

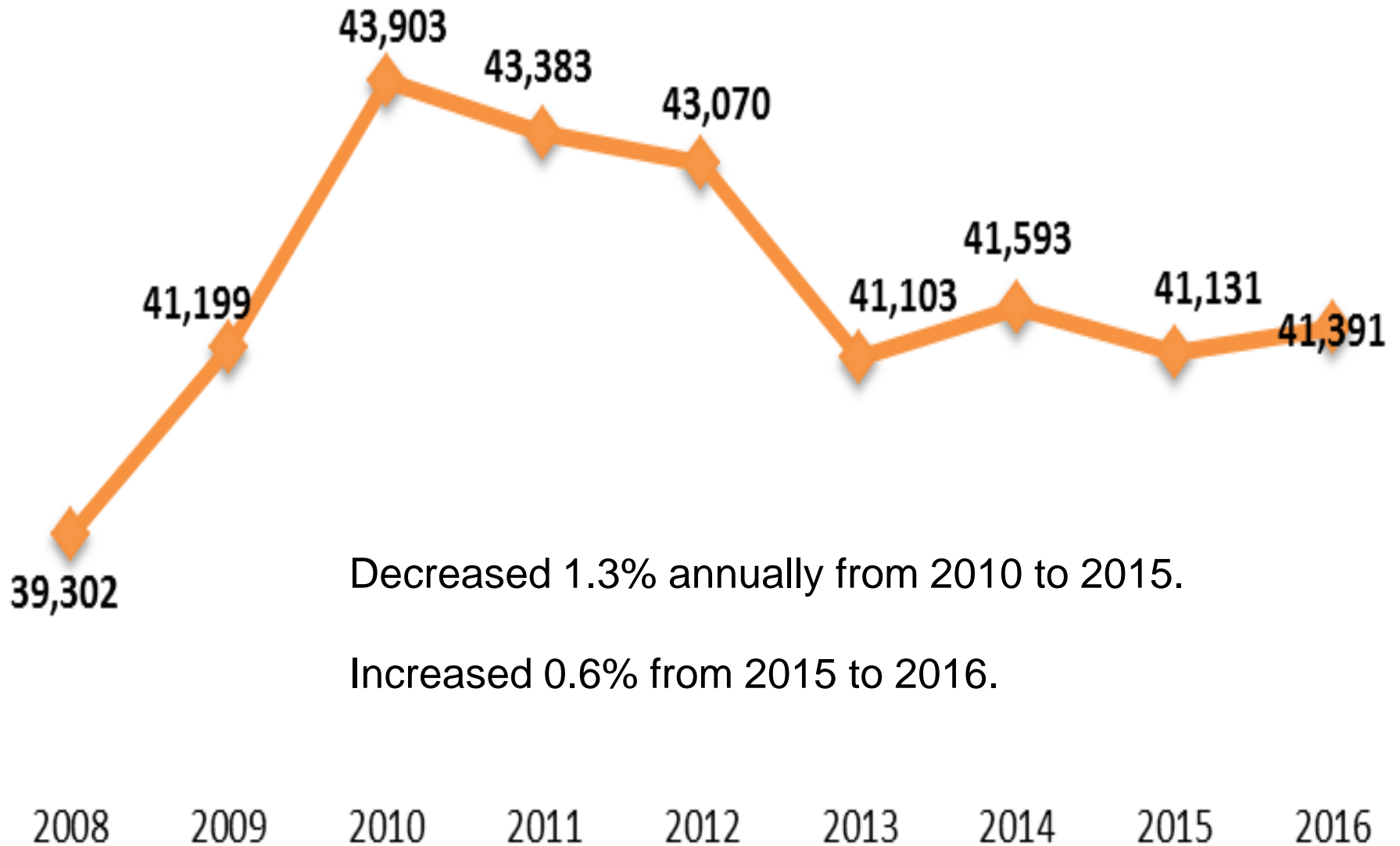
ECONOMIC DEVELOPMENT IN SHOW LOW

Steve North
Business Development
City of Show Low

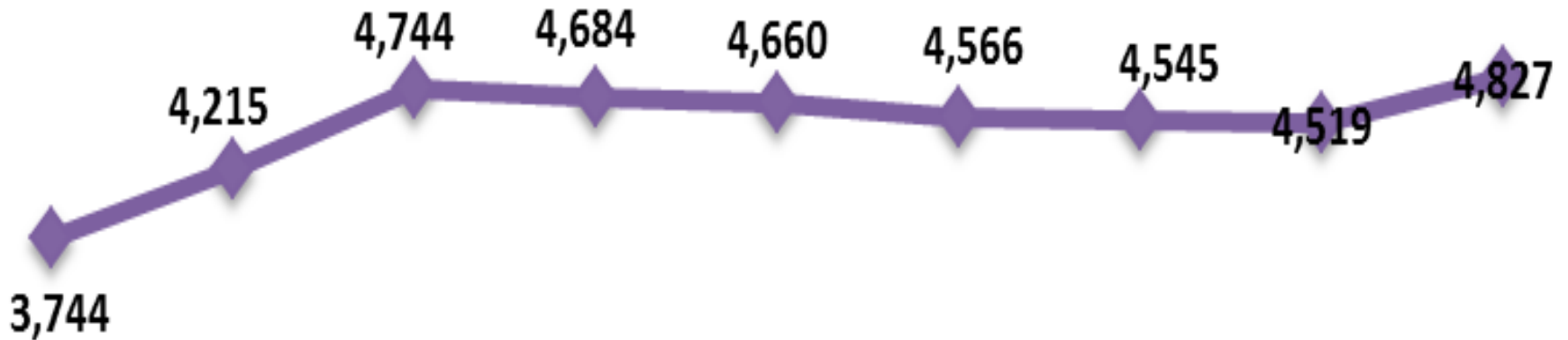
CURRENT ECONOMIC CONDITIONS

- Labor force increasing and unemployment rates decreasing (Navajo County and Show Low).
- Good job growth (Navajo County and Show Low).
- Sales tax revenues increasing (Show Low).
- Both residential and commercial building permits increasing (Show Low).
- Business licenses increasing (Show Low).

Navajo County Labor Force



City of Show Low Labor Force



Decreased 1% annually from 2010 to 2015.

Increased 6.8% from 2015 to 2016.

2008

2009

2010

2011

2012

2013

2014

2015

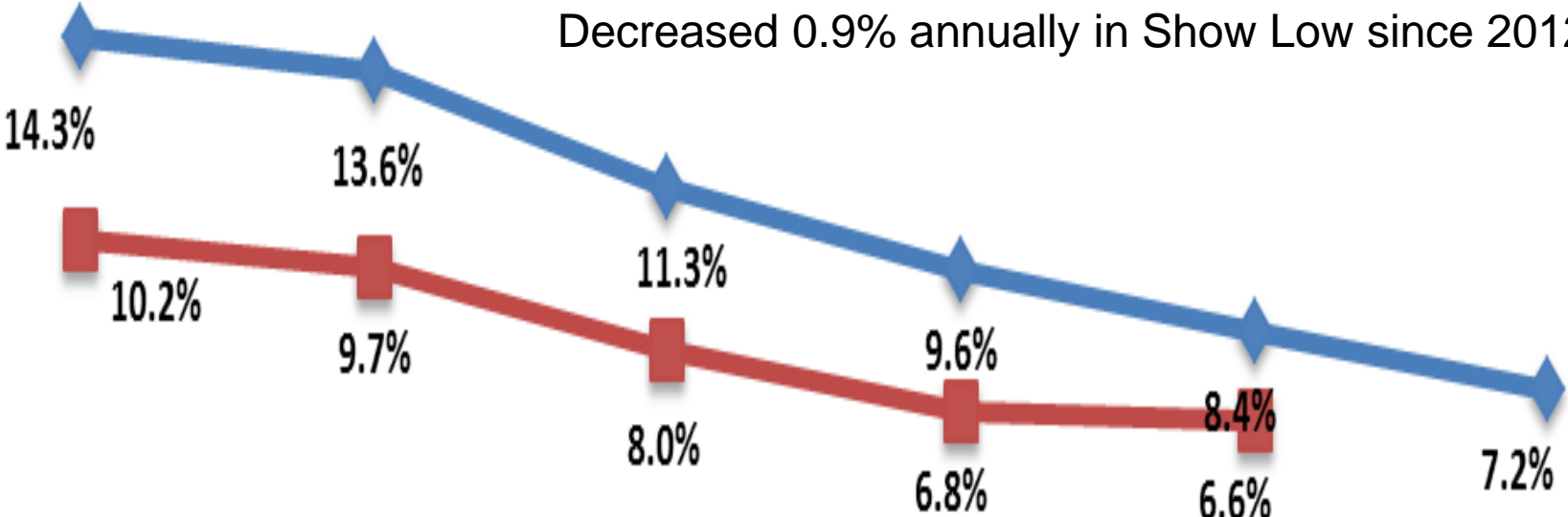
2016

Unemployment Rates

Navajo County City of Show Low

Decreased 1.2% annually in Navajo County since 2012.

Decreased 0.9% annually in Show Low since 2012.



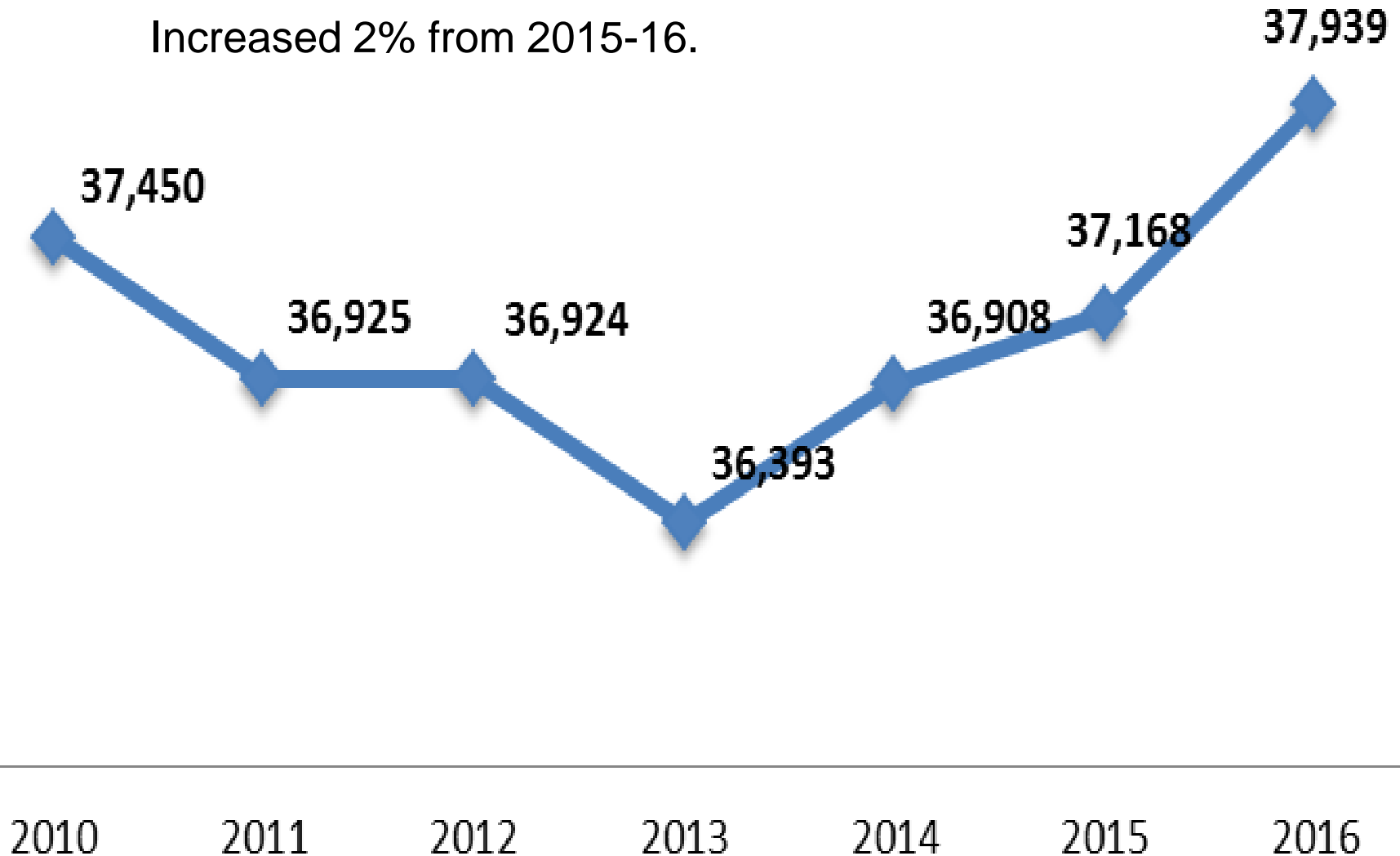
High 5's?

2012 2013 2014 2015 2016 2017

Navajo County Employment

Increased 1.4% annually since 2013.

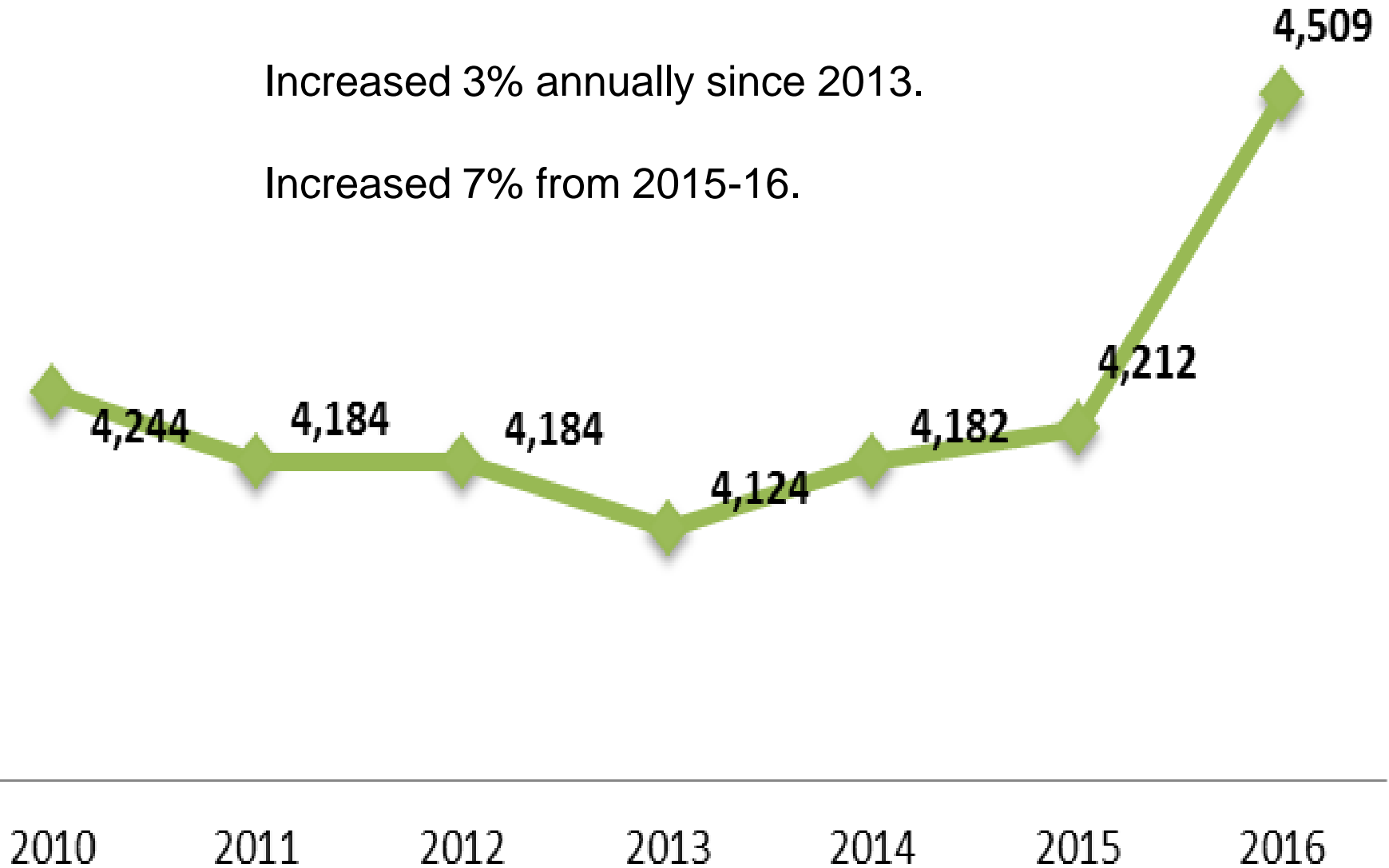
Increased 2% from 2015-16.



City of Show Low Employment

Increased 3% annually since 2013.

Increased 7% from 2015-16.

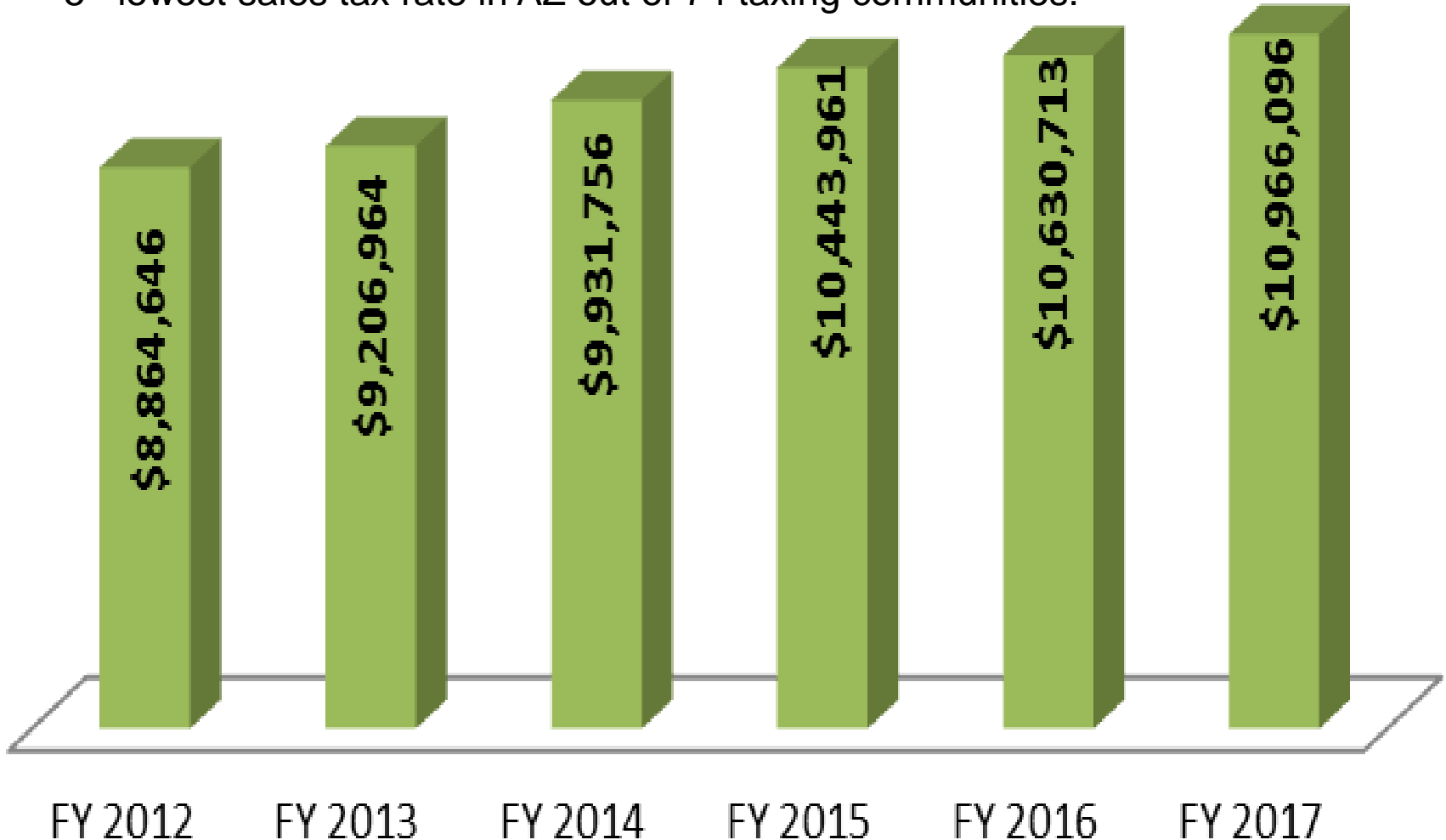


City of Show Low Sales Tax Collected

Increased 4.6% annually since 2012.

*\$548 MM total retail sales in FY 2017.

**5th lowest sales tax rate in AZ out of 74 taxing communities.

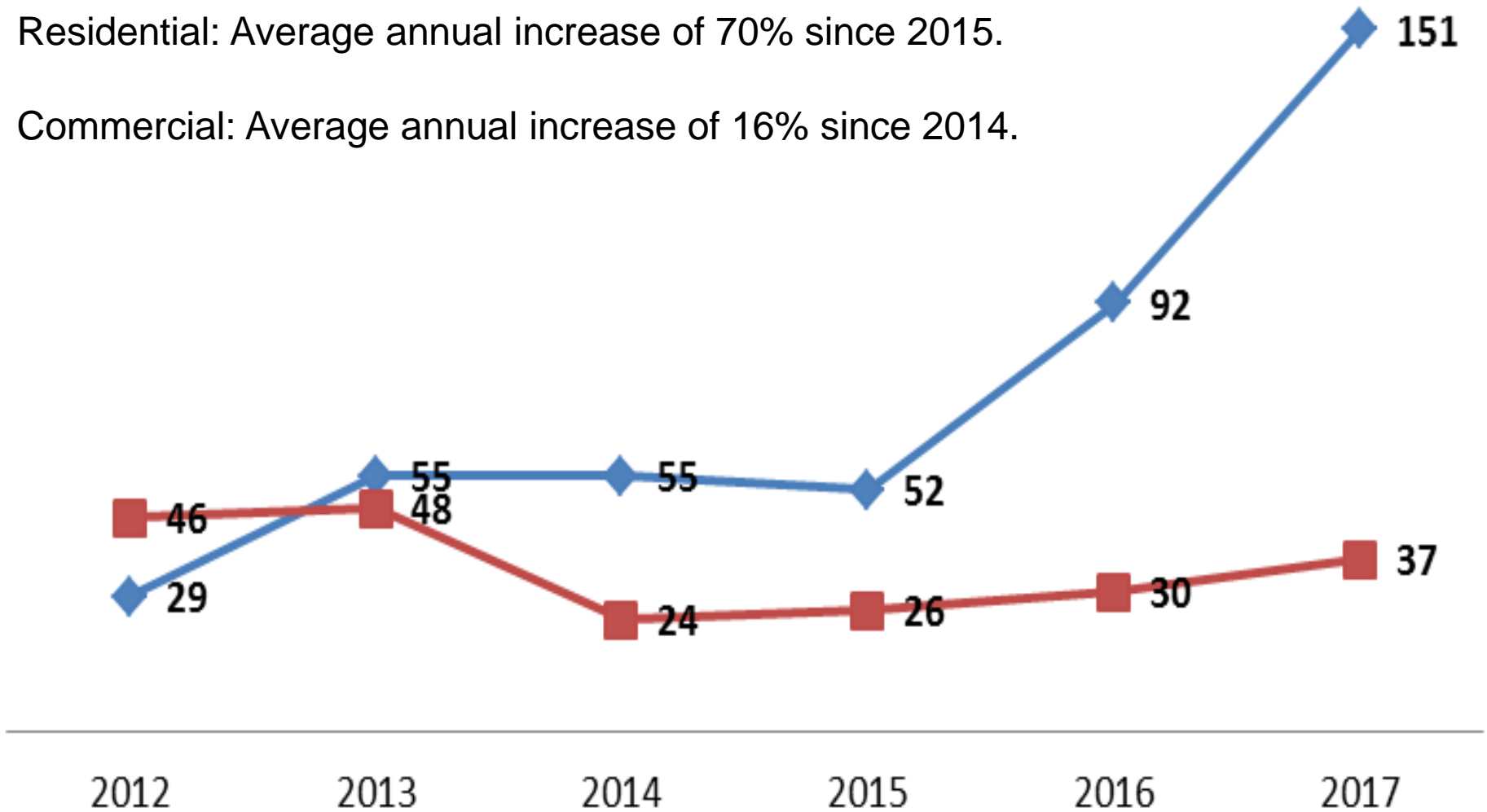


City of Show Low Building Permits

—◆— Residential —■— Commercial

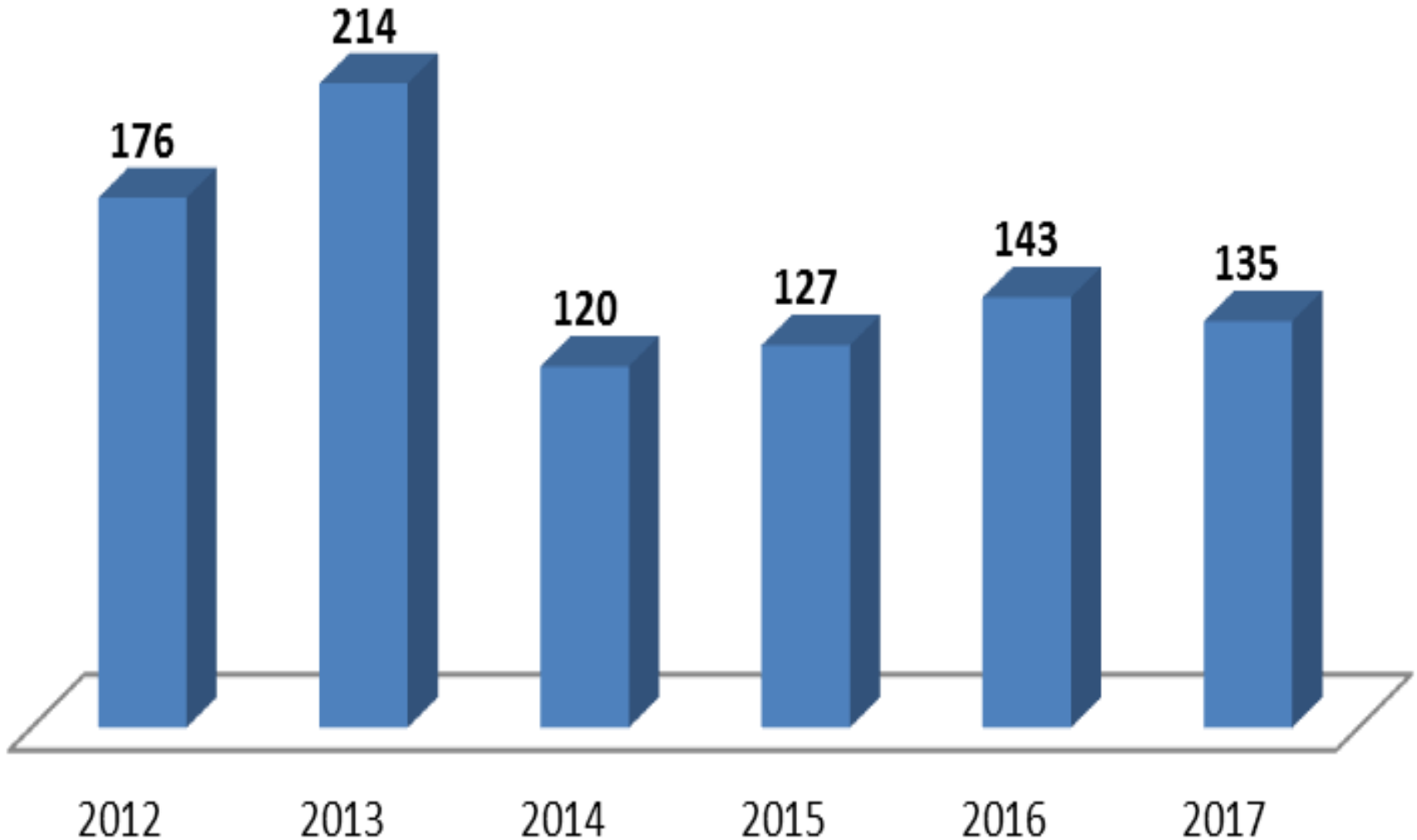
Residential: Average annual increase of 70% since 2015.

Commercial: Average annual increase of 16% since 2014.



City of Show Low New Business Licenses Issued

Increased 4.3% annually since 2014.



ECONOMIC CONCLUSIONS

- Economy continues slow recovery.
- Unemployment rates decreasing and labor force increasing. People more positive about the economy and re-entering the workforce?
- Good job growth in both Navajo County and Show Low.
- Entrepreneurial activity on the rise?

WHAT MAKES ATTRACTING NEW INDUSTRY TO SHOW LOW A CHALLENGE?

- Intense competition. 15,000 E.D. organizations compete for 1,500 industrial projects each year. Competition > for rural communities.
- Businesses choose locations by eliminating all others.
- Business attraction is relationship driven. Takes time to build relationships.
- Industrial projects typically go through site selectors.
- Show Low and NE Arizona not well known.
- Limited assets, budgets and incentives.

WHAT ASSETS DOES SHOW LOW HAVE TO ATTRACT NEW INDUSTRY?

- Business hub of NE Arizona and center of trade area. 5 State Highways converge here.
- Only airport in NE Arizona with commuter service.
- 300+ acres of shovel ready properties in 3 industrial parks.
- Good medical infrastructure. Abundant natural resources (forest, mining, water, wind/solar).
- Tourism destination.
- Underserved population (retail).

WHAT INDUSTRIES ARE WE TARGETING?

- Value-Added Forestry
- Light Manufacturing
- Medical Services
- Tourism & Hospitality
- Entrepreneurs

HOW ARE WE MARKETING TO THE TARGETED INDUSTRIES?

- Industry specific trade shows.
- Trade missions.
- Relationships w/ site selectors and real estate brokers specializing in our targeted industries.
- Advertisements.
- Direct mail and social media.
- Industry networking.

WHAT ARE THE BARRIERS TO RECRUITING INDUSTRY TO SHOW LOW?

- Isolation.
- Limited infrastructure.
 - Can't handle high water/sewer demands.
 - No Interstate or rail.
 - Limited broadband.
- Negative perceptions about the workforce.
- Limited budgets and staff.
- Few incentives.

WHY DOES SHOW LOW RECRUIT RETAIL AND RESTAURANTS?

- Sales tax revenue pays for infrastructure improvements which helps attract base industry.
- Improves quality of life which helps attract both businesses and workforce.

WHEN ARE WE GOING TO GET A COSTCO, KOHL'S OR TRADER JOE'S IN SHOW LOW?

- Decisions driven by trade area characteristics, corporate strategy and opportunity.
- Show Low and the White Mountains is attractive to some but not all retailers.
- Retailers work on their timeline, not ours (corporate/franchisee strategy and opportunity).
 - Some projects take months—some take years.
- What can we do to convince them? Will it help if we contact them?
 - Retailers don't make multi-million dollar decisions based on phone calls or social media fan pages.

HOW DOES SHOW LOW ENCOURAGE ECONOMIC DEVELOPMENT?

- Foster a business friendly environment.
- Infrastructure improvements.
 - New WW plant (2016) increased capacity by 70%.
 - Ongoing road improvements
 - Part of local consortium working to upgrade broadband in the area.
- Fast-track permitting.
- Tourism marketing.
- Business cultivation (ERC, Business Boot Camp, etc.)

WHAT'S COMING IN 2018?

- Summit Healthcare expansion.
- New retail.
- Industrial projects through Real AZ Corridor.
- Multi-purpose convention/events/sports facility in Show Low?

QUESTIONS?