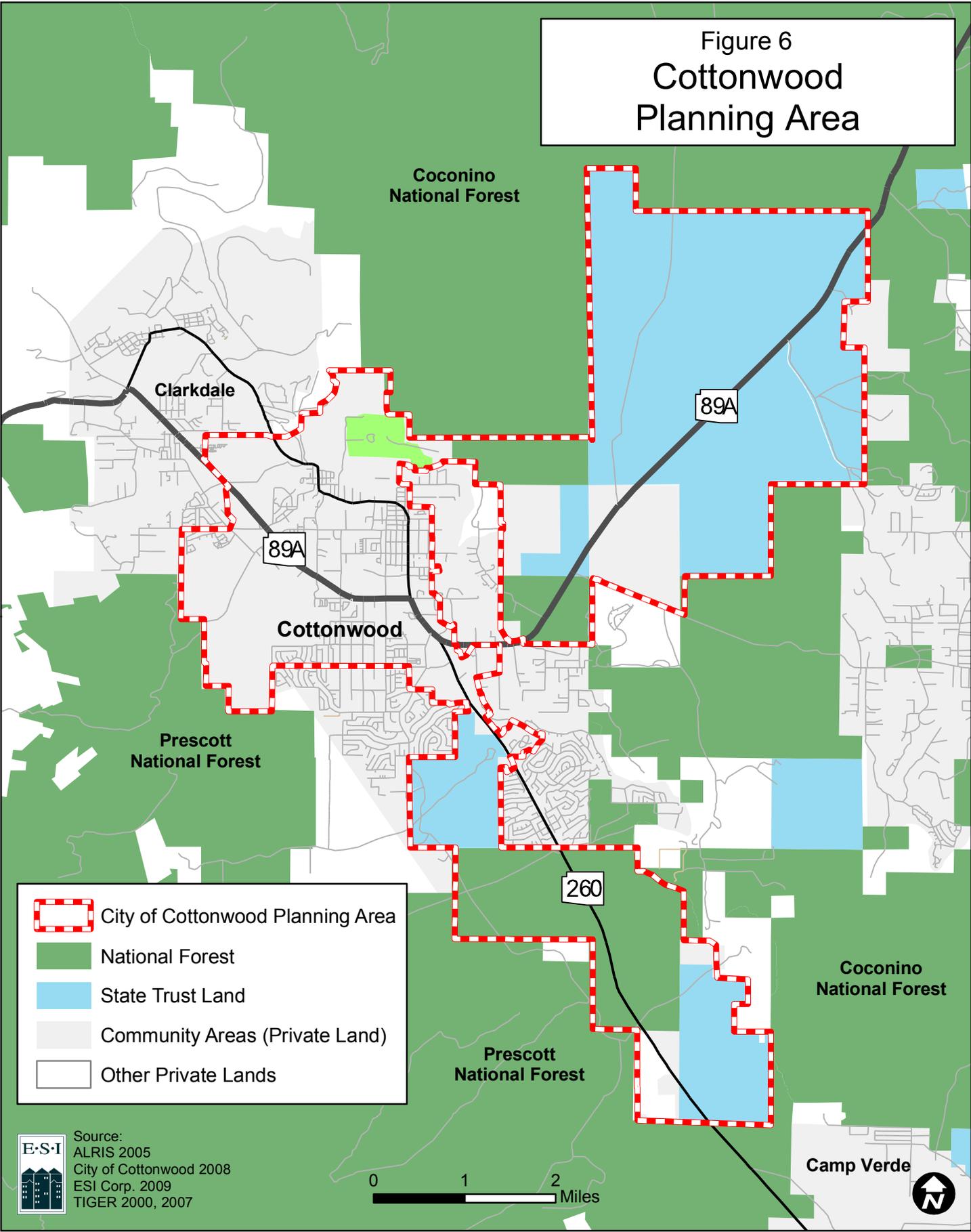
Source:
ALRIS 2005
City of Cottonwood 2008
ESI Corp. 2009
TIGER 2000, 2007

Figure 5
Cottonwood General Plan
Land Use



Source:
 E·S·I ALRIS 2005
 City of Cottonwood 2008
 ESI Corp. 2009
 TIGER 2000, 2007

Figure 6
Cottonwood
Planning Area



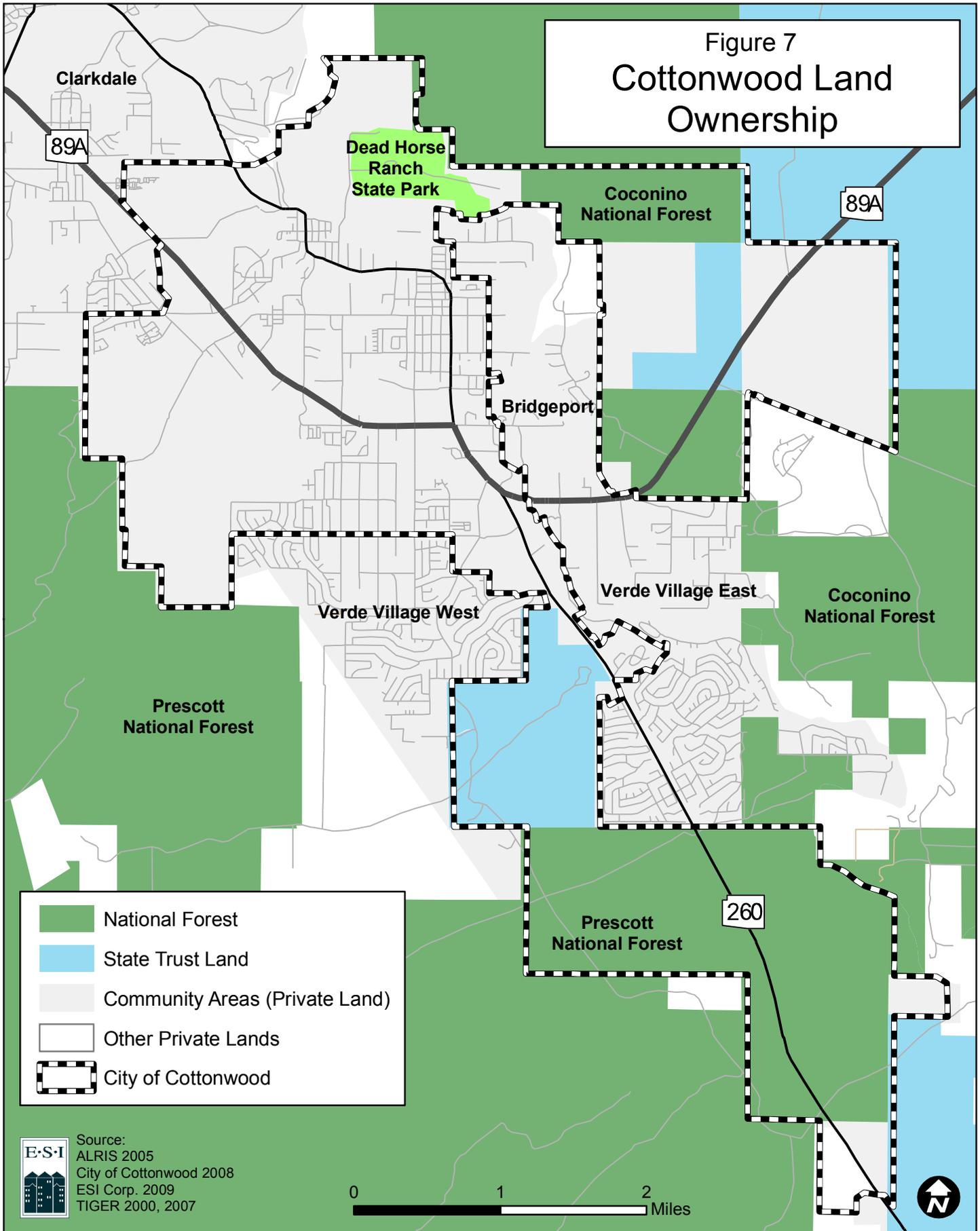
-  City of Cottonwood Planning Area
-  National Forest
-  State Trust Land
-  Community Areas (Private Land)
-  Other Private Lands



Source:
ALRIS 2005
City of Cottonwood 2008
ESI Corp. 2009
TIGER 2000, 2007



Figure 7
Cottonwood Land
Ownership



III. ECONOMIC DEVELOPMENT ACTION PLAN

ECONOMIC DEVELOPMENT PLANNING PROCESS

Over the years, Arizona Public Services (APS) has worked with communities throughout Arizona providing resources to assist them in understanding their local/regional economy, and developing strategic plans conducive to their unique circumstances. The City of Cottonwood successfully implemented their Focused Future II (FFII) Plan completed in 2001, which has set the stage for creation of this five-year economic development plan, called Focus on Success.

This five-year strategic economic development plan builds on those original ideas presented in FFII with additional structure and vision provided through an outside expert. The City of Cottonwood felt that completing a formal strategic economic development plan would be beneficial and thus submitted an application for funding. ESI Corp was retained by APS on behalf of the City of Cottonwood to prepare a strategic economic development plan for the City.

The planning process employed in this analysis relied on a significant amount of input from local stakeholders, including the general public, a technical advisory committee (TAC), and local business owners. Following are the key tasks undertaken to complete the strategic plan.

- Previous Studies and Plans – ESI reviewed several Arizona Department of Commerce and local studies on topics relating to economic development in Cottonwood. Furthermore, ESI reviewed the following internal reports relating to Cottonwood, including:
 - City of Cottonwood General Plan 2003
 - City of Cottonwood Council Strategic Initiatives 2008
 - Verde Valley Regional Land Use Plan 2006
 - Verde Valley Tourism Study 2008
 - Verde Valley Wine Consortium Meeting Minutes
 - Yavapai County General Plan 2003
 - Focused Future II October 2001
- TAC Interviews – ESI met with members of the Cottonwood TAC and asked them a series of questions about the community. Questions concerned barriers to economic development, likes and dislikes about the community, queries on the local workforce, et cetera. These interviews resulted in a broad picture of the critical issues surrounding economic development in Cottonwood.

- Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis – this examined Cottonwood’s current situation in regards to labor force, transportation/market access, sites and buildings, utility/municipal services, cost of living/relocation, and other issues deemed relevant to its economic development.
- Kick-Off Meeting – ESI met with the TAC as a group and went over the results of the economic base analysis that was performed, and solicited input on a vision statement for the community. This session produced the vision statement, which provides the foundation for all future actions undertaken as part of this project.

A total of three TAC meetings were held during the planning process. In addition to the initial Kick-Off Meeting, a second meeting was held to finalize the Vision Statement, present the findings of the SWOT analysis, and discuss industry targets. At this meeting the preliminary framework and goals for the plan were presented to obtain feedback. The third meeting was a working session to review the draft goals and objectives, and to identify a one year prioritization plan.

In addition, two community open houses were held to garner citizen input on the economic development plan. The first public meeting was orchestrated to present and gather feedback on the findings of the economic base analysis, SWOT, vision statement, and preliminary goals and objectives. The second public meeting was arranged in order to present the finalized goals and objectives of the plan, and solicit feedback.

INTRODUCTION

The strategic economic development planning process plays a vital role in the health and success of communities both large and small. In today’s increasingly complex economy, laying out the overwhelming number of differing goals and objectives into a well-organized, manageable, strategy plan is vital in enabling communities to realize their vision.

What’s more, those who have their vision spelled out in a formal plan will have an advantage over those that don’t. They know what the next objective in line is, and are likely to be more adept at seizing opportunities, as well as being flexible when circumstances change unexpectedly.

Economic development is a broad notion with many implications. In general, economic development should meet three basic objectives:

1. It should work in the favor of business by making local businesses more profitable relative to the their competitors
2. It must contribute to sustainable improvements in the quality of life for residents, as such is necessary to attract and retain top talent
3. Policies aimed at positioning an area as having a low cost of doing business should do so while also focusing on providing value to its residents

Together, these three above principles provide a directive in not only maximizing the profitability of local enterprises, but also ensuring their success doesn't impose negative consequences on area residents. This is at the heart of sustainable economic development, for if local business is more profitable but quality of life suffers as a result, people will eventually move away or stop coming, and that original notion of success will be all but lost.

Perhaps the utmost important piece of the economic development puzzle is workforce. In order to be successful in today's increasingly interconnected and competitive economy, communities must possess a workforce that is skilled and/or trainable in order to fill positions that increase productivity. If a community's workforce is inadequate in terms of the types of jobs they hope to attract, there needs to be an effective postsecondary educational institutional that can provide the type of training and retooling necessary.

TARGETED INDUSTRY ANALYSIS

By devising target industries for a selected area, one ensures that precious economic development dollars aren't squandered trying to attract companies that are realistically not likely to locate/relocate to one's particular area. Inefficient use of economic development dollars is a major problem for economic development organizations and departments across the country, and following a methodology to arrive at a set of target industries can help mitigate the onset of such situations. A target industry analysis sets out to select the most likely candidates for business attraction to a particular area based on the community's assets (infrastructure, labor force, tax climate, etc.). Industry targets are arrived at by way of both a quantitative and qualitative method where the community chooses the criteria to filter out candidate target industries. These results are combined with qualitative findings, in which the community identifies the types of companies that they are currently working with and would like to include as an industry target. Attempting to attract firms designated as industry targets is likely to be far more successful than efforts based solely on intuition or popular consensus.

In determining the target industries that would be appropriate for the City of Cottonwood, ESI and the TAC established a set of criteria that the target industries should meet. First, it was determined that the target industries should exhibit average annual compensation above \$35,000. This level was established to ensure that potential occupations attracted to Cottonwood would have the impact of increasing the median household and per capita incomes. The second set of criteria was that the industry had experienced growth over the last five years. This was a matter of strategy; it is more sustainable to attract industries that are growing rather than shrinking in employment levels. The final criteria standard was that the industry maintained a location quotient over 1.0 relative to the State of Arizona. Location quotients provide valuable information regarding a given region's share of each industry. If the location quotient is below 1.0, it means that that industry has a disproportionately low presence in the region, and vice versa for location quotients above 1.0.

Based on the findings of the SWOT analysis, community feedback, and the industry target analysis, the sectors that have been identified as the best fit for Cottonwood include Healthcare and Social Assistance, Manufacturing, Transportation and Warehousing, Wholesale Trade, Finance and Insurance, Professional, Scientific, and Technical Services, and Accommodation and Food Services.

While the above discusses which sectors Cottonwood should focus on, business within those sectors also have their own set of attributes they are looking for in a particular location. The set of attributes a potential business considers are known as site location drivers. Site location drivers describe what corporations are looking for in a site for a particular industry. Different businesses in different industries each require a unique mixture of attributes to make a site especially attractive. Table 30 summarizes the key site location drivers for the sectors identified in the target industry analysis, as well as the assets Cottonwood has to satisfy them.

Table 30 - Cottonwood Target Sector Location Drivers

Sector	Location Driver	Local Assets
Healthcare and Social Assistance	Access to skilled labor, high educational attainment, availability to new information and training programs, attainable technological improvements	VVMC, Yavapai College Training Programs
Manufacturing	Available buildings and shovel-ready sites, access to raw materials and a distribution network, fast-track permitting program, close proximity to major markets, energy availability and costs, access to a skilled labor force, moderate tax climate, competitive labor costs	Airport industrial sites, proximity to markets, competitive wages, existing light manufacturing
Transportation and Warehousing	Nearness to supplier, low operating costs, availability of advanced Information and Communication Technology (ICT), accessibility to major airports, highways, and railroad services	Highway accessibility, low operating costs, proximity to suppliers
Wholesale Trade	Low inbound/outbound transportation costs, close proximity to suppliers, availability of buildings and/or land, expedited or fast-track permitting	Proximity to major markets, availability of land/buildings
Finance and Insurance	Availability of long-term financing, corporate tax rates, tax exemptions, state and local incentives, presence of skilled labor	Moderate tax climate, state incentives
Professional, Scientific, and Technical Services	Interactive communication (respond efficiently to requests), incentive to support the training of highly skilled workers, support of innovation activities, skilled workforce, presence of continuing education providers, broadband telecom infrastructure	Presence of Yavapai College, broadband telecom infrastructure
Accommodation and Food Services	Presence of tourist attractions and cultural activities, available workforce	Sedona, available workforce, abundance of local attractions

Source: ESI Corporation

Based on the industry target analysis that was conducted, the industries that were identified as the best “fit” for Cottonwood are represented in Table 31. The list is divided into primary targets versus secondary targets. The primary targets are those industries that the City should focus on and work on attracting immediately. Secondary targets, which also represent great opportunities for the City of Cottonwood, should be pursued only after exhausting efforts on primary targets.

As can be seen, a significant share of Cottonwood’s primary target industries are focused in the medical professions and manufacturing. Cottonwood’s industry targets also include wholesale trade and tourism-related sightseeing operations.

Table 31 - Cottonwood Industry Targets

NAICS		Target
Manufacturing		
312130	Wineries	P
323110	Commercial Lithographic Printing	S
325411	Pharmaceutical and Medicine Manufacturing	P
327213	Glass Container Manufacturing	S
327331	Concrete Block and Brick Manufacturing	S
33911	Medical Equipment and Supplies Manufacturing	P
326199	All Other Plastics Product Manufacturing	S
Wholesale Trade		
420000	Merchant Wholesale Trade (Distribution Centers)	P
Transportation and Warehousing		
487110	Scenic and Sightseeing Transportation, Land	P
487990	Scenic and Sightseeing Transportation, Other	P
Finance and Insurance		
524292	Third Party Administration of Insurance and Pension Funds	S
Professional, Scientific, and Technical Services		
541921	Photography Studios, Portrait	S
541210	Accounting, tax preparation, bookkeeping, & payroll services	S
541370	Surveying & mapping (except geophysical) services	S
Health Care and Social Assistance		
621000	Ambulatory Health Care Services	P
621400	Outpatient Care Centers	P
621493	Freestanding Ambulatory, Surgical, and Emergency Centers	P
621512	Diagnostic Imaging Centers	P
624110	Child and Youth Services	P
624120	Services for the Elderly and Persons with Disabilities	P
Accommodation and Food Services		
721191	Bed and Breakfast Inns	S
Other Services (ex. Public Administration)		
811110	Automotive Mechanical and Electrical Repair and Maintenance	S
811113	Automotive Transmission Repair	S
811121	Automotive Body, Paint, and Interior Repair and Maintenance	S
813312	Environment, Conservation, and Wildlife Organizations	S
P = Primary Target		
S = Secondary Target		

For each of the target industries shown in Table 31, there are a corresponding set of occupations which are typical of that industry. These occupations, which are illustrated in Table 32, are the kinds of positions you could expect to see open upon successful attraction of that particular industry.

Table 32 - Cottonwood Primary Industry Target Occupations

NAICS		Occupations
Manufacturing		
312130	Wineries	General and operations managers, marketing managers, sales managers, industrial production managers, bookkeepers, industrial engineers, chemists, sales representatives, order fillers, farm workers and laborers
325411	Pharmaceutical and Medicine Manufacturing	Industrial production managers, chemical engineers, biological technicians, chemical technicians, janitors and cleaners, shipping and receiving clerks, maintenance and repair workers, first-line supervisors, team assemblers, chemical equipment operators and tenders, packaging and filling machine operators and tenders, inspectors, testers, sorters, samplers, weighers
33911	Medical Equipment and Supplies Manufacturing	Engineering managers, purchasing agents, computer software engineers, electrical engineers, mechanical engineers, electrical technicians, sales representatives, customer service representatives, production, planning, and expediting clerks, first-line supervisors, electrical and electronic equipment assemblers, machinists, team assemblers, electromechanical equipment assemblers
Wholesale Trade		
420000	Merchant Wholesale Trade (Distribution Centers)	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
Transportation and Warehousing		
487110	Scenic and Sightseeing Transportation, Land	General and operations managers, self-enrichment education teachers, combined food preparation and serving workers, landscaping and grounds keeping workers, amusement and recreation attendants, recreation workers, receptionists and information clerks, maintenance and repair workers
487990	Scenic and Sightseeing Transportation, Other	General and operations managers, self-enrichment education teachers, combined food preparation and serving workers, landscaping and grounds keeping workers, amusement and recreation attendants, recreation workers, receptionists and information clerks, maintenance and repair workers

Source: 1999 National Industry-Specific Occupational Employment and Wage Estimates, BLS

Table 32 - Cottonwood Primary Industry Target Occupations (Con't)

NAICS		Occupations
Health Care and Social Assistance		
621000	Ambulatory Health Care Services	Emergency medical technicians and paramedics, billing and posting clerks and machine operators, dispatchers, customer service representatives, office clerks, bus and truck mechanics and diesel engine specialists,
621400	Outpatient Care Centers	Medical and health services managers, clinical, counseling, and school psychologists, 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, medical assistants
621493	Freestanding Ambulatory, Surgical, and Emergency Centers	Medical and health services managers, clinical, counseling, and school psychologists, 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, medical assistants
621512	Diagnostic Imaging Centers	Medical and health services managers, clinical, counseling, and school psychologists, 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, medical assistants
624110	Child and Youth Services	Administrative services managers, social and community service managers, child, family, and school social workers, social and human services assistants, preschool teachers, registered nurses, home health aides, personal and home care aides, office clerks
624120	Services for the Elderly and Persons with Disabilities	Administrative services managers, social and community service managers, child, family, and school social workers, social and human services assistants, preschool teachers, registered nurses, home health aides, personal and home care aides, office clerks

Source: 1999 National Industry-Specific Occupational Employment and Wage Estimates, BLS

IMPLEMENTATION PLAN

The Strategic Economic Development Plan is an outline of priorities for economic development for the next five years. This plan provides the “framework” for action and identifies specific issues that Cottonwood and its stakeholders will focus on to facilitate economic development success in the short- and long-term.

The Cottonwood TAC created an economic vision for the City, and it was utilized as a guide for the development of this action plan:

“Nestled between majestic mountains and red rock vistas, amidst the perennial providence of the Verde River, Cottonwood, the commercial hub of the Verde Valley, is a progressive community where innovation and entrepreneurship run high. Its sustainable economy and environmental stewardship provide a solid foundation for job creation, tourism, and the arts, resulting in a robust quality of life. Cottonwood’s unique assets, combined with its home town values, offer a prosperous and accessible place to live, work, visit, and invest.”

This plan is comprehensive and based on a thorough understanding of Cottonwood’s assets and liabilities relative to attracting and retaining business. Several key opportunities have been identified that the community can leverage to achieve economic development success, as well as weaknesses that the community will need to improve upon in order to be more competitive.

Combining the input received from the community with results of the Cottonwood SWOT assessment and economic base analysis, ESI was able to identify a number of key issues vital to the City’s economic development success. While many of the issues identified are not entirely new, meeting the goals laid out in this plan will require commitment to the process and a considerable amount of collaboration.

The community stakeholders are key partners in implementing this strategic economic development plan. Each participant has offered suggestions and made contributions to the planning effort, but in order to realize a truly successful result, there are a number of critical issues in the community which will need to be managed. For example, ensuring the continued health of the Verde River is imperative to the economic sustainability of Cottonwood, as well as the broader region. Revitalizing Old Town will provide more character to the City, and help increase the City’s prospects for attracting more tourism. Ramping up training and educational opportunities to create a more skilled workforce will create the kind of knowledge-based economy many companies look for. The ability to effectively manage these large-scale issues simultaneously will no doubt require a high level of commitment and teamwork on behalf of those involved in the implementation of the plan.

FOCUS AREAS

Seven key focus areas have been identified which are important to the economic development success of Cottonwood. They are:

1. Education and Workforce
2. Innovation and Entrepreneurship
3. Tourism
4. Old Town
5. Sustainability
6. Leadership
7. Quality of Place

PLAN ELEMENTS

Current Situation – The current situation describes how things are in Cottonwood today.

Goal – Goals represent the conception of the preferred state of being. Each focus area has one overarching goal.

Objectives – Objectives are the desired general outcomes. The objectives within each focus area are numbered for simplicity of referencing, but are not prioritized.

Benchmarks – Benchmarks are tools for the measurement of success for the identified objectives, which will be examined annually as a way to track progress.

Strategies – These are the specific steps to be undertaken to achieve the objective. In most, but not all, cases they are sequential in nature.

KEY PRIORITIES

This plan contains many objectives and strategies that will be supportive of the economic development success of Cottonwood. However, to achieve any measure of success, these objectives must be prioritized. Prioritization was completed over a series of meetings with the general public as well as the TAC committee. Following this full-length plan is an abbreviated one-year implementation plan.

EDUCATION

Providing a great K-12 education to area residents forms the foundation for successful economic development in a community. It is an investment in a community's human capital, an extremely valuable asset in today's increasingly complex and interconnected economy. A successful K-12 education system will also teach young adults the soft skills needed to forge successful careers no matter what the industry or specialization. No matter how you look at it, the children of today are

the workforce of tomorrow. Adequately preparing students for the workforce by providing them with the knowledge and skills they need provides a great rate of return to the community: it attracts new residents looking for a highly performing education system, new businesses looking for skilled workers, and endows local graduates with the prerequisites to fully explore their academic and professional interests. Everyone wins with a highly performing K-12 education system.

One of the hardest balances to strike for educators and school administrators is finding the right mix of workforce preparation versus college preparation. These two facets of education are seen as competing goals, as time devoted to one is time diverted from the other. The issue is compounded by the fact that one cohort of students has no plans for attending college, and thus would benefit more from the workforce preparation, while another cohort is set on obtaining a postsecondary education, and thus would likely benefit more from college preparation type activities. It's these aforementioned reasons that make designing a unique curriculum tailored to the local skills and plans of area residents a major challenge.

CURRENT SITUATION

As touched upon in the Economic Base Analysis, educational attainment in Cottonwood is neither inadequate nor outstanding, based on comparisons with the State. Added, educational *performance* is also quite moderate, as measured by AIMS results. Education is an area that can always be improved, however. This is especially the case when your measuring stick is a nationally underperforming state, such as Arizona.

In terms of AIMS scores, relative to Arizona, 12th-graders at Mingus Union High School scored better than the statewide average in all three areas. The same was true for the Accelerated Learning Charter School in Cottonwood, which scored significantly better than Mingus Union High School and the State.

For 8th grade students enrolled in Cottonwood, all three schools lagged behind Arizona in terms of writing proficiency. In reading and mathematics, all three schools were above statewide averages, with the Oak Creek School just barely ahead of the State. However, to better understand the quality of public education offered in Cottonwood, we have to put Arizona's statewide educational performance in comparison to national standards.

Arizona is consistently one of the poorest performing states in terms of educational attainment and performance. This is no secret, and many critics of state education policies complain that poor performance is a direct result of a general lack of funding. In December 2008, a report was published by the National Center for Public Policy and Higher Education titled, "Measuring Up 2008: The National Report Card on Higher Education."⁸ This report compared statewide educational

⁸ <http://measuringup2008.highereducation.org/>

performance and ranked each state on five measures: Preparation for college, participation, affordability, completion, and benefits. Arizona had lukewarm results: a “D” for college preparation, an “A” for participation, an “F” in terms of affordability, a “B” in completion, and a “B-” in terms of benefits⁹.

Higher education opportunities are also lacking in Cottonwood, although the City currently has Yavapai College as one provider of postsecondary education. Cottonwood would benefit from the creation of additional “2+2” degree programs working in conjunction with existing Yavapai College offerings. The lack of a four-year university with a physical presence makes it difficult to attract those companies who desire immediate access in recruiting four-year college graduates.

Education Ladders

Well defined articulation agreements between high schools, junior colleges, and universities are important to leverage limited resources as well as to encourage student participation in key programs. Local school districts in the Verde Valley area are currently addressing this issue through periodic inter-district meetings with the goal of better aligning the differing curriculums.

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

Objective 1: Work with Yavapai College, high school districts and local businesses to popularize internship programs.

Benchmark: Student completion of internship programs per semester

Strategies:

1. Encourage local businesses to create internship opportunities and assist them with finding applicants.
2. Place greater emphasis of internship as part of educational experience at Yavapai College. Consider compulsory internship for graduation from certain programs.

Lead Agencies: Yavapai College

Supporting Agencies: Cottonwood Chamber of Commerce, local high school districts, Department of Economic Security (DES)

Objective 2: Continue to conduct and publicize meetings to scope and sequence the educational curriculum to promote improved integration from middle to high school within the Cottonwood-Oak Creek School District.

⁹ Measures how much college-educated and trained residents contribute to the economic and civic well-being of their state of residency.

Benchmark: Completed scoping and sequencing of the Cottonwood-Oak Creek School District within 2 years

Strategies:

1. In collaboration with school administrators within Cottonwood-Oak Creek School District, lay out the framework for curriculum integration and establish a master timeline identifying key milestones.
2. Conduct meetings on a regular basis to monitor progress and to review and further improve curriculum transitions.

Lead Agency: Cottonwood-Oak Creek School District Superintendent

Supporting Agencies: Mingus Union High School District

Objective 3: Convene local school districts in order to improve uniformity between schools districts' curricula, in addition to promoting more effective transitions to middle school, high school, and postsecondary education through improved scoping and sequencing.

Benchmark: Creation of a regional school district plan aimed at improving transitions to middle school, high school, and postsecondary education

Strategies:

1. Conduct meetings between the Beaver Creek Elementary School District, Clarkdale-Jerome School District, Cottonwood-Oak Creek School District, Mingus Unified High School District, and Yavapai College to review and further improve curriculum transitions between Cottonwood elementary, middle, and high schools.
2. Invite charter and private school representatives to participate in the meetings.
3. Coordinate school calendars amongst the schools.

Lead Agency: Cottonwood-Oak Creek School District Superintendent

Supporting Agencies: Beaver Creek Elementary School District, Clarkdale-Jerome School District, Mingus Union High School District, Yavapai College, local charter and private schools

Objective 4: Review Yavapai College regional labor study and supplement where necessary in order to document the education and skill sets of the area workforce and identify gaps.

Benchmark: Qualified labor pool to meet employer needs

Strategies:

1. Consider applying for a REDI Grant through the DOC to aid in funding the study.

2. Conduct the B3 survey of Cottonwood businesses to determine their specific needs in terms of training and identify skill and workforce gaps. Provide results to Yavapai College so they may accommodate the increased demand for workforce training.
3. Conduct a follow-up survey of Cottonwood businesses on an annual basis to gauge improvements in workforce training.
4. Utilize the key findings of the B3 survey and work with education and training providers to implement training programs to fill gaps.

Lead Agency: CEDC

Supporting Agencies: Yavapai East County One Stop Center, Yavapai College and SBDC

Objective 5: Develop business and school partnerships to better prepare students for full-time employment.

Benchmark: Employer satisfaction survey improvements, as mentioned previously in Objective 3

Strategies:

1. Pilot program that exposes high school students to local employers. Have employers periodically visit and give talks to junior- and senior-level students. Students will receive valuable information on opportunities and expectations, while employers will likely generate more job candidates. Talks can be framed in an “introduction to the world of work” type of setting, or can focus more on introducing a particular industry to the students.
2. Have Chamber of Commerce develop a job board specifically targeted at local high school students. Have the job board visible on campus at Mingus Union High School.

Lead Agency: Mingus Union High School District

Supporting Agency: Chamber of Commerce and CEDC

Objective 6: Work with the Verde Valley Wine Consortium and Yavapai College to develop a curriculum that supports the emerging local wine industry.

Benchmark: Number of students graduated with degrees in viticulture or closely related subjects at Yavapai College

Strategies:

1. Encourage Yavapai College to develop the appropriate viticulture curriculum, or closely related curriculum, in conjunction with the Verde Valley Wine Consortium.
2. Launch marketing campaign and begin enrolling students.

3. Explore the possibility of a YC 2+2 vineyard management degree in association with the University of Arizona.

Lead Agency: Yavapai College, Verde Valley Wine Consortium

Supporting Agency: CEDC, Verde Valley Regional Economic Organization (VVREO)

Objective 7: Expose high school students to professions in the medical field and other key fields.

Benchmark: Increase in the number of local applicants

Strategies:

1. Collaborate with the health care industry and organize annually a career week.
2. Encourage the health care profession to create mentorship or job shadowing opportunities for students.

Lead Agency: CEDC, Verde Valley Medical Center

Supporting Agency: Cottonwood Chamber of Commerce and High School Districts

Objective 8: Evaluate the effectiveness of existing online job boards and begin coordinating and marketing them.

Benchmark: Number of jobs available on local online job boards

Strategies:

1. Evaluate the DES, Yavapai College, and Chamber of Commerce online job boards for general effectiveness.
2. Ensure local job boards are visibly linked to one another, essentially creating a free online one-stop shop for browsing local employment opportunities.
3. Monitor website usage by tracking the number of hits per month on each individual site.
4. Improve user-friendliness of site as needed.

Lead Agency: Chamber of Commerce

INNOVATION AND ENTREPRENEURSHIP

“Innovation is the specific instrument of entrepreneurship. The act that endows resources with a new capacity to create wealth.” These words, attributed to Peter Drucker, the Father of Modern Management, are at the heart of all small business development undertakings. In today’s economy, where just under 90 percent of all firms in the United States employ less than 20 employees¹⁰, the promotion and emphasis placed on entrepreneurial skills is vital to the broad success of the U.S. economy.

Entrepreneurial development can be an effective strategy for both large urban cities and smaller rural communities. Especially appropriate in the case of smaller rural communities, it can be hard to attract many of the large companies interested in expanding or relocating their operations. This is due to a limited number of large firms willing to expand operations at any time, in addition to intense competition to attract them between vying communities. For this reason, focusing efforts on smaller entrepreneurial ventures may provide an effective alternative means of growing the local economy.

CURRENT SITUATION

The Winemaking Industry

Perhaps the most exciting and upcoming industry in Cottonwood is the emerging winemaking industry. With the recent public launch of the Verde Valley Wine Consortium, along with Yavapai College’s announcement it will begin offering courses in viticulture starting fall 2009, it is clear that this movement is gaining momentum.

The winemaking industry is an ideal industry for Cottonwood to help foster. It is specific to certain conditions in nature, so cannot be easily replicated or competed with by communities without the appropriate altitude and soil composition. It is a big driver in attracting tourism, as wine tasting and vineyard touring have become increasingly popular in recent years. It is also known for being quite a sustainable industry, and thus meshes with the local culture in Cottonwood. Growth in the wine industry is something that can provide the sort of name recognition Cottonwood is looking for.

Fostering Home Based Businesses

Cottonwood is very interested in how to best foster the development of home-based business. As City leadership sees it, home based businesses are a natural fit for Cottonwood. With the already high existing number of retirees living in the area,

¹⁰ U.S. Census Bureau’s Statistics of U.S. Small Business (SUSB) 2005

encouraging the home based business may be a fruitful endeavor, as some, if not many, of the retired population are likely interested in a “second-career” type of entrepreneurial venture.

As it currently stands, Covenants, Conditions, and Restrictions (CC&Rs) for certain Cottonwood neighborhoods disallow the running of a home based business. This will need to change if Cottonwood decides to fully pursue this type of entrepreneurial development.

Also important in fostering the development of home based business is having the required telecommunications infrastructure in place. Home based businesses need broadband internet to operate effectively. Co-axial (cable) and twisted pair (traditional telephone) wireline broadband internet services and satellite broadband internet service are all appropriate options. Having high bandwidth internet available to all residential communities is imperative.

Innovation and Entrepreneurship Goal -- Promote the creation of quality jobs within Cottonwood.

Objective 1: Retain existing business and attract new business in order to create a more balanced economy and diversity in jobs.

Benchmark: Growth in business licenses

Strategies:

1. Work with the CEDC and the Chamber of Commerce on business retention and expansion and conduct B3¹¹ through Prime and CRTS interviews.
2. Utilize the findings of the industry target analysis and identify the top three or four industries to attract to Cottonwood.
 - a. Create a marketing outreach program that includes a combination of effective strategies such as business calls, participation in trade shows, advertising and direct mail.
 - b. Monitor the success of each outreach venue and modify as needed.
3. Regularly update the City, Chamber and CEDC web sites to provide the most current information on doing business in the community.
4. Identify business operations that would generate additional tourism revenue.
5. Continue to target and recruit medical support services that could capitalize on Cottonwood’s Verde Valley Medical Center.

¹¹ Building Bridges to Business

6. Evaluate customer relations management software such as ACT!, Prophet, or Microsoft Outlook with Business Contact Manager to aid in managing leads.

Lead Agency: CEDC

Objective 2: Regularly review the offerings at the Small Business Development Center (SBDC) at Yavapai College to foster entrepreneurship and facilitate business start-ups.

Benchmark: Increased utilization of the SBDC by local small businesses

Strategies:

1. Identify gaps in small business training that can be offered in Cottonwood.
2. Provide basic services to local businesses such as assistance with writing business plans, accounting/bookkeeping, and basic management consulting services.
3. Consider the use of on-line training and “webinars” to encourage more small businesses and entrepreneurs to participate.
 - a. Monitor enrollment and participant satisfaction.

Lead Agency: Yavapai College

Objective 3: In collaboration with Yavapai College, sponsor a business boot camp event that ends with the completion of a business plan.

Benchmark: Recognition of award-winning business plan

Strategies:

1. Pattern the program after existing exemplary programs such as the University of Illinois’ Enterprise Works Boot Camp.
2. Select a date and secure speakers for the program.
3. Enhance the appeal of the program by providing an award to the most promising business plan.

Lead Agency: CEDC

Supporting Agency: Yavapai College

Objective 4: Eliminate the barriers to home based businesses by ensuring that zoning regulations and community CCRs do not hamper this activity.

Benchmark: Number of home-based business in Cottonwood

Strategies:

1. Review the zoning regulations of other communities who have successfully fostered home based businesses.

2. Identify where changes can be made and amend existing regulations.
3. Work with the development community to eliminate the unreasonable barriers within CCR's to running a home-based business.

Lead Agency: City of Cottonwood Community Development Department

Supporting Agency: CEDC

Objective 5: Develop partnerships to create a research park at Yavapai College for sustainable agriculture, including the wine industry.

Benchmark: Launching of the research park for sustainable agriculture

Strategies:

1. Work with the Wine Consortium, the Greater Verde Valley Chapter of Yavapai College Foundation (GVVCYCF), and Yavapai College to agree upon the vision and mission for the research park.
2. Identify potential partners to facilitate the accomplishment of the objective.
3. Conduct a series of stakeholder meetings to draft initial plans for the research park.
4. Explore grant opportunities to cover up front one time expenses such as jump starting the research park.

Lead Agency: Verde Valley Wine Consortium

Supporting Agency: CEDC, Greater Verde Valley Chapter of Yavapai College Foundation, Yavapai College, and Arizona Wine Growers Association

Objective 6: Identify missing ancillary business activity that supports the medical industry and create a recruitment campaign.

Benchmark: Attraction of missing ancillary business activity that supports the medical industry

Strategies:

1. Interview appropriate personnel at the Verde Valley Medical Center to gain insight as to what is missing from the marketplace.
2. Perform additional research regarding an ideal mix of supporting businesses for a regionally-serving medical center.
3. Craft and launch marketing plan to attract those missing ancillary activities.

Lead Agency: CEDC

Supporting Agency: Verde Valley Medical Center

Objective 7: Maintain an up-to-date site and building inventory.

Benchmark: Maintaining a current, easily accessible, online database

Strategies:

1. Develop a standard process for data collection regarding sites and buildings in the City.
2. On a monthly basis, gather information on existing sites and buildings by working with local property owners, real estate brokers and developers.
3. Put database online (Arizona Prospector) as part of the CEDC website and ensure accessibility to prospects and others interested in Cottonwood.
4. Annually evaluate the success of the website, and investigate ways to increase its effectiveness in terms of user-friendliness, ease to update, and the amount of traffic being driven to the site.

Lead Agency: CEDC

Objective 8: Explore the creation of a certified site or “shovel ready” program.

Benchmark: The rejection or adoption of a certified site program

Strategies:

1. Perform research on certified site programs in nearby communities as well as successful programs in other states to get a feel for what other communities are doing to increase their attractiveness to business.
2. Evaluate the costs and benefits to launching a program in Cottonwood to decide whether a certified site program would be beneficial to the City.

Lead Agency: CEDC

Supporting Agency: City of Cottonwood Community Development Department

Objective 9: Ensure that telecommunication infrastructure is in place to attract and retain industry targets and foster home based businesses.

Benchmark: 100% percent of the community will have access to high speed internet.

Strategies:

1. Work with telecom service providers to encourage that telecom infrastructure is installed with new development.
2. When the City installs water and sewer lines, issue a Request for Infrastructure (RFI) allowing service providers to co-locate cabling within the city’s trench.
3. Identify areas within the city that are lacking in telecommunications infrastructure.
4. Create Wi-Fi hot spots in the City.
 - a. Identify potential Wi-Fi areas and consider creating a city sponsored high speed wireless network, (areas such Old Town, Yavapai College,

schools, parks, libraries and other municipal buildings) thereby allowing schools and libraries to become internet hubs for their neighbors.

- b. Weigh the cost versus benefit of owning and operating the Wi-Fi network versus contracting with a service provider.
- c. Launch a campaign to raise local awareness and encourage the use of the Wi-Fi hot spots.

Lead Agency: Cottonwood Community Development Department

Objective 10: Collaborate with the lessees of the City airport area and identify business targets that the City desires.

Benchmark: Increase the number of industries located at the airport.

Strategies:

1. Review the results of the target industry analysis with the lessee and agree upon which industry types are suitable for the airport location.
2. Create an incentive package geared to targeted business considering locating at the airport.
3. Work in collaboration with the lessee to help market the airport sites.

Lead Agency: City of Cottonwood

Supporting Agency: Airport Commission, CEDC

Objective 11: Research the viability of Cottonwood attracting alternative energy production, manufacturing, and/or related R&D type activities.

Benchmark: Research is completed and a report prepared identifying the findings.

Strategies:

1. Conduct research to identify the key site location criteria for each industry type and determine if Cottonwood can be competitive.
2. Identify any deficiencies that can be rectified in order to be successful, and work to overcome the deficiencies.

Lead Agency: CEDC

Objective 12: Expose high school students to an entrepreneurship program.

Benchmark: Launch of selected entrepreneurship program at Mingus Union High School

Strategies:

1. Encourage programs such as Future Business Leaders of America (FBLA), Future Farmers of America (FFA), Junior Achievement, National Foundation for

Teaching Entrepreneurship, 4H, or the National Council on Economic Education's "MiniSociety" or "Making a Job" programs.

2. Encourage the Cottonwood City Council and Cottonwood Youth Advisory Commission to work with Mingus Union High School District in selecting the most appropriate program.

Lead Agency: Mingus Union High School District

Supporting Agency: Cottonwood City Council, Cottonwood Youth Advisory Commission

TOURISM

The tourism and hospitality industry is an important high-growth industry for countless cities across the United States. A regular influx of tourist dollars into an economy produces additional revenue for the city, supports local business, and oftentimes contributes additional stability to a city's fiscal situation. Tourism is the U.S.'s top export, one of the top three industries in the country, and one of the largest sources of employment for American citizens¹².

The Verde Valley is the recipient of a lot of tourism traffic for various reasons. Sedona is perhaps the largest draw, with its unique and picturesque red rock landscapes, while Jerome is the second most popular destination in the Verde Valley.

As budgets are tight and advertising dollars scarce, extra special care needs to be taken in order to spend the available marketing funds in the most productive way possible.

CURRENT SITUATION

The Verde Valley is already established as a major tourist destination, but also continues to grow. Beyond the world-famous red rock formations of Sedona, the Verde Valley offers much for the tourist to enjoy. The Verde Valley is home to some extremely fascinating cultural attractions, including Montezuma's Castle, Tuzigoot National Monument, and Fort Verde State Park. Tourists can also revel in the quirky character of Jerome, whose location perched on the side of Mingus Mountain draws interest from afar. All of these attractions draw people into the area, and as Cottonwood offers the most in the way of services and shopping, as well as relatively affordable accommodations, these attractions outside of Cottonwood's city limits work to benefit the City through the generation of additional tax revenues.

¹² According to AOT's Verde Valley Tourism Survey of 2008

Inside city limits, Cottonwood has a great opportunity to capitalize on the burgeoning winemaking industry. The local Verde Valley Wine Consortium, along with the Old Town Association, is looking for a way to partner to bring locally-produced wine to tourists and locals alike. Viticulture is an industry that could bring substantial name recognition and notoriety in the tourism industry to the City of Cottonwood, something the City has needed for quite some time.

Cottonwood also has significant potential to attract additional tourism through increased marketing of the Old Town Jail as well as Dead Horse Ranch State Park.

Although Cottonwood is endowed with some wonderful tourist-worthy attractions, it is perhaps the lack of an organized marketing campaign which is the largest impediment to successful tourist attraction. If the City wants to garner a larger piece of the tourism dollars flooding into the Verde Valley each year, it needs to dedicate the appropriate personnel and resources to an official marketing campaign.

Cottonwood as an Outdoor Recreation Hub

One of the greatest opportunities Cottonwood has to increase its tourism potential is through marketing itself as a great “jump-off” point for local outdoor recreation. Given Cottonwood’s relative affordability and central location in the Verde Valley, the City is poised to make this marketing pitch very effective.

Within a 45 minute drive from the intersection of SR260 and Hwy 89A, outdoor recreation-minded tourists can visit several different wilderness settings, including Dead Horse Ranch State Park in Cottonwood, Mingus Mountain, Granite Mountain Wilderness Area in Prescott, Red Rock State Park, Slide Rock State Park, Black Canyon in the Black Hills Mountain Range, Sycamore Canyon Wilderness Area, West Clear Creek Wilderness Area, Wet Beaver Wilderness Area, and plenty of open space in the Prescott and Tonto National Forests.

These areas host world-class opportunities for outdoor recreation enthusiasts. Whether they enjoy hiking, mountain biking, backpacking, horseback riding, hang gliding, climbing, fishing, 4X4 off-roading, canyoneering, trail running, bird watching, or boating, numerous opportunities abound. Outdoor recreation had a flat year in 2008, and it is expected that 2009 to be much of the same. However, growing demand for adventure sports/travel, added with the Baby Boomer’s tendency to continue to enjoy outdoor recreation significantly later into life than previous generations’ works to produce an industry with high expectations for future growth¹³. Taking advantage of Cottonwood’s location in a beautiful natural setting will no doubt prove beneficial in the long-run.

¹³ According to “Outdoor Recreation Outlook 2009,” published by the American Recreation Coalition

Tourism Goal -- Brand and promote Cottonwood as a tourism destination and gateway to other attractions in the Verde Valley.

Objective 1: Determine the market feasibility for the siting of a conference hotel in Cottonwood.

Benchmark: Completion of feasibility study regarding the location of a resort hotel in Cottonwood

Strategies:

1. Commission a feasibility study on the possibility of siting a conference hotel in Cottonwood.
2. Identify potential locations within the city to have evaluated and the size of the facility that could be supported.
3. Take appropriate action given the results of the study.

Lead Agency: CEDC

Objective 2: Develop river access points and multi-use trails connecting Old Town and other areas in town. (Cross referenced with Quality of Life, Objective number 2)

Benchmark: Number of trails and river access points connecting to Old Town

Strategies:

1. Complete the trails plan that identifies river access points and hiking, biking and equestrian trails.
2. Identify alignment for trails that connect to Dead Horse Ranch State Park and federal lands.
3. Increase the accessibility to the Verde River from the Old Town jail.
4. Consider providing an incentive to private property owners to create an easement for trails.
5. Work with the Cottonwood Ditch Association to regulate the flows of the river to allow for weekend boating and recreation.
6. Apply for a Trails Heritage Grant through the Arizona State Parks Department to help pay for the construction of new multi-use trails.

Lead Agency: Cottonwood Community Development Department

Supporting Agency: Dead Horse Ranch State Park, Cottonwood Ditch Association

Objective 3: Create and brand the “Wine Trail” in the Verde Valley through working with the local wine consortium.

Benchmark: Launching of the Verde Valley “Wine Trail”

Strategies:

1. Facilitate Verde Valley Wine Consortium meetings in order to encourage a unified vision for the proposed "Wine Trail."
2. Create marketing materials and winery map.
3. Facilitate growth in local viticulture through community partnership programs aimed at promoting local industry.
4. Pursue a rural tourism development grant in order to fund a study which fine-tunes the branding plan and produces marketing materials as well as a winery map for the area.

Lead Agency: Chamber of Commerce

Supporting Agencies: CEDC, VVREO, Verde Valley Wine Consortium

Objective 4: Work with the State Parks Department to organize a boat, canoe and kayak rentals and other recreational supplies at Dead Horse Ranch State Park.

Benchmark: Boat, canoe, and kayak rentals and recreation supplies are available within Dead Horse Ranch State Park

Strategies:

1. Contact State Parks Department to determine the necessary action needed to build this new facility at Dead Horse Ranch State Park.
2. Ensure additional signage leading to concessionaire is in place prior to opening of facility.
3. Encourage local high school students' involvement.

Lead Agency: Old Town Association

Supporting Agency: Community Development Association, and State Parks Department

Objective 5: Leverage the location of Dead Horse Ranch State Park/Old Town by marketing it in conjunction with other area attractions and activities.

Benchmark: Increase in the number of visitors to Dead Horse Ranch State Park/Old Town

Strategies:

1. Inventory other area attractions that can be marketed in conjunction with Dead Horse Ranch State Park.
2. Devise a marketing plan which highlights Dead Horse Ranch State Park while also mentioning the charm of nearby Old Town, the Old Town Jail, the close proximity to the Verde River, et cetera.

Lead Agency: Chamber of Commerce

Supporting Agency: Dead Horse Ranch State Park, Cottonwood Community Development Department, CEDC

Objective 6: Promote Cottonwood as a destination for outdoor recreation, including riparian activity, bird watching, hiking, climbing, biking, boating, hang gliding, sky diving, ballooning, etc.

Benchmark: Increase in the number of visitors to Dead Horse Ranch State Park, Old Town and other area attractions.

Strategies:

1. Inventory local recreational opportunities and compile a categorized list of attractions and activities.
2. Leverage the location of Dead Horse Ranch State Park/Old Town by marketing it in conjunction with other area attractions and activities.
 - a. Investigate existing marketing efforts conducted by the Arizona State Parks Department and determine whether they can assist with local marketing efforts.
3. Devise a marketing plan which brands Cottonwood as a major hub for outdoor recreation opportunities
4. Launch a marketing campaign.

Lead Agency: Chamber of Commerce

Supporting Agency: Youth Commission

Objective 7: Continue to work on the development of a comprehensive tourism strategy, including funding.

Benchmark: Completion of a comprehensive tourism strategy

Strategies:

1. Continue to work with the regional chamber coalition that includes representatives from the Arizona Office of Tourism and the Arizona Department of Commerce.
2. Identify additional partners in the region including representatives from Jerome, Clarkdale, Sedona, Camp Verde, and the Yavapai-Apache Nation.
3. Continue to meet and achieve objectives related to finalizing a comprehensive tourism strategy for the region.

Lead Agency: Chamber of Commerce

Supporting Agency: CEDC

Objective 8: Incorporate way finding signage in the City.

Benchmark: The installation of additional way finding signage in the City

Strategies:

1. Identify main intersections and other high-traffic areas where additional way finding signage is appropriate.
2. Design a signage template with a common theme and look for the City.
3. Take the necessary steps to install additional way finding signage.
4. Have the City of Cottonwood Community Development Department survey the Old Town area and determine the best placement of the new signage. Design the signage to parallel the design of other new way finding signage in the City.

Lead Agency: City of Cottonwood Community Development Department, Public Works

OLD TOWN

The City of Cottonwood is blessed with not only a rich and fascinating history, but also a charming historic downtown district known as Old Town. Over 60 businesses reside in Old Town, ideally situated near the Verde River, offering a variety of recreational activities including camping, picnicking, horseback riding and fishing, Old Town is a great asset to both the City of Cottonwood and the greater Verde Valley region.

CURRENT SITUATION

While improvement efforts are already underway by the Old Town Association, there are many strategies discussed in this plan which could be employed to make the area a more vibrant and productive area of the City.

Issues Facing Old Town

Although Old Town is a wonderful asset for the City, it is currently underutilized as a destination. There are several issues surrounding Old Town that need to be addressed in order to fully realize the benefits such an historic and charming district can bestow on a community.

The first major issue that needs to be addressed is housing in the Old Town area, or the lack thereof. In order for Old Town to be a vibrant, bustling, historic district, there needs to be a permanent population base to frequent the local establishments. As it stands now, housing density is so low that many shops routinely close at or around sundown, leaving little nightlife to prosper. In general, the more people frequenting Old Town, the better the area will do. Thus, increasing housing density to bring more people into the area would be very beneficial in terms of creating a vibrant “24/7” environment.

Another promising opportunity for Old Town Cottonwood is to designate it as a redevelopment district. By classifying Old Town as such, Cottonwood will be eligible for additional public monies intended to clean up and restore older neighborhoods and downtown areas. Being able to access additional funds could hasten the redevelopment of the Old Town area in Cottonwood.

The third issue facing the City of Cottonwood is siting the new city hall facility. There are some in the community that want to see the new facility built outside of Old Town, while there are others who would like it to remain in Old Town. As it stands today, the City is a major employer in the Old Town area, and its employees are contributing to the local economy by frequenting restaurants and other retailers, thus contributing to the local economy. Without City Hall, there would be an enormous void to fill in Old Town.

Old Town Goal -- Transform Old Town into a cultural and government center that is a vibrant destination for residents, employees, and tourists.

Objective 1: Enhance the viability and sustainability of Old Town.

Benchmark: Increased visitor activity and tax revenue.

Strategies:

1. Retain the services of a consultant to create an Old Town Plan.
 - a. Agree upon a vision for Old Town.
 - b. Evaluate the existing Old Town boundaries and determine if they should be changed.
 - c. Identify historical structures and determine if historical designation or preservation should be pursued.
 - d. Identify various districts within Old Town including commercial, residential, employment, etc.
 - e. Consider increasing housing density within designated areas within Old Town.
 - f. Incorporate any proposed changes within the update of the Cottonwood General Plan.
2. Consider designating Old Town a redevelopment district to take advantage of various funding programs.
 - a. Consult the appropriate statute, ARS §36-1479, in assessing whether to designate Old Town a redevelopment district.
3. Explore the benefits of completing the application for re-accreditation to become a “Main Street” community.
 - a. Review the new Arizona Department of Commerce guidelines and complete the application process.
 - b. Participate in workshops and conferences on economic development and comply with other requirements.
 - c. Identify Main Street projects and apply for grants from the Arizona Department of Commerce.
 - d. Annually submit to the Arizona Department of Commerce the information that is required, such as operating budget, goals and objectives, etc.

Lead Agency: Old Town Association (OTA)

Supporting Agency: City of Cottonwood Community Development Department, City of Cottonwood Parks and Recreation

Objective 2: Enhance the physical attributes of Old Town by making it more pedestrian friendly.

Benchmark: Pedestrian traffic in Old Town

Strategies:

1. Conduct an asset inventory to determine where deficiencies exist.
2. Improve sidewalks and crosswalks, and plant trees along main street to provide additional shade for pedestrians.
3. Consider the placement of "street" furniture to enhance Old Town.

Lead Agency: City of Cottonwood Community Development Department, OTA

Objective 3: Increase frequency of community activities which bring people to Old Town, such as festivals, parades, farmer's market, and arts and entertainment events.

Benchmark: Number of community events scheduled in Old Town

Strategies:

1. Collaborate with Old Town Association and the Chamber of Commerce to create and promote a master calendar of activities.
2. Continue to schedule major community events in the vicinity of Old Town while considering adding new events to further reestablish Old Town as the center of the community.

Lead Agency: OTA

Supporting Agency: Chamber of Commerce

Objective 4: Consider the consolidation of city operations in a new city hall building located in Old Town.

Benchmark: Completion of a new city hall building which houses various municipal government departments.

Strategies:

1. Identify a parcel of land in Old Town that is large enough to accommodate a new city hall.
2. Ensure connectivity from the new city hall to the Old Town commercial center.
3. Design and construct a new city hall building which can house the great majority of municipal government departments.

Lead Agency: Cottonwood City Manager's Office and City Council

Objective 5: Ensure adequate parking is available in Old Town.

Benchmark: Utilization of parking spaces in Old Town.

Strategies:

1. Survey the number of available spaces and add additional spaces if deemed necessary.
2. Identify parcels for future parking.

Lead Agency: City of Cottonwood Community Development Department

Objective 6: Facilitate the relocation of Gardner's Recycling operation.

Benchmark: The relocation of Gardner's Recycling

Strategies:

1. Work with the land owner to reach an agreement over the relocation of their operation.
2. Consider purchasing the property from Gardner and trading with State Parks for land at Riverfront Park that will support a state-of-the-art wastewater facility.

Lead Agency: City Manager's Office, City of Cottonwood Community Development Department

Objective 7: Convert Old Town Jail into regional wine tasting room.

Benchmark: Subletting jail space to the Verde Valley Wine Consortium and generating tax revenue for the City

Strategies:

1. Work with the Old Town Association to facilitate the subletting of Old Town Jail property to the Verde Valley Wine Consortium.

Lead Agency: OTA

Supporting Agency: CEDC, Verde Valley Wine Consortium

SUSTAINABILITY

Economic development is often defined as the programs and policies that "improve the economic well-being and quality of life for a community by creating and retaining jobs that facilitate growth and provide a stable tax base" (International Economic Development Council). In comparison, sustainable development could be defined as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (United Nations, World Commission on Environment and Development).

The disparities in these two definitions reflect the difference between economic development and building a sustainable economy. When we talk about building sustainable economies, we mean that in addition to economic development or growth in the short term and in addition to helping our society/economy thrive today, we must take a long-term approach. We need to develop economic policies that will create long-term prosperity and stability. In addition to achieving success today, we want to make sure that we can maintain that growth in the future. Ensuring a vibrant economy well into the future will require Cottonwood to preserve its natural assets, which are key drivers today in attracting people, and create high quality well paying jobs.

Sustainable development involves thinking broadly about objectives and effects, considering long-term as well as short-term effects, assessing indirect as well as direct effects (for example, the environmental impact of a refrigerator is the combined effect of the whole process of making it, transporting it to market, and disposing of it at the end of its life, as well as how it is used in the home). An important step in this process is making sure that government, the general public, and key stakeholders all understand the importance of sustainability, and the necessary steps to developing sustainable economies, as opposed to just economic growth.

CURRENT SITUATION

Environmental Sustainability

The City of Cottonwood has a couple of large-scale and controversial environmental issues before them. The first issue concerns the water quality and integrity of the Verde River. As it stands today, there are hundreds of septic systems within properties adjacent to the Verde River, many in the Verde Village area south of Cottonwood city limits. Some of these septic systems have been in operation upwards of 40 years, and some are no doubt reaching the end of their useful life. The potential leeching of possible contaminants into the Verde River is a real and serious threat facing the region. Given the importance of the Verde to not only supplying both rural and urban areas of Arizona with water, but also providing a backdrop to the attraction of tourism and recreation to Cottonwood, much is to be lost if the health of the Verde River deteriorates.

“The goal of Community Sustainability is to establish local economies that are economically viable, environmentally sound and socially responsible”

-- Sustainable Communities Network

The second major threat to the City of Cottonwood comes from the potential mismanagement of the aquifers at the upper basin of the Verde River. As a recent USGS study has shown, the Upper Verde River gets approximately 94 percent of its flow from the Big Chino and Little Chino aquifers located in the tri-city area in western Yavapai County¹⁴. Thus, increased pumping of the aquifers may adversely affect the future flow of the Verde River. The issue is complicated, and there are many stakeholders that have weighed in on the issue. The City of Cottonwood stands to lose a lot if the flow of the Verde is decreased in future years. For this reason it is important the City stay engaged in the issue and do whatever they reasonably can to protect their community's interests.

Beyond merely staying involved in regional water planning issues, Cottonwood can work to abate the threat of decreased water supply by using water more efficiently. The utilization of reclaimed water, in addition to striving to build green elements into future city structures are two ways of using water more efficiently.

Economic Sustainability

Achieving economic sustainability will require the City to stay ahead of the growth curve by balancing the cost of delivering municipal services with revenues. Relying primarily on sales taxes to generate general fund revenue leaves the City unreasonably exposed to downturns in the economy. Potential annexation of land should not be done until an analysis is prepared to identify the pros and cons of annexation and provide policy makers with grounded information.

Beyond diversifying sources of public income, there are many other steps that could be taken to ensure a fiscally sustainable Cottonwood. Some of the measures include drafting a thorough long-term financial plan for the City, updating the City's five-year capital improvements plan, and performing a comprehensive examination of the various municipal departments in order to realize additional efficiencies.

Sustainability Goal -- Promote economic sustainability and environmental stewardship within Cottonwood.

Objective 1: Strive to balance municipal costs and revenues that will provide a high and sustainable level of service to city residents.

Benchmark: Completion of long-term strategic financial plan for the City

¹⁴ Wirt, Laurie, DeWitt, Ed, and V.E. Langenheim, eds. Geologic Framework of Aquifer Units and Ground-Water Flowpaths, Verde River Headwaters, North-Central Arizona. U.S. Geological Survey, 2005.

Strategies:

1. Evaluate the financial health of city departments and identify the potential for enterprise funds and identify where other efficiencies can be implemented.
2. Create a long-term strategic financial plan for the City that addresses debt, financial position, revenues and expenditures.
3. Update the five-year capital improvements plan that prioritizes the funding of capital projects in Cottonwood.
4. Adopt new policies as necessary.

Lead Agency: City of Cottonwood Budget and Finance Department

Objective 2: Adopt essential policies that preserve the riparian habitat and health and flow of the Verde River.

Benchmark: Health of the local riparian habitat / water quality

Strategies:

1. Create a long term plan to convert septic systems along the Verde River to other alternative technologies.
2. Encourage the retirement of privately owned wells in Cottonwood.
3. Explore funding opportunities to help pay for the research, planning, and conversion process. Possible programs included the Brownfields Assistance Program through the Arizona Department of Environmental Quality (ADEQ) or the Arizona Water Institute's (AWI) Water Sustainability Project Grant.
4. Continue to serve on committees and work on water issues. Remain involved in issues vital to the viability of the upper basin of the Verde River.

Lead Agency: Cottonwood City Council

Supporting Agency: Cottonwood Water and Wastewater Utility Dept., City of Cottonwood Community Development Department, Administration Department

Objective 3: Develop an ordinance on water conservation, water reuse and dual plumbing.

Benchmark: New ordinance(s) regarding water reuse and dual plumbing

Strategies:

1. Research best practices amongst other communities.
2. Have City Administration, in conjunction with Utilities Department; decide upon new water reuse and dual plumbing ordinances to bring forth to the City Council for adoption.

Lead Agency: Cottonwood City Council

Supporting Agency: Cottonwood Utilities Department

Objective 4: Utilize reclaimed water to irrigate parks, golf courses, and schools.

Benchmark: Percentage of schools, parks and golf courses irrigating with reclaimed water

Strategies:

1. Explore the creation of a policy that new parks and golf courses are required to utilize reclaimed water for irrigation.
2. Explore adapting existing schools, parks and golf courses to utilization of reclaimed wastewater for irrigation.
3. Create an ordinance for new subdivisions to use reclaimed water for irrigation.

Lead Agency: Cottonwood City Council

Supporting Agency: Utilities Department

Objective 5: Encourage the application of renewable energy technology (such as solar) and LEED certification in new development by ensuring that local codes and regulations are “green” friendly.

Benchmark: Confirmation of “green-friendly” city codes/regulations

Strategies:

1. Have the City’s Community Development Department review city codes and make changes where necessary, ensuring that Cottonwood’s municipal regulations don’t interfere with goals related to environmental stewardship.
2. Research renewable energy technologies that are utilized in other communities for their adaptability to Cottonwood.
3. Collaborate with the private development community to obtain their input into the drafting of codes and ordinances.
4. Investigate incentives that encourage private development to use green building technologies and renewable energy generation systems.

Lead Agency: Cottonwood Community Development Department,

Objective 6: Incorporate green technologies in new city facilities and strive for LEED certification.

Benchmark: Number of LEED-certified City owned buildings

Strategies:

1. Formulate agreed-upon strategy for incorporating green technologies in new city facilities, where appropriate.
2. Review standards for LEED certification and assess fit with financial capabilities.

3. Pursue strategy and set precedence for building eco-friendly public facilities in Cottonwood.

Lead Agency: Cottonwood Administration Department, Community Development Department

Objective 7: Adopt policies that create a more pedestrian and bike friendly community.

Benchmark: Reduction in traffic congestion.

Strategies:

1. Have key city officials meet with the Cottonwood Community Development Department to agree upon a plan for making Cottonwood more pedestrian and bike friendly. (This plan should address bike lanes, multi-use trails, shade structures, the planting of trees, bike racks, street furniture, etc.)
2. Identify existing and future recreational pathways that can be utilized by non-motorized vehicles and pedestrians.
3. Include a bicycle component to the transportation portion of the City's updated General Plan. This component should identify existing and proposed bike paths.
4. Apply to the League of American Bicyclists as a Bicycle Friendly Community.

Lead Agency: City of Cottonwood Community Development Department

LEADERSHIP

Having responsible, hard-working, visionary leadership is an invaluable asset to any community. The right people in the right leadership positions are those that can effectively communicate ideas, organize priorities, solicit and synthesize input, and make decisions in the best interest of the community. It is well worth any community's time to ensure they have the best possible personnel in leadership roles.

Beyond the general soft skill known as "leadership," there are other important facets to leadership when viewed from an economic development perspective. One of those facets is leadership in tackling regional issues. In some cases, individual cities may decide not to aggressively confront impending issues in the region for a belief that another nearby city will. This is a classic "free-rider" problem. It is important that communities have confident, capable leaders who will be the first to take an aggressive stand on an issue. If there is a dearth of these types of leaders in a particular region, and a critical and timely issue emerges, the region may not be able to effectively deal with the issue due to a lack of leadership.

Another facet of leadership from an economic development perspective involves reaching out to nearby communities. It is important that communities forge positive relationships with neighbors in their immediate area. Doing so ensures an open

dialogue if a point of contention should happen to arise, and provides the foundation for future regional action should a large-scale regional plan be created.

CURRENT SITUATION

Recent success in collaborative efforts by Verde Valley communities include the completion and adoption of a regional land use plan in November 2006, the formation of the Verde Valley Wine Consortium, the creation of the Verde Valley Regional Economic Organization, and the agreement between the Verde Valley Wine Consortium and Yavapai College to offer a viticulture program. These efforts, working regionally to solve issues, help develop strong leadership, improve intercommunity relations, and should be continued indefinitely in the future.

Local collaboration between communities, including the Yavapai Apache Nation, is an area that could use improvement. Recently, annexation issues have heightened tensions between a select few neighboring cities. While emerging communities in close proximity to one another that are seeking similar goals are typically competitive, this hinders regional development, leaving everyone involved worse-off. To achieve greater success, the area will benefit from a coordinated and collaborative approach to regional economic development.

Leadership Goal -- Foster a collaborative environment and provide capable leadership on behalf of the City of Cottonwood.

Objective 1: Collaborate with regional partners to advance the City's economic development goals.

Benchmark: Continuing involvement with VVREO, Chamber and Tourism

Strategies:

1. Continue to be involved in the regional planning process being undertaken by the Verde Valley Regional Economic Organization (VVREO).
2. Participate in the dialog on issues that have an impact on Cottonwood such as water and air quality, transportation, and others as appropriate.

Lead Agency: Chamber of Commerce

Objective 2: When considering annexation of adjacent unincorporated areas around Cottonwood, promote the value proposition of living within the city limits.

Benchmark: Number of acres annexed by City

Strategies:

1. Carefully plan and design a marketing effort to educate those living in adjacent unincorporated areas on the economic benefits of living within Cottonwood city limits.

2. Hold town hall meetings with citizens living in areas of proposed annexation and address any concerns they may have, such as Verde Village and Bridgeport.

Lead Agency: Cottonwood City Council and City Manager's Office

Supporting Agency: Community Development Department, City Manager's Office

Objective 3: In coordination with the Arizona State Land Department, conceptually plan the State land holdings within the city's planning area.

Benchmark: Completion of an agree-upon conceptual plan for the state land holdings within Cottonwood's planning area

Strategies:

1. Collaborate with the State Land Department to ensure that the City's interests are met as it relates to future land uses and open space.
2. Ensure that the overall plan provides Cottonwood with economic and environmental sustainability.
3. Update the City's General Plan to include the proposed land uses within the State land parcels.

Lead Agency: Cottonwood Community Development Department

Supporting Agency: CEDC

Objective 4: Play a leadership role in discussions relating to regional transportation planning.

Benchmark: Attendance of designated City personnel at regional transportation planning meetings.

Strategies:

1. Ensure Cottonwood is at the table for all public meetings pertaining to transportation plans.
2. Ensure regional awareness of Cottonwood's preferences concerning major roadways and bypass.
3. Mount a campaign that enlists the support of area residents.

Lead Agency: CEDC

Objective 5: Continue efforts to collaborate with the Yavapai-Apache Nation on issues that affect Verde Valley.

Benchmark: Increased participation in local planning efforts by Yavapai Apache Nation.

Strategies:

1. Create an open dialog with Leaders of the Yavapai Apache Nation and emphasize Cottonwood's desire to have them collaborate on local economic development issues.
2. Attend meetings with the Yavapai Apache Nation and participate on various committees of mutual interest.
3. Identify opportunities to promote the arts and multi-cultural venues of Cottonwood and the Yavapai Apache Nation. (Cross referenced with Tourism, Objective 7)

Lead Agency: Cottonwood Manager and Council

Supporting Agency: CEDC, VVREO, Chamber of Commerce

Objective 6: Support the Verde Valley Leadership programs and Project CENTRL to foster new leadership.

Benchmark: Number of graduates

Strategies:

1. Raise public awareness of these programs and continue to support them to better the prospective pool of future community leaders in the Verde Valley.

Lead Agency: City of Cottonwood

Supporting Agency: CEDC, VVREO, Chamber of Commerce

QUALITY OF PLACE

Communities are often defined by their ease of living and the amenities available to residents and visitors. Today, more than ever, a high quality of place is an essential ingredient to successful economic development, and can become a tie breaker in a business decision to locate or expand.

While generally a qualitative measure, there are various quality of life factors that a company evaluates such as crime rates, availability and affordability of housing, health facilities, ratings of public schools, cultural opportunities and recreational opportunities. An area that boasts a high quality of place will be easier to attract and retain talent.

CURRENT SITUATION

The quality of place in Cottonwood, and throughout the Verde Valley region, is one of the strongest assets possessed. It is this high quality of place that is at least partially responsible for the large influx of retirees into the Verde Valley over the years. In terms of recreational opportunities, public facilities and parks, and

availability of health care, Cottonwood bodes well. However, there are quality of place issues that need to be addressed. Some weaker aspects include a lack of affordable housing (although with the current recession there are indications that housing values are returning to affordable levels), poor retention of youth, and a generally “anti-progressive” culture, as identified by TAC committee interviews.

The City of Cottonwood is well positioned in Yavapai County, between the Black Hills Mountain Range and Verde River, just minutes away from pristine red rock country. Cottonwood possesses opportunities for many types of outdoor activities, such as hiking, mountain biking, hang gliding, climbing, birding, et cetera. These activities can be enjoyed at nearby national forests, state parks, and wilderness areas. These nearby areas not only provide natural beauty and recreational opportunities to Cottonwood residents, they can also be promoted as potential recreation and ecotourism destinations.

Cottonwood has superb access to medical care, as the Verde Valley Medical Center is located within Cottonwood city limits. In addition to the Verde Valley Medical Center, there is a growing network of secondary care providers emerging in the region.

Quality of Place Goal -- Ensure that Cottonwood residents have a well planned community with high level of services, a diverse mix of housing, and abundant cultural and recreational offerings.

Objective 1: Promote the arts and the creation of more cultural events in Cottonwood.

Benchmark: Number of cultural and arts events held in Cottonwood

Strategies:

1. Work to bring more cultural events to Cottonwood. Consider having interested members of the community meet and discuss new ideas for community events.
2. Consider initiating a “percentage for the arts” program and identify sites within the community to commission the placement of public art.
3. Support the creation of an arts council created by volunteers.

Lead Agency: Chamber of Commerce

Supporting Agency: CEDC, Old Town, Yavapai College

Objective 2: Develop Cottonwood trails.

Benchmark: Completion of new trails plan.

Strategies:

1. Improve existing trails and multi-use paths and promote their location to the public.

2. Work to complete new trails plan.

Lead Agency: CEDC

Supporting Agency: Community Development Department

Objective 3: Ensure the diversity and affordability of housing in Cottonwood.

Benchmark: Completion of an updated housing study

Strategies:

1. Inventory the housing stock to determine affordability, identify any gaps in supply, and identify any rehab opportunities.
2. Consider the creation of a housing program within city government to ensure the affordability and diverse mix of housing.

Lead Agency: City of Cottonwood

Objective 4: Complete construction of the city's recreational center and monitor the use and demand for programs.

Benchmark: Official opening of new recreational center in Cottonwood

Strategies:

1. Perform exit surveys at the facility after opening in order to 1) gauge public satisfaction with the facility and 2) identify future areas of improvement.
2. Evaluate programs and determine if user fees could be charged. Consider charging higher user fees for non-residents.

Lead Agency: City of Cottonwood

Objective 5: Create more awareness of and encourage the use of the Cottonwood Area Transit (CAT) system.

Benchmark: CAT ridership

Strategies:

1. Launch local marketing campaign emphasizing the financial and environmental benefits to using the CAT system for local transportation.
2. Consider launching promotions during community events where citizens can ride the CAT system for free.

Lead Agency: City of Cottonwood

Supporting Agency: Cottonwood Area Transit (CAT) System

Objective 6: Support community based police programs such as MAT Force and Citizens on Patrol (COP).

Benchmark: Continued success of public safety program such as MAT Force and COP

Strategies:

1. Continue to fund said programs.
2. Generate quarterly reports on petty crimes and methamphetamine-related arrests. This will provide additional exposure to residents, which may work to increase public participation levels.

Lead Agency: City of Cottonwood

Objective 7: Preserve the natural environment of Cottonwood by adopting policies that allow for open space and the preservation of view sheds.

Benchmark: Amount of open space in Cottonwood

Strategies:

1. Make the appropriate general plan updates to preserve open space and view sheds in Cottonwood. Be mindful of these variables in future planning endeavors.
2. Consider acquiring open space and solicit community input on how to fund it.

Lead Agency: City of Cottonwood

IV. ONE-YEAR ACTION PLAN

The five-year *Focus on Success* Plan contains numerous goals and objectives, and in order to be successful with plan implementation, the TAC was asked to identify their first year priorities. Being strategic will aid plan implementation and help avoid “burn out” on the part of staff and collaborative partners. TAC members were asked to review and prioritize objectives by voting on those that they felt needed to go forward the first year. Criteria that they considered included:

- The importance of the objective to the overall Strategic Economic Development Plan
- Anticipated positive impact of the objective on the Cottonwood economy
- Internal capacity to successfully complete the objective
- A necessary chronological order for completion of the Focus Area’s objectives

The following tables outline the chosen objectives in the One-Year Action Plan within Cottonwood *Focus on Success*. The One-Year Action Plan identifies each objective that was determined to be of priority within the appropriate Focus Area, and also identifies the responsible party/parties and a benchmark to measure success.

WORKFORCE AND EDUCATION

Education plays a predominant role in the economic development of a community, and as such, three objectives were determined to be of priority to the vitality of Cottonwood and the region. Each of these objectives includes suggestions that would have a positive impact on business and labor attraction, and could potentially lead to significant improvements in the region’s recruiting efforts, labor force development, and overall vitality. These objectives include:

1. Develop business and school partnerships to better prepare students for full-time employment.
2. Work with the Verde Valley Wine Consortium and Yavapai College to develop a curriculum that supports the emerging local wine industry.
3. Expose high school students to professions in the medical field and other key fields.

Increased and targeted vocational and technical programs will provide excellent opportunities for members of the community to enhance their skill-sets and become more valuable to employers, while also laying the foundations appealing to the targeted businesses and industries that require a labor force with increased skill-

levels. Further, an improved K-12 educational system will build Cottonwood's labor force of the future, while simultaneously improving Cottonwood's opportunities to attract a talented labor force that demands excellent educational opportunities for their children. Additionally, increased and enhanced opportunities for higher education will have a profound effect on the Cottonwood labor pool. Increased higher educational opportunities will improve the training foundations within the community, increase the skill-sets possessed by the local labor force, and assist in attracting and retaining talented individuals enrolled at these institutions.

Collectively, these prioritized objectives will have a significant impact on education and business development in Cottonwood by supporting both the employer and employee. This dual support system will improve the skill-sets of the labor force, increasing their value to businesses, as well as assist in providing the talented labor force that the industries of the future will require. Facilitating and improving the local education system at all levels is an extremely wise decision to achieve competitiveness in the 21st century global marketplace.

INNOVATION AND ENTREPRENEURSHIP

Innovation and Entrepreneurship are crucial elements to enhancing community vitality and attracting business and employment opportunities, as well as important elements of the short-term plan for Cottonwood. The Innovation and Entrepreneurship segment of the One-Year Action Plan includes five objectives that were deemed to be of priority. These objectives include:

1. Retain existing business and attract new business in order to create a more balanced economy and diversity of jobs.
2. Develop partnerships to create a research park at Yavapai College for sustainable agriculture, including the wine industry.
3. Identify missing ancillary business activity that supports the medical industry and create a recruitment campaign.
4. Collaborate with the lessees of the City airport area and identify business targets the City desires.
5. Research the viability of Cottonwood attracting renewable energy production, manufacturing, and/or related R&D type activities.

Focusing on workforce development will serve the dual purpose of improving the skill-sets of the available local labor while also providing training that is directly correlated to the local businesses and identified targets, decreasing their need for internal training. Furthermore, a targeted approach to job training programs specifically tailored to the demands of target industries will allow Cottonwood to maximize the value of investment in these public programs, and will utilize the resources in a more efficient manner.

TOURISM

Given Cottonwood's moderate climate, beautiful natural surroundings, and proximity to nearby tourism hotspots such as Sedona and Jerome; Cottonwood has much to gain from increasing their capacity to accommodate local tourism. The budding winemaking industry in the Verde Valley is certainly a potential future draw for tourists, as are the prospects for local outdoor recreation. Local recreation opportunities are abundant in Cottonwood. The Tourism segment of the One-Year Action Plan includes three objectives that were deemed to be of priority to this plan. These objectives include:

1. Develop river access points and multi-use trails connecting Old Town and other areas in town.
2. Create and brand the "Wine Trail" in the Verde Valley through collaboration with the local wine consortium.
3. Promote Cottonwood as a destination for outdoor recreation, including riparian activity, bird watching, hiking, climbing, biking, boating, hang gliding, sky diving, canyoneering, ballooning, etc.

Focusing on tourism will bring more people to the city, thus increasing tax revenues, and will help to develop an image and/or brand for the City. It is important for Cottonwood to use tourism opportunities to forge a unique identity for the community, as well as capitalize on nearby destinations such as Sedona and Jerome.

OLD TOWN

Cottonwood has a tremendous asset in Old Town. Although Old Town is currently a major contributor to the economic health of Cottonwood, there are many improvements that could be made to the area within the next five years. The Old Town segment of the One-Year Action Plan includes two objectives that were deemed to be of priority to this plan. These objectives include:

1. Enhance the viability and sustainability of Old Town.
2. Increase frequency of community activities which bring people to Old Town, such as festivals, parades, farmer's markets, and arts and entertainment events.

Enhancing the viability and sustainability of Old Town will assure its existence for generations to come. This sustainability is achieved primarily through the creation of a long-term plan for the district, in addition to seeking the appropriate designations that will open up additional options for funding improvements. Increasing Old Town's role as the heart of the City of Cottonwood will bring more people into the area, and will help local businesses thrive and expand.

SUSTAINABILITY

Sustainability is a popular concept that need be considered when undertaking any long-range planning effort. With Cottonwood's setting in a unique natural environment, being dependent on the health of the Verde River, sustainability plays a key role in the long-term health of the City. The Sustainability segment of the One-Year Action Plan includes two objectives that were deemed to be of priority to this plan. These objectives include:

1. Adopt policies that preserve the riparian habitat and health of the Verde River.
2. Encourage the application of renewable energy technology (such as solar) and LEED certification in new development by ensuring that local codes do not prevent implementation.

By focusing on applying renewable energy technology to new development in Cottonwood, the City is not only making a statement, but taking action to actively reduce its footprint on the natural landscape. Applying sustainable technology in new development may require substantial additional investment up-front, but typically leads to a net cost savings in the long-run.

LEADERSHIP

Taking a leadership role in discussions regarding regional issues is extremely important for Cottonwood. From the widening of SR260, to the drawing down of the Big Chino Aquifer, Cottonwood stands much to gain and little to lose from staying engaged in regional debates. The Leadership segment of the One-Year Action Plan includes two objectives that were deemed to be of priority to this plan. These objectives include:

1. In coordination with the Arizona State Land Department, conceptually plan the City's state land holdings within the City's planning area.
2. Collaborate with regional partners to advance the City's goals.

Maintaining good relations with nearby communities, putting in place strong leadership at the City, and staying involved in regional issues are all imperative to long-term economic health in Cottonwood. By conceptually planning the City's state land parcels in coordination with the State Land Department, Cottonwood can ensure an optimal mix of development and open space, rather than leaving it up to others to decide.

QUALITY OF PLACE

Quality of place is of utmost importance when attracting business, as well as keeping existing residents satisfied. Many people choose to retire in the Verde

Valley for its high quality of life. This is also the case with Cottonwood, specifically. Cottonwood offers a high quality of life for its residents, although it also has some key areas where improvement could be made. The Quality of Place segment of the One-Year Action Plan includes two objectives that were deemed to be of priority to this plan. These objectives include:

1. Promote the arts and the creation of more cultural events in Cottonwood.
2. Construct the City's recreation center and the use and demand for programs.

Through the promotion and creation of additional cultural and art events in Cottonwood, as well as providing a recreation center for the community, the City would be making great strides in improving the quality of life for Cottonwood residents.

Table 33 - Cottonwood One-Year Action Plan

Goal	Objective	Responsible Party	Measurement of Success	Pg.
Education and Workforce Create a first class workforce that provides existing and future business with a "job ready" employment base.	Develop business and school partnerships to better prepare students for the world of work.	Mingus Union High School District	Employer satisfaction survey	70
	Work with the Verde Valley Wine Consortium and Yavapai College to develop a curriculum that supports the emerging local wine industry.	Yavapai College, Verde Valley Wine Consortium	No. students graduated w/ viticulture degrees	70
	Expose high school students to professions in the medical field and other key fields.	CEDC, Verde Valley Medical Center	No. of local applicants	71
Promote the creation of quality jobs within Cottonwood.	Retain existing business and attract new business in order to create a more balanced economy and diversity in jobs.	CEDC	No. business licenses	73
	Develop partnerships to create a research park at Yavapai Community College for sustainable agriculture, including the wine industry.	Verde Valley Wine Consortium	Launching of the research park	75
	Identify missing ancillary business activity that supports the medical industry and create a recruitment campaign.	CEDC	Attraction of missing ancillary business activity	75
	Collaborate with the lessees of the City airport area and identify business targets that the City desires.	City of Cottonwood	No. industries located at airport	77
	Research the viability of Cottonwood attracting alternative energy production, manufacturing, and/or related R&D type activities.	CEDC	Completed report	77

Table 33 - Cottonwood One-Year Action Plan (Con't)

Goal	Objective	Responsible Party	Measurement of Success	Pg.
Tourism				
Brand and promote Cottonwood as a tourism destination and gateway to other attractions in the Verde Valley.	Develop river access points and multi-use trails leading from Old Town and other areas in town.	Cottonwood Community Development Department	No. trails/river access points connecting to Old Town	80
	Create and brand the "wine trail" in the Verde Valley through working with the local wine consortium.	Chamber of Commerce	Launching of the Verde Valley "Wine Trail"	80
	Promote Cottonwood as a destination for outdoor recreation, including riparian activity, bird watching, hiking, climbing, biking, boating, hand gliding, sky diving, ballooning, etc.	Chamber of Commerce	No. visitors to Dead Horse State Park, Old Town, and other area attractions.	82
Old Town				
Transform Old Town into a cultural and government center that is a vibrant destination for residents, employees, and tourists.	Enhance the viability and sustainability of Old Town.	Old Town Association (OTA)	Visitor activity and tax revenue.	85
	Increase frequency of community activities which bring people to Old Town, such as festivals, parades, farmer's market, and arts and entertainment events.	OTA	Number of community events scheduled in Old Town	86
Sustainability				
Promote economic sustainability and environmental stewardship within Cottonwood.	Adopt essential policies that preserve the riparian habitat and health and flow of the Verde River.	Cottonwood City Council	Health of the local riparian habitat / water quality	90
	Encourage the application of "green" energy technology (such as solar) and LEED certification in new development by ensuring that local codes and regulations are "green" friendly.	Cottonwood Community Development Department	"Green-friendly" city codes	91

Table 33 - Cottonwood One-Year Action Plan (Con't)

Goal	Objective	Responsible Party	Measurement of Success	Pg.
<u>Leadership</u>				
Foster a collaborative environment and provide capable leadership on behalf of the City of Cottonwood.	Collaborate with regional partners to advance the City's economic development goals.	Chamber of Commerce	Continuing involvement with VVREO, Chamber and Tourism	93
	In coordination with the Arizona State Land Department, conceptually plan the State land holdings within the city's planning area.	Cottonwood Community Development Department	An agree-upon conceptual plan for the state land holdings	94
<u>Quality of Place</u>				
Ensure that Cottonwood residents have a well planned community with high level of services, a diverse mix of housing, and abundant cultural and recreational offerings.	Promote the arts and the creation of more cultural events in Cottonwood.	Chamber of Commerce	No. cultural/arts events	96
	Complete construction of the city's recreational center and monitor the use and demand for programs.	City of Cottonwood	Opening of recreational center	97

APPENDIX A – INTERVIEWS AND MEETING SUMMARY

Cottonwood Interview and Meeting Session Report

The following information provides a summary of the recorded information during the course of an extensive interview and meeting session with members of the Cottonwood Strategic Economic Development Technical Advisory Committee (TAC), as well as several private sector interviewees. The interviews were conducted on an individual basis with no prior notification of the topics to be covered. The interview sessions lasted approximately one hour. The focus of the interview session was to gain a deeper familiarity with Cottonwood and the issues and challenges it faces, as well as gauge the degree of consensus amongst the departments regarding the current condition of Cottonwood and the vision for its future.

The following is a comprehensive list of all individuals interviewed. Responses to questions were kept strictly confidential to ensure a candid discussion:

- Doug Bartosh City of Cottonwood City Manager
- Margie Beach Salt River Materials Group
- Bonnie Campbell Sedona Labs
- Chad Daines Yavapai County Planning and Zoning
- Scott Dunsmore Mingus Union High School Superintendent of Schools
- Wayne Ferguson Arizona Public Service
- George Gehlert City of Cottonwood Community Development Director
- Norela Harrington Bent River
- Deborah Heil Mold-In-Graphics
- Lori Jackson Verde Valley Medical Center
- Diane Joens City of Cottonwood Mayor
- Mike Mongini Landowner / Representing Self
- Lucinda Olson Genesis Worldwide Enterprises
- Lisa Pender Old Town Association / Verde Valley Wine Consortium
- Karen Pheifer City of Cottonwood Vice-Mayor
- Marvin Phelps Phelps & Sons
- Tom Piccioli Clarkdale Metals
- Casey Rooney City of Cottonwood
- Bob Rothrock Verde Valley Land Preservation Institute
- Tom Schumacher Yavapai College
- Lori Simmons First State Bank
- Phil Terbell Cottonwood Real Estate
- Debbie Wilden Cottonwood Chamber of Commerce

1. What do you see as the key opportunities for Cottonwood over the next 5 years?

Interview Response by Topic	
Topic	Responses
<p>What do you see as the key opportunities for Cottonwood over the next 5 years?</p>	<ul style="list-style-type: none"> ▪ Emphasizing natural attractions ▪ Improving the trail system ▪ Building a place to rent a boat or kayak ▪ Decreasing the City’s dependency on the housing market ▪ Encouraging home-based business by ensuring broadband is available to all residents ▪ Local organic farming ▪ Embracing the emerging wine industry ▪ Emphasizing Cottonwood as the gateway to Sedona and Mingus Mountain ▪ Harnessing traffic coming in off SR260 ▪ Helping to expand the local auto dealership ▪ Attracting more retail to reduce trade leakage ▪ Improvements in transportation infrastructure ▪ Getting more affordable housing ▪ Generating more jobs for our residents ▪ The Verde Canyon Railway, Tuzigoot, and Montezuma’s Well/Castle ▪ Attracting clean industry with high paying wages ▪ Promotion of the airport area ▪ Preserve the Verde River and make it the focus of economic development efforts ▪ Develop ecotourism industry ▪ Expanding the medical industry presence ▪ Building executive housing so as to provide incentive for doctors to live in Cottonwood rather than Sedona ▪ Attracting a high end hotel or resort ▪ Attracting a conference center ▪ Revitalizing Old Town and nearby neighborhoods ▪ Designate Old Town as redevelopment and/or historic district ▪ Creating a retail center for the Verde Valley ▪ Attracting big-box retail to the state land parcel on the 89A on the way out of town, which will draw spending from Sedona visitors and residents ▪ Attracting a full-serve auto dealer who does repairs and service on vehicles ▪ Annexing Verde Village ▪ Finding out for sure if Cottonwood has an adequate water supply ▪ Construction of the city’s recreation center ▪ Light manufacturing at the airport spaces ▪ Launching a Business Retention & Expansion program ▪ Focusing on further developing the medical campus ▪ Focusing on creating a great environment for retirees

	<ul style="list-style-type: none"> ▪ Solving the transportation issue so local business can expand (e.g. Salt River Materials Group) ▪ Expanding our medical internship programs ▪ Partner public schools and Yavapai College to ensure seamless transition for high school graduates ▪ Leverage Dead Horse Ranch State Park more when marketing to tourists ▪ Focus on reducing “brain drain” in Cottonwood
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2. What resources or programs are necessary to achieve these opportunities?

3.

Interview Response by Topic	
Topic	Responses
<p>What resources or programs are necessary to achieve these opportunities?</p>	<ul style="list-style-type: none"> ▪ Monthly regional meetings between local communities to review best practices and talk about current issues ▪ Ask Yavapai College to communicate its current offerings and what is <i>could</i> do for the community more clearly ▪ Get the Verde Valley Medical Center involved in local issues ▪ Need more buildings, land, funding, shovel-ready sites, community input, and money to spur economic development ▪ Work on better educating the local workforce ▪ Have the City create an environment that rewards knowledge-based workers in order to attract them and keep them here ▪ Have city officials be more involved in state land planning issues ▪ Need good strategies to combat the problem of “brain drain” ▪ Get a definitive answer on the amount of water available to the City of Cottonwood ▪ Do not encroach on local farming and ranching operations ▪ Have Yavapai College provide instruction for wine-making and marketing ▪ Explore Department of Commerce funding opportunities ▪ Increase public involvement on economic development issues

4. List the three biggest barriers to long term economic development that need to be overcome.

Interview Response by Topic	
Topic	Responses
<p>List the three biggest barriers to long-term economic development that need to be overcome.</p>	<ul style="list-style-type: none"> ▪ Water availability, proximity to I-17, expensive land ▪ Regional transportation and slow population growth making it hard to attract retailers ▪ Transportation infrastructure, water availability, and high home prices ▪ Proximity to I-17, political issues with Camp Verde, and a negative and “no-growth” community attitude ▪ Proximity to I-17, future congestion on I-17, and attitude of residents ▪ Little job training assistance, not a lot of land available for development, have no control over the airport property ▪ Poor public education system, lack of sense of community, and anti-growth sentiment ▪ No disposable income, poor business retention, and trying to retain young, skilled workers ▪ Abundance of retirees not interested in growth and economic development, political tensions over annexation, and an inadequately-skilled labor force ▪ Workforce issues, poor public education, and the high cost of recruiting skilled workers from outside the Verde Valley ▪ Infrastructure issues, the economic downturn, and anti-growth sentiment on the community ▪ Quality of workforce, Camp Verde’s hold on SR260 coming into town, and poor infrastructure ▪ Attracting qualified medical personnel and political tensions between neighboring communities

5. What strategic initiatives need to be undertaken to overcome the challenges/barriers?

Interview Response by Topic	
Topic	Responses
What strategic initiatives need to be undertaken to overcome the challenges/barriers?	<ul style="list-style-type: none"> ▪ Complete the hydrology studies on the Verde River ▪ Launch a large-scale survey to citizens to gather public wants and needs ▪ Work with the tribe on transportation issues ▪ Designate higher densities in order to revitalize Old Town ▪ Designate more industrial land uses in the City ▪ Teach work ethic and basic workforce skills in high school ▪ Place greater emphasis on achievement in school at a young age ▪ Design incentive programs to attract desired industries ▪ Develop strategy on rail issue in Cottonwood to foster growth of local businesses ▪ Engage in relationship building with local communities ▪ Brand a “wine trail” or something akin to the “Salsa Trail” in Graham County <p>Engage in relationship building with local communities (especially Camp Verde)</p>

6. Overall, what are the positive aspects of doing business here?

Interview Response by Topic	
Topic	Responses
Overall, what are the positive aspects of doing business in Cottonwood?	<ul style="list-style-type: none"> ▪ People-friendly ▪ Good customer service ▪ Good business retention and access to markets ▪ Business-friendly community ▪ Great local healthcare ▪ Low sales taxes and no property tax ▪ City has a nice hometown feel to it ▪ Pristine environment ▪ Great bus system ▪ Strong customer loyalty ▪ Small town friendliness ▪ High quality of life (air, open space, etc.) ▪ Easier to get a foothold in a smaller market ▪ Friendliness and trustworthiness ▪ People like to spend locally ▪ Leisurely lifestyle and old fashioned culture hard to find nowadays

7. Overall, what are the negative aspects of doing business here?

Interview Response by Topic	
Topic	Responses
Overall, what are the negative aspects of doing business in Cottonwood?	<ul style="list-style-type: none"> ▪ Hard to find good help ▪ Working with the Yavapai-Apache Nation is difficult ▪ Many residents drive to the Prescott-area for more big box shopping ▪ Workforce is inadequate and/or has a drug problem ▪ Cottonwood pays low wages in general ▪ Cottonwood is too far from the I-17 ▪ There are no secrets in Cottonwood; can drive people away ▪ Small town politics, and other ills of the typical small town ▪ Hard/costly to get raw materials into Cottonwood ▪ Anti-growth attitudes and close mindedness ▪ Hard to find businesses that support your operations ▪ No Costco or large retailer to buy cheap supplies from ▪ A lot of goods are by order only

8. Why would a business choose not to locate in Cottonwood?

Interview Response by Topic	
Topic	Responses
Why would a business choose not to locate in Cottonwood?	<ul style="list-style-type: none"> ▪ Not a strong enough middle class ▪ Low household incomes ▪ Many people living outside of city limits ▪ Not a good support structure of businesses ▪ Lack of fully service land ▪ Finding employees that can afford to live in Cottonwood ▪ Proximity to I-17 ▪ Lack of facilities ▪ Poor workforce ▪ Poor public education system ▪ Inadequate work ethic of workforce ▪ Lack of affordable housing ▪ Poor internet connectivity ▪ Costly to get goods and materials in and out of Cottonwood

9. What economic targets should Cottonwood pursue?

Interview Response by Topic	
Topic	Responses
What economic targets should Cottonwood pursue?	<ul style="list-style-type: none"> ▪ Agriculture ▪ Online education provider ▪ Any specialty industry that would serve the elderly ▪ Big box retail ▪ Automotive ▪ Medical industry ▪ Jet fuel at airport ▪ Light manufacturing ▪ High-tech firms ▪ Wine production industry ▪ Tourism from motorcycle enthusiasts ▪ Trade schools ▪ Resort/conference center ▪ “Green-collar” industries

10. What needs to be done to create a more highly skilled workforce?

Interview Response by Topic	
Topic	Responses
What needs to be done to create a more highly skilled workforce?	<ul style="list-style-type: none"> ▪ Better public education, especially in regards to basic communication, manners, and socialization) ▪ Yavapai College needs to step up efforts to address the under skilled workforce ▪ Partner with Yavapai College and NAU to bring needed skills to Verde Valley so people don’t have to travel ▪ Have Yavapai College train machinists, welders, and C&C programmers ▪ Have Yavapai College ramp up their nursing program ▪ Raise kindergarten through high school standards, and put more focus on the general student body performance, not one or two stand-outs ▪ Don’t educate our children to just up and leave the community when they graduate ▪ Be aggressive in unifying the curricula between neighboring school districts

11. Are there any regional issues (transportation, planning, air quality, water, etc.) that currently have or will have an impact on the community? What are the potential solutions?

Interview Response by Topic	
Topic	Responses
<p>Are there any regional issues (transportation, planning, air quality, water, etc.) that currently have or will have an impact on the community? What are potential solutions?</p>	<ul style="list-style-type: none"> ▪ Camp Verde’s assertion that SR260 should be their sales tax generator. Need to work with neighboring communities to develop mutually-beneficial solutions. ▪ Not enough developable private land in Cottonwood. We need more developable land in the City. ▪ Need to ensure all the regional economic development groups are on the same page with their goals and objectives. ▪ Water and transportation issues highlighting a lack of regional cooperation. Need to talk about Gen. Crook Trail bypass route and the lack of transportation. ▪ Water will always be an issue. Need to complete a solid hydrology study. ▪ Cottonwood wants to stay small and be historic and culturally unique. Need to ensure we hold onto these values, and also that Verde Valley communities don’t grow into one indistinguishable metropolis. ▪ Regional railroad issue involving BNSF and the Salt River Materials Group (SRMG). We want BNSF to improve the railway so SRMG can increase capacity; however there are competing interests on the track and substantial improvements that would need to be made. ▪ Having the county seat in Prescott with Mingus Mountain serving as a natural border can be very frustrating. Sometime you just have to go to Prescott to get things done. The creation of a separate Verde County has been discussed. ▪ Regional methamphetamine problem affecting our workforce and new business’ ability to staff operations.

12. What community would you like Cottonwood to emulate and why?

Interview Response by Topic	
Topic	Responses
<p>What community would you like Cottonwood to emulate and why?</p>	<ul style="list-style-type: none"> ▪ One that's pedestrian friendly. We need shade trees in Old Town, and residents need to be able to recycle their trash. ▪ A place with an abundance of culture; a riparian community. Cottonwood has no unifying factor that represents the City. ▪ Cottonwood needs some sort of focal point; something people will drive to see, such as a bridge spanning the Verde River that is an ode to "green" ideas. ▪ Cottonwood needs to be the center of commerce for the Verde Valley. We need to support Old Town and put more dough into the civic center, retaining and restoring historical buildings. We can be as famous as Sedona or Jerome. Support the infantile wine-making industry and build a conference center within the next five years. ▪ The City of Napa, California. They have recognition, are clean, and have created a pedestrian environment. They also have the ability to shut down Main Street for an event. Huntington Beach is also nice and was redeveloped very well. We need a property tax to diversify. Annexation will be a major problem. ▪ The City of Prescott, Arizona, because they've done a better job at preserving their historic buildings and culture. ▪ The City of Moab, Utah, because it is an outdoor "Mecca." Cottonwood has that potential. Things should be pretty lively in Old Town on a Sunday night. ▪ The City of Missoula, Montana. They have rich culture, great history, and more arts and family-based activities than us. ▪ The City of San Diego, California. They've done a great job of revitalizing their old part of town. We should look to them as an example. Also, they're very pedestrian friendly and have public transportation. The CAT system is not very well known, nor is it very visible. ▪ The City of Durango, Colorado. They have a nice recreation center and a vibrant downtown. ▪ Kalamazoo, Michigan. We should take a long look at creating a program similar to their Kalamazoo Promise, where resident students who've lived in the community for a number of years and excelled in school have the opportunity to go to a local university for free. ▪ Durango, Colorado. Great city center with a lot of events, as well as a very nice recreation center for their residents.

APPENDIX B – OBJECTIVE PRIORITIZATION SUMMARY

COTTONWOOD OBJECTIVE PRIORITIZATION SESSION REPORT

The following information provides a summary of the returned priorities from an objective prioritization session with members of the Cottonwood Strategic Economic Development Technical Advisory Committee. The objective prioritization session included a comprehensive review of the objectives contained in the Cottonwood Economic Development Plan, a discussion regarding the merits of objective nomination as a priority and placement within the Cottonwood Economic Development Short-Term plan, and a balloting process to make final determinations on the short-term plan. The following pages provide the results of the Technical Advisory Committee objective prioritization ballot. Please note that one objective was added to the Cottonwood Strategic Economic Development Plan following the prioritization voting, while one objective was removed. In cases where the votes resulted in a tie, discussion took place until a consensus emerged.

City of Cottonwood Plan Objective Prioritization – Education and Workforce			
Focus Area	#	Objective	# Votes
Education and Workforce			
	1	Work with Yavapai College, high school districts and local businesses to popularize internship programs.	3
	2	Continue to conduct and publicize meetings to scope and sequence the educational curriculum to promote improved integration from middle to high school to post secondary education.	3
	3	Review YC regional labor study and supplement where necessary in order to document the education and skill sets of the area workforce and identify gaps.	2
	4	Develop business and school partnerships to better prepare students for the world of work.	5
	5	Work with the Verde Valley Wine Consortium and Yavapai College to develop a curriculum that supports the emerging local wine industry.	7
	6	Expose high school students to professions in the medical field and other key fields.	5
	7	Evaluate the effectiveness of existing online job boards and begin coordinating and marketing them.	2

City of Cottonwood Plan Objective Prioritization – Innovation and Entrepreneurship

Focus Area	#	Objective	# Votes
Innovation and Entrepreneurship			
	1	Retain existing business and attract new business in order to create a more balanced economy and diversity in jobs.	3
	2	Regularly review the offerings at the Small Business Development Center (SBDC) at Yavapai College to foster entrepreneurship and facilitate business start-ups	3
	3	In collaboration with Yavapai College, sponsor a business boot camp event that ends with the completion of a business plan.	3
	4	Eliminate the barriers to home based businesses by ensuring that zoning regulations and community CCRs do not hamper this activity.	3
	5	Develop partnerships to create a research park at Yavapai Community College for sustainable agriculture, including the wine industry.	6
	6	Identify missing ancillary business activity that supports the medical industry and create a recruitment campaign.	5
	7	Maintain an up-to-date site and building inventory.	3
	8	Explore the creation of a certified site or “shovel ready” program.	1
	9	Ensure that telecommunication infrastructure is in place to attract and retain industry targets and foster home based businesses.	3
	10	Collaborate with the lessees of the City airport area and identify business targets that the City desires.	3
	11	Research the viability of Cottonwood attracting alternative energy production, manufacturing, and/or related R&D type activities.	7
	12	Expose high school students to an entrepreneurship program.	2

City of Cottonwood Plan Objective Prioritization – Tourism

Focus Area	#	Objective	# Votes
Tourism			
	1	Determine the market feasibility for the siting of a conference hotel in Cottonwood.	3
	2	Develop river access points and multi-use trails leading from Old Town and other areas in town. (Cross referenced with Quality of Place, Obj. 2)	4
	3	Create and brand the “wine trail” in the Verde Valley through working with the local wine consortium.	5
	4	Work with the State Parks Department to organize a boat, canoe and kayak rentals and other recreational supplies at Dead Horse Ranch State Park.	3
	5	Leverage the location of Dead Horse Ranch State Park/Old Town by marketing it in conjunction with other area attractions and activities.	0
	6	Promote Cottonwood as a destination for outdoor recreation, including riparian activity, bird watching, hiking, climbing, canyoneering, biking, boating, hang gliding, sky diving, ballooning, etc.	8
	7	Continue to work on the development of a comprehensive tourism strategy, including funding.	3
	8	Incorporate way finding signage in the City.	1

City of Cottonwood Plan Objective Prioritization – Old Town

Focus Area	#	Objective	# Votes
Old Town			
	1	Enhance the viability and sustainability of Old Town.	5
	2	Enhance the physical attributes of Old Town by making it more pedestrian friendly.	2
	3	Increase frequency of community activities which bring people to Old Town, such as festivals, parades, farmer’s market, and arts and entertainment events.	5
	4	Consider the consolidation of city operations in a new city hall building located in Old Town.	4
	5	Ensure adequate parking is available in Old Town.	1

City of Cottonwood Plan Objective Prioritization – Sustainability

Focus Area	#	Objective	# Votes
Sustainability			
	1	Strive to balance municipal costs and revenues that will provide a high and sustainable level of service to city residents.	3
	2	Adopt policies that preserve the riparian habitat and health and flow of the Verde River.	4
	3	Develop an ordinance on water conservation, water reuse and dual plumbing.	1
	4	Utilize reclaimed water to irrigate parks, golf courses, and schools.	0
	5	Encourage the application of “green” energy technology (such as solar) and LEED certification in new development by ensuring that local codes and regulations are “green” friendly.	5
	6	Incorporate green technologies in new city facilities and strive for LEED certification.	1
	7	Adopt policies that create a more pedestrian and bike friendly community.	4

City of Cottonwood Plan Objective Prioritization – Leadership

Focus Area	#	Objective	# Votes
Leadership			
	1	Collaborate with regional partners to advance the City’s economic development goals.	3
	2	Allow annexation of adjacent unincorporated areas around Cottonwood by promoting the value proposition of living within the city limits.	1
	3	In coordination with the Arizona State Land Department, conceptually plan the State land holdings within the city’s planning area.	5
	4	Play a leadership role in discussions relating to regional transportation planning.	3
	5	Continue efforts to collaborate with the Yavapai-Apache Nation on issues that affect Verde Valley.	2
	6	Support the Verde Valley Leadership programs and Project CENTRL to foster new leadership.	3
	7	Facilitate the relocation of Gardner’s Recycling operation.	2

City of Cottonwood Plan Objective Prioritization – Quality of Place

Focus Area	#	Objective	# Votes
Quality of Place			
	1	Promote the arts and the creation of more cultural events in Cottonwood.	4
	2	Develop Cottonwood trails.	1
	3	Ensure the diversity and affordability of housing in Cottonwood.	1
	4	Construct the city's recreational center and monitor the use and demand for programs.	6
	5	Create more awareness of and encourage the use of the Cottonwood Area Transit (CAT) system.	1
	6	Support community based police programs such as MAT Force and Citizens on Patrol (COP).	2
	7	Preserve the natural environment of Cottonwood by adopting policies that allow for open space and the preservation of the view sheds.	3

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