



Strategic Plan for Economic Development

SAN LUIS ECONOMIC DEVELOPMENT STRATEGIC PLAN

SAN LUIS FOCUSED FUTURE II
PARTNERS FOR STRATEGIC ACTION, INC.
in collaboration with the Arizona Border Business Case project
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Introduction

In early 2015, the city of San Luis initiated an update to the *Focused Future Strategic Plan for Economic Development*. The San Luis Economic Development Department, working with an appointed Economic Development Commission, was charged with completing the update. APS and the city of San Luis jointly funded the Focused Future II update. The Focused Future II process offered a forum where the community and regional potential could be analyzed, cutting edge economic development initiatives explored, and community strategies identified. The process goal was to bring citizens, landowners, agencies, policy-makers, and other stakeholders together to develop the *San Luis Strategic Plan for Economic Development*.

The Focused Future II process answers three basic questions:

1. What are the opportunities to successfully strengthen and expand the San Luis economy?
2. What are the appropriate strategic initiatives for economic development?
3. How should San Luis implement these initiatives?

A broad-based citizen and stakeholder Economic Development Commission was appointed by the City Council and met five times during the process. They were responsible for working closely with APS and consultants to complete the project.

The general public participated in a Visioning Town Hall on September 19, 2014 called the Southwest Arizona Futures Forum 16th Plenary Session: Southwest Arizona's Economic Perspective. Approximately 120 people attended the event. Another major public event – San Luis Economic Development Summit was held on June 3, 2015 to review and provide input to the Focused Future Strategic Framework. Approximately 60 people attended the event. Both of these public activities provided invaluable input to the Strategic Plan for Economic Development.

Unique to this process, was the coordination with a binational regional economic development project. The cities of San Luis, Somerton, and Yuma along with the Greater Yuma Economic Development Corporation came together to develop the binational Greater San Luis Border Business Case. The *Arizona Border Business Case* project is a collaborative effort with four state agencies (Arizona-Mexico Commission, Arizona Commerce Authority, Arizona Department of Transportation, and Arizona Office of Tourism), local border communities, and private entities. The *Border Business Case* was funded through public/private funds from stakeholders along the Arizona border. The project is an important implementation strategy of the *Arizona Border Communities Roadmap* completed in 2013. The Focused Future and Border Business Case process was led by the consulting firm Partners for Strategic Action, Inc., which provide the technical and engagement assistance for the effort.

The city of San Luis has been an active participant in the creation of a new organization called 4FRONTED. This organization focuses on the binational region – four regions and two nations – and is jointly funded by various regional entities. The purpose is to:

1. Facilitate trade relationships;
2. Support business growth;
3. Strategize to maximize resources; and
4. Connect investors with opportunities.

San Luis Economic Snapshot

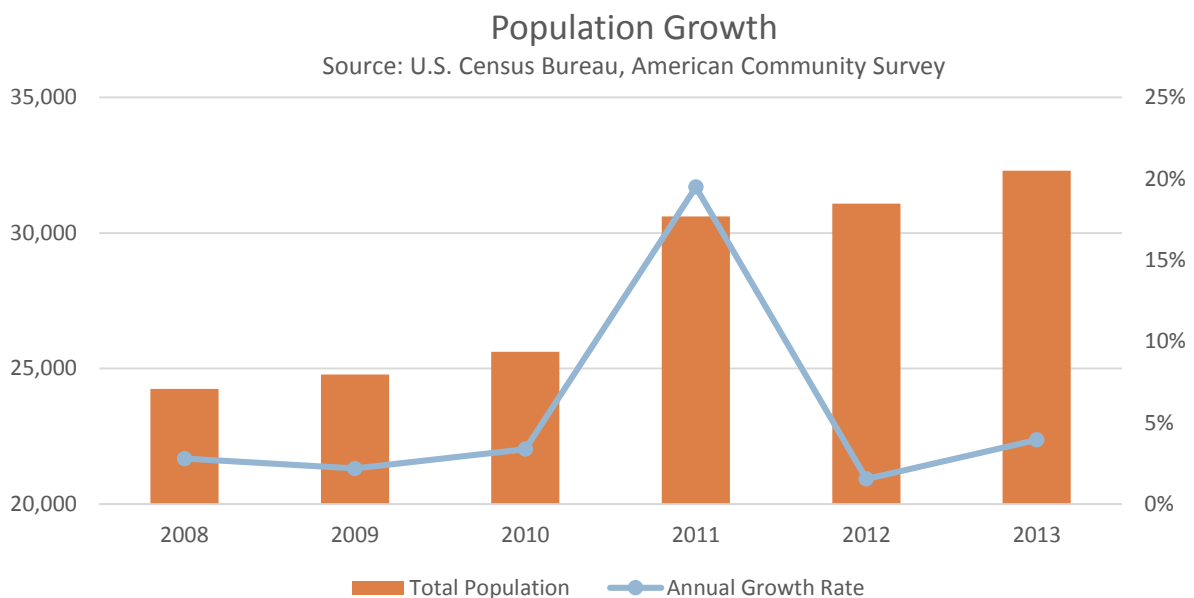
San Luis, with a population of 33,190 (2014 est.), is located in the southwestern corner of Arizona along the U.S.-Mexico border. Immediately across the U.S. border is San Luis Rio Colorado, Sonora, with a population of nearly 200,000. The city of San Luis was established in 1930 with the opening of the U.S. Land Port-of-Entry and was later incorporated in 1979. It has experienced sustained population and commercial growth, making it one of Arizona’s fastest-growing cities. Every day over 40,000 people cross the U.S.-Mexico border at San Luis for employment, shopping, and visits, making the San Luis Land Port-of-Entry one of the busiest in Arizona.

As part of the Focused Future planning process, an analysis of current economic conditions for San Luis was completed that presented a community snapshot in time. The economic snapshot includes eight areas measuring economic performance: population, labor force and unemployment, median income, economy, construction, assessed value, municipal revenues, and quality of life. The snapshot presents an indexing of local data relative to statewide averages and indexed relative to a 2007 benchmark. Taken as a whole, San Luis has better withstood the impacts of the Great Recession than other communities around the state.

Population

Population growth is the most basic measure of activity levels in the community. Details about demographic trends help explain how population may impact other facets of the economic climate. San Luis has grown by 37%, with the largest increases occurring between 2011 and 2013. Statewide population grew only 5% from 2007 to 2013, most of which occurred prior to 2009. School enrollment has also experienced tremendous growth, nearly doubling enrollment from 2007 to 2013.

In terms of demographics, the city’s share of population under 18 is higher than the state’s at about 33% versus 25%. In contrast, the share of population over 64 is nearly half the state average.



| Population Growth | | | | | | |
|-------------------|-------|-------|-------|---------|------|-------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| City of San Luis | 2.8% | 2.2% | 3.4% | 19.5% | 1.5% | 3.9% |
| State of Arizona | 1.5% | 0.3% | 0.2% | 0.6% | 0.9% | 1.3% |
| Growth Index | 100.0 | 362.7 | 921.3 | 1,821.5 | 88.0 | 165.9 |

Labor Force and Unemployment

Labor force trends are a good overall indicator of the level of economic opportunity. The labor force in San Luis has grown, but so has unemployment. The state went from a low of 3.7% unemployment in 2007 to a high of 10.4% in 2010, while San Luis went from 30.1 to 49.4% during that time period. While the state’s unemployment rate has begun to recover from that time (8% in 2013), San Luis unemployment has grown to 65.1%, reflective of the increase in the workforce-eligible population.

Educational attainment is also a factor closely linked to unemployment rates. The share of high school graduates is approximately 44%, representing about half of the statewide rate (86%), and its share of college graduates lags further behind the state average, at 10% versus 27%.

Labor Force and Unemployment Trends

Sources: Arizona Department of Administration; Arizona Workforce Informer, Special Unemployment Report; U.S. Census Bureau, American Community Survey



| Annual Labor Force Growth | | | | | | |
|---------------------------|--------------|--------------|---------------|---------------|---------------|---------------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| City of San Luis | 14.3% | 11.5% | 7.3% | 72.9% | 4.0% | 9.7% |
| State of Arizona | 2.9% | 1.0% | -0.7% | -1.8% | -0.7% | -0.4% |
| San Luis Index | 100.0 | 227.5 | -196.8 | -805.5 | -110.0 | -436.8 |

| Employment Growth | | | | | | |
|-------------------|--------------|-------------|-------------|----------------|---------------|--------------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| City of San Luis | 2.2% | -1.5% | -1.5% | 45.3% | -4.1% | -2.4% |
| State of Arizona | 0.5% | -3.1% | -1.4% | -0.7% | 0.5% | -0.1% |
| Growth Index | 100.0 | 10.3 | 22.9 | -1296.1 | -187.8 | 919.6 |

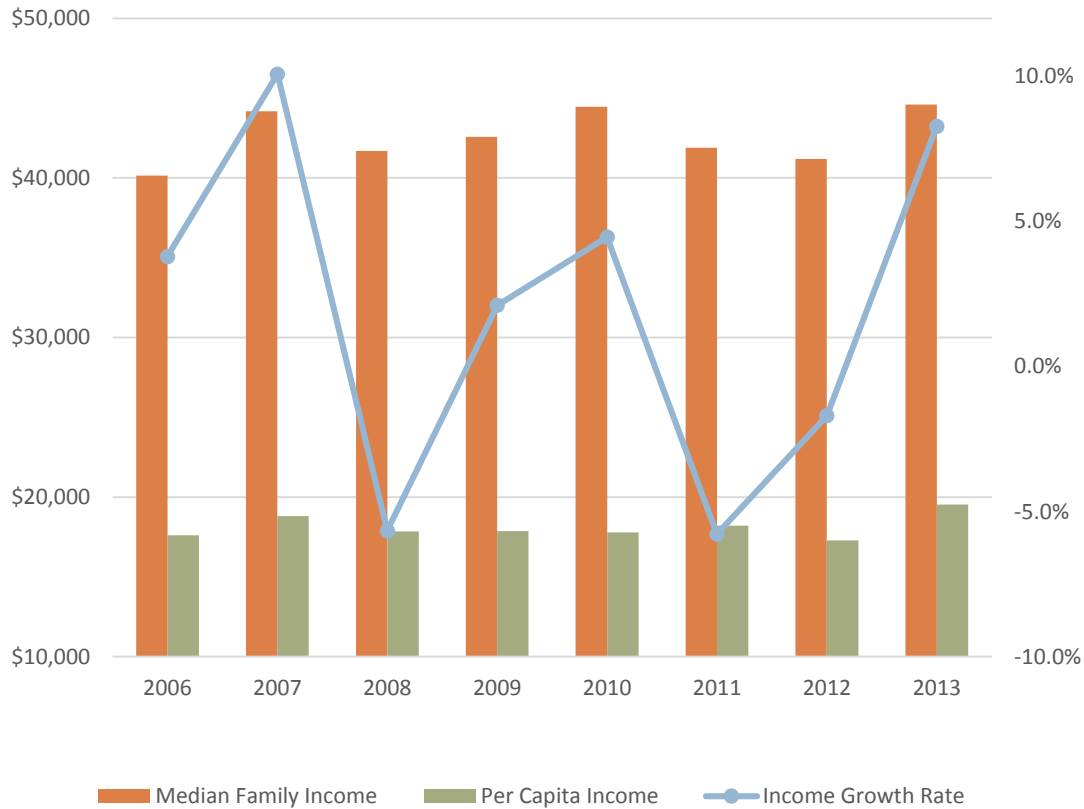
Median Income

The most valid available measure of income at the local level is per capita income. Per capita income levels in the county increased 3.8% from 2007 to 2013, compared to a 5.6% increase statewide. However, per capita income in Yuma County is nearly half of the state average (in 2013, an average per capita income of \$19,531 compared to the state average of \$37,409). This is likely reflective of the higher rate of agricultural sector employment in the region.

Median family income in Yuma County remained flat during the 2007 to 2013 period compared to an 8% average growth statewide. Household income in Yuma County continues to lag behind the state, averaging 76% of the state average in 2013. Contrary to the state trends, the poverty rate in Yuma County declined between 2007 and 2013; however, the share of Yuma County residents living in poverty

Yuma County Income Comparison

Sources: U.S. Department of Commerce, Housing and Urban Development, Median Family Income Limits; Woods & Poole Economics; U.S. Census Bureau, American Community Survey



remains nearly twice as high (30.1% in 2013) as the Arizona average (18.7% in 2013). Poverty is slowly declining but the base poverty has been so much higher compared to the state.

| Income Comparison | | | | | | | |
|-------------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Yuma County | \$44,188 | \$41,688 | \$42,569 | \$44,468 | \$41,899 | \$41,190 | \$44,602 |
| State of Arizona | \$54,400 | \$58,500 | \$60,400 | \$61,500 | \$60,800 | \$61,600 | \$58,800 |
| Yuma Index | 100.0 | 87.7 | 86.8 | 89.0 | 84.8 | 82.3 | 93.4 |
| Yuma County | 10.1% | -5.7% | 2.1% | 4.5% | -5.8% | -1.7% | 8.3% |

| | | | | | | | |
|------------------|-------|------|------|------|-------|------|-------|
| State of Arizona | -0.9% | 7.5% | 3.2% | 1.8% | -1.1% | 1.3% | -4.5% |
|------------------|-------|------|------|------|-------|------|-------|

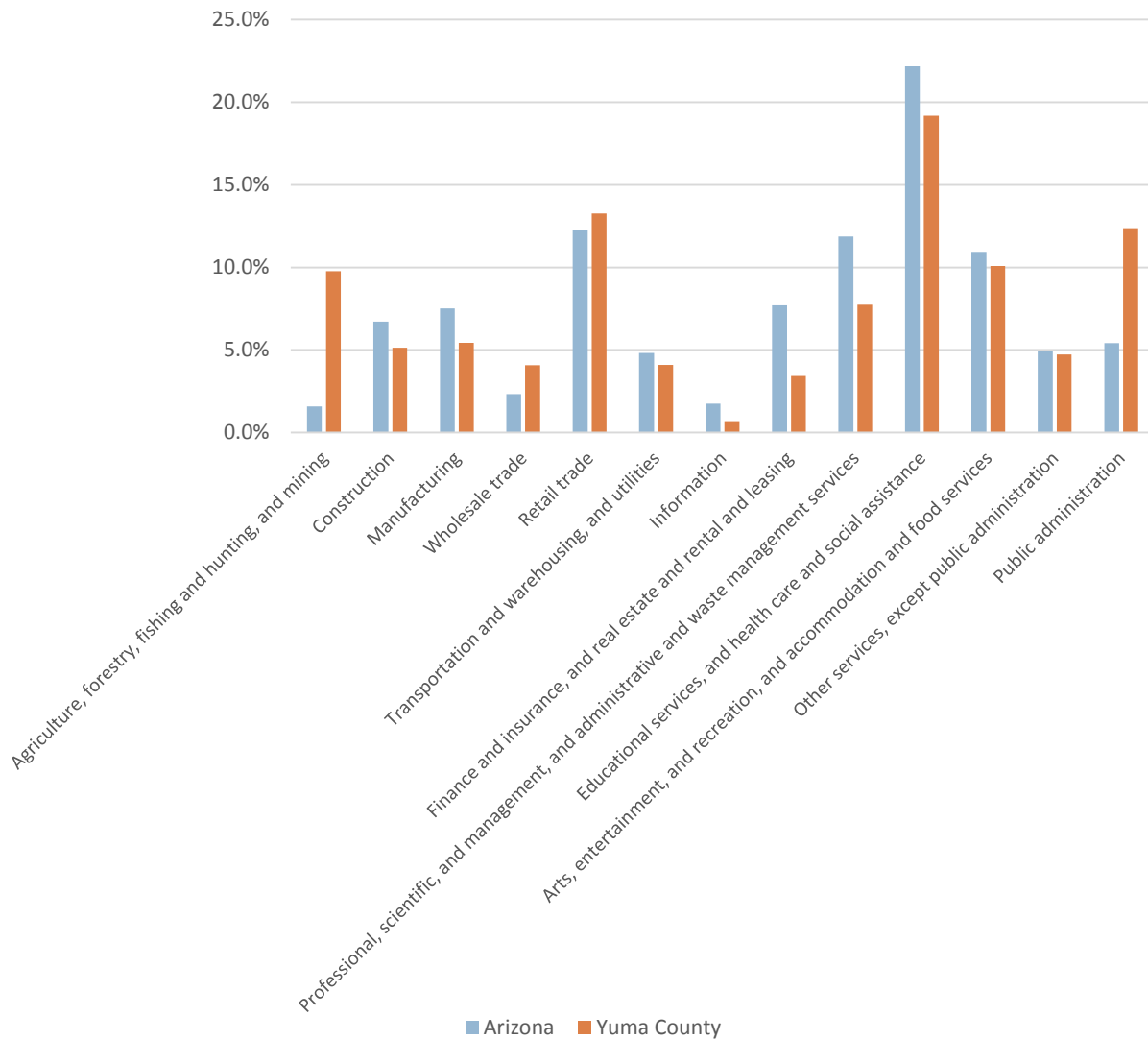
Economy

Understanding the makeup of the region’s economic base sheds light on its ability to weather recessions and its response to the recovery. During the last seven years, Yuma County has seen a decrease in the number of establishments¹ with approximately 352 (5%) fewer establishments in 2013 than in 2006.

The share of employment finance and professional services is well below average and the proportion of workers employed in export industries² (those that bring in wealth from outside the area) is about 2% in Yuma County, versus roughly 23% for the state.

2013 Distribution of Employment by Industry

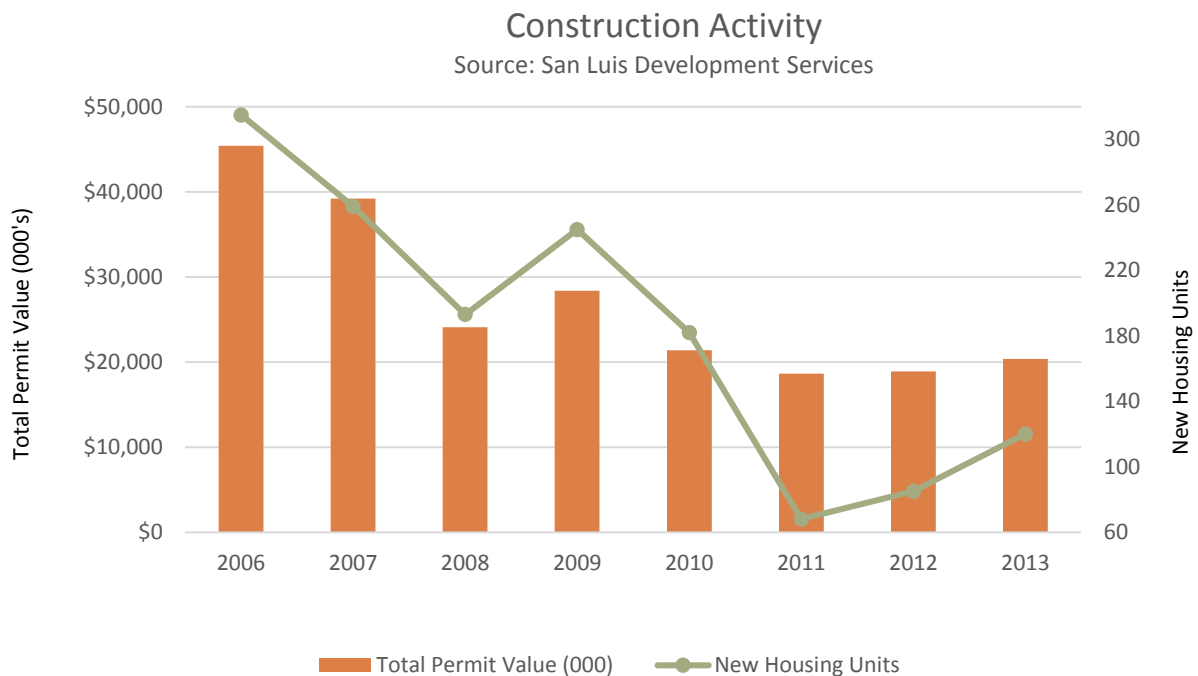
Source: U.S. Bureau of Labor Statistics; U.S. Census Bureau, American Community Survey



Construction

Construction activity is often a leading economic indicator and was a critical factor in Arizona’s recession. While construction activity in San Luis declined, similar to many communities in Arizona, activity has leveled and a slight increase in residential building permits has been realized since 2011. The total value of permits issued fell from a high of \$45.4 million in 2006 to \$20.4 million in 2013. Residential development activity was up significantly in 2012 and 2013, but commercial activity has been more variable.

San Luis mirrors state-level data, where construction activity began to pick up across Arizona in late 2011. Construction statewide has continued to increase gradually since that time, dominated by residential activity.



| Residential Permit Value (\$000) | | | | | | | |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|-------------|--------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| City of San Luis | \$25,324 | \$21,041 | \$24,754 | \$20,338 | \$11,078 | \$13,147 | \$20,166 |
| State of Arizona | \$7,945,651 | \$4,504,569 | \$3,010,181 | \$2,650,921 | \$2,580,351 | \$4,457,265 | \$5,149,389 |
| San Luis Index | 100.0 | 146.6 | 258.0 | 240.7 | 134.7 | 92.5 | 122.9 |

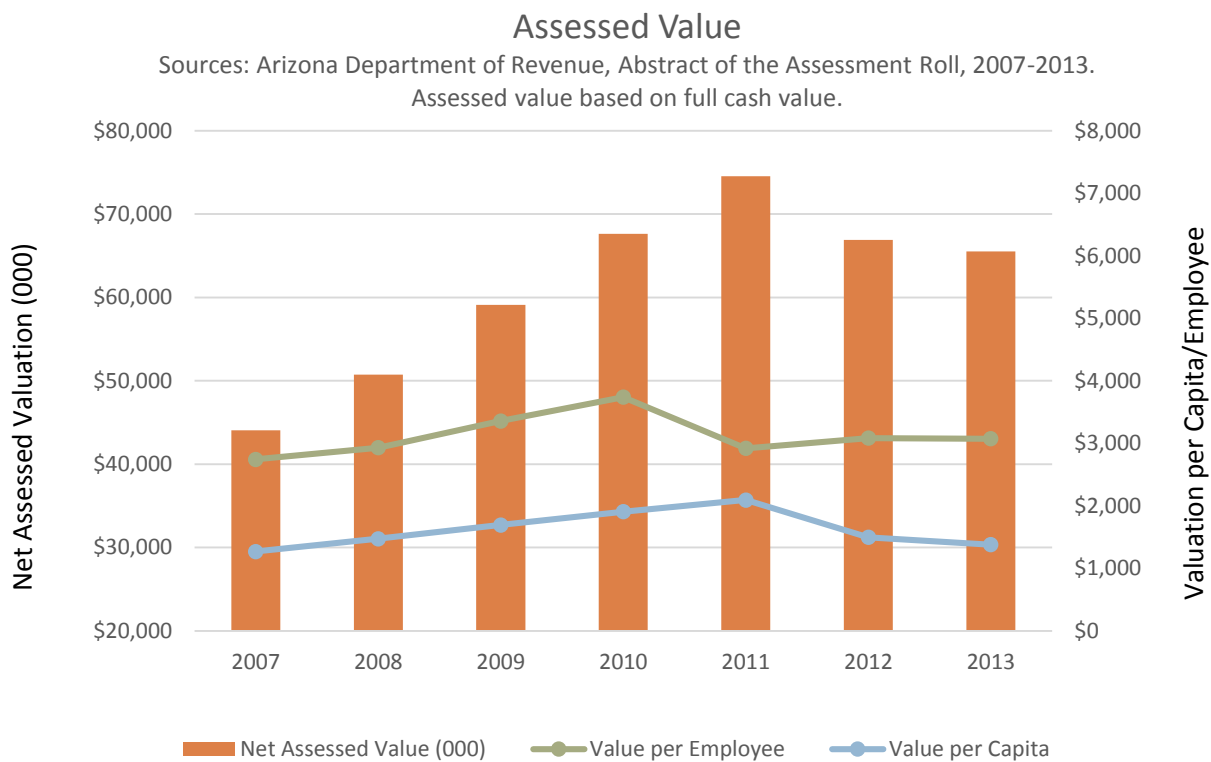
Assessed Value

Assessed value generally fluctuates much less than construction activity, although this has been less true during the recent recession. Total assessed value in San Luis rose steadily through 2011 and then

dropped over 10% by 2013; San Luis values, however, are nearly 50% higher than 2007 levels (compared to statewide assessed value 27% below 2007 levels).

Residential values in the city currently represents approximately two-thirds of total assessed value, a ratio that has remained fairly steady over the past seven years. Per capita residential valuation peaked in 2011, but has since fallen by 34% (compared to a 40% drop at the state level). Commercial/industrial assessed value per employee has also fallen from its peak in 2010 but only by less than half the state average (approximately 40%).

Assessed value trends are indicative of general real estate market conditions, although assessed value generally lags market value.



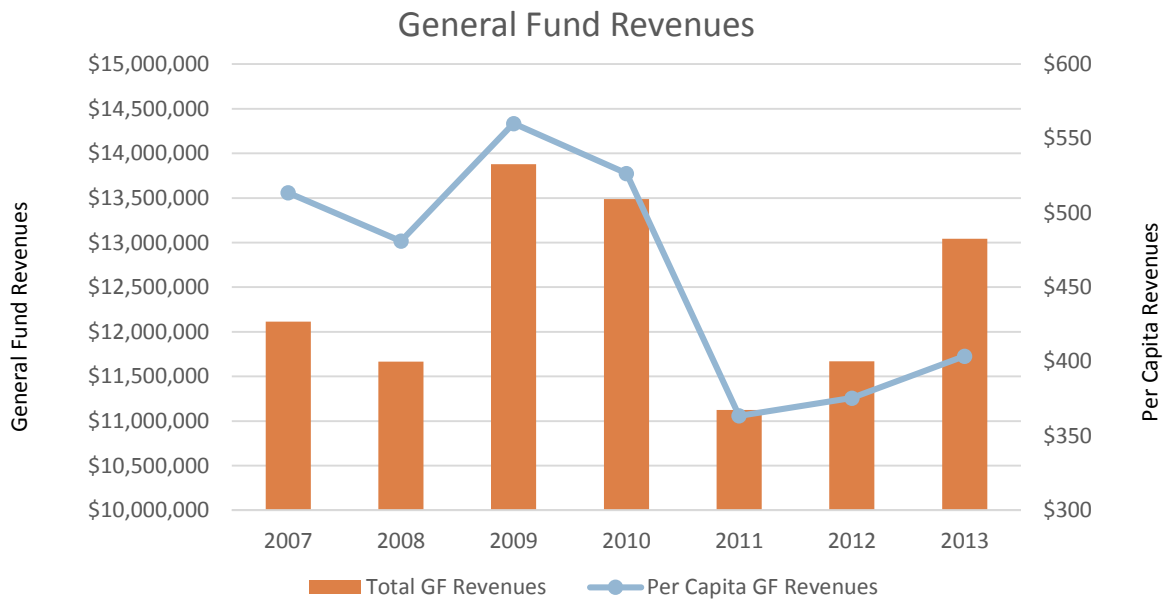
| Net Assessed Value (\$000) | | | | | | | |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| City of San Luis | \$44,058 | \$50,758 | \$59,117 | \$67,630 | \$74,516 | \$66,877 | \$65,515 |
| State of Arizona | \$71,852,630 | \$86,183,352 | \$86,525,273 | \$75,664,423 | \$61,764,402 | \$56,283,024 | \$52,598,342 |
| San Luis Index | 100.0 | 96.1 | 111.4 | 145.8 | 196.8 | 193.8 | 203.1 |
| Assessed Value Growth Rate | | | | | | | |
| City of San Luis | 14.5% | 15.2% | 16.5% | 14.4% | 10.2% | -10.3% | -2.0% |
| State of Arizona | 32.0% | 19.9% | 0.4% | -12.6% | -18.4% | -8.9% | -6.5% |

Municipal Revenues

Municipal revenue trends are a way to understand how economic activity translates into fiscal sustainability for the city. Total general fund revenues have been variable over the course of the last seven years, ranging from a high of \$13.8 million in 2009 to a low of \$11.1 million in 2011. Overall, general fund revenues have rebounded to 94% of 2011 levels.

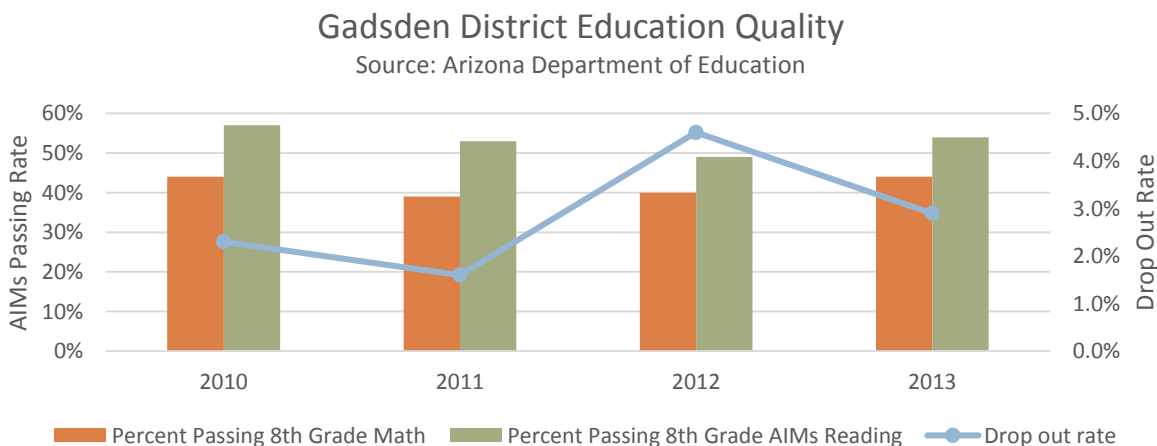
In terms of local tax collections in the general fund, San Luis does not have a property tax, so sales tax comprises the majority of local tax collections. The city imposes a 4% privilege "sales" tax, which is among the highest in the state; compared regionally, Yuma imposes a 1.7% tax.

Tax collections increased dramatically from 2007 to 2009, but dropped nearly as dramatically from 2010 to 2011; this decline is subsequently reflected in the per capita general fund revenues over the same period of time.



Quality of Life

Quality of life is an important measure of the community’s overall health. In terms of education, dropout rates among San Luis high school students are marginally better (2.9%) than the state average

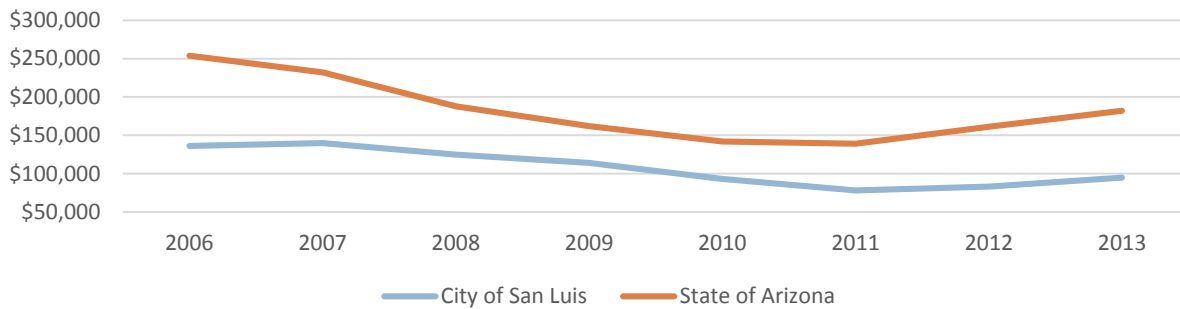


of 3.5%. AIMS scores for 8th grade Gadsden Elementary School District students are consistently and significantly below state averages, particularly in reading but also in math. In 2013, 54% of students met or exceeded standards in reading compared to 72% statewide; in math, 44% met or exceeded, compared to 58% statewide.

In terms of crime, Yuma County is safer than many—primarily urban—areas in the state. Other measures of quality of life include housing costs and commute times. As of 2013, the median value of existing homes in San Luis was approximately half (\$95,000) the state average (\$182,000). San Luis has an above-average share of owner-occupied housing, which tends to make a community more stable. Overall, San Luis withstood the recession better in terms of values compared to the rest of the state.

Median Home Values

Source: zillow.com



National and state trends reflect that people prefer to live closer (within a half hour or so) to where they work. Commute times in San Luis are comparative to state averages and trending shorter over the last several years.

| Mean Commute Time (minutes) | | | | | | | |
|-----------------------------|-----------|-----------|--------------|-------------|--------------|--------------|-----------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| City of San Luis | 30.4 | 34.4 | 34 | 34.8 | 26.9 | 23.7 | 22.7 |
| State of Arizona | na | na | 24.9 | 24.8 | 24.7 | 24.6 | na |
| San Luis Index | na | na | 100.0 | 97.3 | 125.4 | 141.7 | na |

San Luis Scorecard

The San Luis Scorecard represents a way to benchmark the economic indicators. This indexing approach, with 100% representing the baseline ratio/index, allows a comparative analysis to the state’s performance. Comparatively, San Luis is doing better than the state as a whole.

| Measurement Index ³ | 2007 ⁴ | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--------------------------------|-------------------|-------|---------|--------|----------|--------|--------|
| Population Index | 100.0 | 103.1 | 130.1 | 133.0 | 145.7 | 141.7 | 147.9 |
| Total Population | 100.0 | 101.3 | 103.2 | 106.4 | 126.4 | 127.2 | 130.6 |
| Growth Rate | na | 100.0 | 362.7 | 921.3 | 1,821.5 | 88.0 | 165.9 |
| School Enrollment | 100.0 | 107.0 | 178.9 | 189.9 | 200.8 | 193.3 | 211.0 |
| Labor Force Index | 100.0 | 114.2 | 135.0 | 135.1 | 160.6 | 160.2 | 170.0 |
| Total Participants | 100.0 | 111.1 | 122.6 | 132.5 | 233.4 | 244.4 | 269.4 |
| Growth Rate | na | 100.0 | 227.5 | -196.8 | -805.5 | -110.0 | -436.8 |
| Employed Persons | 100.0 | 101.7 | 103.4 | 103.2 | 151.1 | 144.2 | 140.8 |
| Employment Growth Rate | na | 100.0 | 10.3 | 22.9 | -1,296.1 | -187.8 | 919.6 |
| Unemployment Rate | 100.0 | 129.9 | 178.9 | 172.3 | 133.8 | 111.9 | 99.9 |
| Educational Attainment | na | na | 100.0 | 170.5 | 188.5 | 203.5 | na |
| Income Index | 100.0 | 91.6 | 93.8 | 94.9 | 92.8 | 89.0 | 99.5 |
| Median Family Income | 100.0 | 87.7 | 86.8 | 89.0 | 84.8 | 82.3 | 93.4 |
| Per Capita Income | 100.0 | 93.2 | 99.1 | 97.1 | 95.7 | 89.3 | 98.4 |
| Poverty Rate | na | na | 100.0 | 98.2 | 88.7 | 76.6 | 66.7 |
| Economy Index | 100.0 | 90.6 | 99.3 | 101.5 | 99.2 | 97.8 | 102.7 |
| Share of All Establishments | 100.0 | 99.4 | 102.0 | 100.6 | 99.5 | 100.6 | 99.1 |
| Share of Basic Industry Ests. | 100.0 | 98.2 | 101.1 | 99.6 | 99.7 | 98.4 | 96.9 |
| Share of All Employment | 100.0 | 92.4 | 93.7 | 104.1 | 98.3 | 99.8 | 105.2 |
| Share of Basic Industry Emp. | 100.0 | 72.4 | 100.2 | 101.6 | 99.2 | 92.3 | 109.7 |
| Construction Index | 100.0 | 142.1 | 297.8 | 278.3 | 125.1 | 89.5 | 117.2 |
| Housing Units | 100.0 | 137.7 | 337.5 | 315.8 | 115.5 | 86.4 | 111.6 |
| Residential Permit Value | 100.0 | 146.6 | 258.0 | 240.7 | 134.7 | 92.5 | 122.9 |
| Assessed Value Index | 100.0 | 96.3 | 1,604.1 | 55.1 | 105.7 | 166.1 | 140.0 |
| Total Net Assessed Value | 100.0 | 96.1 | 111.4 | 145.8 | 196.8 | 193.8 | 203.1 |
| Growth Rate | 100.0 | 168.4 | 9,165.2 | -253.3 | -122.4 | 255.1 | 68.7 |
| Residential Assessed Value | 100.0 | 77.9 | 96.0 | 132.6 | 173.8 | 163.1 | 160.7 |
| Residential Per Capita | 100.0 | 76.9 | 93.1 | 124.6 | 163.4 | 129.0 | 126.3 |
| Commercial Assessed Value | 100.0 | 80.0 | 80.7 | 91.8 | 134.1 | 150.9 | 164.4 |
| Commercial per Employee | 100.0 | 78.6 | 78.1 | 88.9 | 88.8 | 104.6 | 116.8 |
| Municipal Revenue | 100.0 | 106.1 | 143.3 | 143.9 | 104.8 | 110.6 | 118.8 |
| Total Local Tax Collections | 100.0 | 118.9 | 179.1 | 188.2 | 144.8 | 155.1 | 167.0 |
| Per Capita Collections | 100.0 | 115.7 | 170.6 | 173.3 | 111.6 | 117.8 | 121.9 |
| Other General Fund Revenue | 100.0 | 96.3 | 114.6 | 111.3 | 91.8 | 96.3 | 107.7 |
| Per Capita Revenue | 100.0 | 93.7 | 109.1 | 102.5 | 70.8 | 73.1 | 78.6 |
| Quality of Life | 100.0 | 127.0 | 122.5 | 121.2 | 200.5 | 102.8 | 86.5 |
| Property Crime Rate | 100.0 | 130.3 | 105.0 | 130.9 | 182.4 | 83.1 | na |
| Violent Crime Rate | 100.0 | 140.6 | 145.8 | 124.0 | 326.2 | 139.9 | na |
| Median Home Value | 100.0 | 110.2 | 116.6 | 108.5 | 93.0 | 85.4 | 86.5 |
| Overall Index | 100.0 | 106.2 | 372.4 | 114.9 | 136.1 | 129.9 | 127.6 |

³ Data has been indexed relative to statewide trends for purposes of comparison

⁴ San Luis compared to Arizona in 2007 = 100%

Economic Analysis

San Luis has many assets that make the community ready for economic growth and development. Understanding these strengths as well as the opportunities allows the community to position itself most effectively for economic development. As part of the *Border Communities Roadmap*, a Community Asset Inventory was developed. Asset-based economic development strives to create sustainable economic growth while building on the community's existing assets. The Focused Future process further defined the city of San Luis' opportunities and challenges identified in the previous Roadmap effort.

SWOT Analysis

As part of the Focused Future II process, the community completed an assessment of the San Luis Strengths, Weaknesses, Opportunities, and Threats. While not intended to be exhaustive in nature, this summary assisted in identifying the plan's key focus areas.

| Strengths | Weaknesses |
|--|--|
| San Luis has a young and growing population with strong family values and binational cultural connections. | Lack of skilled labor force in San Luis. |
| There is a binational regional commitment for economic development. | Infrastructure, specifically rail and adequate fiber optics, is needed throughout the region. |
| Access to post-secondary education in communities like San Luis is good. | High cost of power. |
| Land is available for commercial and industrial development. | Site challenges particularly in San Luis (cost of land and land served by infrastructure). |
| Natural resources (such as abundant water) are available. | Wait times for border crossing are unpredictable. Inspection at commercial port is done by different agencies which impacts the wait times and sometimes causes confusion. |
| The border is very secure. San Luis is the 7 th safest community in Arizona. | Perception of an unsafe community due to border. |
| Cost of labor is competitive and there is a growing workforce. | Private land owned by same owners in San Luis making it difficult to market for new business development. |
| The quality of life is good with friendly people and locally owned small businesses. | Lack of property tax to stabilize public funding. |
| Strong agriculture economy within the region. | High unemployment rates and lack of jobs. |
| A binational growing population. | Perception of a volatile and unstable government. |
| Constant housing needs that are being addressed. | Unable to retain youth due to lack of opportunities. |
| Adequate infrastructure is available for next 10 years. | Lack of recreational facilities. |
| San Luis has a state-of-the-art commercial port | Lack of specific niche to market San Luis |

| | |
|---|---|
| with the only freezer inspection facility in Arizona and low border wait times. | (branding). |
| Entrepreneurship development is occurring as a result of the new San Luis business incubator. | Cost of land/building for commercial development in San Luis. |
| Opportunity to capitalize on the existing foreign trade zone. | Lack of upper-level courses for Arizona Western College and Northern Arizona University and there is a need for facility expansion in San Luis. |
| | Lack of medical facilities (hospital) outside of the city of Yuma. |
| | Lack of motivation to improve store fronts. |
| | Lack of balance of commercial/industrial with housing. |
| | Surrounded by state and federal land- land-locked. |
| | High sales tax in San Luis making it not competitive. |
| | Perception that San Luis is not business friendly. |

| Opportunities | Threats |
|---|---|
| San Luis Rio Colorado, Sonora, with a population well over 200,000. | State implementation of anti-immigrant (SB1070) legislation. |
| San Luis, Arizona, is approximately 70 miles from El Golfo de Santa Clara, Sonora, with sandy beaches, fishing, clam digging, and a mild, sunny climate. | Large public land holdings leading to communities being landlocked. |
| Busy port of entry with approximately 44,000 people daily coming across at San Luis. Commercial port-of-entry has a current low volume of commercial crossings. | Federal and state policies that impact the community. |
| Availability of industrial land at the port-of-entry with infrastructure being developed. | |
| Mexico Reforms-Gross Domestic Product (GDP) is growing faster than most countries in the world. | |
| American companies that are re-shoring. | |
| Rolle Airfield-unmanned drones- expanding aerospace industry. | |
| California’s negative business climate and regulations. | |
| NAFTA/FTZ designations | |

Strategic Location

The city of San Luis' major economic asset is its strategic location along the U.S./Mexico border. The San Luis Land Port-of-Entry is one of Arizona's busiest with approximately 44,000 daily crossings at San Luis. The port has a current low volume of commercial crossings and the opportunity to increase activity is great. The original 13-acre port now referenced as San Luis I was constructed in 1930 to facilitate trade between the U.S. and Mexico. It has been expanded twice and is located at the commercial and business center of the city of San Luis. The port provides daily access to privately operated vehicles using eight general lanes and two Secure Electronic Network for Travelers Rapid Inspection (SENTRI) lanes (between 6 a.m. to 10 p.m. only). Following the relocation of the cargo facility to San Luis II in 2009, the old cargo lanes at San Luis I were converted to two SENTRI.

The port also processes pedestrians and bicyclists adjacent to the general passenger operating vehicle lanes, with one processing booth with SENTRI capability (4 a.m. to 10 p.m. only). The remainder of the pedestrian processing occurs inside, using two lanes with three stations (in tandem) each. The city of San Luis, working with the Arizona Department of Transportation, recently reconfigured the flow of traffic in the downtown area which improved congestion. Additionally, expansion of the Customs and Border Patrol (CBP) southbound inspection capabilities was completed in early 2014.

The San Luis II port-of-entry is an 80-acre processing facility located approximately five miles east of the original San Luis I port-of-entry. Commercial vehicles are processed through three primary inspection lanes. One of these lanes is dedicated as a Free and Secure Trade (FAST) lane. This new port was designed to initially process 400 trucks per day with the potential to expand to 650 trucks per day by 2030. San Luis II includes an indoor temperature-controlled (60 degrees F) five-dock space for inspection of temperature-sensitive items or private interdiction activities.

Trends

Positioning the Greater San Luis region for prosperity and strengthening the economy's resiliency requires an understanding of trends impacting this vision. Some of these trends, both global and domestic, underline challenges to American prosperity and not just the region. These are not listed in any priority order and all are intertwined.

Economic Globalization

It is projected that in the near future, the majority of global economic growth will come from other countries. This is due to economic liberalization throughout the world, skill upgrades in developing countries, and rapid technological advancement. Though it might mean increased competition for U.S. companies and skilled workers, it also can result in expanding markets assisting companies in becoming more successful.

Sharing Economy

"What's mine is yours, for a fee" is a fast-growing trend. As the sharing economy continues the loss of revenues is increasingly a concern for cities and states. Home sharing, workspace sharing, and companies like Uber allow individuals or entities to generate supplemental income while the trend is forcing traditional structures to change.

Internet of Everything (or Internet of Things IoT)

Everything we use in daily life is embedded with electronics, software, and sensors that result in enhanced connectivity. Information and data can be exchanged easier and faster. This digital transformation has wide-reaching business impacts as well as potential economic opportunity.

Restructuring of the Economy

The mid-1960's ushered in an era where U.S. companies began to shift manufacturing operations to Mexico, and the trend shifted dramatically in the 1990s as companies looked to Asia for lower labor costs. Today, another shift is occurring as companies are rediscovering Mexico and other parts of Latin America as a manufacturing alternative. Mexico's proximity to the U.S. market and the U.S. parent companies, the ease of access, similar time zones, a growing, highly skilled workforce, large number of English speakers, and the constant effort to improve cross-border logistics make manufacturing in Mexico an attractive alternative to China and other Asian locations. This "nearshoring" or "reshoring" trend coupled with an emerging middle class results in Arizona's proximity to Mexico becoming a strategic opportunity.

Labor Market Shifts

More highly educated workers and those who possess certain non-routine skills have seen wage gains, while others have experienced stagnating incomes. The dichotomy within the labor force is a critical and growing challenge.

Big Data and New Technologies

Cloud computing, digital communications, big data, and 3-D printing are estimated to add \$33 trillion to the world economy every year, which is staggering. However, as a result of the advancement in the new technologies many jobs, some experts estimate close to 50%, are at risk of being automated over the next 20 years.

Demographic Shifts

As the baby boom generation continues to retire and there is a continued growth in the working-age population with lower educational attainment, the economy will be impacted significantly.

Small Business and Entrepreneurial Support, Development, and Expansion

The largest number of jobs being created are by small businesses in the U.S. Successful communities focus on providing job training and expansion support to entrepreneurial development and small business growth.

Natural Resource Pressures

Growth and domestic consumption have exacerbated natural resource pressures, raising the price of energy and increasing the threat to low-lying coastal areas and agricultural belts from global climate change. Additionally, drought conditions in the West will have a significant impact on water availability and the politics of water will increase dramatically. According to the *Hydrologic Study: Availability of Water for Adequate Water Supply Designation* (November 30, 2010), the city of San Luis has "...sufficient groundwater to provide a 100-year water supply and for the current and future uses in the San Luis area. In the event groundwater quantity, quality, or depth presents an issue for San Luis in the future, alternative sources of surface water exist to continue to provide drinking water to the city. Water conservation alternatives could reduce the water demand by the city if necessary."

Critical Issues

The San Luis Strategic Plan for Economic Development is intended to take advantage of its strategic assets while addressing the following critical issues.

- Address the persistent high unemployment through the creation of local and regional jobs.
- Focus on what San Luis needs to address while the state and federal government creates policies and initiatives that impact San Luis.
- Develop a sustainable revenue stream to fund infrastructure and community projects.
- Correct the imbalance of commercial and industrial land developed.
- Further expand the recognition that the Greater San Luis region is a gateway to global trade, commerce, and tourism.
- Continue to improve and expand port-of-entry operations and wait times to strengthen border trade and commerce
- Continue to expand value-added agriculture and technologically advanced farming to ensure that the agriculture industry continues to be vibrant.

Strategic Direction

The community and economic development plan is intended to be an action-oriented strategy to strengthen the San Luis economy. The objectives are to guide local decision-making, provide a road map for the community's economic future within the larger binational region, and serve as a benchmark for monitoring progress over time.

Its strategic nature focuses on actions that can be initiated or accomplished over the next five years. It is not intended to address every issue or tackle every problem facing the community. The objective is to identify those actions that are realistic and can provide results that build upon the community's assets and opportunities.

The plan also recognizes the need for strong partnerships between government (municipal, tribal, and educational), agencies, citizens, service organizations, and the business community. The plan respects the existing roles and responsibilities of the various organizations but encourages collaboration in achieving many of the strategic initiatives. Effective implementation of this plan will require cooperation and collaboration over time to realize sustained success.

Economic Development Defined

Economic development efforts work to increase the standard of living for residents. Developing a vibrant economy is important to San Luis residents because as a result jobs are created, new revenues are generated to support the development of needed services, overall tax base expands, and wealth is created, raising the standard of living for all residents.

Discussions about economic development typically focus on business retention, expansion, and attraction or expansion of the tax base. However, economic development is directly related to the area's overall quality of life. A sustainable economy is one that *meets the needs of today without compromising the ability of future generations to meet their needs*.

There are two types of economic activity:

- Basic economic activities *bring new dollars into the community*. These activities include tourism-serving businesses and manufacturing. These types of activities typically create spin-off jobs for every job directly created.
- Non-basic activities *re-circulate money that is already in the area* (through activities such as dry cleaners or car washes). These activities help to keep dollars in the community and cash registers ringing.

Both types of economic activity are critical to local economies. In order for the local and regional economy to grow and expand, there must be new dollars coming into the area and enough business in the community for new dollars to circulate within and not immediately leave the local economy. The longer dollars can circulate within a local economy through non-basic activities, more wealth is created. The term “economic leakage” describes when capital or income exits the economy rather than remaining within the community for a multiplying effect. The following graphic illustrates this concept.



San Luis Economic Development Vision

A vision is an articulation of an ideal and unique future. A vision inspires, motivates, and transforms desire into action. Following is the San Luis economic development vision.

To improve the overall quality of life and ensure community sustainability by attracting new businesses, retaining existing businesses, and improving the opportunity for people to have quality jobs.

Economic Development Action Plan

Strategic focus areas provide the framework for the San Luis Economic Development Action Plan. These represent areas where San Luis should focus or direct its attention over the next five years. As accomplishments are achieved within each, the result is collectively moving the community toward economic diversification and improved quality of life. Each focus area is described and identifies goals and strategies. Goals are desired ends or conditions that, if pursued over time, will ultimately result in the attainment of the community vision. Strategies are the specific activities that help to achieve the goal. Goals and strategies are not prioritized in this document.

Focus Area: Business Retention and Expansion

According to the U.S. Small Business Administration (SBA), small businesses (a) create two out of every three new jobs, and (b) employ over half of the private sector employees, and produce over half of the non-farm Gross Domestic Product (GDP). San Luis' economic health is dependent on the number and quality of jobs provided by businesses within the community. Nationally, there is a growing "buy local" movement that supports local businesses. Research has shown that if people of an average American city were to shift 10% of their spending from chains to local businesses, it would bring an additional \$235 million per year to the community's economy.

In April 2015 the city of San Luis opened the 20,000-square-foot Business Incubator designed to assist start-up companies. Through a grant from the U.S. Economic Development Administration and Community Development Block Grant program, the facility supports the growth of light manufacturing and similar small businesses.

Goal

Partner with local businesses and educational institutions in the development of a San Luis Business Retention and Expansion Program (BRE) to strengthen the local business climate.

Strategies

1. Establish a BRE program that takes a long-term, systematic approach to early detection and identification of business problems, and identification of opportunities to help businesses expand within the community, and fosters relationships to promote a sense of loyalty and commitment to San Luis.
2. Due to the lack of business capital locally, explore the possibility of developing a local financial institution that can support new business start-ups and business expansion.
 - 2.1. Establish a regional bankers/financial roundtable to encourage information sharing about potential projects, discussion about the community investment act obligations, and possible facilitation of project funding.
 - 2.2. Maximize the Industrial Development Authority (IDA) as a conduit for business financing opportunities.
3. Establish a local city branding and/or marketing plan that promotes a shop local program.
4. San Luis should be proactive in medical expansion. Provide incentives for medical facility development and support expansion.
5. Establish a San Luis Ambassadors Program. Empower citizens with the information to promote economic development opportunities in San Luis.
6. Engage local businesses in community activities.

Focus Area: Business Attraction

San Luis is Arizona's second largest border port-of-entry and the total dollar value of commodities that moved through the San Luis port was \$1.6 billion in 2014, an increase of 4.1% from 2013. The dollar value of northbound and southbound flows of electric/electronic manufacturing products increased by 20% and 16.6%, respectively, in 2014. The dollar value of southbound flows of machinery/equipment manufacturing products decreased by 10.5% in 2014, while northbound flows increased 0.4% from 2013.

The maquiladora or twin plant operators have a longstanding history within the Yuma region and are critical to the success of many major employers within the area. There are over 20 maquiladora manufacturing companies operating in San Luis Rio Colorado. These operations represent a variety of industries including but not limited to textile, electronics, furniture, and food products. An incentive in support of these operations is the San Luis Rio Colorado "Free Trade Zone" that operates much like the U.S. version of the Foreign Trade Zone where companies that locate are privileged to expedited movement of goods and reduction in country tariffs. The city of San Luis can work to attract businesses that can support the maquiladora sector in San Luis Rio Colorado.

The San Luis port ranks second for imported fresh produce from Mexico in terms of volume and value. In 2014, fresh produce imports were \$140.2 million, a 43.7% decrease over 2013. Yuma is the top producer of agriculture in Arizona. Yuma County has a strong value-add agriculture and product industry with nearly 40% of all winter produce consumed in the U.S. coming through the San Luis port-of-entry. The agriculture industry is a \$3.2 billion per year industry in Yuma County. Agribusiness and value-add business opportunities could be further developed in San Luis.

The San Luis economy is largely retail trade, agriculture, and manufacturing. Government is the largest employer of any industry sector. San Luis is an active member of the Greater Yuma Economic Development Corporation that serves as the regional marketing and business recruitment entity for Yuma County. Based on competitive advantages, the leading industries for recruitment include:

- Logistics and distribution
- Maquila
- Food technology and agribusiness
- Aviation and defense testing
- Industrial manufacturing
- Renewable energy

Goal

Diversify and strengthen San Luis' economic base by maximizing its strategic border location and assets to attract quality, high-value industry development.

Strategies

1. Staying ahead of the traffic flow is critical. Realignment of the roadways downtown will have a positive impact on traffic flow.
2. Develop project-ready sites. Public/private partnerships might be needed to prepare ready sites.
3. Further develop San Luis II Port-of-Entry for privately owned vehicles.
4. Maintain a strong regional presence and continue to promote the regional economic development opportunities.

5. Establish a community and economic indicators database and program for keeping it up-to-date.
6. Support the development of general aviation and freight services at Rolle Airfield that are compatible with the Marine Corps Air Station (MCAS) operations.

Focus Area: Tourism Development

Tourism is an economic activity that imports money into the community, and the tourism industry plays a major role in Arizona. In 2014, 40.7 million people visited Arizona and they collectively spent \$20.9 billion in the state. In 2013, 3.6 million Mexican visitors stayed overnight in Arizona.

Medical tourism in Mexico has grown and there are more than a dozen destinations according to the Mexico Tourism Board. Many border communities, such as Calexico, have attracted medical tourists seeking cost-effective healthcare.

San Luis' proximity to the border provides a tremendous opportunity to leverage binational recreational and cultural assets for increased tourism revenues. San Luis is the western gateway to the Sea of Cortez and Rocky Point. The community could be positioned for increased recreational and cultural or heritage tourism opportunities. The National Trust for Historic Places defines heritage tourism as "traveling to experience the places, artifacts, and activities that authentically represent the stories and people of the past." It can include cultural, historic, and natural resources.

Goal

Leverage binational tourism assets to attract visitors the region.

Strategies

1. Partner with San Luis Rio Colorado to attract medical tourism opportunities. The binational businesses are bilingual, which helps attract folks seeking medical services in San Luis Rio Colorado.
2. Promote international tourism events.
3. Build upon San Luis' culture more effectively as a tourism strategy.
4. Facilitate the development of tourism support services such as hotels, restaurants, etc.
5. Establish a downtown redevelopment commission, create a redevelopment district, and implement strategies to make downtown a tourism destination. Explore the concept of creating a binational Main Street urban design project that unifies the streetscape amenities, signage, and building design.

Focus Area: Governance

Industry site selectors recognize the importance of a fair and consistent community governing process. If a company is to invest millions in a community, there needs to be some level of assurance that the investment is secure over time. Businesses want to be treated fairly and know that the process applied to one project will be applied to future projects.

Continual improvement of development processes to ensure that they are not cumbersome while meeting the community's needs ensures that San Luis encourages business growth. There has been a strong ethic of collaboration locally and within the region on economic development. Mayors have been collaborating and promoting the region collectively. Additionally, strong relationships have been established between the regional entities and with national leadership.

Goal

San Luis is recognized as a quality full-service community with a thriving business environment.

Strategies

1. Promote the fact that San Luis is “Open for Business.” Identify and address any potential development review process issues and implement an expedited permit program if needed.
 - 1.1 Establish development expectations and quality standards. Communicate this image and provide consistent information in the business applications package.
 - 1.2 How San Luis markets itself is critical. Develop and communicate a strong community identity.
2. Work regionally to develop a county-wide development approval process. Work with regional partners to create a consistent regional checklist for development projects.
3. Examine and implement a strategy to ensure the San Luis tax structure is sustainable and competitive.

Focus Area: Community Development and Infrastructure Support of Economic Development

Ensuring that adequate infrastructure is developed in anticipation of future growth is critical though difficult to accomplish. Playing catch-up in developing water, sewer, transportation, and communication infrastructure is costly. Without new and improved infrastructure capacity, economic potential dissolves.

Considerable federal and state investment has been made in projects in the city of San Luis. Most recently the Arizona Department of Transportation addressed traffic congestion at the port-of-entry by constructing street improvements. However, there are still infrastructure issues to address such as limited parking in downtown. Similarly, quality-of-life issues must continually be addressed in support of economic development. Public safety is important, and San Luis is one of the safest communities in Arizona.

Goal

Community infrastructure is well-planned and phased in in anticipation of future needs.

Strategies

1. Develop a comprehensive parking plan in downtown San Luis.
2. Collaborate regionally in efforts to pursue the development of improved rail connections. Facilitate and encourage the development of the rail corridor from Central Mexico through Yuma County.
3. San Luis needs to support and be present in the expansion of college programs/services to ensure the community’s needs are met. Pursue a specialty tech school or programs to locate in San Luis.
4. Encourage large lot housing to be developed to expand San Luis’ range of housing choices.
5. Explore the possibility of building parks and pathways in retention basins and along canals.
6. San Luis needs to explore better linkage to the Yuma International Airport.
7. Develop a cemetery in San Luis.
8. Implement a community-wide beautification program.
9. Develop more facilities for youth.
10. Create a human capital development plan that includes a path to success for all students (i.e., focus on graduation rates, JTED, etc.).

Implementation

Framework for Success

The San Luis Strategic Plan for Economic Development is intended to help expand the community's economy and improve residents' standard of living. The following guidance helps to frame how success can be realized.

Coordinated Approach

Entities, organizations, and agencies involved in economic development must work together to achieve mutually agreed-upon goals to ensure a sustainable effort. Implementing the shared vision, goals, and strategies as articulated within this plan is the first step toward cohesive and coordinated efforts.

Regional Collaboration

A comprehensive understanding of the region and a commitment to collaborating with entities throughout the region is critical. The 4FRONTED and Greater Yuma Economic Development Corporation are the regional entities focused on economic development and the city of San Luis must remain an active partner. The city of San Luis must continue to collaborate with other regional partners including the cities in Yuma County, Cocopah Nation, Yuma County, San Luis Rio Colorado, Yuma Metropolitan Planning Organization, and Greater Yuma Economic Development Corporation. Additionally, there are stakeholder partners, such as the Greater Yuma Port Authority, and educational institutions that play an important role in furthering economic development goals.

Long-Term Commitment

Economic development is a process and achievements are not realized overnight. Successful economic development programs require sustained effort and long-term investments (e.g., infrastructure and resource management) as well as consistent leadership to achieve results. Measuring performance over time allows for needed course corrections as economic conditions change or strategies are accomplished.

Plan Evaluation and Update

The San Luis Strategic Plan for Economic Development serves as a guide for community economic development efforts. However, it is critical to monitor how the plan is put into action. The city, in collaboration with its partners, is responsible for monitoring how the plan's implementation is progressing.

Adoption/Annual Review

The city of San Luis is responsible for the plan's adoption or acceptance. Implementation support in terms of funding staff and for projects is also required. The strategic plan is intended to be an evolving document requiring the city to conduct an annual review and implement potential changes.

Communication

Communication about the plan and its progress is critical. Upon adoption or acceptance, the plan's goals and strategies, as well as the city and its partners' short-term action plans, should be widely communicated and progress reported. This communication effort will assist in expanding a broader understanding of economic development and may result in more engagement.

Plan Distribution and Presentations

Because of the collaborative nature of the plan and the various agencies and allies needed for its success, the city should distribute and communicate the economic development priorities to regional and statewide entities and partners. It is important that the community's economic vision is understood and that regional entities contribute to its realization.

San Luis Economic Development Commission

The commission is the group responsible for working with the city's economic development department to implement the strategic plan and move the effort forward. The commission can assist in communicating about the importance of economic development and serve as the local response team to work with new business prospects on an as-needed basis.

Binational Regional Economic Development Effort

Through the collaborative efforts of the mayors within the region and positive cross-border relationships, a new binational regional economic development effort has been established. This important regional effort presents an opportunity to aggressively market and maximize the advantages of the larger mega-region.

Keeping Score

While many of the outlined strategies will compose the work program of the city's economic development director, other agencies and organizations will serve as leaders for executing complimentary strategies. While the city shoulders accountability for this plan, its success will rest on the contributions of the entire community; entities as outlined in *Roles and Responsibilities* will assist in coordination, implementation, reporting, and other ways to contribute toward the plan's realization.

The following implementation recommendations are offered:

- Support the work of the San Luis Economic Development Commission and Economic Development Department to serve as steward to this plan, meeting biannually to review and track progress.
- City of San Luis should continue to be an active partner in regional binational economic development efforts and a member of the Greater Yuma Economic Development Corporation.
- Create an annual progress report, authored in the first quarter of the year, to assist in budget and capital improvements planning.
- Submit annual progress reports to the community, partners (see *Roles and Responsibilities*), and the program sponsor, APS.

Plan Updates

As the plan is implemented and changes occur in the local and regional economy, the plan should also evolve. In keeping with the collaborative nature of the Focused Future program, the city and its partners should collaboratively review potential changes or edits to the plan. Any recommended changes would be presented to elected officials and considered in the same manner in which the plan was originally adopted or accepted.

Performance Measures

San Luis progress toward achieving the vision and goals outlined in the Strategic Plan can be tracked by monitoring performance indicators. In addition to the eight indicators discussed in the San Luis Economic Snapshot, the city should track and report on the following performance measures on an annual basis.

| Desired Outcomes | Performance Measures |
|-----------------------------------|--|
| Expanded and diversified economy. | <ul style="list-style-type: none"> • Taxable retail sales • Job growth by sector • New business startups |
| Business-friendly environment. | <ul style="list-style-type: none"> • Comparative taxes and fee structure • Business/development processing times |
| Efficient border operations. | <ul style="list-style-type: none"> • Increased commercial port-of-entry usage • Reduction of border wait times |
| Improved quality of life. | <ul style="list-style-type: none"> • Public safety/crime rate • Educational attainment • Employment rate • Median income |

Roles and Responsibilities

The following matrix identifies primary and secondary roles in forwarding the strategies outlined in the San Luis Strategic Plan for Economic Development. This matrix is intended to encourage collaboration and communication among entities as cooperation by these and other partners will be necessary to realize success. It is important to recognize that this list is not inclusive and serves to identify agencies with significant roles or interests, but not to exclude the variety of partners or collaborative efforts needed to realize results. Following is the key of abbreviations for the roles identified in the matrix.

City of San Luis – City

San Luis Economic Development Commission – SLEDC

Greater Yuma Economic Development Corporation – GYEDC

Chamber of Commerce – Chamber

Yuma Metropolitan Planning Organization – YMPO

Investing in Manufacturing Communities Partnership Committee – IMCP

| Strategy | Primary Role | Secondary Role |
|--|--------------|----------------|
| Business Retention and Expansion (BRE) | | |
| 1. Establish a BRE program that takes a long-term, systematic approach to early detection and identification of business problems, identification of opportunities to help businesses expand within the community, and fosters relationships to promote a sense of loyalty and commitment to San Luis. | City | GYEDC |
| 2. Due to the lack of business capital locally, explore the possibility of developing a local financial institution that can support new business start-ups and business expansion. | SLEDC | City |
| 2.1 Establish a regional bankers/financial roundtable to encourage information sharing about potential projects, discussion about the community investment act obligations, and possible facilitation of project funding. | SLEDC | City |
| 2.2 Maximize the industrial development authority (IDA) as a conduit for business financing opportunities. | City | SLEDC |
| 3. Establish a local city branding and/or marketing plan that promotes a shop local program. | City | Chamber |
| 4. San Luis should be proactive in medical expansion. Provide incentives for medical facility development and support expansion. | City | SLEDC |
| 5. Establish a San Luis Ambassadors Program. Empower citizens with the information to promote San Luis economic development opportunities. | SLEDC | Chamber |

| Strategy | Primary Role | Secondary Role |
|---|--------------|----------------|
| 6. Engage local businesses in community activities. | City | Chamber |

| Business Attraction | | |
|---|----------|------------------|
| 1. Staying ahead of the traffic flow is critical. Realignment of the roadways downtown will have a positive impact on traffic flow. | City | YMPO |
| 2. Develop project-ready sites. Public/private partnerships might be needed to prepare ready sites. | IMPC | City |
| 3. Further develop the San Luis II Port-of-Entry for privately owned vehicles. | GYEDC | City 4FRONTED |
| 4. Maintain a strong regional presence and continue to promote the regional economic development opportunities. | 4FRONTED | City |
| 5. Establish a community and economic indicators database and program for keeping it up-to-date. | GYEDC | City |

| Tourism Development | | |
|---|----------|----------|
| 1. Partner with San Luis Rio Colorado to attract medical tourism opportunities. The binational businesses are bilingual, which helps to attract visitors seeking medical services in San Luis Rio Colorado. | 4FRONTED | City |
| 2. Promote international tourism events. | 4FRONTED | City |
| 3. Build upon San Luis’ culture more effectively as a tourism strategy. | City | SLEDC |
| 4. Facilitate the development of tourism support services such as hotels, restaurants, etc. | City | SLEDC |
| 5. Establish a downtown redevelopment commission, create a redevelopment district, and implement strategies to make downtown a tourism destination. Explore the concept of creating a binational Main Street urban design project that unifies the streetscape amenities, signage, and building design. | City | 4FRONTED |

| Governance | | |
|---|------|------|
| 1. Promote the fact that San Luis is “Open for Business.” Identify and address any potential development review process issues and implement an expedited permit program if needed. | IMPC | City |

| Strategy | Primary Role | Secondary Role |
|---|--------------|----------------|
| 1.1 Establish development expectations and quality standards. Communicate this image and provide consistent information in the business applications package. | IMPC | City |
| 1.2 Work regionally to develop a county-wide development approval process. Work with regional partners to create a consistent checklist for development projects. | IMPC | City |
| 2. How San Luis markets itself is critical. Develop and communicate a strong community identity. | City | Chamber |
| 3. Examine and implement a strategy to ensure the San Luis tax structure is competitive. | City | SLEDC |

| Community Development and Infrastructure Support of Economic Development | | |
|--|----------|---------|
| 1. Develop a comprehensive parking plan in downtown San Luis. | City | Chamber |
| 2. Collaborate regionally in efforts to pursue the development of improved rail connections. Facilitate and encourage the development of the rails corridor from Central Mexico through Yuma County. | 4FRONTED | GYEDC |
| 3. San Luis needs to support and be present in the expansion of college programs and services to ensure the community’s needs are met. Pursue a specialty tech school or programs to locate in San Luis. | City | SLEDC |
| 4. Encourage large lot housing developments to broaden housing choices. | City | SLEDC |
| 5. Explore the possibility of building parks and pathways in retention basins and along canals. | City | SLEDC |
| 6. San Luis needs to explore better linkage to the Yuma International Airport. | GYEDC | City |
| 7. Develop a cemetery in San Luis. | City | SLEDC |
| 8. Implement a community-wide beautification program. | City | Chamber |
| 9. Develop more facilities for youth. | City | SLEDC |
| 10. Create a human capital development plan that includes a path to success for all students (i.e., focus on graduation rates, JTED, etc.,) | City | SLEDC |

APPENDIX

Completed Community Assessment Survey

1. Upon completion of the Focused Future plan, do you feel that your community implemented the recommendations? Yes No

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- a) Please share how the implementation was orchestrated and what was accomplished (e.g. what groups were involved, activities achieved, etc.)?

Infrastructure Support:

- ✓ Implement transportation plans-YMPO
- ✓ Develop capital improvement plan-city
- ✓ Development of ASH highway-City/YMPO/GYPA
- ✓ Expand water/sewer-city
- ✓ Work with Mexico-city

Business Development:

- ✓ Partner with region-GYEDC/Mexico/City
- ✓ Marketing strategies-GYEDC
- ✓ Create farmers market-Campesinos
- ✓ Revitalize main street-ADOT/City
- ✓ Expand industrial park-IP Association
- ✓ Create incubator-City
- ✓ Expand transportation-YMPO/ADOT

Tourism and Experience:

- ✓ Conduct join community event with Mexico-Mexico ED Office
- ✓ Promote city visitors-city

Workforce Development:

- ✓ Expand school facilities-school district
- ✓ Increase technical jobs-JTED/High School
- ✓ Increase English language proficiency/GED classes-AWC
- ✓ Increase upper level course at San Luis Campus-AWC

Senior Living:

- ✓ Develop apartment units geared toward senior-private developer
- ✓ Expand medical facilities-private developers

2. When was the San Luis General Plan adopted or last updated?

Date: 6/23/2011

- a) What elements are included (e.g., economic development, etc.)?

Land use, growth area, circulation, open space and recreation, conservation and environmental planning, water resources, economic development, public services and facilities/cost of development, housing, conservation/rehabilitation and redevelopment, neighborhood preservation & revitalization, energy, public building, and safety element.

- b) Does the community have a separate economic development plan/strategy?

Date: _____

Yes No

3. Does your community have a Capital Improvement Plan?

Date: 2/11/2009

a) How often is it updated and how is it used?

No updates have been made as of 2009. The plan is often use to allocate funding for projects.

4. Does your community have a current economic development budget and number of staff working on economic development?

Yes No

Budget: \$227,816

Staff: 2

5. Does your community use other economic development tools; if yes, please describe?

Yes No

Partnership with other entities to develop regional plans and collaboration on marketing.

6. How is the Chamber of Commerce or business group integrated into the city/town’s economic development efforts?

The Chamber of Commerce struggles through the year to be self-sustainable. City partnerships with chamber by providing resources and participating as a member.

7. Does your community utilize Community Facility Districts/Improvements Districts?

Yes No

If yes, please explain? The city has community facilities districts on the east side of town to assist in the development of infrastructure in the area. The city does not have a property tax.

8. Does your community have an economic development incentive policy?

Yes No

a) If yes, please describe?

9. Please describe the predominant growth pattern (e.g., retail, housing, commercial, etc.) of your city/town over the past 10 years.

The predominant growth pattern in the last 10 years is housing. San Luis experienced rapid population growth that triggered new residential development. However, the commercial, retail, and infrastructure growth has not balanced with the residential growth. Private lands present the best opportunity for near growth, but state and federal land presents an opportunity for future growth.

10. What percentage of the community is undeveloped? Describe the undeveloped land area (i.e., is there infrastructure support, buildings, industry parks, etc.).

About 10% of residential is undeveloped within the community. Infrastructure is in place, but due to the economy, housing development halted during the past few years. About 90% of the infrastructure land is undeveloped with more infrastructures being built on the east side of town with potential industrial park to be developed. The commercial development undeveloped is about 10% with some areas in town and 0% on the east side of town.

11. Is the public supportive of the community's economic development efforts?

Yes No

a) If yes, please describe? **City council is supportive of sustainable development and if focus is on developing the infrastructure to recruit commercial/industrial. Housing developers continue to be supported by council.**

12. Describe why you believe the community would benefit from Focused Future II?

The community's last strategic plan is 13 years old with many of the action strategies already accomplished and others that no longer represent the vision of the community. The city needs a roadmap that includes strategies that focuses on the community's new goals.

GLOSSARY

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| Action Team | The Action Team was organized to develop the <i>San Luis Focused Future Economic Development Strategic Plan</i> . The Economic Development Commission served as the Action Team and will be responsible for monitoring the Plan's implementation. |
| Basic Industry | Business activities that bring new dollars into the community. |
| Border Business Case | Four-state agency effort to identify common messaging about the economic impact and opportunity of investing in the binational region along the Arizona-Mexico border. |
| Business Retention | An activity that works with existing businesses to keep them a viable and growing part of the community. |
| Community Indicators | Quantitative measures of activities that are important to San Luis. |
| Focused Future | A community and economic strategic development planning process that was developed by APS. |
| Goals | Describes a fundamental direction or broad course of action; desired achievements. |
| Infrastructure | The fundamental public facilities such as roads, water and sewer systems, power and phone lines, and airports that transform raw land into a quality place to live and do business. |
| Leakage | The amount of revenues leaving the community due to the lack of services and retail being provided locally. Leakage happens when residents go to other communities to purchase goods and services and those communities receive the sales tax revenues. |

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|------------|---|
| Non-Basic | Re-circulates money that is already in the community through activities such as dry cleaners or car washes. |
| Strategies | Priority action steps that San Luis will address when working toward implementing the economic development vision. These initiatives contribute to the development of a vibrant economy and area where residents and businesses thrive. |
| SWOT | Analysis that evaluates the community’s strengths, weaknesses, opportunities, and threats. |
| Values | Those ideas that are most important to San Luis that the citizens would not want to compromise for growth and development. |
| Vision | An ideal and unique image of the future state of the community. It incorporates a view of the future condition that is better in some important ways than what now exists. |

ACRONYMS

| | |
|--------|---|
| ADOT | Arizona Department of Transportation |
| APS | Arizona Public Service Company – the largest energy provider in Arizona |
| AWC | Arizona Western College |
| BRE | Business Retention and Expansion |
| EDC | Economic Development Commission |
| FAST | Free and Secure Trade lane |
| FY | Fiscal year (ends June 30 of the year) |
| FTZ | Foreign Trade Zone |
| GYPA | Greater Yuma Port Authority |
| GDP | Gross Domestic Product |
| GYEDC | Greater Yuma Economic Development Corporation |
| IMCP | Investing in Manufacturing Communities Partnership Committee |
| IDA | Industrial Development Authority |
| IoT | Internet of Things |
| JTED | Joint Technology Education District |
| LWIB | Local Workforce Investment Board |
| MCAS | Marine Corps Air Station |
| NTIA | National Information and Technology Administration |
| NAFTA | North American Free Trade Agreement |
| SENTRI | Secure Electronic Network for Travelers Rapid Inspection lanes |
| SBA | Small Business Administration |
| SWOT | Strengths, Weaknesses, Opportunities, and Threats |
| USD | Unified School District |
| YMPO | Yuma Metropolitan Planning Organization |

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