



WAEDD[©]

Western Arizona Economic Development District

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

"Where We Need To Be"

PURPOSE

The Western Arizona Economic Development District's (WAEDD) Comprehensive Economic Development Strategy (CEDS) is used for regional planning as well as the identification of projects to be eligible for funding from the US Economic Development Administration (EDA).

NOTICE

This document was prepared to meet the requirements of 13 CFR 303.6(b)(3)(i) and the terms of award ED17SEA 3020008 from the Economic Development Administration, US Department of Commerce. Further, the statements, findings, conclusions, and recommendations enclosed herein are those of the author(s) and do not necessarily reflect the views of the Economic Development Administration or the US Department of Commerce.



U.S. DEPARTMENT OF COMMERCE

Economic Development Administration
Jackson Federal Building, Room 1890
915 Second Avenue
Seattle, Washington 98174
206-220-7660

July 10, 2020

Alan Pruitt
Executive Director
Western Arizona Economic Development District
3250 Kino Avenue,
Kingman, AZ 86409

RE: 2020-2021 Comprehensive Economic Development Strategy

Dear Mr. Pruitt:

The Seattle Regional Office staff of the Economic Development Administration have reviewed and approved your most recent EDA-funded Comprehensive Economic Development Strategy (CEDS). The CEDS was very well developed and should serve as an excellent economic development tool. The review checklist, with comments, is attached for your reference in preparing a future revision and interim updates.

Please note that each economic development district and Native American tribe funded under EDA's Partnership Planning program is required to prepare a full revision of its CEDS at least once every five years. In the interim a brief CEDS update is required annually to keep the document current and relevant. The due dates for future CEDS updates and revisions will be included in the terms and conditions of your applicable EDA Partnership Planning grant awards. EDA staff is ready and willing to aid with these matters.

We commend your organization for its good efforts, and we look forward to working with you as you continue to address the economic development planning and implementation needs of Western Arizona.

If there are any questions or concerns, please contact me at smetiva@eda.gov or call 206-220-7691; or Cindi Ptak, Economic Development Representative at CPtak@eda.gov.

Sincerely,

Sharon Metiva
EDS

cc: Leonard Smith, Regional Director
Maiea Sellers, Area Director
Cindi Ptak, Economic Development Representative, Arizona

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Economic Development Strategy Committee

2020-2021 Members (alphabetical):

Jeff Burt, City of Yuma Economic Development Director

Julie Engel, Greater Yuma Economic Development Corporation, President/CEO

Paul Melcher, Yuma County Economic Development Director (Chairperson)

Buna George, Greater Yuma Port Authority, Executive Director

Patrick Goetz, Arizona@Work, Employment Engagement Officer

Gen Grosse, Yuma International Airport, Corporate Accounts Manager

Tanya Hodges, University of Arizona - Yuma, Regional Academic Programs Coordinator

Dr. Kenneth MacFarland, La Paz County Finance Department

Alan Pruitt, Western Arizona Economic Development District, Executive Director (CEDS Editor)

Jim Schuessler, Yuma Multiversity Campus, Executive Director

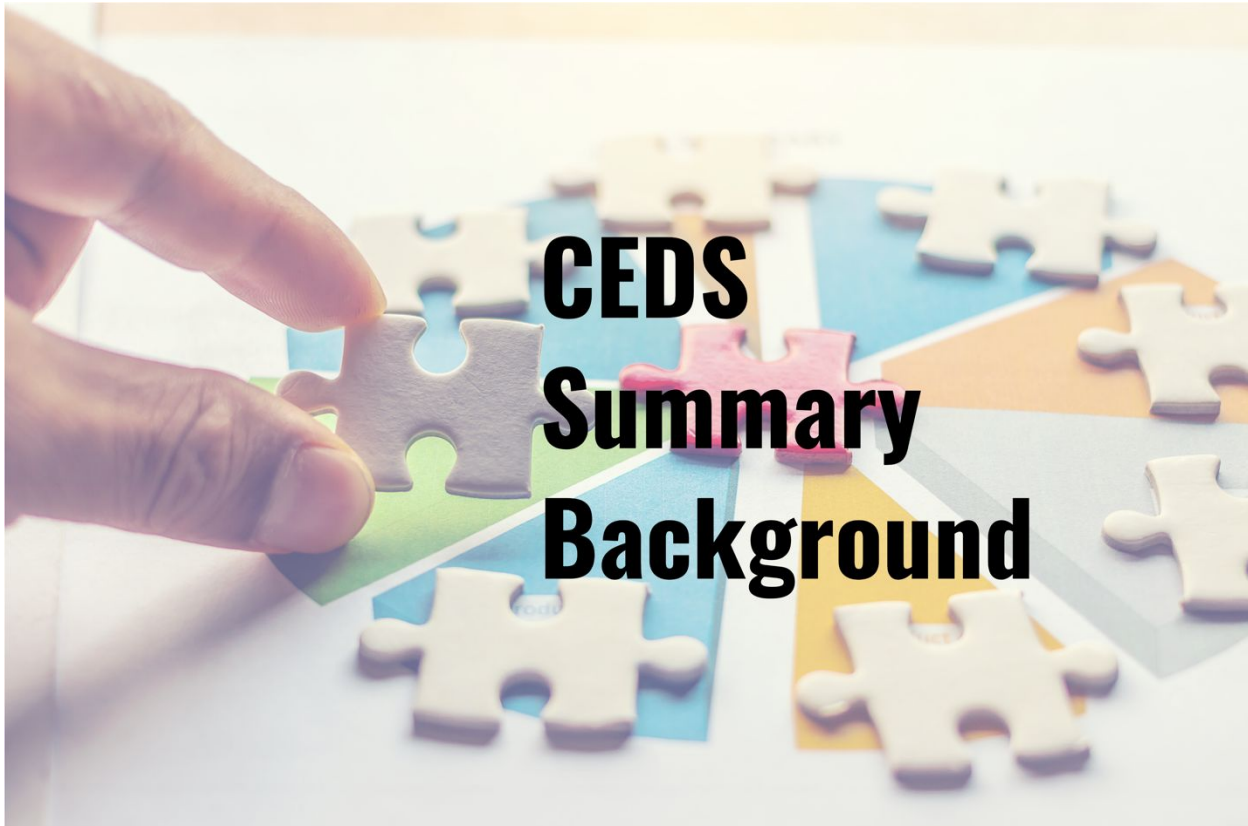
Amber Shek, Greater Yuma Economic Development Corporation, Data Exploration Specialist

Hector Tapia, City of Somerton Economic Development Director

Jenny Torres, City of San Luis Community Development Director

Tami Ursenbach, Mohave County Economic Development Director

SUMMARY BACKGROUND



OVERVIEW

There is a tremendous amount of uncertainty about the future of the COVID-19 outbreak and the economic impacts associated with it for the District. Regarding the COVID-19 pandemic, the question at this point is when government and self-imposed social distancing will ease. The April 2020 U.S. forecast from IHS Markit, which underpins the Arizona forecasts, assumes that social distancing begins to relax in the July-August period.

The epidemiological uncertainties create economic uncertainties. We are on track for a significant downturn; the question is how bad and for how long. This forecast update is a step in assessing the damage and the recovery. It projects a much more significant adverse shock to the state economy than even thirty days ago in March 2020. As more hard data is released in the coming months, we will know more about the economic impacts and the prospects for recovery.

For the April U.S. and Arizona forecasts, the baseline projections are assigned a 45% probability. The pessimistic scenario has a 35% probability, and the optimistic scenario has a 20% probability.

Arizona Outlook

The national forecast, summarized below, is combined with assumptions about the impact of industry shutdowns on employment and retail sales. Assuming massive reductions in employment in leisure and hospitality and retail trade and significant closures in personal services and health care, during the second quarter of 2020, driven by the government- and voluntary social distancing measures.

To offer the CEDS reader a sense of the estimated shutdown impact, employment in leisure and hospitality is assumed to drop from 335,000 in the fourth quarter of 2019 to 91,000 in the second quarter of 2020. Trade, transportation, and utility jobs drop from 546,000 in the last quarter of 2019 to 405,000 in the second quarter. Health care and social services jobs decline by 16,000 jobs as dentists, doctors, and physical therapists avoid non-emergency interactions with patients and clients. Personal services fall by 11,000 to reflect the shutdown by barbers, hair, and nail salons.

Taxable sales at retail establishments and restaurants and bars also experience a massive decline in the second quarter.

The current baseline projections put the magnitude of the coming downturn at about 50% higher than the 2008-2009 recession but shorter in duration. Under current assumptions, it is a quick, sharp shock. Total nonfarm employment in Arizona declines by 481,000 from the first quarter to the third quarter of 2020. That translates into a peak-to-trough decline of 16.2%. For comparison, Arizona lost 305,000 jobs from peak to trough (quarterly) during the Great Recession. That was an 11.4% drop.

On an annual average basis, the forecast calls for state jobs to drop by 10.2% this year from 2019. That falls below the peak-to-trough decline because the downturn begins and ends in 2020.

The state unemployment rate surges to 19.0% by the fourth quarter of 2020 but then drops rapidly.

Taxable retail sales decline this year, as job, income, and wealth declines take a toll on consumers. Sales at restaurants and bars get hit harder, given the additional headwind from social distancing.

Population growth slows, with reduced net migration, and that generates lower levels of housing permit activity.

Once the economic shock settles this year, the recovery should be solid. Arizona was in excellent shape before the outbreak, and once the outbreak is under control, growth will accelerate significantly.

Growth rates will look very good initially because we're restarting large sectors of the economy. The forecast calls for the level of employment to return to its fourth-quarter 2019 level by the end of 2022.

The pessimistic scenario assumes a deeper, more prolonged downturn. Arizona jobs decline by 695,000 from the last quarter of 2019 to the third quarter of 2020. That translates into a 23.4% drop.

The state unemployment rate peaks at 22.3% in the fourth quarter of 2020, then gradually declines.

Under the pessimistic scenario, it takes longer for the state to return to pre-outbreak levels. Jobs return to their late 2019 level in the first quarter of 2025, five years from now.

National Outlook

IHS Markit now assumes that the rate of new coronavirus cases will be dwindling by this August, which implies that we will see the gradual lifting of government and voluntary quarantines begin around that time.

The forecast calls for a very severe economic downturn. It begins with a substantial 3.5% annualized real GDP decline in the first quarter of 2020, followed by a giant 26.5% drop in the second quarter. The recession concludes in the third quarter with a drop of 0.4%.

The unemployment rate rises to a peak of 10.3% by the end of 2020. The shape of the recovery is expected to look like the Nike-swoosh: a large drop followed by a gradual improvement. Keep in mind that this refers to the level of economic activity. Rapid growth rates return quickly, but real GDP does not return to its previous peak until the third quarter of 2021.

The monetary policy response is assumed to be very accommodative, with the federal funds rate near zero for the foreseeable future.

The federal fiscal policy response in the forecast includes the CARES Act. It cushions the blow modestly.

IHS Markit has downgraded performance during the first three quarters of 2020. The peak-to-trough decline has been increased from 3.8% to 8.3%. For perspective, the peak-to-trough decline during the six quarter-long Great Recession was 4.0%.

The April forecast calls for a 5.4% decline in real GDP on average in 2020, followed by a 6.3% increase in 2021. Thus, the significant reduction this year is followed by a strong rebound from shallow levels of activity. Keep in mind that the annual average decline is much less than the peak-to-trough drop because the downturn begins and ends in 2020.

Real personal consumption expenditures drop by 5.5% this year and then recover with 7.2% growth in 2021. The drop in household spending is driven by social distancing, the massive wealth decline as stock prices drop, and now job and income losses caused by government-imposed business closures. Consumer confidence suffers a major setback.

Some spending categories are hit harder than others, with travel-and-tourism-related sectors suffering the biggest hits. These sectors include transportation, entertainment, gambling, lodging, food away from home, and travel. Real consumer spending on accommodation and food services fall by between 61.0% and 62.0% from the fourth quarter of 2019 to the second quarter of this year. Recreation spending falls by 40.4%. Public transportation expenditures drop by 12.8%.

Other significant components of consumer spending are affected, as well. In particular, unit sales of light vehicles are projected to decline by 40.2% from the last quarter of 2019 to the second quarter of 2020.

DISTRICT MAP



The District area includes three counties in Arizona: Yuma, La Paz, and Mohave; ten cities and towns: Yuma, Somerton, San Luis, Wellton, Parker, Quartzsite, Kingman, Bullhead City, Lake Havasu City, and Colorado City; and six reservations wholly or partly in the District: Quechan, Cocopah, Colorado Indian Tribes, Fort Mohave, Hualapai, and Kaibab-Paiute. The District stretches from

Mexico on the South to Nevada and Utah on the North and is bounded by California and Nevada on the West. The District covers 23,519 square miles. Most of the western border is demarcated by the Colorado River. Most communities are on or near the Colorado River. All three Counties, and eight of the ten Cities and Towns have chosen to formally participate in and support the District.

DISTRICT QUICK FACTS

Arizona's estimated population in 2019 was 7,278,717. (US Census Bureau, July 1, 2019)

Total employment in the state of Arizona in 2020 averaged 3.6 million. The largest sectors are trade, transportation, and utilities, education & hospitality and professional & business services. (Bureau of Labor Statistics Economy at a Glance, 2020)

Between July 2018 and July 2019, Arizona's population grew by 120,693 people, akin to adding a new city the combined size of Yuma and Nogales, according to national and state population estimates released by the U.S. Census Bureau on Dec. 30. (Arizona Office of Economic Opportunity)

An analysis of the latest Census numbers shows Arizona is virtually certain to gain a congressional seat after the 2020 census. That's because the population here – up about 871,000 since 2010 – has grown faster in the past decade than the national average. The actual figure to date is a 13.6 percent increase, the seventh fastest rate in the country. (Election Data Services)

The annual mean wage paid in Arizona for 2019 was \$50,930. (Bureau of Labor Statistics Occupational Employment Statistics)

Rural areas in Arizona, including Flagstaff, Kingman, Lake Havasu City, Prescott, Sierra Vista, Douglas, and Yuma account for almost 19% of Arizona's population and 12% of all economic activity. (Arizona Office of Economic Opportunity; Bureau of Economic Analysis)

The Yuma MSA had an estimated population of 229,957 and employment of 98,792 in 2019. (OEO, BLS)

Yuma is home to one of the largest military installations in the world, the Yuma Proving Ground. (U.S. Army)

Yuma was ranked among the top 100 Best-Performing Small Cities in the U.S. for job growth between 2013-2020. (Milken Institute, 2020)

Phoenix, Tucson, and Yuma have more sunny days, on average than any other U.S. city. Approximately 85-90% of the year is sunny weather. (Current Results, 2017)

The Agua Caliente Solar Project, located 65 miles east of the city of Yuma, Arizona, is a 290MW AC PV solar plant. This photovoltaic project can generate 290 megawatts of electricity, enough to power more than 100,000 homes. (Solar Energy Industries Association, 2020)

In addition to the many services provided to on-campus students, Arizona Western College supports the Yuma and La Paz communities by offering economic development and workforce training programs, small business development programs, community learning centers, and scholarship foundations.

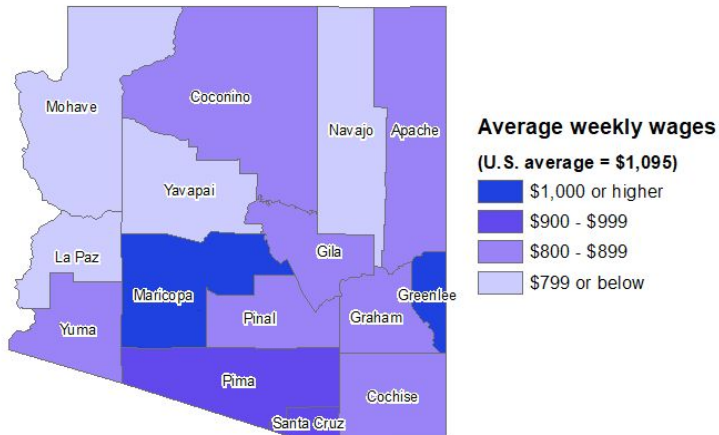
The “reshoring” to North America trend presents tremendous opportunities for Arizona companies that want to open a facility to provide services or raw materials along the District’s major Interstate corridors (Interstate 8, 10, 11, and 15)

The Department of Defense’s primary concentrations of military employment in Arizona are at four major defense installations: Davis-Monthan Air Force Base, Fort Huachuca, Luke Air Force Base, Yuma Proving Ground, and Marine Corps Air Station (MCAS) Yuma.

EMPLOYMENT & WAGE INFORMATION

<i>Region</i>	<i>Employment (total)</i>	<i>Median Hourly Wage</i>	<i>Mean Hourly Wage</i>	<i>Annual Mean Wage</i>
<i>United States</i>	<i>146,875,480</i>	<i>\$19.14</i>	<i>\$25.72</i>	<i>\$53,490</i>
<i>State of Arizona</i>	<i>2,789,520</i>	<i>\$17.80</i>	<i>\$23.70</i>	<i>\$49.290</i>
<i>Yuma MSA</i>	<i>60,430</i>	<i>\$13.79</i>	<i>\$19.63</i>	<i>\$39,930</i>
<i>Lake Havasu City - Kingman MSA</i>	<i>47,430</i>	<i>\$14.40</i>	<i>\$18.99</i>	<i>\$39,490</i>
<i>Arizona non-metro areas</i>	<i>91,140</i>	<i>\$16.75</i>	<i>\$21.23</i>	<i>\$44,160</i>

Source: [Arizona - May 2018 OES State Occupational Employment and Wage Estimates](#)
(May, 2018)



Source: U.S. Bureau of Labor Statistics.

Average Weekly Wages by county in Arizona, second quarter 2019

<i>Region</i>	<i>Employment (2019-Q2)</i>	<i>Average Weekly Wages</i>
<i>United States</i>	<i>149,089,158</i>	<i>\$1,095</i>
<i>State of Arizona</i>	<i>2,843,296</i>	<i>\$1,010</i>
<i>La Paz County</i>	<i>6,161</i>	<i>\$746</i>
<i>Mohave County</i>	<i>51,034</i>	<i>\$757</i>
<i>Yuma County</i>	<i>59,403</i>	<i>\$802</i>

Source:

https://www.bls.gov/regions/west/news-release/countyemploymentandwages_arizona.htm#Table2 (June 2019)

ENVIRONMENTAL IMPACTS

Environmental concerns can be viewed as falling into two categories, Colorado River and Other. The map link provided below shows the location and type of environmental hazards identified in the District. Environmental concerns cluster around the larger communities and are typical of urban issues such as air quality and the finding of ground pollution from past uses when environmental regulations were less strict. The level of the problems is moderate, and no significant concerns that would restrict development are currently at issue.

Marine Corps Air Station Yuma (MCAS Yuma) occupies approximately 3,000 acres within the City and County of Yuma, Arizona. The City of Yuma, the nearest municipality, is located about one-mile northwest of the Station. Both the City and the Station obtain their drinking water from the Colorado River through an irrigation canal.

The City does not use groundwater for drinking water purposes. The nearest domestic underground well is approximately 0.8 miles downgradient from the Marine Corps Air Station.

MCAS Yuma's mission is to provide services and materials support operations to the Marine Aircraft Wing and its subordinate units. In 1990, MCAS Yuma was placed on the Superfund National Priorities List after chlorinated solvents were detected in a groundwater monitoring well on the Station.

Starting in the mid-1940s, waste fuels and solvents from the refueling and servicing of airplanes were reportedly disposed of directly onto the ground or into unlined pits at the Station site. Besides,

combustible materials such as fuel oil and organic solvents were deposited on the ground or burned during fire training exercises. Approximately 5,700 people live on-site. In the past, during maintenance work on the Colorado River irrigation canal which took place for two weeks each year, drinking water was supplemented using an on-station well. However, this practice was stopped in August 1995.

Natural Resources

Primary natural resources include climate, isolation, some mineral deposits, and the Colorado River. Primary man-made resources include a series of dams on the Colorado River, their related irrigation systems, and the East/West transportation corridors. Mineral deposits in the region include gold, silver, copper, feldspar, and molybdenum, all of which have been found in Mohave County.

Some gold deposits are also located in La Paz County. Mining and mineral processing are not currently major economic activities within the region but were prominent in the past in Mohave County. For mining and mineral processing to become essential contributors to the local economies would probably require the discovery of significant new mineral deposits.

Dams and diversions on the Colorado River within the District include Hoover, Davis, Parker, Palo Verde, Laguna, and Imperial. Barriers create potentials for power generation, irrigation, and recreation and all are essential resources for the District's communities.

The combination of Colorado River reservoirs, warm and dry climate, and convenient east/west highways have developed a strong tourist industry directed towards water-related recreation in the District. Communities, where this industry is particularly important, include

Parker, Lake Havasu, and Bullhead City. Where water-related relaxation is a central portion of the tourist trade, it creates opportunities for year-round tourism, some recreation-oriented tourism, 'snowbirds' and RVers in the winter, significant water-related recreation in the summer. Tourists focused on water sports also tend to be more affluent than the snowbird/RV group and create options for a more lucrative upscale tourist industry.

The river and dams also enable the District's agriculture. The arid climate makes farming impossible without irrigation. Of the District's more than 325,000 acres of cropland, more than 93% is irrigated.

The dams and related irrigation systems are what make the agricultural industries in Yuma and La Paz Counties viable. A unique advantage of the District of farming activities is it's 'reversed' growing season. The primary growing season is winter when the climate moderates to temperatures that in other areas are typical of summer. Yuma County thus produces much of the country's winter vegetables, especially iceberg lettuce.

GEOGRAPHY

The District area includes three counties in Arizona: La Paz, Mohave, and Yuma; ten cities and towns: Yuma, Somerton, San Luis, Wellton, Parker, Quartzsite, Kingman, Bullhead City, Lake Havasu City, and Colorado City; and six reservations wholly or partly in the District: Quechan, Cocopah, Colorado Indian Tribes, Fort Mohave, Hualapai, and Kaibab-Paiute. The District stretches from Mexico on the South to Nevada and Utah on the North and is bounded by California and Nevada on the West. The District covers 23,519 square miles. Most of the western border is demarcated by the Colorado River. Most communities are on or near the Colorado River. All three Counties and eight of the ten Cities and Towns have chosen to participate in and support the District formally.

The geography and climate of the District range from low elevations, flat plains, small mountains, and arid environment in Southwestern Yuma County to higher mountains receiving moderate amounts of rain in northeastern Mohave County. Elevations range from barely above sea level to more than 5,000 feet. Most of the area along the Colorado River, as most of the District, is arid and adequately classified as desert. Rainfall varies from little more than two inches per year in Yuma to about 16 inches per year in parts of Mohave County. The climate is sweltering throughout most of the District, with Yuma and Lake Havasu having recorded high temperatures of 127 and 128 respectively. Temperatures moderate some in northeastern Mohave County, with light winter snows in Kingman and a somewhat colder climate in the Colorado City area, which is at a higher elevation.

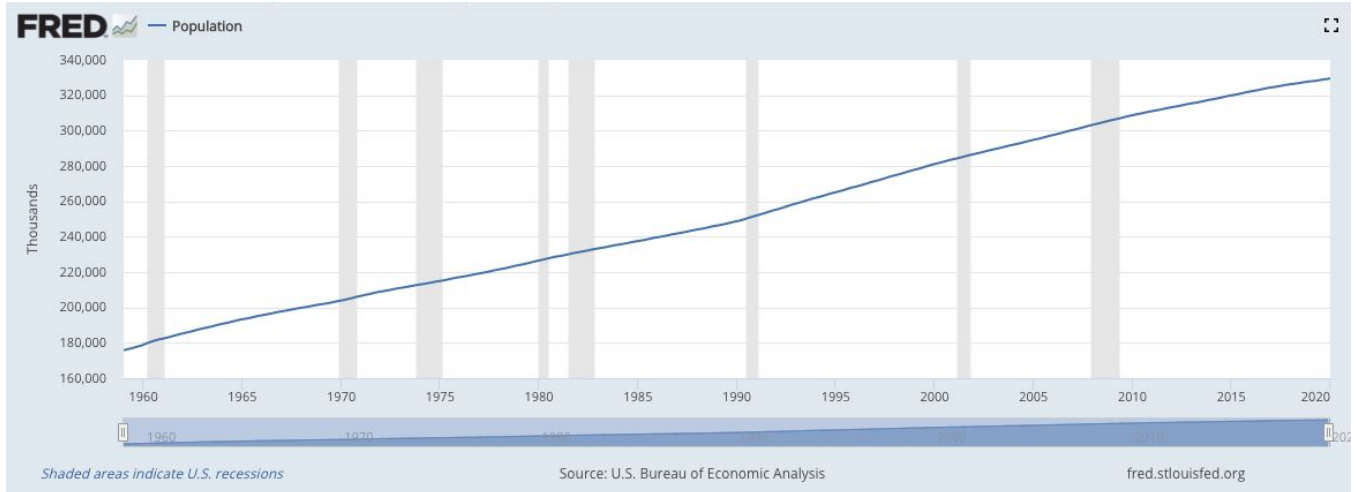
The Colorado River Valley contains significant agricultural development, dependent upon irrigation. Yuma County is Arizona's principal agrarian producer, and agriculture is also substantial in La Paz County. The more than 1,000 miles of shoreline on the Colorado River and associated bodies of water make the District an outstanding area for water-related recreation as well.

POPULATION

The American Community Survey (ACS) is an ongoing statistical survey by the U.S. Census Bureau. It regularly gathers information previously contained only in the long form of the decennial census, such as ancestry, educational attainment, income, language proficiency, migration, disability, employment, and housing characteristics. These data are used by many public-sector, private-sector, and not-for-profit stakeholders to allocate funding, track shifting demographics, plan for emergencies and learn about local communities. Sent to approximately 295,000 addresses monthly (or 3.5 million per year), it is the most extensive survey after the decennial census that the Census Bureau administers.

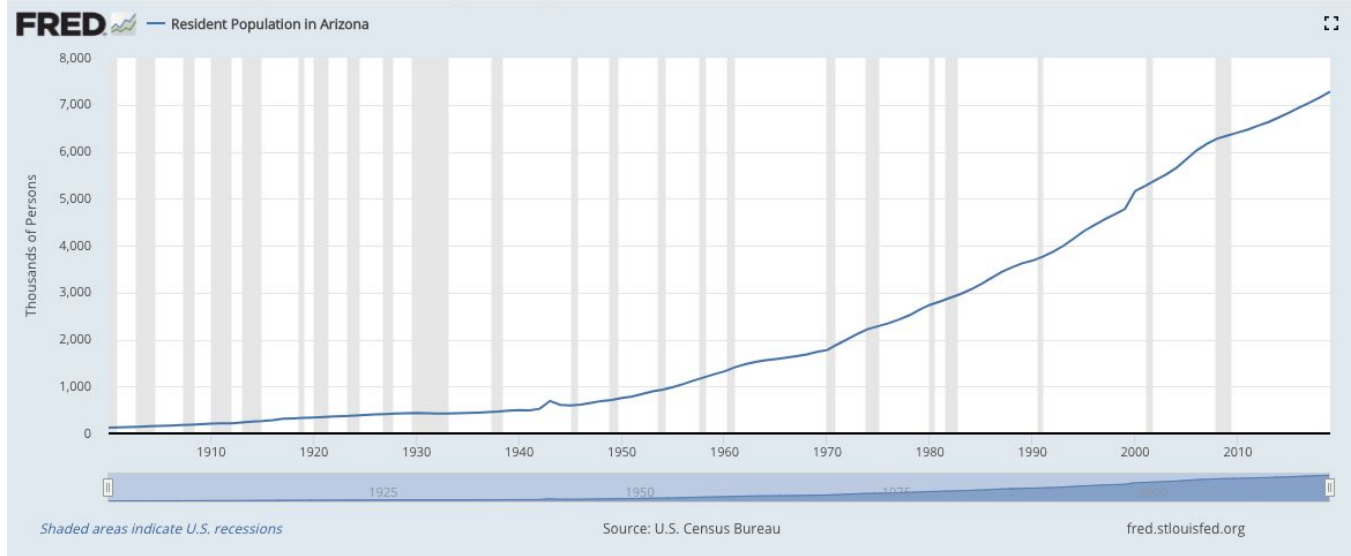
The US Census Bureau American QuickFacts provides statistics for all states and counties, and for cities and towns with a population of 5,000 or more.

United States



<p><i>Jan 2020: 329,423,000</i> <i>Updated: Mar 27, 2020</i></p>	<p><i>Thousands, Not Seasonally Adjusted</i></p>	<p><i>Frequency: Monthly</i></p>
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State of Arizona



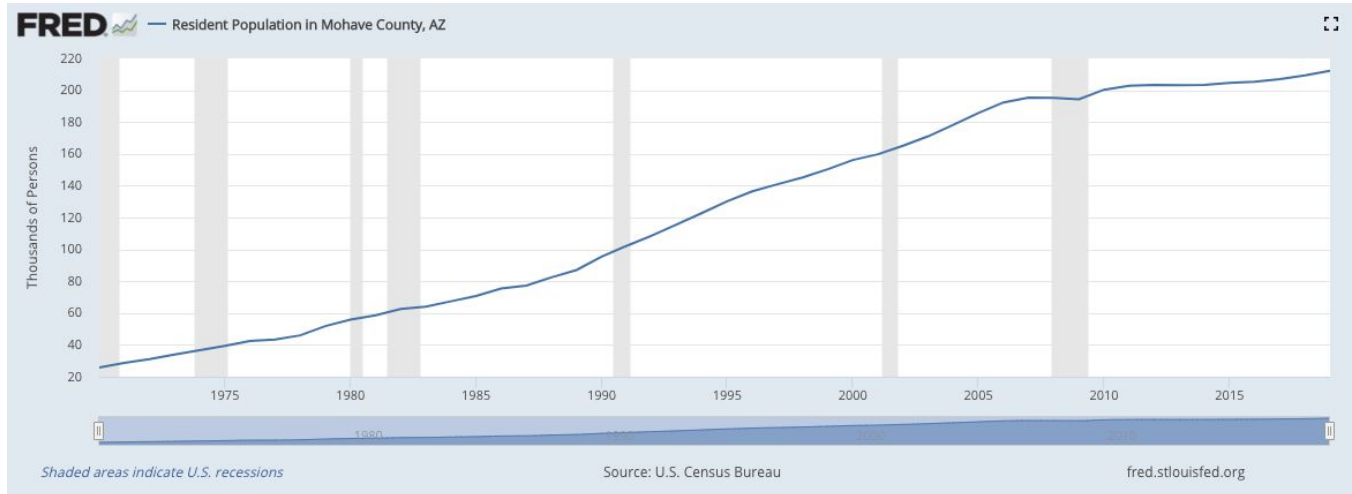
2018: 7,728,717 (+ more) Updated: Jan 13, 2020	Thousands of Persons, Not Seasonally Adjusted	Frequency: Annual
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La Paz County



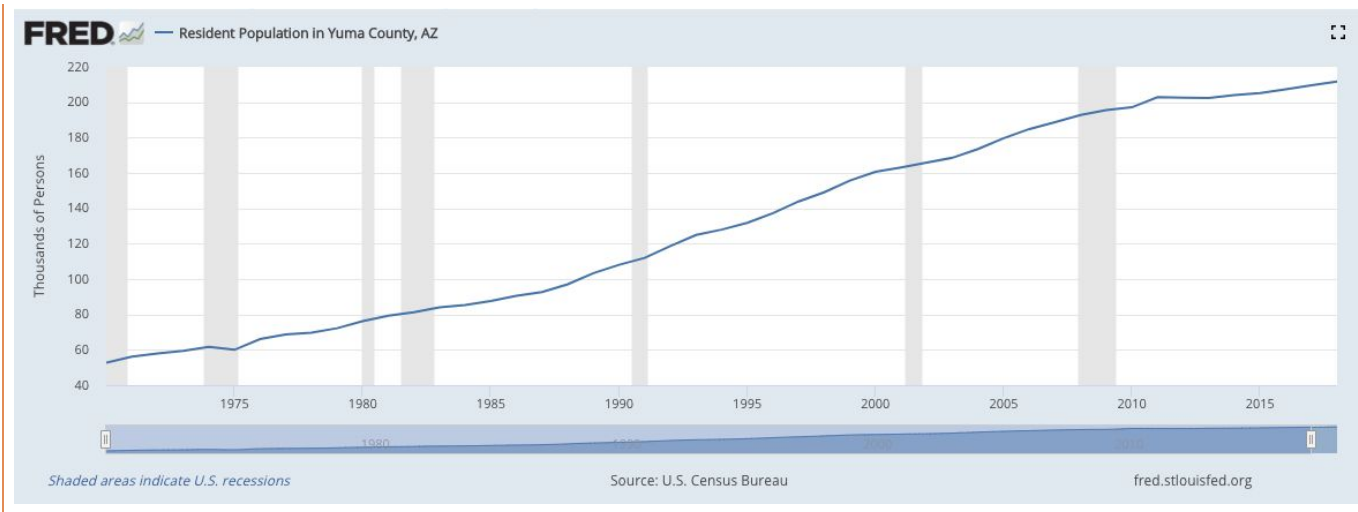
<p>2019: 21,108 (+ more)</p> <p>Updated: Mar 27, 2020</p>	<p>Units:</p> <p>Thousands of Persons, Not Seasonally Adjusted</p>	<p>Frequency:</p> <p>Annual</p>
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Mohave County



2019: 212,181 (+ more) Updated: Mar 27, 2020	Thousands of Persons, Not Seasonally Adjusted	Frequency: Annual
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Yuma County



Observation: 2018: 211,612 (+ more) Updated: Mar 27, 2020	Units: Thousands of Persons, Not Seasonally Adjusted	Frequency: Annual
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2020-2055 Arizona State and County Population Projections

Arizona population projections are made for July 1st of each year in the projection period. In addition to the baseline projections (the medium series), a low series and a high series were also produced using alternative assumptions. Note: Displayed below in 5-year increments.

Year	Arizona	La Paz	Mohave	Yuma
2020	7,286,100	22,000	218,300	231,800
2025	7,791,800	22,000	230,500	247,700
2030	8,284,900	21,900	242,700	263,800
2035	8,777,600	21,800	255,400	280,100
2040	9,247,200	21,800	268,100	296,000
2045	9,682,300	21,700	280,500	311,200
2050	10,096,200	21,800	293,000	325,800
2055	10,504,500	21,900	306,000	340,200

Source: [Arizona Office of Economic Opportunity](#)

Last update: May 1, 2019

Unemployment Summary by County

La Paz County

La Paz County - Monthly Summary	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020
<i>Persons (seasonally adjusted), Local Area Unemployment Statistics, BLS & EBRC</i>						
Civilian Labor Force	9,480.9	9,532.7	9,606.9	9,455.8	9,552.9	9,721.9
% Chg from Year Ago	2.5%	1.1%	0.6%	-0.6%	-0.4%	3.1%
Employment	8,969.0	9,008.1	9,071.4	8,935.2	9,037.4	9,192.8
% Chg from Year Ago	3.5%	2.0%	1.4%	0.3%	0.8%	3.5%
Unemployment	496.7	520.5	525.6	519.2	529.1	527.7
% Chg from Year Ago	-12.2%	-12.9%	-11.8%	-14.1%	-15.6%	-4.3%
Unemployment Rate	5.2	5.5	5.5	5.5	5.5	5.4
<i>Employees on Nonagricultural Payrolls by Industry (seasonally adjusted), Current Employment Statistics, BLS & EBRC</i>						
Total Nonfarm Employment	5,593.5	5,621.3	5,632.2	5,638.6	5,735.5	5,751.8
% Chg from Year Ago	2.3%	2.7%	2.8%	2.3%	4.5%	3.9%
Total Private	3,478.7	3,501.3	3,498.5	3,501.6	3,434.4	3,465.0
% Chg from Year Ago	4.6%	5.3%	4.6%	4.5%	1.5%	1.4%
Goods Producing	262.7	266.6	258.6	277.1	207.4	219.3
% Chg from Year Ago	-0.6%	-0.7%	0.2%	-0.3%	-19.7%	-18.3%
Service Providing	5,324.0	5,354.4	5,367.6	5,364.2	5,530.0	5,527.5
% Chg from Year Ago	2.4%	2.9%	2.9%	2.4%	5.6%	5.1%
Trade, Transportation, and Utilities	1,516.1	1,525.7	1,513.6	1,521.1	1,624.6	1,674.9
Other Services	1,694.8	1,716.5	1,720.3	1,713.8	1,590.1	1,575.0
Government	2,121.8	2,121.0	2,140.4	2,117.6	2,319.3	2,295.0
% Chg from Year Ago	-1.1%	-1.2%	0.0%	-1.2%	9.3%	8.1%
Federal	320.4	320.6	325.0	326.0	376.1	349.3
State and Local	1,803.6	1,802.0	1,816.5	1,796.3	1,938.5	1,950.9
<i>Sales (\$000s, accrual), Arizona Department of Revenue</i>						
Retail Sales (less food and gasoline)	9,861.4	12,128.2	14,745.5	16,723.1	22,615.5	
% Chg from Year Ago	-2.4%	9.9%	12.7%	11.1%	9.6%	
Published by Economic and Business Research Center.						

Source: [La Paz County Summary](#) (April 2020)

Lake Havasu City – Kingman MSA

Lake Havasu City- Kingman MSA (Mohave Co) - Monthly Summary	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018
Persons (seasonally adjusted), Local Area Unemployment Statistics, BLS & EBRC					
Civilian Labor Force	84,172.7	85,461.0	85,835.0	86,456.3	87,032.4
% Chg from Year Ago	1.7%	2.7%	3.6%	3.7%	4.0%
Employment	79,306.6	80,542.6	81,225.2	81,519.0	81,632.2
% Chg from Year Ago	1.6%	2.7%	3.8%	3.8%	3.5%
Unemployment	4,864.7	4,866.9	4,649.4	4,894.2	5,467.7
% Chg from Year Ago	2.4%	3.8%	0.7%	3.1%	12.5%
Unemployment Rate	5.8	5.7	5.4	5.7	6.3
Employees on Nonagricultural Payrolls by Industry (seasonally adjusted), Current Employment Statistics, BLS & EBRC					
Total Nonfarm Employment	51,662.2	51,579.4	51,829.5	51,927.0	51,878.8
% Chg from Year Ago	3.5%	2.6%	3.6%	3.4%	3.2%
Total Private	44,162.1	43,920.6	44,272.9	44,432.0	44,247.1
% Chg from Year Ago	4.4%	3.1%	3.9%	4.0%	3.1%
Government	7,518.0	7,593.6	7,585.3	7,577.5	7,757.0
% Chg from Year Ago	-1.4%	-0.1%	1.4%	-0.1%	4.2%
Sales (\$000s accrual), Arizona Department of Revenue					
Gross Taxable Sales*	NA	NA	NA	NA	
% Chg from Year Ago					
Retail (less food and gasoline)	149,663.0	150,843.4	148,710.5	161,899.4	
% Chg from Year Ago	12.9%	11.4%	4.9%	3.9%	
New Residential Permits Issued (units), C-40 Program, U.S. Bureau of the Census					
Total	62.0	77.0	63.0	73.0	
Chg from Year Ago	0.0	14.0	-32.0	-5.0	
Single Family	78.0	75.0	61.0	64.0	
Chg from Year Ago	-2.0	18.0	-24.0	-14.0	
Published by Economic and Business Research Center.					

Source: [Mohave County Summary](#) (Dec 2018)

Yuma MSA

Yuma MSA (Yuma Co.) Summary - Monthly	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020
<i>Persons (seasonally adjusted), Local Area Unemployment Statistics, BLS & EBRC</i>						
Civilian Labor Force	101,311.8	100,636.0	101,611.3	100,769.9	101,726.6	102,594.5
% Chg from Year Ago	2.1%	-2.4%	-0.6%	-1.2%	-1.7%	1.8%
Employment	84,646.2	84,553.1	84,636.5	83,974.6	84,817.9	85,870.9
% Chg from Year Ago	2.2%	0.4%	-0.3%	-0.8%	0.1%	2.1%
Unemployment	16,901.7	15,189.2	16,887.5	16,653.2	16,453.7	16,489.6
% Chg from Year Ago	1.2%	-15.4%	-2.2%	-2.9%	-11.4%	-0.0%
Unemployment Rate	16.7	15.1	16.6	16.5	16.2	16.1
Chg from Year Ago	-0.1	-2.3	-0.3	-0.3	-1.8	-0.3
<i>\$ (not seasonally adjusted), Current Employment Statistics, U.S. Bureau of Labor Statistics</i>						
Avg. Hourly Earnings (private sector)	21.19	21.5	21.39	20.96	20.53	20.68
% Chg from Year Ago	5.58%	12.80%	12.28%	7.38%	7.94%	7.15%
<i>Nonfarm Payroll Jobs (000s, seasonally adjusted*), Current Employment Statistics, U.S. Bureau of Labor Statistics</i>						
Total Nonfarm	57.2	56.9	57.1	57.2	57.5	57.8
% Chg from Year Ago	1.24%	0.89%	0.35%	0.70%	0.00%	0.70%
<i>Nonfarm Payroll Jobs (000s, not seasonally adjusted), Current Employment Statistics, U.S. Bureau of Labor Statistics</i>						
Total Nonfarm	56.1	56.9	58.3	59.2	58.8	59.2
% Chg from Year Ago	1.26%	0.71%	-0.17%	0.51%	-0.17%	0.51%
Mining, Logging, and Construction	3.0	3.1	3.1	3.1	3.0	3.1
% Chg from Year Ago	15.38%	14.81%	10.71%	10.71%	7.14%	10.71%
Manufacturing	2.4	2.3	2.5	2.8	2.8	2.8
% Chg from Year Ago	-4.00%	0.00%	-13.79%	-6.67%	-6.67%	-6.67%
Trade, Transportation, and Utilities	11.3	11.4	11.9	12.2	12.2	12.3
% Chg from Year Ago	5.61%	2.70%	0.85%	2.52%	-2.40%	0.00%
Information	0.4	0.4	0.4	0.4	0.4	0.4
% Chg from Year Ago	-20.00%	-20.00%	-20.00%	-20.00%	-20.00%	-20.00%
Financial Activities	2.1	2.1	2.1	2.1	2.1	2.1
% Chg from Year Ago	10.53%	5.00%	0.00%	-4.55%	-4.55%	-4.55%
Professional and Business Services	6.1	6.2	6.3	6.7	6.3	6.3
% Chg from Year Ago	-12.86%	-12.68%	-11.27%	-6.94%	-8.70%	-8.70%

Source: [Yuma County Summary](#) (April 2020)

Personal Income, Per Capita Personal Income, Population Yuma County, Arizona Yuma MSA	2013	2014	2015	2016	2017	2018
<i>Bureau of Economic Analysis</i>						
Personal income (thousands of dollars)	5,933,695	5,944,492	6,492,923	6,877,378	7,351,746	7,569,100
% Chg from Year Ago	5.74%	0.18%	9.23%	5.92%	6.90%	2.96%
Population (persons) 1/	202,589	204,283	205,456	207,520	209,756	212,128
% Chg from Year Ago	0.00%	0.84%	0.57%	1.00%	1.08%	1.13%
Per capita personal income (dollars) 2/	29,289	29,099	31,602	33,141	35,049	35,682
% Chg from Year Ago	5.74%	-0.65%	8.60%	4.87%	5.76%	1.81%
1/ Census Bureau midyear population estimates. 2/ Per capita personal income was computed using Census Bureau midyear population estimates.						
Published by Economic and Business Research Center.						

Source: [Yuma County Summary](#) (April 2020)

AGRICULTURAL CLUSTER

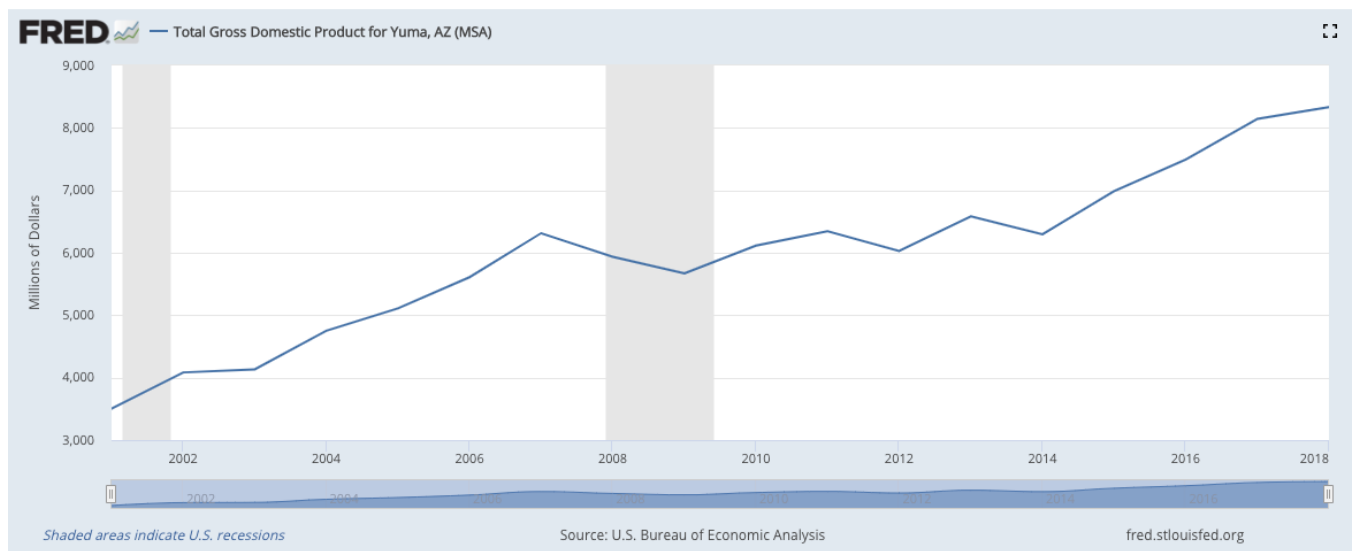
Yuma County

A \$3.2 billion annual agribusiness industry forms the foundation of Yuma County, or more than one-third of Arizona's annual total of \$9.2 billion.. Yuma's agribusiness sector is responsible for supplying the United States with 80 percent of its winter, leafy vegetables. A variety of industrial, processing and logistics operations take advantage of Yuma's strategic location, increasing Yuma's economic diversity. The Mexican free-port of San Luis Rio Colorado is located 23 miles southwest, luring industries interested in offshore manufacturing, or twin-plant operations. Yuma is home to two of the largest military installations in the United States.

The U.S. Army Yuma Proving Ground generates an annual economic impact of over \$430 million. Marine Corps Air Station-Yuma is the country's foremost Marine Air Base with an enlisted population of more than 7,500 pilots, aviation technicians, and aeronautical mechanics. During the winter months, more than 100,000 winter visitors flock to the community to enjoy sun-drenched warmth.

According to the U.S. Bureau of Economic Analysis, if Yuma County were a country, its GDP (Gross Domestic Product) would rank 151 out of 192 countries. Yes, that's countries.

GDP is defined as the monetary value of all finished goods and services produced within a region's borders. Yuma's GDP for 2018 was calculated at nearly \$8.3 billion. The government contributed \$1.5 billion and private industries \$3.8 billion. The three most significant sectors in the Yuma economy are agriculture, military, and tourism.



Undisputedly, agriculture is the number one industry for Yuma County. According to a 2013 University of Arizona study, agriculture produces an estimated \$2.5 billion a year into the Yuma economy. This is due to our fertile soil (sediments deposited by the Colorado River over millions of years), progressive farmers (who explore and utilize the latest theories and technology in their fields), sufficient labor (highly skilled and motivated workforce) and senior rights to irrigation water.

Lettuce is the largest winter crop in Yuma, it is by no means the only one. There are over 175 different crops grown in the Yuma area year-round! The list includes alfalfa, Bermuda grass seed, cotton, dates, lemons, melons, and wheat. Desert Durum accounts for 95% of the wheat grown in Yuma County, and about two-thirds of that is exported to Italy for use in making premium pasta.

Dates are a remarkable fruit and are another essential piece of the Yuma Ag industry, just like all the other vegetables grown here. As long as people need to eat, farmers will continue to keep Agriculture the leading sector in Yuma.

AVIATION CLUSTER

Yuma County

More than \$45 million in both public and private funding have been invested in Yuma International Airport over the past ten years. Some of that \$45 million has funded improvements to runways, taxiways, and parking aprons, the terminal and other infrastructure to benefit the flying public. However, much of the focus has been on developing the west side of the airport into the Defense Contractor Complex to provide facilities for both short- and long-term leasing by defense contractors working to support the missions of Yuma's two military installations: Yuma Proving Ground and Marine Corps Air Station Yuma (with critical national defense missions), as well as aviation giants including Boeing, GE Aviation, Gulfstream, Honda Jet, NASA, Pratt & Whitney and US Customs and Border Protection.

Those dollars have created construction jobs, and hundreds of vital permanent jobs provided new tax revenue sources and represent an investment in the future of the community that promises to deliver economic development and job creation well into the future. The airport also is an active participant in efforts to market and promote the Yuma area.

The continuation of economic expansion in Yuma County continues to drive economic development strategies for market development aimed at four diversified industries with the highest growth potential. Aviation is one such commercial industry.

The Yuma International Airport and Yuma County Airport Authority work closely with the decision-makers in the aerospace industry, other government agencies, and academic institutions to coordinate business development. In addition to commercial, general, and military flight operations, Yuma International Airport also has a definite talent for air transport, limited aircraft maintenance, airport service, and flight training.

Public program funds help local governments and airport authorities to plan, design, build and maintain public aviation facilities. An example of an economic development project is an industrial park's facilities at a general airport. Commercial and general aviation plays a crucial role in stimulating economic growth, employment, and investment in the United States. There are more than 5,000 US public airports, and fewer than 500 have a commercial airline server, which makes commercial and general aviation very important.

DEFENSE CLUSTER

Marine Corps Air Station Yuma

Yuma is home to two of the largest military installations in the United States. Marine Corps Air Station-Yuma is the country's foremost Marine Air Base with an estimated population of more than 7,500 pilots, aviation technicians, and aeronautical mechanics. The Marine Corps Air Station Yuma economic impact in the local region in 2018 is \$692 million. The U.S. Army Yuma Proving Ground generates an annual economic impact of over \$430 million.

The United States Military has been in Yuma for over 150 years. Today, it is the second largest industry in Yuma County as we are home to the Yuma Proving Ground and the Marine Corps Air Station – Yuma. With the arrival of the F-35 Joint Strike Fighter, the military's future in Yuma is bright.

The U.S. Army first came to the area in 1851 and established Fort Yuma on Indian Hill. The installation overlooked the Yuma Crossing, the aptly named low spot in the Colorado River, and it allowed for the establishment of the townsite of what would later become Yuma. In 1864 the US Army put up the Quartermaster Depot along the river. From here the US Army oversaw the distribution of supplies to soldiers in the West.

MCAS has the F-35, and Yuma Proving Ground has the U.S. Army John F. Kennedy Special Warfare Center and School. The purpose of the military free-fall facility will allow special forces, troops, to train for air operations requiring free falls from airplanes. The facility opened in January of 2014 and, at 75 feet tall, is the largest in the world. Yuma's military roots are extensive, and those traditions will not be slowing any time soon. With more than 5,000 Marines and sailors stationed at Marine Corps Air Station Yuma and thousands more that travel there for training, the air base serves as an integral part of the Yuma economy. Along with the number of Marines and sailors stationed at MCAS-Yuma, estimates that there are over 7,000 family members with them, approximately 1,300 civilian employees on base and most days, an additional 1,000 military members using the facility for training purposes.

The air station annually hosts approximately 70 aviation units, bringing an average of 600 aircraft and 14,000 personnel for ongoing training that takes place throughout the year. With access to 2.8 million acres of bombing and aviation training ranges and superb flying weather, MCAS Yuma supports 80 percent of the Corps' air-to-ground aviation training. Each year, the air station hosts numerous units and aircraft from U.S. and NATO forces.

MCAS has the F-35, and Yuma Proving Ground has the U.S. Army John F. Kennedy Special Warfare Center and School. The purpose of this facility will allow special forces, troops, to train for air operations requiring free falls from airplanes. The facility opened in January of 2014 and, at 75 feet tall, is the largest in the world.

Yuma Proving Ground

Yuma Proving Ground (YPG) is the busiest United States Army testing center in the nation and a huge economic boon for surrounding communities in the District.

YPG takes up about 20 percent of Yuma County and stretches north into La Paz County. YPG spans about 840,000 acres, the test center is about one-third the size of Massachusetts. About 1,700 employees, mostly civilians, test a wide variety of military hardware including unmanned aircraft, helicopter weapons, artillery, tanks, armored vehicles, machine guns, mortars, and parachutes. In a typical year at YPG, test personnel fire tens of thousands of artillery, mortar and missile rounds, 36,000 parachute drops take place, over 130,000 miles driven on test vehicles, and nearly 4,000 air sorties flown. YPG is the largest high technology employer in the county and pumps a large amount of cash into the local economy. YPG spends about \$160 million in payroll dollars into the Greater Yuma economy each year.

Yuma's military roots are extensive, and those traditions will not be slowing any time soon.

TOURISM CLUSTER

The District's economy has an unusual degree of stability, as the tourism base that many communities depend upon is relatively resistant to economic downturns. District tourism is either relatively low cost, access by motor vehicle recreational tourism from Southern California, and maintains through economic recession periods. Recessions only mildly impact winter visitors, snowbirds, RV tourism, and the fixed income visitors. During the winter months, more than 100,000 winter visitors flock to the Yuma County communities to enjoy sun-drenched warmth.

Arizona State Parks have a significant economic impact on communities and counties. A state park's value is, of course, not measured by financial impact alone. Parks enhance community quality-of-life and preserve invaluable historical, cultural, and recreational resources for residents and visitors from around the world. However, communities are increasingly recognizing that State Parks improve the economic well-being of rural counties and serve as an essential tourism resource.

Yuma County

Tourism is one of Yuma County's most prominent economic drivers, and Mexican visitors are an essential contributor. Travel and tourism continue to be among the most important export industries driving Arizona's economy, and Mexican visitors are a primary contributor to this sector.

Tourism is the third biggest industry in Yuma County. According to documents obtained by the Yuma Visitors Bureau, 2018 saw \$785.0 million in Direct Travel Spending. That income created 6,500 jobs, generated \$226 million in earnings and \$67.0 million in additional taxes.

Yuma has plenty to offer travelers and tourists alike. However, there is no doubt that Yuma's winters are some of the best in the country and draw the majority of visitors between November and April every year.

Just how many winter visitors come tends to be an elusive number. At the peak of our winter visitor season, February, it is estimated we have about 80,000 visitors. February is the peak of the season as many places on the continent are experiencing some of their coldest temperatures. However, no matter the numbers, they have a significant impact on the area. Consider that the City of Yuma's year-round population is about 98,000 (2018). Adding another 80,000 is a significant seasonal influx of people to the community.

Today's winter visitors are not quite the same breed as they were 25 years ago. Our nation's youngest retirees come to Yuma and are highly active! They hit the casinos, browse the swap meets, attend arts and crafts shows, local patron events and fill seats at concerts. They enjoy hiking in the desert, playing golf and fishing. They visit Mexico for medical and dental treatment and stay to linger over lunch and margaritas.

Mexican Spending

Mexican visitors spend an estimated \$2.2 billion on food, clothing, entertainment, and other activities in Yuma County each year, according to a speaker at an economic forum in 2012. That represents more than 6 percent of all taxable sales. That spending directly supports more than 2,000 local jobs.

TRANSPORTATION CLUSTER

Air Access

Yuma, Bullhead City, Kingman, and Lake Havasu City have commercial rated airports.

Yuma International Airport, a shared-use airport together with Marine Corps Air Station Yuma, is located three nautical miles south of the central business district of Yuma. Yuma International Airport is managed and operated by the Yuma County Airport Authority, Inc. (YCAA). Under Arizona law, an Airport Authority is an independent public agency and incorporated as a non-profit organization in the State of Arizona on December 30, 1965. The YCAA management team is composed of experienced aviation professionals and has a long history of providing support to the aviation and aerospace industry.

Yuma International Airport offers reasonably frequent service (American Airlines) to important hubs (Phoenix and Dallas/Fort Worth). Connections to other destinations are relatively convenient, and airfares are not unreasonable. Federal Express is located on the airport; however, there are no large air cargo operations in Yuma.

The Laughlin-Bullhead City Airport is a public airport located one mile north of the central business district of Bullhead City, in Mohave County. The airport is across the Colorado River and one block away from the community of Laughlin, Nevada. Many of the rooms at Laughlin's casino-hotels offer a view of the chartered and private flights that utilize the airport. No larger

commercial airlines currently serve the airport. It was named 2011 Airport of the Year by the Arizona Department of Transportation. There is currently no scheduled commercial air service.

Flights to any destination are limited to travel days and frequency. Bullhead City is also served by casino charter flights, which bring tourists to Laughlin from many cities around the country, but such trips do not provide for the general or business traveler. Air cargo facilities are not available.

Kingman Airport is a city-owned public airport nine miles northeast of Kingman, in Mohave County. It has scheduled service on one airline, subsidized by the Essential Air Service program. Some aircraft are stored or scrapped there. Again, air cargo facilities are not available. No airlines serve the airport as of late 2018.

The Lake Havasu City Airport is a city-owned public-use airport located six miles north of the central business district of Lake Havasu City, in Mohave County. The airport is mostly used for general aviation. Until May 5, 2007, scheduled service to Phoenix and Las Vegas was provided by Mesa Airlines, operating as US Airways Express. Again, air cargo facilities do not exist.

Highways

Three Interstates traverse the District. Interstate 40 goes east/west through Mohave County and through Kingman. Interstate 10 transits, east/west through La Paz County, and Quartzsite. Interstate 8 traverses southern Yuma County and the communities of Yuma and Wellton. These Interstate corridors provide excellent east/ west access in and out of the District, linking the District to Tucson, Phoenix, Los Angeles, and San Diego. All provide viable commercial transportation corridors for trucking, and together constitute an advantageous situation for the District in serving these industrial markets.

The only north/south transportation corridor within the District is US/AZ Highway 95, which goes from the Mexican border to Bullhead City, traversing San Luis, Somerton, Yuma, Quartzsite, Parker, and Lake Havasu City. The stretch from San Luis through Yuma is adequate, with some recent improvements having been made. This stretch is a viable commercial corridor. The Yuma Area Service Highway is a 25-mile-long project extending from the Mexico border near San Luis, Arizona to Interstate 8. This Highway further facilitates commercial traffic and helps establish San Luis and Yuma County as a desirable location for commercial border crossings and industrial development.

The route (State Route 195), locally known as the Area Service Highway (ASH) or Robert A. Vaughan Expressway, is designed to expedite the flow of commercial traffic between the United States and Mexico by channeling large tractor-trailers through the new Port of Entry. And while construction lags on the Mexico side have delayed the opening of the port, the highway provides a more direct route for motorists traveling between the border and east Yuma and the Foothills. Also, more immediately, the road should ease traffic congestion in Yuma by diverting the

commercial tractor-trailers that currently travel on Yuma streets on the way to an Interstate 8 linkup.

Planning for SR 195 began in the early 1990s. In January 1999, an intergovernmental agreement was approved between ADOT, Yuma County, the cities of Yuma and San Luis, the town of Wellton and the Cocopah Tribe. In 2000, voters approved \$13.15 million in local funding as part of the Yuma County Capital Improvement half-cent sales tax, which has since been retired. The total cost of the 26-mile highway was \$92 million. Work began on the SR 195 in late 2007, and sections of the road became open to travel as they were completed.

The corridor from Yuma north through Bullhead City is a very different picture. This portion of the US/AZ 95 corridor is subject to extreme seasonal variations in use in segments, with heavy tourist use during the winter months. While the condition of the road is adequate for the low traffic load periods of each year, the virtually complete lack of four-lane sections and passing lanes renders the highways unacceptable for commercial usage at any time of the year, but particularly during the tourist season. As there are no current plans to provide reasonable numbers of either four-lane sections or passing lanes in the foreseeable future, the lack of a viable north/south commercial corridor for the District is unlikely to be remedied.

Communities lacking adequate access to the Interstate corridors include Parker, Bullhead City, Lake Havasu City, and Colorado City.

The East/West transportation corridors give the District's communities opportunity for more diversified industrial development. Interstates 40, 10, and 8 provide quick access by truck to the major urban centers of Phoenix, Los Angeles, and San Diego, and the ports associated with Los

Angeles and San Diego. East/West rail lines through La Paz County, Kingman, and Yuma also provide access to important markets. Conversely, lack of interstate and rail access creates difficulties for development in Bullhead City, Lake Havasu, and other District communities. North/South transportation corridors are not as advantageous.

Rail

No rail lines run north/south through the District, all air travel is to/through Phoenix (except for flights from Bullhead City to a variety of destinations serving the Laughlin Casino industry). The main North/South highway US/AZ 95 is not constructed nor maintained at an appropriate service level for the heavy winter seasonal travel loads, creating dangerous and slow travel conditions for much of the year. Besides, US/AZ 95 is not an all-weather road, being bisected by 81 washes in the 81-mile stretch from Yuma to Quartzsite, creating flooding and closure problems during the infrequent rains.

Isolation is not generally considered an economic asset. However, for some areas of the District, the relative isolation and substantial empty territory have been advantageous. There are getting to be fewer and fewer places where major power generation facilities can be sited without protest, or large military installations can be located without conflicting with other users.

The District's communities have benefited from being able to provide locations for both types of development. The Yuma Proving Ground and Marine Corps Air Station are located near Yuma and are an essential contributor to the Yuma County economy, providing over 8,000 jobs and more than \$170 million in annual payroll.

The District is also becoming a location for commercial power generation. Industrial power generators either already operating within the District include CalEnergy Generation in Yuma County and Griffith Energy in Mohave County. CalEnergy Generation's Yuma cogeneration plant provides approximately 50 net megawatts to San Diego Gas & Electric Company under a 30-year power purchase agreement and provides steam to Shaw Industries Group, Inc. under a steam sales agreement. The Griffith Energy Facility is a 570-megawatt, natural gas, combined cycle power station located near Kingman, Arizona.

Desert Proving Ground Yuma is a facility co-built and leased by General Motors located within the US Army's Yuma Proving Ground. The site contains a private facility sitting on 2,400 acres with a 24-acre campus containing 98,000 ft² of building area and also has 40 miles of roadway. One of the main reasons that this site was chosen was the already imposed no-fly zone which helps prevent unwanted photography of pre-production prototypes undergoing testing. The facility is also used by the US Army for its own testing requirements. One of the factors attracting such developments and installations to the District is the relative isolation of much of the District land from major urban centers and the large, unpopulated areas in which such facilities can locate. The District has also provided sites for commercial testing grounds beside the Army's Yuma Proving Ground.

WORKFORCE DEVELOPMENT & USE

Mohave County

The Mohave County workforce is divided by the different cities and Mohave County with each having different workforce skill sets as well as different unemployment and growth percentages.

Kingman Economic Region

The Kingman Economic Region is made up of eight zip codes that encompass 2,133 square miles, which contained about 63,000 people in 2018. This region has the highest population density of the three geographies detailed in this report at 28.9 persons per square mile, who compose a total of 24,063 households, with a household size of 2.6. Approximately 52 percent of these households earn between \$15,000 to \$50,000. Total employment in this economic region is 21,334 persons with an average income of \$40,027. The major employers in the Kingman Economic Region include Kingman Regional Medical Center, American Woodmark Corp., IWX Motor Freight, McKee Foods, Trueserve, Laron, Cantex and Cascades Tissue.

This economic region contains the most diverse of the three, and hosts significant concentrations of manufacturing, transportation and logistics, and aviation industries, in addition to, healthcare and tourism industries. The Kingman Economic Region must take advantage of its existing critical mass of sectors, as well as, continue to develop their multimodal transportation options. As ports on the west coast continue to experience more unloading delays, the freight hauling, and logistics industries will be looking for alternatives further and further inland, since unloading delays cause massive monetary losses for these

industries. Attracting sectors that focus on alternative energy component manufacturing (as opposed to generation) such as solar cells, is also worthy of some attention.

The Kingman Economic Region contains a high percentage of Arts and Entertainment, Healthcare Services, and Manufacturing, making up 28.2 percent, 13.8 percent, and 5.9 percent of the region's total employment, respectively. The average cluster wages of Healthcare Services and Manufacturing, at \$50,850 and \$55,238, are well more than the region's total average salary of \$40,027. The Arts and Entertainment Cluster, on average, pays about \$11,000 less than the overall regional average wage

City	Population	Unemployment	Poverty	Median Household Income
Kingman	28,855	7.80%	19.30%	\$44,092
New Kingman-Butler	13,060	18.90%	29.90%	\$31,923
Golden Valley	8,694	15.40%	23.20%	\$33,664
Dolan Springs	2,479	3.10%	47.50%	\$19,867
Colorado City	4,809	22.00%	49.80%	\$31,989
Centennial Park	1,550	9.1%	32.55	\$59,118

Lake Havasu Economic Region

The Lake Havasu City Economic Region is made up of four zip codes that encompass 2,396 square miles, which contained 56,618 people in 2009. The least dense of the three geographies, this region hosts 23.6 persons per square mile, who compose a total of 23,232 households, with a household size of 2.4. Approximately 55 percent of these households earn between \$15,000 to \$50,000.

Total employment in this economic region is 19,462 persons with an average income of \$37,891. The major employers in the Lake Havasu City Economic Region include London Bridge Resort, Havasu Samaritan Regional Hospital, Mohave Community College, Sterilite Corporation, and Wal-Mart. This economic region contains several cluster families and is more diversified than its neighbor to the north, Bullhead City.

ASU@Lake Havasu City is a small, low-cost extension of the Arizona State University system offering high-demand, undergraduate degrees. The campus opened in Lake Havasu City, Arizona in the Fall of 2012 and focuses on an experiential, student-centered approach to learning, which includes information technology and healthcare.

The Lake Havasu Economic Region must build on its unique assets in the region as a hub for motorsports and information technology industries, as well as nurture its well-established tourism industries.

The top three clusters in Lake Havasu City Economic Region include Arts and Entertainment, Healthcare Services, and Motorsports, which contain 30.7 percent, 13.1 percent, and 4.9 percent of total employment, respectively. The Healthcare Services Cluster, at \$49,184 pays about \$11,000 more

than the overall average wage for this region, whereas the Motorsports Cluster pays about \$3,000 more. In contrast, the Arts and Entertainment Cluster in this Region, at \$26,989, pays on average approximately \$10,000 less than the average total salary of \$37,891, in this region.

The BLS reported that the unemployment rate for Lake Havasu City (LHC) is 5.5 percentage points in February 2020. For the same month, the metro LHC unemployment rate was 1.6 percentage points higher than the Arizona rate. The unemployment rate in Lake Havasu City peaked in January 2010 at 12.1% and is now 6.6 percentage points lower. From a post peak low of 9.5% in November 2012, the unemployment rate has now grown by 0.2 percentage points.

Bullhead City Economic Region

The Bullhead City Economic Region is made up of twelve zip codes from Mohave County, Arizona, Clark County, Nevada, and San Bernardino County, California. This region encompasses 2,591 square miles and contains 74,560 people in 2009. These statistics translate to 28.8 persons per square mile, who compose a total of 29,663 households, with a household size of 2.5. Approximately 58 percent of these households earn between \$15,000 to \$50,000. Total employment in this economic region is 28,764 persons with an average income of \$43,278. The major employers in the Bullhead City Economic Region include Western Arizona Regional Medical Center, Silver Ridge Village, DOT Foods, and Mohave Community College.

This economic region is primarily reliant on the tourism industry, and specifically the entertainment and gaming industries located in Laughlin, Nevada. Proximity to Lake Mohave and Lake Havasu provides a significant recreational sector, while the regional medical center is the core of this region's healthcare industry. The Bullhead City Economic Region needs diversification and should seek to support the more diverse economies of its neighbors. Industry clusters that are mature in this region include Arts and Entertainment and Healthcare.

The Arts and Entertainment Cluster in the Bullhead City Economic Region makes up over fifty-five percent of the total employment in that region; however, the average wage in this cluster is about \$10,000 less than the area total average salary, which is \$43,278. The Healthcare Services Cluster only makes up about eight percent of the region's employment; on the other hand, the cluster's average wage is approximately \$7,000 more than the Bullhead City Economic Region as a whole.

In 2017 Bullhead City alone had a population 39,824 with an unemployment rate of 9.2% and had a 19.3% poverty rate.

Greater Yuma County (including La Paz County) Economic Region

High unemployment remains an issue in Yuma. Citing August 2019 data, the Bureau of Labor Statistics ranked Yuma as #1 among the 13 U.S. cities that post unemployment rates above 15 percent. Yuma's agricultural workforce, which adjusts to the picking season, is cited as the reason for the high unemployment by the Arizona Department of Commerce.

Yuma County has always been seen as a lower wage area. Yuma County also chronically has one of the highest unemployment rates in the country approaching a high of 30 percent at one time (August 2010). But many of the unemployed lack the training, skills, and certification to fill the better-paying jobs that are available. Companies with the need for more skilled labor come to job fairs, only to leave empty-handed because they can't find qualified applicants.

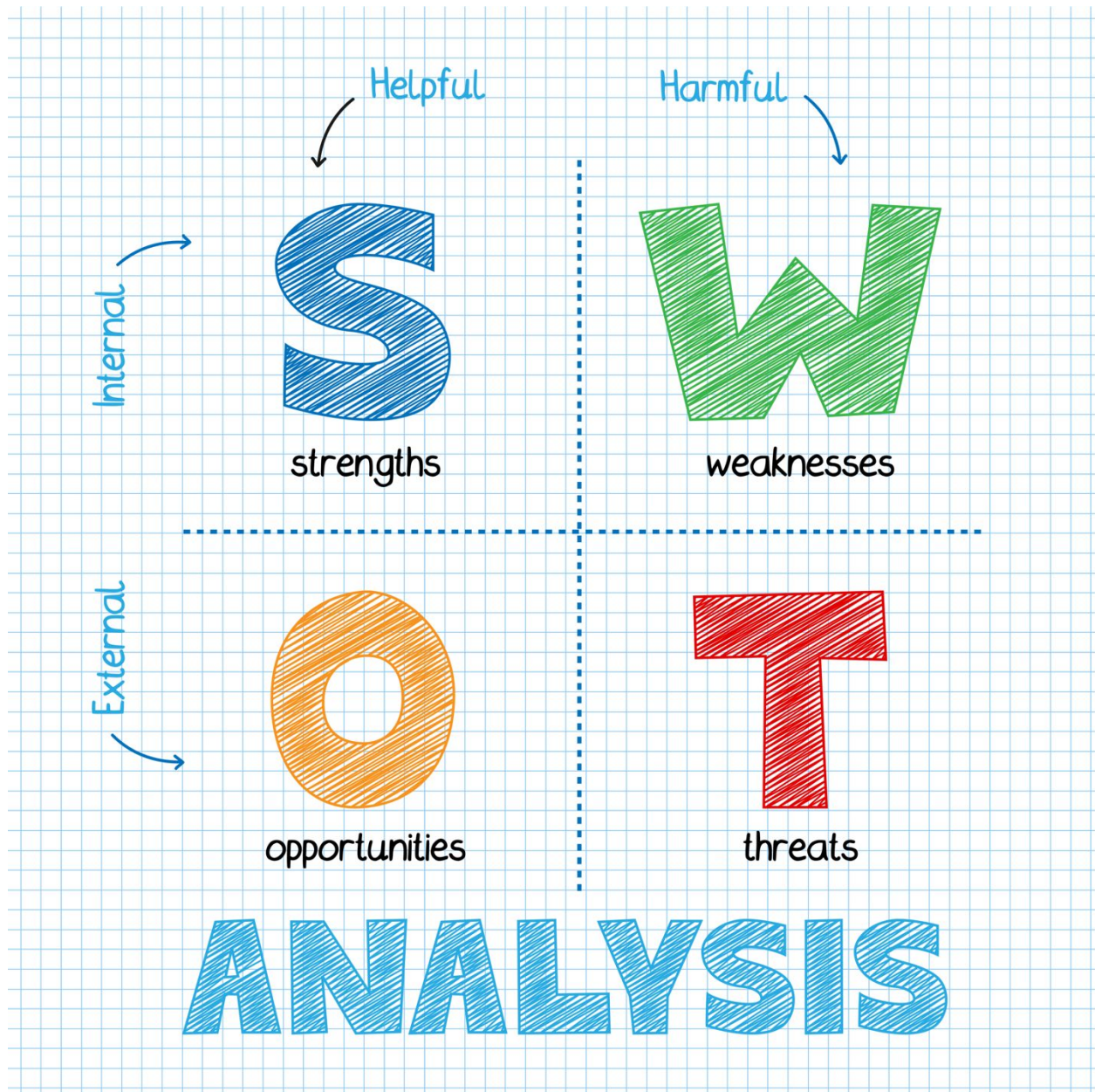
Not only do available jobs go wanting for lack of qualified applicants, but it also means the area has trouble attracting companies that offer better-paying jobs. Yuma County continues to be the destination for the lower-paying jobs. The area must have to have a higher skilled workforce to attract better-paying jobs. On the other hand, the lack of higher-skilled jobs drives young people to leave the community to seek careers elsewhere. And others who come to Yuma as the spouses of military and professionals often are unable to find a job here to match their skills.

The community has made some strides, such as the STEAM (science, technology, engineering, agriculture, and math) program now being offered by Yuma Union High School District in partnership with Arizona Western College. The college in collaboration with the University of Arizona also is making it easier for Yumans to pursue college degrees in such fields as engineering.

The top ten employers in Yuma County based on number of employees are: #1 US Army Proving Ground (YPG) (military); #2 Yuma Regional Medical Center (healthcare); #3 Yuma Elementary School District (education) #4 Wal-Mart Stores (retail); #5 City of Yuma (government); #6 Yuma County (government); #7 US Marine Corps Air Station (MCAS) (military); #8 Bose Corporation (manufacturing); #9 US Border Patrol (government); and #10 ACT, Advanced Call Center Technologies (call center).

The unemployment rate in Yuma County is 12.0% (February 2020), with job growth of -0.42%. Future job growth over the next ten years is predicted to be 15.46%. For the same month, the metro unemployment rate was 7.5 percentage points higher than the Arizona rate.

SWOT ANALYSIS



ANALYSIS of ECONOMIC DEVELOPMENT

Other Economic Clusters

Food Processing

Food processing is seen as a logical extension of Yuma's agricultural industry. Food processing plants can locate within close proximity of agricultural production.

Military & Defense Testing

With the Marine Corps Air Station Yuma, the Yuma Proving Ground, and the Barry M. Goldwater Range, there is a significant military presence in the region. Weapons are tested at the Yuma Proving Ground. This would make the area a natural location for companies that supply the military and whose arms would need testing.

Industrial Manufacturing

Proximity to Mexican and California markets is seen as an advantage for the Yuma region in industrial manufacturing. Low unionization and relatively low wages are also seen as an advantage.

Logistics & Distribution

Proximity to Mexican and California markets is seen as an advantage for the Yuma region in logistics and distribution. Yuma County is also considered to have an advantage because of the high capacity port of entry at San Luis II, the UP-Sunset Corridor, and Interstate 8. Yuma is also less than 250 miles from the Ports of Los Angeles/Long Beach, CA and 498 miles from the Port of Guaymas in Mexico.

Renewable Energy

Seven companies have committed to building utility-scale renewable energy plants within three hours of Yuma. According to the Solar Foundation, Arizona is ranked third in the nation for solar. Arizona Western College Solar Array Testing Site provides research on solar energy, thus providing a connection between solar technology and the region. With its dry weather, Arizona is a logical location for solar power. Manufacturers of solar equipment would be expected to locate near places of demand for their products, i.e., solar power production.

Twin Plant/Maquila Operations

Proximity to Mexican and California markets is seen as an advantage for the Yuma region in twin plant/maquila operations. San Luis Rio Colorado is the third largest municipality within the State of Sonora.

Strengths & Weaknesses

Isolation is not generally considered an economic asset. However, for some areas of the District, the relative isolation and substantial empty territory have been advantageous. There are getting to be fewer and fewer places where major power generation facilities can be sited without protest, or large military installations can be located without conflicting with other users.

The District's communities have benefited from being able to provide locations for both types of development. The Yuma Proving Ground and Marine Corps Air Station are located near Yuma and are an essential contributor to the Yuma County economy, providing over 8,000 jobs and more than \$170 million in annual payroll. The District is also becoming a location for commercial power generation. Industrial power generators either already operating within the District include CalEnergy Generation in Yuma County and Griffith Energy in Mohave County.

Other energy-related projects have been proposed for District communities, including a proposed plant in La Paz County, for which development was stopped after all permitting, etc. was completed. The District has also provided sites for commercial testing grounds beside the Army's Yuma Proving Ground.

One of the factors attracting such developments and installations to the District is the relative isolation of much of the District land from major urban centers and the mostly unpopulated areas in which such facilities can locate.

Problems & Opportunities

Like most states, Arizona is recruiting new businesses and industries to develop its economy and fortify itself against future economic downturns. The state has traditionally relied upon population growth as its primary commercial driver — building the economy via construction, tourism, and retirement-related industries. However, the COVID-19 Pandemic, which began affecting Arizona in March 2020, dramatically curtailed population growth and tourism, devastating the housing market, reducing state revenues, driving up unemployment, and sending shock waves through all economic sectors.

The United States as a whole has suffered from a prolonged recession and now, COVID-19 Pandemic, but Arizona's economy took a disproportionately negative hit. Ideally, disasters like the Great Recession and COVID-19 Pandemic contain lessons. The lesson this time, while not new, is clear: Arizona's historical reliance on growth has made the state too vulnerable to recessionary downturns — past, present, and future.

As a result, local and state leaders have begun looking for ways to diversify Arizona's economy. To that end, most cities and towns in Arizona, as well as some counties and the state as a whole, have pursued economic development efforts to explore new industrial sectors, better utilize existing resources, attract new businesses, retain current industries and promote a more-skilled workforce. Facing a similar one-industry dilemma, Nevada two years ago commissioned the development of an economic, strategic plan and is moving forward with implementation.

Arizona has an uphill battle. The nation's other 49 states are chasing the same dream and, in many cases, the same dollars. Global competition is fierce and growing. Arizona merely is one economy competing in a world of thousands. And most industries and businesses are understandably inclined to set up shop wherever circumstances are most favorable.

Regional Analysis

Arizona

Data Series	Back Data	Sept 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020
Labor Force Data							
Civilian Labor Force ⁽¹⁾		(R) 3,585.9	(R) 3,595.7	(R) 3,596.3	(R) 3,594.6	3,604.8	(P) 3,613.1
Employment ⁽¹⁾		(R) 3,421.4	(R) 3,432.4	(R) 3,433.2	(R) 3,431.3	3,442.7	(P) 3,451.8
Unemployment ⁽¹⁾		(R) 164.4	(R) 163.3	(R) 163.1	(R) 163.3	162.1	(P) 161.3
Unemployment Rate ⁽²⁾		(R) 4.6	(R) 4.5	(R) 4.5	(R) 4.5	4.5	(P) 4.5
Nonfarm Wage and Salary Employment							
Total Nonfarm ⁽³⁾		2,952.5	2,958.9	2,971.8	2,978.4	2,982.5	(P) 2,987.8
12-month % change		2.7	2.6	2.8	2.9	2.5	(P) 2.7
Mining and Logging ⁽³⁾		13.6	13.5	13.5	13.6	13.8	(P) 13.9
12-month % change		2.3	1.5	1.5	2.3	3.0	(P) 3.7
Construction ⁽³⁾		173.1	172.6	173.2	174.2	174.4	(P) 175.4
12-month % change		7.3	6.4	5.8	5.4	4.9	(P) 4.9
Manufacturing ⁽³⁾		178.5	178.8	178.3	177.8	177.8	(P) 177.6
12-month % change		3.2	3.2	2.4	1.9	1.4	(P) 1.1
Trade, Transportation, and Utilities ⁽³⁾		543.8	544.3	546.2	549.1	551.5	(P) 551.3
12-month % change		1.2	1.1	1.2	1.7	1.8	(P) 1.9
Information ⁽³⁾		49.4	49.4	49.0	48.8	48.9	(P) 48.9
12-month % change		3.8	2.9	1.4	0.6	1.2	(P) 1.2
Financial Activities ⁽³⁾		232.1	233.2	232.9	232.3	232.4	(P) 232.7
12-month % change		3.8	4.0	3.6	3.1	2.9	(P) 2.8
Professional & Business Services ⁽³⁾		447.2	446.5	453.4	449.6	448.4	(P) 449.9
12-month % change		3.0	2.5	3.9	2.8	2.3	(P) 2.3
Education & Health Services ⁽³⁾		465.3	468.1	471.7	474.7	474.6	(P) 477.8
12-month % change		3.6	3.9	4.4	5.0	4.4	(P) 4.7
Leisure & Hospitality ⁽³⁾		331.4	334.0	333.9	337.0	336.7	(P) 338.6
12-month % change		1.6	2.3	1.8	2.6	2.4	(P) 2.9
Other Services ⁽³⁾		95.2	95.2	96.0	95.7	94.8	(P) 94.9
12-month % change		2.0	1.9	2.8	3.3	0.7	(P) 0.6
Government ⁽³⁾		422.9	423.3	423.7	425.6	429.2	(P) 426.8
12-month % change		1.4	1.3	1.4	2.0	1.7	(P) 1.9
Footnotes (1) Number of persons, in thousands, seasonally adjusted. (2) In percent, seasonally adjusted. (3) Number of jobs, in thousands, seasonally adjusted. (P) Preliminary (r) Revised							

Data extracted on: April 03, 2020

Source: U.S. Bureau of Labor Statistics

Yuma, AZ

Data Series	Back Data	Sept 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020
Labor Force Data							
Civilian Labor Force ⁽¹⁾		102.6	102.4	102.7	(P) 101.7	(P) 101.1	
Employment ⁽¹⁾		83.5	86.0	86.9	(P) 86.9	(P) 87.3	
Unemployment ⁽¹⁾		19.1	16.5	15.8	(P) 14.7	(P) 13.8	
Unemployment Rate ⁽²⁾		18.6	16.1	15.4	(P) 14.5	(P) 13.6	
Nonfarm Wage and Salary Employment							
Total Nonfarm ⁽³⁾		56.1	56.9	58.3	59.2	58.8	(P) 59.2
12-month % change		1.3	0.7	-0.2	0.5	-0.2	(P) 0.5
Mining, Logging, and Construction ⁽³⁾		3.0	3.1	3.1	3.1	3.0	(P) 3.1
12-month % change		15.4	14.8	10.7	10.7	7.1	(P) 10.7
Manufacturing ⁽³⁾		2.4	2.3	2.5	2.8	2.8	(P) 2.8
12-month % change		-4.0	0.0	-13.8	-6.7	-6.7	(P) -6.7
Trade, Transportation, and Utilities ⁽³⁾		11.3	11.4	11.9	12.2	12.2	(P) 12.3
12-month % change		5.6	2.7	0.8	2.5	-2.4	(P) 0.0
Information ⁽³⁾		0.4	0.4	0.4	0.4	0.4	(P) 0.4
12-month % change		-20.0	-20.0	-20.0	-20.0	-20.0	(P) -20.0
Financial Activities ⁽³⁾		2.1	2.1	2.1	2.1	2.1	(P) 2.1
12-month % change		10.5	5.0	0.0	-4.5	-4.5	(P) -4.5
Professional and Business Services ⁽³⁾		6.1	6.2	6.3	6.7	6.3	(P) 6.3
12-month % change		-12.9	-12.7	-11.3	-6.9	-8.7	(P) -8.7
Education and Health Services ⁽³⁾		8.2	8.4	8.6	8.7	8.6	(P) 8.6
12-month % change		0.0	1.2	2.4	2.4	3.6	(P) 3.6
Leisure and Hospitality ⁽³⁾		6.1	6.3	6.5	6.6	6.7	(P) 6.9
12-month % change		7.0	5.0	4.8	4.8	8.1	(P) 9.5
Other Services ⁽³⁾		1.7	1.7	1.8	1.8	1.8	(P) 1.8
12-month % change		0.0	0.0	0.0	0.0	0.0	(P) 0.0
Government ⁽³⁾		14.8	15.0	15.1	14.8	14.9	(P) 14.9
12-month % change		1.4	1.4	2.0	0.7	1.4	(P) 0.7
Consumer Price Index: West urban							
CPI-U, All items ⁽⁴⁾		272.102	273.524	273.128	272.584	273.340	274.412
CPI-U, All items, 12-month % change ⁽⁴⁾		2.6	2.8	2.8	2.8	2.9	3.1
CPI-W, All items ⁽⁵⁾		263.328	265.185	264.619	263.892	264.573	265.531
CPI-W, All items, 12-month % change ⁽⁵⁾		2.5	2.7	2.7	2.7	2.9	3.1

Footnotes

(1) Number of persons, in thousands, not seasonally adjusted.

(2) In percent, not seasonally adjusted.

(3) Number of jobs, in thousands, not seasonally adjusted. See [About the data](#).

(4) All Urban Consumers, base: 1982-84=100, not seasonally adjusted.



























(5) Urban Wage Earners and Clerical Workers, base: 1982-84=100, not seasonally adjusted.

(P) Preliminary

Data extracted on: April 03, 2020

2020-2021 Comprehensive Economic Development Strategy (CEDS)

Lake Havasu City-Kingman, AZ

Data Series	Back Data	Sept 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020
Labor Force Data							
Civilian Labor Force ⁽¹⁾		89.3	89.1	89.4	(P) 88.9	(P) 88.9	
Employment ⁽¹⁾		84.5	84.4	84.6	(P) 84.1	(P) 83.7	
Unemployment ⁽¹⁾		4.8	4.7	4.8	(P) 4.8	(P) 5.2	
Unemployment Rate ⁽²⁾		5.3	5.2	5.4	(P) 5.4	(P) 5.9	
Nonfarm Wage and Salary Employment							
Total Nonfarm ⁽³⁾		52.1	52.7	53.3	53.3	52.6	(P) 53.3
12-month % change		1.0	1.3	2.5	2.7	2.7	(P) 3.1
Mining, Logging, and Construction ⁽³⁾		3.4	3.5	3.5	3.5	3.3	(P) 3.4
12-month % change		3.0	2.9	2.9	0.0	-2.9	(P) 0.0
Manufacturing ⁽³⁾		3.1	3.1	3.1	3.1	3.1	(P) 3.1
12-month % change		-3.1	-3.1	-3.1	-3.1	-3.1	(P) -3.1
Trade, Transportation, and Utilities ⁽³⁾		12.6	12.7	13.1	13.1	12.8	(P) 12.6
12-month % change		0.8	0.8	3.1	2.3	2.4	(P) 0.0
Information ⁽³⁾		0.5	0.5	0.5	0.5	0.5	(P) 0.5
12-month % change		0.0	0.0	0.0	0.0	0.0	(P) 0.0
Financial Activities ⁽³⁾		1.8	1.8	1.8	1.8	1.8	(P) 1.8
12-month % change		5.9	5.9	5.9	5.9	5.9	(P) 5.9
Professional and Business Services ⁽³⁾		3.9	4.0	4.2	4.4	4.4	(P) 4.6
12-month % change		2.6	5.3	13.5	18.9	18.9	(P) 27.8
Education and Health Services ⁽³⁾		9.1	9.2	9.2	9.3	9.2	(P) 9.3
12-month % change		1.1	1.1	1.1	2.2	1.1	(P) 2.2
Leisure and Hospitality ⁽³⁾		7.5	7.5	7.4	7.3	7.3	(P) 7.4
12-month % change		-1.3	-1.3	-1.3	-1.4	1.4	(P) 0.0
Other Services ⁽³⁾		1.8	1.9	1.9	1.9	1.9	(P) 1.9
12-month % change		-5.3	-5.0	-5.0	0.0	0.0	(P) 0.0
Government ⁽³⁾		8.4	8.5	8.6	8.4	8.3	(P) 8.7
12-month % change		3.7	4.9	4.9	3.7	3.8	(P) 4.8
Footnotes ⁽¹⁾ Number of persons, in thousands, not seasonally adjusted. ⁽²⁾ In percent, not seasonally adjusted. ⁽³⁾ Number of jobs, in thousands, not seasonally adjusted. See About the data . (P) Preliminary							

Data extracted on: April 03, 2020

Source: U.S. Bureau of Labor Statistics

Internal & External Forces

Economic development is a highly competitive, “take no prisoners” game. Small, rural communities battle with their neighbors to attract the same businesses or to retain those they already have. Counties vie against other counties. Metro areas — both in and outside of Arizona — struggle in pursuit of the “holy grail” of high-paying jobs. States court new auto plants or high-tech industries. Finally, as economists are fond of pointing out, today’s globalized economy means that Arizona competes not only with North Carolina, Massachusetts, and Washington but also with China, Europe, India, and Sub-Saharan African nations.

Economic development creates winners and losers, with the latter causing anything from economic stagnation to a less desirable quality of life. Observers viewing the economic development process from the 30,000-foot level may praise the virtues of taking a broad, inclusive approach to this demanding set of tasks. But mayors like those in Bisbee, Mesa, Tucson, and Phoenix are expected by their constituents to promote local prosperity and “let the other places worry about themselves.” To complicate matters even further, there just are not enough industries and businesses to go around.

But winning is critical. A strong economic base is a springboard to the rising revenues that fund enhanced public safety, housing, education, healthcare and other ingredients of improved quality of life. Economic development, in short, is essential.

For decades, Arizona's economic development efforts have consisted chiefly of cashing in on a relatively low cost of living and lower-cost business operating environment, buoyed by the state's sunshine and scenic vistas — a relatively passive approach that many nevertheless credit for the state's longtime lead ranking in population and job growth. Until the Great Recession, the Arizona economy had consistently outperformed the national economy in terms of growth, according to research by Elliott D. Pollack & Co., an Arizona-based financial and real estate consulting firm.

Although the state's economy was notoriously cyclical, some of the negative impacts of earlier recessions were eased as people continued to move into Arizona and spend money.

But when the steep national economic downturn caused population growth to stall, jobs to disappear and tourists to stay home, the risks of overdependence on growth were harshly revealed. Indeed, Arizona lost some 300,000 jobs from 2008 to 2010, about half of them in construction.

Long-Terms Goals

Rural communities in the District face challenges in economic development that include fundamental infrastructure shortcomings (roads, sewers, railroads, and airports), limited workforce skills, and relatively few available buildings. On the other hand, these communities can pitch prospective employers on their quality of life, lower operating costs, a skilled labor force willing to travel long distances to work, and the care and attention that smaller communities often pay to new, highly prized businesses.

In many rural communities and counties, the day-to-day responsibilities for economic development rest with a city manager or county administrator who is already juggling other tasks. Tight budgets often preclude hiring a full-time economic development director whose work, in the view of elected officials, may not yield dividends for two or three years. These communities also may be hamstrung by the lack of an economic development plan, such as a document similar to this Comprehensive Economic Development Strategy (CEDS).

The following goals and objectives are centered around core themes that resonate within the state and the District to create a diversified economic development culture.

Job Creation

*Arizona generates jobs in droves in good times, but too few of these are cutting-edge jobs. In *The New Geography of Jobs*, University of California, Berkeley economist Enrico Moretti suggests there are three Americas — one whose cities offer a “well-educated labor force and a strong innovation sector,” another that is beset by lost jobs and dwindling population with the decline of traditional manufacturing, and a third in the middle whose cities could go either way. If he is correct, it’s clear that Arizona’s cities cannot afford to be caught standing in place.*

Objective: Manufacturing jobs have traditionally led the way towards higher-pay and better job security in most U.S. communities since the 1950s era of “smokestack” industries. But today, manufacturing is meeting innovation head-on in creating jobs that did not exist even 5 years ago. The District must embrace innovation and rethink manufacturing opportunities that are well-suited for the rural economies.

Skilled Workforce

A skilled workforce is not only the top priority for many companies that are looking to expand or relocate; they want that skilled workforce to be there five, 10 and more years down the road. This requires a continued commitment to improving the quality of education in Arizona, particularly in the areas of science and math.

Objective: Lawmakers will need to fund education to the level where that becomes our identity. Arizona will attract industries that require high-quality labor and pay higher-than-average wages. In Yuma County, several programs are underway that are focused on K-12 education. STEM and the Cambridge curriculum have been integrated into the curriculums with a substantial grant from the Helios Foundation.

Higher education played a unique role in these programs. Pathways have been created where students will graduate from high school with college credit towards their career objectives. Base industries in this region that are supporting this program include renewable energy, aerospace, automotive and, of course, agriculture.

Rural Infrastructure

Rural Arizona needs more state help in assessing assets and building infrastructure so that it can be more competitive.

Objective: The most essential infrastructure layer that is preventing the District from becoming more competitive is access to high-speed Internet - especially in rural communities. A recent (2015) Census Bureau report finds that over 22 percent of Arizonans don't have access to the Internet. Another 4.9 percent have connectivity, but not at home. Men and women were about even in terms of access, while Asians and whites had higher levels of connectivity than blacks and Hispanics.

Tax Reform

While Arizona's tax system is generally competitive and becoming more so, a heavy reliance on sales taxes motivates communities to pursue retail businesses. The result is often more time spent attracting retail jobs and less time drawing higher-paying ones.

Objective: Advocate with District local elected officials and state lawmakers to understand the importance of attracting higher-paying job opportunities that will diversify the tax base and reduce the reliance on retail jobs.

Strengthen Clusters

After years of inattention, Arizona must protect and nurture essential base industries, such as aerospace and aviation, that provide high-paying jobs and help attract similar companies to strengthen clusters.

Objective: Arizona and the District must continue to diversify its economy by targeting such cutting-edge sectors as bioscience and advanced electronics, while also protecting and expanding such traditionally strong industries like aerospace and aviation (notably the highly promising area of unmanned aircraft systems.)

Tourism

Arizona's booming tourism sector broke records again last year, with visitors spending \$24.4 billion in 2018 and generating more than \$1 billion in revenue for the state. In recent years, Arizona has cemented its position as a world-class destination for leisure, recreation, events, conferences, sports and more. Tourism dollars directly supported 192,300 jobs in Arizona — representing \$7.4 billion in earnings by Arizona workers. Tax revenues generated by tourism increased 17% over the previous fiscal year (2018) to a record total of \$1.1 billion. It provides not only entry-level jobs but numerous jobs for suppliers of products and services. And it has a particularly significant impact in rural areas.

Taxes generated by the travel industry are primarily paid by visitors rather than residents. A record 45.4 million overnight visitors came to Arizona last year, up from 43.9 million in 2017, according to a new report from the Arizona Office of Tourism. They spent on average \$67 million per day, up eight percent from the previous year's record-breaking visitor spending total. This new money imported into the state and local economy means the tax revenue generated by travel spending is a net benefit to Arizona residents.

Objective: Advocate with District local elected officials and state lawmakers to understand the importance of tourism on the state and District economy. The impact of tourism spending is relatively more important to Arizona's rural counties than urban counties.

Gross Domestic Product

Gross Domestic Product (GDP) is the value added in production by labor and capital. It is the most comprehensive measure of economic activity. At \$38,590, Arizona's per-capita gross domestic product in 2016 lagged well behind the \$50,577 national average.

Objective: A healthy economy exists when inflation-adjusted gains in GDP are at least 2-to-3 percent per year. Recovering from the Great Recession in terms of GDP are lagging in Arizona and in particular in rural counties. The District must advocate with local elected officials and policymakers to focus on attracting modern industries and higher paying jobs to the region that will impact increased economic production.

Entrepreneurship

Arizona's independent attitude contributes to an entrepreneurial spirit that makes it the national leader in startups. But that attitude also means key elected leaders can be reluctant to fully support the efforts of university researchers and governments pursuing federal and other funding.

Objective: The District is a hub of entrepreneurial activity, but the actual job creation impact is minimal. Most of the District's "solopreneurs" are created out of necessity to replace the primary income of one, or more, members of the household. The overall impact of entrepreneurship is negligible -- if new job creation is not planned for, nor desired. More District entrepreneurs would benefit by investing in higher education opportunities and developing business models that will match growth projections in economic clusters -- instead of focusing on low-revenue service-oriented ventures.

Corporate Leadership

Arizona's relative lack of business leadership is compounded by the absence of primary corporate headquarters that typically provide guidance, volunteers and funding for community projects. Also, many CEOs are devoting more of their time to keeping their companies competitive in today's economy, which leaves them with less time for community projects.

Objective: The best way to attract more high-quality jobs is to continue to diversify Arizona's traditional growth-based economy by nurturing and expanding existing export-based industry strengths and leveraging the incredible intellectual capital within Arizona's university system.

Arizona is primed to establish a national reputation for excellence and innovation in existing industries with massive potential while furthering our reputation for fostering entrepreneurship and growing our own. Arizona can become a place known for providing the foundations for consistent business growth – smart workers, market access, intellectual property, and low operating costs. This is where the “rubber meets the road” with corporate leadership.

Southern Arizona has an established corporate base in some key industries – aerospace and defense, bioscience, and alternative energy/solar – as well as a geographic location ideal for managing manufacturing relationships with Mexico and distribution throughout the southwestern United States. Coupled with the University of Arizona, these strengths provide Southern Arizona and the District the assets to flourish.

Community and Private Sector Participation

The Arizona Legislature’s 2010 jobs package created a \$25 million “deal closing” fund to provide financing/grants to attract companies. Lawmakers also reduced the corporate income tax rate (from 6.7% to below 4.9% by 2017) and created a “Quality Jobs” program that provided incentives for creating and retaining high-paying jobs in base industries. Base industries, such as manufacturing, research and development, and high-tech, were targeted because they generate wealth through exports and help create more high-wage jobs. For example, every position in aerospace manufacturing in Arizona is estimated to build two more jobs in other industries. The primary goal of the Quality Jobs tax credit is to encourage business investment and the creation of high-quality employment opportunities in the state. Quality Jobs accomplishes this goal by providing tax credits to employers creating a minimum number of net new quality jobs and making a minimum capital investment in Arizona.

At the state level, Arizona now is better poised to become more competitive. But economic development also depends on the myriad efforts of cities and towns, counties, chambers of commerce, and regional organizations.

At the District level, outreach must be ongoing to discuss with local elected officials, policy makers, and private citizens -- about how best to embrace a unified economic development planning document, such as this CEDS. A culture of “reactive” economic development policies -- instead of “proactive” economic development planning is not going to occur overnight.

Distributing this CEDS document in electronic format to local elected officials, business leaders, private sector groups; embedding on its website; and creating “snapshots” of the CEDS to distribute in social media channels are some of the methods that will be used to encourage discussion and long-term implementation of the CEDS.

Regional Economic Development Investments

The Defense Contractor Complex (DCC), located at Yuma International Airport is a state-of-the-art industrial park dedicated to the manufacturing, distribution, repair, and maintenance of the aviation industry. The 120-acre complex has been equipped with the infrastructure and technology needed to provide a center for completing the secure activities required by multiple avionic industry sub-sectors.

The San Luis (Arizona) Business Incubator supports the growth of manufacturing and trade-related businesses. The project is expected to create 300 jobs and generate \$10 million in private investment, according to grantee estimates. The 20,000-sq.-ft. incubator was built on a four-acre industrial site in the San Luis Industrial Park. The facility includes 10,000 sq. ft. of shared primary incubator space and 10,000 sq. ft. of single space, which will allow successful businesses to expand within the incubator.

Workforce Investment Strategies

Many of those familiar with Arizona’s economic history said that the economic downturn, though extreme, was only temporary. The state would be back.

But while every new job is welcome in a fragile recovery, the rejoicing over Arizona’s gradual turnaround has been muted. Business and political leaders, economic development officials and many other Arizonans agree that it is not enough to create jobs; the state must create more quality jobs. They are determined to diversify the economy. Further, champion innovation and target economic sectors with the long-term potential to avoid the peaks and valleys of the past.

Central to achieving these goals is a reliable infrastructure, a highly skilled workforce — especially in the “STEM” fields (science, technology, engineering, and math) — and expanded trade with Mexico and other parts of the world where most future economic growth is projected to occur. These are long-term strategies, whose benefits might not be seen for years. They also require a broad range of stakeholders working in relatively close alignment. Cooperation is critical.

Arizona’s overall response was in line with the state’s traditional beliefs in the power of free enterprise and the central role of a business-friendly climate that reins in taxes and regulation while using some incentives to entice new firms.

Still, many of those looking beyond Arizona's current resurgence warn of long-standing structural problems that stand in the way of building an economy that provides not just jobs, but quality, high-paying jobs that can better withstand the busts that accompany the booms.

ECONOMIC GROWTH

Economic Forecast Data

While concerns about the future are building, current economic performance in Arizona remains strong. Very strong. After robust job gains in the third quarter of 2018, Arizona accelerated again according to preliminary estimates. State growth rose from 3.0% in the third quarter to 3.4% in the fourth quarter, which was the fourth consecutive acceleration. Also, income and population gains remained stable, well above national results.



The outlook calls for Arizona and the U.S. to continue expanding in the near term, although growth decelerates from the torrid pace set recently. The national slowdown is driven by the dissipation of the federal fiscal stimulus, the lagged impacts of past interest rate increases, uncertainty about the resolution of trade disputes, and decelerating global economic performance. While recession risks are low this year, 2020 is another story altogether. Slower national gains will weigh on Arizona's growth in the near term. Further, a decelerating national economy will translate into an elevated risk of recession in 2020 for Arizona as well. And then there is the unknown disasters awaiting the Arizona economy as a result of the COVID-19 Pandemic.



Arizona Economic Forecast Table State of Arizona



Arizona Forecast*	2019	2020	2021	2022	2023
Personal Income (\$ mil)	336,513	336,636	353,851	373,568	392,590
% Chg from Year Ago	5.9%	0.0%	5.1%	5.6%	5.1%
Retail Sales (\$mil)	113,482	92,944	110,214	121,887	126,863
% Chg from Year Ago	6.0%	-18.1%	18.6%	10.6%	4.1%
Total Nonfarm Employment (000s)	2,937.3	2,637.4	2,754.6	2,938.1	3,029.4
% Chg from Year Ago	2.8%	-10.2%	4.4%	6.7%	3.1%
Population (000s), July 1st estimates	7,187	7,268	7,297	7,423	7,526
% Chg from Year Ago	1.6%	1.1%	0.4%	1.7%	1.4%
Residential Building Permits (units)	45,701	40,656	29,142	52,245	45,739
% Chg from Year Ago	9.7%	-11.0%	-28.3%	79.3%	-12.5%
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Source: [The Outlook](#) (April 2020)

Arizona Economic Indicator Tables

Arizona - Population and Vital Statistics	2015	2016	2017	2018	2019
<i>All Estimates are as of July 1st (Fiscal Year), ADHS, ADOA & EBRC</i>					
Population (persons)*	6,758,251	6,835,518	6,965,897	7,076,199	7,187,990
% Chg from Year Ago	1.37% 	1.14% 	1.91% 	1.58% 	1.58% 
Births	86,454	84,471	83,013	80,915	80,125
% Chg from Year Ago	0.87% 	-2.29% 	-1.73% 	-2.53% 	-0.98% 
Birth Rate per 1000 Persons	12.8	12.4	11.9	11.4	11.1
Deaths	52,633	55,965	56,281	58,823	58,950
Net Migration	57,189	48,761	103,647	88,210	90,616
% Chg from Year Ago	13.59% 	-14.74% 	112.56% 	-14.89% 	2.73% 
*This population figure is from the Arizona Dept. of Administration (ADOA), rather than the official Census population count. EBRC considers the ADOA estimate more realistic.					
Published by  Economic and Business Research Center.					
					

Personal Income, Per Capita Personal Income, Population Arizona and U.S.	2018 Q3	2018 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4
<i>Total Personal Income (millions of \$ current, SAAR*), Bureau of Economic Analysis</i>						
Arizona	320,206.1	323,425.9	330,002.4	334,659.5	339,324.4	342,068.8
% Chg from Year Ago	6.11%	5.67%	5.51%	6.16%	5.97%	5.76%
United States	17,918,889.1	18,077,709.8	18,351,263.1	18,550,204.3	18,677,189.3	18,817,590.9
% Chg from Year Ago	5.91%	4.99%	4.65%	4.68%	4.23%	4.09%
<i>Per Capita Personal Income (\$ current, SAAR*), Bureau of Economic Analysis 1/</i>						
Arizona	44,632	44,885	45,616	46,074	46,515	46,691
% Chg from Year Ago	4.42%	3.97%	3.79%	4.41%	4.22%	4.02%
United States	54,810	55,222	56,002	56,550	56,857	57,205
% Chg from Year Ago	5.37%	4.46%	4.14%	4.19%	3.73%	3.59%
<i>Population (midperiod, number of persons), Bureau of Economic Analysis 2/</i>						
Arizona (Census)	7,174,333	7,205,719	7,234,387	7,263,483	7,294,957	7,326,194
% Chg from Year Ago	1.63%	1.64%	1.66%	1.68%	1.68%	1.67%
United States	326,930,342	327,365,581	327,686,853	328,033,835	328,493,111	328,949,848
% Chg from Year Ago	0.52%	0.50%	0.49%	0.48%	0.48%	0.48%
<p>* SAAR = seasonally adjusted annual rate.</p> <p>1/ Per capita personal income is total personal income divided by total quarterly population estimates.</p> <p>2/ Mid-quarter population estimates by state are derived by BEA based on unpublished Census Bureau estimates of beginning-of-month population.</p> <p>Note: Millions of dollars, seasonally adjusted at annual rates. All dollar estimates are in current dollars (not adjusted for inflation). Calculations are performed on unrounded data.</p>						
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Arizona - Travel and Tourism	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020
Employment (000s, 12-month moving averages*), BLS					
Leisure and Hospitality	330.0	330.7	331.4	332.2	332.0
% Chg from Year Ago	1.3%	1.5%	1.5%	1.6%	1.5%
Accommodation	45.4	45.4	45.4	45.4	45.4
% Chg from Year Ago	-1.8%	-1.8%	-1.6%	-1.5%	-1.4%
Sales (\$000s, accrual, 12-month moving average*), ADOR					
Hotel/Motel	301,864.9	303,034.6			
% Chg from Year Ago	3.6%	3.4%			
Phoenix Sky Harbor International Airport (12-month moving averages*)					
Total Passengers	3,828,712.6	3,857,361.4	3,869,738.8	3,888,766.5	
% Chg from Year Ago	2.5%	3.0%	3.1%	3.4%	
Total Aircraft Operations	36,407.8	36,574.2	36,734.7	37,002.4	
% Chg from Year Ago	0.8%	1.1%	1.4%	2.0%	
Tucson International Airport (12-month moving averages*)					
Total Passengers	314,705.3	316,433.4	317,014.7	317,274.3	301,141.2
% Chg from Year Ago	5.3%	5.0%	4.6%	3.8%	-2.3%
Total Aircraft Movements	10,880.1	10,839.7	10,867.6	11,002.8	10,958.2
% Chg from Year Ago	-2.4%	-3.2%	-3.3%	-1.8%	-1.3%
*These data series are all quite volatile, thus the 12-month moving average yields more accurate information on trend.					
Published by  Economic and Business Research Center.					
					

District Economic Indicators (by MSA)

Personal Income, Per Capita Personal Income, Population Mohave County, Arizona (Lake Havasu City-Kingman MSA)	2013	2014	2015	2016	2017	2018
<i>Bureau of Economic Analysis</i>						
Personal income (thousands of dollars)	5,438,063	5,788,759	6,010,068	6,224,478	6,574,242	6,946,164
% Chg from Year Ago	2.81%	6.45%	3.82%	3.57%	5.62%	5.66%
Population (persons) 1/	203,158	203,474	204,661	205,521	207,114	209,550
% Chg from Year Ago	-0.10%	0.16%	0.58%	0.42%	0.78%	1.18%
Per capita personal income (dollars) 2/	26,768	28,450	29,366	30,286	31,742	33,148
% Chg from Year Ago	2.91%	6.28%	3.22%	3.13%	4.81%	4.43%
1/ Census Bureau midyear population estimates. 2/ Per capita personal income was computed using Census Bureau midyear population estimates.						
Published by Economic and Business Research Center.						

Population - Mohave County, AZ	2015	2016	2017	2018	2019
<i>July 1st Estimates, Employment and Population Statistics, Arizona Department of Administration</i>					
Total Population	205,716	205,764	209,792	212,948	216,985
% Chg from Year Ago	0.84%	0.02%	1.96%	1.50%	1.90%
Colorado City	4,834	4,822	4,872	4,902	4,912
% Chg from Year Ago	0.71%	-0.25%	1.04%	0.62%	0.20%
Kingman	28,942	29,063	29,600	30,600	31,480
% Chg from Year Ago	1.13%	0.42%	1.85%	3.38%	2.88%
Lake Havasu City	53,583	53,796	54,801	55,600	56,738
% Chg from Year Ago	0.73%	0.40%	1.87%	1.46%	2.05%
Unincorporated	78,269	78,135	79,968	81,042	82,662
% Chg from Year Ago	0.45%	-0.17%	2.35%	1.34%	2.00%
Published by Economic and Business Research Center.					

2020-2021 Comprehensive Economic Development Strategy (CEDS)

Yuma MSA (Yuma Co.) Summary - Monthly	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020
<i>Persons (seasonally adjusted), Local Area Unemployment Statistics, BLS & EBRC</i>						
Civilian Labor Force	100,673.7	101,603.8	101,471.8	101,422.1	102,416.5	102,087.9
% Chg from Year Ago	-0.5%	0.6%	1.0%	-0.3%	1.2%	2.1%
Employment	84,666.7	84,717.0	84,593.0	84,787.2	85,894.1	83,681.3
% Chg from Year Ago	1.1%	0.2%	0.9%	-0.0%	1.6%	-0.5%
Unemployment	16,205.9	16,820.4	16,745.1	16,414.9	16,042.1	19,123.6
% Chg from Year Ago	-7.6%	2.3%	2.0%	-1.7%	-1.4%	20.7%
Unemployment Rate	16.1	16.6	16.5	16.2	15.7	18.7
Chg from Year Ago	-1.2	0.3	0.2	-0.2	-0.4	2.9
<i>\$ (not seasonally adjusted), Current Employment Statistics, U.S. Bureau of Labor Statistics</i>						
Avg. Hourly Earnings (private sector)	21.5	21.39	20.96	20.53	21.04	21.61
% Chg from Year Ago	12.80%	12.28%	7.38%	7.94%	9.02%	9.36%
<i>Nonfarm Payroll Jobs (000s, seasonally adjusted*), Current Employment Statistics, U.S. Bureau of Labor Statistics</i>						
Total Nonfarm	56.9	57.1	57.2	57.5	57.9	57.5
% Chg from Year Ago	0.89%	0.35%	0.70%	0.00%	0.87%	0.52%
<i>Nonfarm Payroll Jobs (000s, not seasonally adjusted), Current Employment Statistics, U.S. Bureau of Labor Statistics</i>						
Total Nonfarm	56.9	58.3	59.2	58.8	59.3	59.0
% Chg from Year Ago	0.71%	-0.17%	0.51%	-0.17%	0.68%	0.34%
Mining, Logging, and Construction	3.1	3.1	3.1	3.0	3.1	3.1
% Chg from Year Ago	14.81%	10.71%	10.71%	7.14%	10.71%	6.90%
Manufacturing	2.3	2.5	2.8	2.8	2.8	2.8
% Chg from Year Ago	0.00%	-13.79%	-6.67%	-6.67%	-6.67%	-3.45%
Trade, Transportation, and Utilities	11.4	11.9	12.2	12.2	12.3	12.2
% Chg from Year Ago	2.70%	0.85%	2.52%	-2.40%	0.00%	0.00%
Information	0.4	0.4	0.4	0.4	0.4	0.4
% Chg from Year Ago	-20.00%	-20.00%	-20.00%	-20.00%	-20.00%	-20.00%
Financial Activities	2.1	2.1	2.1	2.1	2.1	2.1
% Chg from Year Ago	5.00%	0.00%	-4.55%	-4.55%	-4.55%	-4.55%
Professional and Business Services	6.2	6.3	6.7	6.3	6.3	6.2
% Chg from Year Ago	-12.68%	-11.27%	-6.94%	-8.70%	-8.70%	-8.82%

2020-2021 Comprehensive Economic Development Strategy (CEDS)

La Paz County - Monthly Summary	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020
<i>Persons (seasonally adjusted), Local Area Unemployment Statistics, BLS & EBRC</i>						
Civilian Labor Force	9,633.7	9,695.2	9,571.9	9,597.6	9,751.8	9,567.1
% Chg from Year Ago	2.8%	2.2%	1.7%	1.1%	3.9%	2.8%
Employment	9,091.0	9,157.7	9,045.6	9,059.1	9,216.8	8,955.6
% Chg from Year Ago	3.3%	2.8%	2.5%	1.7%	4.5%	2.3%
Unemployment	540.1	528.1	522.8	532.4	527.6	621.1
% Chg from Year Ago	-5.2%	-7.6%	-10.3%	-7.2%	-5.3%	11.3%
Unemployment Rate	5.6	5.4	5.5	5.5	5.4	6.5
<i>Employees on Nonagricultural Payrolls by Industry (seasonally adjusted), Current Employment Statistics, BLS & EBRC</i>						
Total Nonfarm Employment	5,621.3	5,632.2	5,638.6	5,735.5	5,751.8	
% Chg from Year Ago	2.7%	2.8%	2.3%	4.5%	3.9%	
Total Private	3,501.3	3,498.5	3,501.6	3,434.4	3,465.0	
% Chg from Year Ago	5.3%	4.6%	4.5%	1.5%	1.4%	
Goods Producing	266.6	258.6	277.1	207.4	219.3	
% Chg from Year Ago	-0.7%	0.2%	-0.3%	-19.7%	-18.3%	
Service Providing	5,354.4	5,367.6	5,364.2	5,530.0	5,527.5	
% Chg from Year Ago	2.9%	2.9%	2.4%	5.6%	5.1%	
Trade, Transportation, and Utilities	1,525.7	1,513.6	1,521.1	1,624.6	1,674.9	
Other Services	1,716.5	1,720.3	1,713.8	1,590.1	1,575.0	
Government	2,121.0	2,140.4	2,117.6	2,319.3	2,295.0	
% Chg from Year Ago	-1.2%	0.0%	-1.2%	9.3%	8.1%	
Federal	320.6	325.0	326.0	376.1	349.3	
State and Local	1,802.0	1,816.5	1,796.3	1,938.5	1,950.9	
<i>Sales (\$000s, accrual), Arizona Department of Revenue</i>						
Retail Sales (less food and gasoline)	12,128.2	14,745.5	16,723.1	22,615.5	15,355.0	
% Chg from Year Ago	9.9%	12.7%	11.1%	9.6%	6.8%	

Arizona Recent Developments

Let's start with labor market developments. Arizona generated substantial job gains in the fourth quarter of 2018, with employment increasing by 96,200 over the year according to the preliminary data. That translated into growth of 3.4%, which far outpaced the U.S. at 1.7%. Most of the job growth was driven by construction, professional and business services, education and health services, and leisure and hospitality. These four sectors alone accounted for 67.8% of net job gains over the year. Note also that manufacturing added jobs at a solid clip. That is encouraging because those jobs tend to pay relatively high wages.

According to the latest population estimates from the Arizona Office of Economic Opportunity, Arizona's population hit 7,076,199 on July 1, 2018. The state added 110,302 residents from July 2017 to July 2018, which translated into a growth rate of 1.6%. That was slightly faster than the method-consistent rate of 1.5% in 2017. As usual, Arizona population growth far outpaced the U.S. at 0.7%.

Arizona Outlook

While concerns about the durability of the U.S. expansion abound, current performance remains stable. The January IHS Markit baseline forecast calls for real GDP growth to decelerate from 2.9% in 2018 to 2.5% in 2019, then to 2.0% in 2020. That forecast boils down to gradual deceleration from above-trend growth in 2018-2019 to trend growth by 2020.

Slowing growth this year is driven by the dissipation of the federal fiscal stimulus, the lagged impacts of past interest rate increases, uncertainty about the resolution of trade disputes, and decelerating global economic performance.

Interest rate spreads have been gradually narrowing during the expansion. While long-term rates are generally above short-term rates, this relationship is sometimes reversed during periods of monetary tightening. This is known as a yield-curve inversion, and when it happens, recessions often follow. We are nearing in such a situation. In January 2019, the 10-year Treasury rate was 0.29 percentage points above the three-month rate. The 10-year rate was 0.17 percentage points above the 2-year rate.

Overall, the national outlook sets the stage for continued gains in Arizona. Job growth in Arizona is forecast to decelerate from 3.2% in 2018 to 2.6% in 2019 and 2.3% in 2020.

Construction jobs rise in the near term, reflecting in part increased residential building. Arizona housing permits are forecast to rise from 41,949 in 2018 to 44,437 by 2020.

Substantial increases in employment, combined with tightening labor markets and a rising minimum wage, support continued wage and income growth. Personal income rises by 6.3% in 2019 and 6.2% by 2020. In turn, expanding income drives household spending, although retail sales gains are expected to soften after reliable results in 2018.

Arizona population continues to expand, as robust labor market performance attracts migrants from other states. Natural increase (births minus deaths) remains weak as the aging of the state's population takes its toll.

Risks to the Outlook

While the U.S. baseline outlook calls for continued growth, we should consider alternative scenarios. Given recent concerns about the ability of the U.S. economy to keep growing, let's start with the pessimistic scenario. This story assumes two primary sources of trouble. The first is real estate prices, which are expected to turn slowing growth into outright declines. This damages consumer confidence and household spending pull back. Further, an inverted yield curve hurts business confidence, resulting in falling stock prices and reduced nonresidential investment. Overall, the pessimistic scenario generates a moderate three-quarter recession beginning in the first quarter of 2020.

On a brighter note, the optimistic scenario assumes faster productivity growth, combined with a less inflation-prone labor market and an economy more tolerant of rising interest rates. This allows more rapid U.S. growth to be consistent with low inflation. The result is a stronger overall economic performance, with real GDP growth 1.1 percentage points above the baseline during the next decade.

Arizona's growth depends in part on national economic performance. If the U.S. falls into recession, that will generate slower growth or a downturn in the state economy. A national decline of the sort envisioned under the pessimistic scenario would not produce a severe drop in economic activity in Arizona. In a similar vein, stronger U.S. performance would translate into a more robust state economy.

Other Economic Growth Factors

A reasonable question is whether Yuma and Mohave Counties can sustain such population growth rates over the next 20 years. Both counties have most of their land area tied up in federal, state, and tribal land ownership, with many cities and towns being effectively 'landlocked.' Yet these counties are very sizable in geographic extent, being among the largest counties in the state and country. The planned urban density developments for Mohave County show that such counties can absorb such population growth. It should also be recognized that tribal land is available for development, even if such development may be more difficult in some ways than for property in private ownership.

Both Yuma and Mohave County clearly have enough developable land to grow at these rates for the foreseeable future. A more likely limit to growth will be water availability. At the present time, both Yuma and Mohave Counties have sufficient water to handle a population of 500,000.

In Mohave County, development of non-Colorado River resources may be necessary, but water should not severely limit growth up to a population total of at least 500,000. One potential for the expansion of water resources for residential development is the transfer of water rights from agricultural users to residential use.

In Yuma County, the vast majority of water rights, many senior rights, reside with agricultural producers; in Mohave County, agriculture is much less extensive, but this still presents a potential for transference to residential use. The issue with water is less, can it be made available, than it is, what will it cost. As the population grows, water will start exerting pressure to limit growth through its increasing expense, more than through its availability. Both counties should be able to achieve a population of at least 500,000 before water limitations begin to be felt.

In Mohave County, development seems to have several centers. The two existing population centers of Kingman/Golden Valley and Bullhead City have seen massive developments announced for their communities. Lake Havasu is currently the fastest growing city in the county and should continue to see significant growth in the future, though it may be passed by Bullhead City as the county's largest incorporated city.

Interstate 11 (I-11) is an Interstate Highway that currently runs for 22.8 miles (36.7 km) on a predominantly northwest-southeast alignment in the US state of Nevada, running concurrently with US Route 93 (US 93) between the Arizona state line and Henderson. The freeway is tentatively planned to run from Nogales, Arizona, to the vicinity of Reno, Nevada, generally following the current routes of I-19, I-10, US 93 and US 95. Planners anticipate upgrading two existing highway segments to carry future I-11: US 93 in Arizona from Wickenburg to the Nevada state line on the Mike O'Callaghan-Pat Tillman Memorial Bridge over the Colorado River and US 95 in Nevada from the edge of the Las Vegas Valley to Tonopah. An exact alignment for I-11 has yet to be determined outside of these sections or through the Las Vegas Valley; however, several corridor alternatives have been identified for further study and refinement.

As initially proposed in 2012 Moving Ahead for Progress in the 21st Century Act, the highway would only run from Casa Grande, Arizona, to Las Vegas, Nevada, via Kingman and Buckeye, Arizona.

This was to provide a direct Interstate link between the Las Vegas and Phoenix metropolitan areas, which are currently the two largest adjacent American cities lacking a direct freeway link. However, extensions of the corridor to the north towards Reno and to the south towards Tucson, Arizona have since been approved.

The proposed numbering of this highway does not fit within the usual conventions of the existing Interstate Highway grid as, at least in the initial phase south of Las Vegas, it would be entirely east of Interstate 15 and should, therefore, have a number higher than 15. But Interstate 17 was already built to the east of the Interstate 11 alignment in Arizona, making it impossible to fit this freeway's interstate number into the national grid and remain within the traditional numbering convention. The subsequent plan to extend the Interstate north of Las Vegas to Reno would, if constructed, put that portion of I-11 west of I-15 and thus in line with the national grid numbering conventions.

The Mike O'Callaghan–Pat Tillman Memorial Bridge is an arch bridge in the United States that spans the Colorado River between the states of Arizona and Nevada. The bridge is located within the Lake Mead National Recreation Area approximately 30 miles (48 km) southeast of Las Vegas and carries U.S. Route 93 over the Colorado River. Opened in 2010, it was the critical component of the Hoover Dam Bypass project, which rerouted US 93 from its previous

routing along the top of Hoover Dam and removed several hairpins turns and blind curves from the route. It is jointly named for Mike O'Callaghan, Governor of Nevada from 1971–1979, and Pat Tillman, an American football player who left his career with the Arizona Cardinals to enlist in the United States Army and was later killed in Afghanistan by friendly fire.

As early as the 1960s, officials identified the US 93 route over Hoover Dam to be dangerous and inadequate for projected traffic volumes. From 1998–2001, officials from Arizona, Nevada, and several federal government agencies collaborated to determine the best routing for an alternative river crossing. In March 2001, the Federal Highway Administration selected the route, which crosses the Colorado River approximately 1,500 feet (460 m) downstream of Hoover Dam. Construction of the bridge approaches began in 2003, and development of the bridge itself began in February 2005. The bridge was completed in 2010, and the entire bypass route opened to vehicle traffic on October 19, 2010. The Hoover Dam Bypass project was completed within budget at the cost of \$240 million; the bridge portion cost \$114 million.

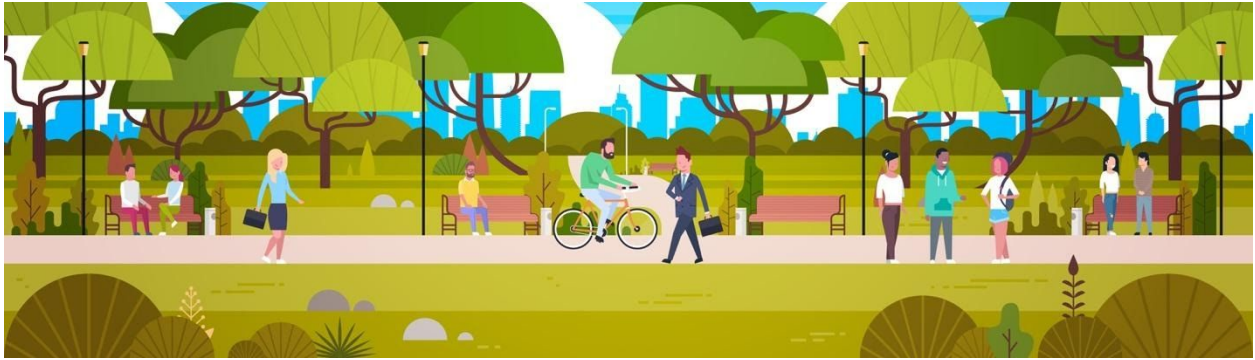
The bridge was the first concrete-steel composite arch bridge built in the United States and incorporates the widest concrete arch in the Western Hemisphere. At 890 feet (270 m) above the Colorado River, it is the second highest bridge in the United States after the Royal Gorge Bridge and is the world's tallest concrete arch bridge.

Upon the completion of the Boulder City Bypass, the bridge has become a part of Interstate 11, concurrent with US 93.

For Yuma County, growth seems to be focusing on the area immediately east of the City of Yuma and in the South County communities of San Luis and Somerton. San Luis is growing at a very rapid pace, and this seems to be continuing. At current growth rates, San Luis may be challenging Yuma for the privilege of being the county's biggest city within 20 years. Growth further east, in the Wellton area, may also dramatically increase. Yuma County will likely see significant development limited to the small southwest corner of the county where past growth has occurred. This would be the City of Yuma south to the Mexican border, and the border community of San Luis, and east to Wellton. Major development north of the City of Yuma and east of Wellton is unlikely.

For Mohave County, we will continue to see increased population concentrations. The existing population centers of Bullhead City, Kingman area, and Lake Havasu will continue to grow, with a new population concentration developing along the US-93 corridor, near Las Vegas. There is also the potential for significant development in the far north of the county, where a corner of Mohave County is between the Nevada gambling center of Mesquite and the rapidly growing retirement center of St. George, Utah. A new freeway exit will open this part of Mohave County to development, and its location between two growing communities is likely to result in at least some, and possibly significant progress.

COMMUNITY PROFILES



Bullhead City

Bullhead City began as the headquarters for the construction of the Davis Dam in the late 1940s. The Davis Dam was completed in 1951 creating Lake Mohave, a recreational paradise with more than 33 miles of shoreline located in the Lake Mead National Recreation Area. In the mid-1800s, the area was home to several gold mines that operated well into the 1930s. Today, at least two of the original mine sites have been reactivated and are producing gold, employing more than 250 people. In 1984, Bullhead City was incorporated and had grown in population to nearly 40,000 residents.

The city's boundaries encompass approximately 73.9 square miles, and the elevation ranges from 500 to 1,400 feet. Bullhead City is located directly across the Colorado River from Laughlin, Nevada. Many people are attracted to Bullhead City because of its affordability. The city is best known for year-round sunshine and blue skies, the Black Mountain Range, the Colorado River, and the Lake Mead National Recreation Area. After the winter visitors head back home, Bullhead City is a recreational playground for boating and water enthusiasts.

Principal Economic Activities

Bullhead City is the retail hub of Mohave County. The city serves a 40-mile radius trade area with a combined population of approximately 206,000 residents. Bullhead City's economic focus is tourism, as 2 million vacationers visit the casino resorts across the river in Laughlin, Nevada each year. Bullhead City (BHC) is host to year-round special events and both adult and youth sports tournaments. The BHC area also offers state-of-the-art health care with two major

hospitals and almost 300 general and specialty practitioners. Bullhead City remains an accessible location for tourism, retail trades, construction and growth along the Colorado River

Scenic Attractions

Bullhead City offers area visitors and residents year-round water-related recreation with its proximity to the Colorado River and Lake Mohave. Off-road enthusiasts have endless miles to explore in the surrounding Black Mountain range. The mountains offer horseback riding, ghost towns, rockhounding and various wild animals in their natural habitats. Bullhead City has a 500-acre nature center providing several trails, beach access to the river, fishing and an observatory for bird watching. The spectacular and challenging golf courses, featuring the award-winning Laughlin Ranch Golf Club, are a must visit for travelers.

Community Facilities

Bullhead City has nine public parks with several playgrounds, picnic areas, sandy beaches, boat launches, sports fields, walking trails, and dog parks. The city has a municipal pool and splash pad. Seniors are welcome to come to the nutrition center and senior center for meals and daily activities. The community center offers several meeting rooms open to non-profit agencies and social clubs as well as areas for basketball, pickleball and community events. Bullhead City brandishes a newly renovated public library, historical museum, endless water activities and a new seven-mile trail for the Heritage Greenway Trail that connects to the Laughlin Bridge.

City of Kingman

Kingman is located in northwestern Arizona at the intersection of Interstate 40 and U.S. 93, the future Interstate 11 corridor. The city is situated in the Hualapai Valley between the Cerbat and Hualapai Mountain ranges. Kingman was established in the early 1880s by Lewis Kingman, who located the route of the Santa Fe Railway through Kingman. Kingman has served as the Mohave County seat since 1887. The section of Route 66 which runs through Kingman offers the longest remaining preserved stretch of old U.S. Route 66 left in the United States. The Powerhouse Visitors Center and other sites of interest are located along Historic Route 66 in the heart of Kingman.

Principal Economic Activities

Kingman is a regional trade, service and distribution center for northwestern Arizona. Its proximity to Los Angeles, Las Vegas, Phoenix, Grand Canyon West, and the Grand Canyon makes Kingman attractive for tourism, manufacturing, warehousing/distribution, and transportation industries. Its higher elevation provides relief from the severe Mojave Desert heat without experiencing harsh winter conditions.

The fully developed, rail-served Kingman Airport Industrial Park attracts manufacturers and distributors who wish to serve the western United States. Kingman's location allows a trucker to drive to Los Angeles and return in a single day.

Scenic Attractions

The scenic mountains around the Kingman area include the Hualapai Mountain Park and Cerbat Mountains which offer hiking, picnicking, mountain biking, camping, dry lake sailing, and other outdoor activities. The Kingman and the Colorado River areas offer recreational and historical attractions such as Oatman and Laughlin. Access and lodging for visitors to Grand Canyon West and its famous Skywalk are provided in Kingman. Water recreation also plays a central role with the Colorado River, Lake Havasu, Lake Mohave, and Lake Mead all within an hour drive of Kingman. Kingman has a Multiple Resource Historic District with a developed walking tour and district map which can be seen at the Locomotive Park. Other interesting sites include Beale Wagon Road, Fort Beale Springs and the White Cliffs Wagon Road.

Community Facilities

Kingman offers a broad range of community facilities including a resource center, a senior center, a museum, and a library. Recreational facilities include ten parks, aerobic centers, two swimming pools, numerous lighted tennis and racquetball courts, shuffleboard areas, bocce ball fields, horseshoe courts, two, and a bowling alley.

City of San Luis

San Luis is strategically located at the southwest corner of Arizona along the U.S.-Mexico border with Sonora, Mexico. The community sits on an intersection of two countries and four states: California, Arizona, Baja California, and Sonora. With access to a consumer market exceeding 53 million people within a 500-mile radius, San Luis is highly competitive for new business development. San Luis has experienced sustained population and economic growth, making it one of Arizona's fastest growing cities.

Principal Economic Activities

The agriculture, commercial, government and manufacturing sectors make up a large portion of the local economy. The San Luis Port of Entry I is one of Arizona's busiest ports, with eight million people crossing the border every year. San Luis Commercial Port of Entry II is the second largest commodities port of entry due to fresh produce imported from Mexico. Since the connection of the Arizona Service Highway to Interstate 8 and Highway 95, the city's industrial base increased with two new major industrial parks subdivisions totaling 220 acres of shovel ready sites. San Luis has abundant natural resources like water and sun, making it an ideal location to locate your business.

Scenic Attractions

San Luis offers a variety of shopping opportunities in downtown, and the proximity to the border provides a tremendous opportunity to leverage binational recreational and cultural assets. As a binational region, tourism experiences binational events such as the Taco and Beer Festival, Tierra Sonora Concert, Fourth of July, Off-Road Expo and Sonora Rally Dakka events. Shopping in the Mexican border town is always a favorite, and the open-air market in this town offers Mexican souvenirs, while dentists, doctors, and pharmacies are within walking distance from the border. San Luis is the gateway to the Sea of Cortez, and the El Golfo de Santa Clara is merely 70 miles south of the border offering abundant recreational opportunities including driving, sailing, and swimming as well as great seafood restaurants. The new coastal highway, La Costera toll road, connects Puerto Peñasco (Rocky Point) to El Golfo de Santa Clara while creating a safe passage for visitors wanting to experience beautiful beaches, quality resorts, cruises, deep- sea fishing and snorkeling.

Community Facilities

The city of San Luis offers abundant recreational facilities and a variety of community services targeting people of all ages. The senior center administers educational courses and activities to the older population. The Cesar Chavez Cultural Center offers art, music and dance classes, as well as displaying the city mural. Art and music expos are held at the Cesar Chavez Cultural Center. The Joe Orduno Park is a central location that offers a variety of services including a youth center, an aquatic center, a gymnasium, and recreational fields. The Joe Orduno Park hosts numerous special events including the famous Fourth of July and Off-Road Expo.

City of Somerton

Somerton is located in the fertile Yuma Valley about 12 miles south of Yuma at an elevation of 103 feet. The city is approximately 12 miles from the Mexican border and 180 miles east of San Diego. Somerton is located on both sides of U.S. Highway 95 (Main Street), and Somerton Avenue runs north and south through the city. The area is bounded by Cocopah Indian Reservations (east and west). Somerton was established in 1898 and incorporated in 1918. The population has doubled during the last ten years reaching 15,000.

Somerton has a long history of overcoming physical and economic adversity. Early settlers had to prevail over the Colorado River floods to realize the tremendous potential of the area's agricultural lands.

This potential was the driving force for the establishment of the Somerton School District in 1902, and the paving of Main Street in 1917. The downtown business district survived a massive fire in 1926 and was able to continue as a significant economic influence in Yuma County until the early 1960s. Somerton, with a rich heritage and culture, has a downtown redevelopment plan that offers a package of incentives for businesses that locate in the downtown area or existing businesses that need to upgrade their premises.

Principal Economic Activities

Agriculture, medical services and tourism are the primary economic activities in the local economy. The retail business environment continues to grow along with the population. Somerton's small-town-feel, it's historic downtown, and its culture is unique, and visitors from all over the Yuma Region enjoy coming to the many special events offered throughout the year. The city's location between two major population areas running through U.S. 95, Yuma to the north and San Luis, Arizona, and San Luis Río Colorado, Mexico, to the south, makes Somerton an ideal location for special events and entertainment venues.

Scenic Attractions

Somerton is the native region of the Cocopah Nation, which is a significant employer with seven different entertainment, lodging and cultural attractions: The Cocopah Casino, The Cocopah Resort & Conference Center, The Cocopah Rio Colorado Golf Course, The Cocopah Museum and Cultural Center, Cocopah RV and Golf Resort, Cocopah Speedway and Wild River Family Entertainment Center. Somerton is a community that honors its cultural diversity and heritage, and more than 30,000 people flock to Somerton for the annual Tamale Festival every year in December.

Community Facilities

The City of Somerton offers many recreational and educational activities to its residents and visitors through its parks and recreation program and community services. The community center includes the Somerton Heritage Pool, gymnasium and YMCA Youth Center, Valle del Desierto Senior Center, Somerton Cultural Center, baseball fields, Main Street Ball Park, Joe Muños Municipal Park and other parks with playgrounds and ramadas. It is the mission of the Somerton Parks and Recreation Department to enhance the quality of recreational activities offered and the attractiveness of parks and facilities to provide a better quality of life to its residents.

City of Yuma

Yuma was named after the Yuman Native Americans and founded as a river port. The port supplied outposts for the military and supported commerce just below the confluence of the Colorado and Gila Rivers. Since prehistoric times, Yuma has been the safest site for crossing the Colorado River. Fort Yuma was built during the gold rush to bring peace to the area and ensure a safe route into California. Established in 1854 as Colorado City, the town became Arizona City and was reincorporated as Yuma in 1914.

Yuma is the county seat of Yuma County and remains a crucial crossroad for air, highway and rail transportation. The community's logistics heritage and bicultural reputation are enhanced by the proximity to its three neighboring states: California and Baja and Sonora, Mexico. This prompted the elected leadership to establish 4FrontED, an economic development alliance that includes Yuma, San Luis, Somerton and Welton, Arizona as well as San Luis Rio Colorado, Sonora, Mexico, to help facilitate and coordinate cross-border commerce.

Scenic Attractions

Today, Yuma is a vibrant multicultural community that celebrates its rich heritage surrounded by wide-open spaces and pristine desert scenery - all with a river running through it. The Yuma State Territorial Prison, with cells carved from rock, once housed dangerous outlaws and is now a popular tourist attraction. Another popular site is the historic Quartermaster Depot that helped settle the West. Other attractions in the area include Fort Yuma built in 1851, the 16th century St. Thomas Mission, the Quechan Indian Museum, Laguna,

Imperial Dam, Morelos Dam, and the nearby California sand dunes. The port-of-entry communities of San Luis and Algodones, Mexico, are centers of entertainment for medical tourism, night spots, and shopping. Lakes along the Colorado River offer fishing, water skiing, and swimming opportunities. The Yuma Crossing State Park features living history on the Colorado River before 1900.

Community Facilities

The City of Yuma offers a broad range of community facilities including six museums, eight community centers, 10 public and private art galleries, 32 parks, bowling alleys, community swimming pools, biking/hiking trails, multiple lighted tennis courts and a soccer stadium that has been home to the United Premier Soccer League's Frontera United since 2015. The stadium complex is near to the conference center.

La Paz County

La Paz County was created Jan. 1, 1983, when Yuma County residents voted to split their county into two sections. It is the 15th of Arizona's 15 counties, with Parker the county seat. La Paz, which means "the peace" in Spanish, has historical significance as the name of a boom town on the Colorado River.

The Colorado River town of La Paz was founded in 1862, after the discovery of rich gold deposits nearby. By 1863, there were probably 5,000 men working in the gold mines, making La Paz one of the largest settlements in what was to become the Arizona Territory. The decline of La Paz was caused by two factors – the mines dried up and the Colorado River changed its course in 1870, leaving the town "high and dry." In addition to Parker, the river town of Ehrenberg, and inland cities of Bouse, Quartzsite and Salome/Wenden in McMullen Valley are located in La Paz County.

The county's rugged landscape and the Colorado River attract thousands of visitors annually, making tourism the number one industry with 1998 tourism revenues of \$103 million. Agriculture adds approximately \$83 million to the county's economy. La Paz County encompasses 4,518 square miles and has 30 square miles of water.

It is the third smallest of Arizona's counties and has the lowest population density with slightly more than four persons per square mile. The U.S. Bureau of Land Management controls 58.3 percent of the land; the state of Arizona, 8.8 percent; other public areas, 19.5 percent; and

5.3 percent of the land is owned privately or by corporations. The Colorado River Indian Tribe owns 8.1 percent of the La Paz County land.

La Paz County also enjoys year-round, river-oriented tourism. As with Mohave County, this tourism is Southern California based and is not likely to be severely impacted by mild recessions or terrorism fears. Agriculture is seasonal, of course, but the Bureau of Labor Statistics data shows relatively modest increases in labor force size during the winter. Unemployment does tend to rise slightly during January and February, but this probably reflects labor force growth, as more persons enter the job market seeking available seasonal work. Unemployment increases are typically about an additional 2% during this period. As with Mohave County, severe recessions may adversely impact tourism, but recent terrorist fears and mild recession have not affected water-related tourism.

Lake Havasu City

Lake Havasu City, home of the historic London Bridge, lies on the east shore of Lake Havasu on the Colorado River border between California and Arizona. The city was established in 1963 by Robert P. McCulloch as a self-sufficient, planned community and incorporated in 1978. The opening of the London Bridge in October 1971 brought a unique attraction to the city. Lake Havasu is in Mohave County and encompasses 42 square miles. It is situated off Arizona Highway 95, an 18-mile drive north to Interstate 40 and a 65-mile ride south to Interstate 10.

Principal Economic Activities

As a \$2 million Grand-Prize Winner in the Frontier Communication's America's Best Communities Competition, Lake Havasu City is in the implementation phase of Vision 2020, an economic development plan led by the Partnership for Economic Development (PED). The focus of the PED Plan includes the development of a downtown catalyst project in the heart of Lake Havasu City's "main street." The project will connect the Health Corridor, the Central Business District, and the Arizona State University campus at Lake Havasu City.

Lake Havasu City, a community of entrepreneurs, offers multiple avenues for business startups including the Entrepreneur Outreach Network (EON) for new business creation and EON Mentoring for an emerging business. The Profit Mastery and Economic Gardening are economic development models offered for established companies ready to scale.

Scenic Attractions

Lake Havasu City is positioned on one of four major lakes on the Colorado River. This makes for world-class boating, fishing, swimming, scuba diving, paddle boating, wakeboarding, and water skiing. Diverse activities beyond the lake include archery, birding, hiking, rock climbing, and even off-roading. All types of cycling are popular including road cycling, BMX biking, and mountain biking. Many bike rental facilities are available as well. The city hosts major competitions throughout the year including bass fishing, sailing, the International Jet Ski Championships, and the Lucas Oil Drag Boat Races. Lake Havasu City also hosts the Havasu Hot Air Balloon Festival, drawing more than 80 balloonists and thousands of spectators. Lake Havasu State Park and Lake Havasu National Wildlife Refuge provide areas of rugged terrain where birds and small game flourish. For amateur geologists, the surrounding area features volcanic rock, geodes, jaspers, obsidian, turquoise, and agate.

Community Facilities

Lake Havasu City offers a broad range of community facilities including several parks, two movie theater complexes, a library, 16 tennis courts, three significant beaches, many baseball and soccer fields, a bowling alley and four golf courses. Lake Havasu City includes state and commercially operated recreational facilities, a marina, campsites, picnic grounds, trailer parks, boat slips, dry storage, boat repair, boat rentals, boat tours, swimming beaches, and fishing areas. A municipally-owned-and-operated aquatics complex offers leisure/competitive swimming, therapeutic pools, a water lagoon for youngsters, wave action and a 257-foot

enclosed water slide. Adjacent to this center is a 24-acre public park with beach access and a state-of-the-art skateboard facility.

Mohave County

Mohave County does not experience substantial seasonal variations, nor is it especially sensitive to short recessionary periods. Much time and money are spent by the County and incorporated cities to market to new companies as well as support and encourage business retention and expansion.

Mohave County has the most substantial economic impact from manufacturing and transportation/distribution within the Kingman area. Transportation north and south on AZ-93 and east and east and west on the I-40 corridor make it easy to move goods to metropolitan areas within a short time frame. Once Interstate 11 is completed, transportation from Mexico to Canada will open even more for Yuma, La Paz, and Mohave counties.

Five industrial parks are housed within the county with the largest park, the Kingman City Airport, and Industrial Park. The Kingman Airport and Industrial Park has over 35 companies at the park with more looking to locate. The second largest industrial park is in Griffith which is growing. It also houses a private prison and just north of the park a power plant.

Energy companies are looking at the county, and some already have approval for wind and solar farms. One solar farm and one wind farm each have been approved for over 1,000 acres and are getting power purchase agreements signed and going through the permitting process. Green energy jobs require many construction jobs, but minimal jobs will be needed once the projects are complete.

Colorado City is not connected to the rest of the County as far as economic impacts. The Colorado City/Hilldale economy is dependent on small-scale consumer manufacturing, machine shops, and construction trade.

Colorado City is likely to be adversely affected by any economic downturn, as the construction trade and sales of manufacturing products would be impacted by reduced investment activity and lessened consumer spending.

Colorado City has recently opened much land for sale. Several companies are looking to move into the area with tourism, industry, agribusiness, and retail. Seasonality should not be a significant issue.

Mohave County's economic base is industry along the Interstate 40 (I-40) corridor and in the Kingman area and tourism along the Colorado River. Industrial development has provided a reasonably stable employment situation, but industries are subject to business cycles and economic downturns. The water recreation-related tourism in Lake Havasu and Bullhead City and Laughlin related tourism in Bullhead City are year-round activities. The September 11 terrorist incident and the recent economic downturn have not seemingly affected this tourism significantly. While some potential visitors may have chosen not to take a vacation this year, or to stay closer to home, apparently any such loss in tourism was replaced with others opting for a Colorado River vacation rather than more distant destinations.

District tourism of this type draws heavily on Southern California, and District communities are within easy driving distance of major California metropolitan areas. Thus, tourism of this nature is not likely to see significant impacts from minor recessions or fears relating to terrorism and travel. Tourism can be quite variable, however, and declines and surges in visitor counts may occur at any time. Industrial employment may also be mutable and subject to cycles. The recent recession did not too profoundly impact Mohave County industries, and unemployment rates stayed moderate in the county. Mohave County does not experience substantial seasonal employment variations, nor is it especially sensitive to short recessionary periods.

A severe recession would impact industrial employment profoundly and could have an equally severe impact on tourism if large numbers find that any vacation has become an unacceptable cost. Colorado City is not connected to the rest of the County as far as economic impacts. The Colorado City/Hilldale economy is dependent on small-scale consumer manufacturing, machine shops, and construction trade. Colorado City-based construction companies' work throughout the western United States. Colorado City is likely to be adversely affected by any economic downturn, as the construction trade and sales of manufactured products would be impacted by reduced investment activity and lessened consumer spending. Seasonality should not be a significant issue.

Mohave County is growing its agribusiness with over 23,000 cows and a longer growing season with cotton, alfalfa, nuts and grapes for wine.

Mohave County has prime locations for future agricultural growth. A few farmers are also currently looking to grow hemp, as well as chicken farms and meat packing plants.

County	Farms	Average Acres per Farm	Contributions to State	AZ Sales from Crops	Type of Crops
Yuma	563	18	\$1,752,684	70%	Vegetables & Melons
La Paz	125	95	\$1,465,943	70%	Other Crops & Hay
Mohave	335	31	\$90,103	50-69%	Other Crops & Hay

Source: Mohave County Economic Development Department

Last update: May 1, 2019

Town of Colorado City

Colorado City is on the northern border of Arizona and adjacent to Hildale, Utah. Colorado City was initially called Short Creek after a nearby stream that sank into the sand before it had run very far. The scenic Vermillion cliffs form a backdrop for the community, and the area shows evidence of an early Anasazi population. One of the first modern settlers was William Maxwell in about 1908. Other early settlers were ranchers and cattlemen and, a few years later, homesteaders. In the 1930s, a religious movement came from Utah seeking refuge and played a significant part in building the community into a thriving place. The town officially changed its name to Colorado City in 1963.

Principal Economic Activities

The traditional economic focus on agriculture and ranching has gradually changed with growth and urban expansion. The school district is the largest single employer, but manufacturing and regional construction provide most jobs. The neighboring community of Hildale, Utah, with an active industrial park and service industry, plays an essential part in Colorado City's economy. Many industrial activities are in Hildale, while most commercial retail occurs in Colorado City.

Scenic Attractions

The Arizona Strip encompasses more than 5 million acres of land and is often called the "Gateway to the North Rim of the Grand Canyon." Points of interest include House Rock Valley, Navajo Trail, Gooseberry Mesa, Toroweep Overlook, Canaan Mountain hiking trails, Pipe Springs and the Kaibab/Paiute Indian Reservation. Scenery near Colorado City includes Vermillion and Shinarump Cliffs, Steamboat Rock and numerous canyons and Native American ruins.

The North Rim of the Grand Canyon is about 100-miles south of Colorado City. The 741,000-acre Kaibab National Forest with picnicking, rockhounding, camping and hunting is less than 40 miles southeast. The town is only hours from Zion and Bryce national parks, Cedar Breaks National Monument, Coral Pink Sand Dunes, Utah State Park, Lake Powell, Glen Canyon, and Lake Mead recreation areas and Historic Pipe Springs National Monument.

Community Facilities

The area has four neighborhood parks, a full-service municipal airport, two public school recreation centers, and emergency services.

Town of Parker

Parker is on the east bank of the Colorado River. The Parker vicinity consists of many separate but interrelated areas: The Town of Parker, Parker South, the Arizona side of the Colorado River area and the communities on the California side. The town was established in 1871 and moved some four miles north to the site of the Atchison, Topeka and Santa Fe Railroad crossing. In May 1982, by initiative petition, voters formed La Paz County from the northern portion of Yuma County. On Jan. 1, 1983, Parker became the county seat for La Paz County.

Principal Economic Activities

Parker's economy is based primarily on tourism, retail trade, and services. The 16-mile strip of the Colorado River between Parker Dam and Headgate Rock Dam provides many water-based recreational activities and makes Parker a destination point for tourists and winter visitors. Parker serves as the trade and business center for the Colorado River Indian Reservation and area small towns. Agriculture, historically the primary economic base of Parker, continues to contribute to the economy.

Scenic Attractions

The Colorado River and its lakes offer a variety of water recreation activities. Parker Dam, the deepest dam in the world, is a must-see attraction. Also, Buckskin State Park, 11 miles north, has acres of green grass and shade trees. The River Island State Park has 26 campsites, day-use areas, and boat launches. La Paz County Park, eight miles north, has campgrounds, showers, a launching ramp, a baseball diamond, tennis courts, hookups, and a dump station. A variety of amenities are offered at the 30 RV parks and campgrounds.

The surrounding desert is suitable for off-road vehicles and rockhounding. Also, the Colorado River Indian Tribes (also known as "CRIT") operate a museum with an extensive collection of locally crafted Native American artifacts. The CRIT even manages the Blue Water Resort, a 200-room hotel, and a casino. In January and October, two large off-road races are held and organized by Parker and Best in the Desert. The annual tube float is presented by the Parker Area Chamber of Commerce in June.

Community Facilities

Parker's community facilities include one museum, two libraries, and the Colorado River Indian Tribal Museum. Also, the recreational facilities include six area parks, two rodeo arenas, two senior centers, one 18-hole golf course, an Olympic-size swimming pool, three lighted tennis courts, a recreation center, a golf driving range and multiple basketball, handball and

badminton courts. At the Blue Water Resort, there is miniature golf, an arcade, and a movie theater.

Town of Quartzsite

Quartzsite is west of Phoenix at the junction of Interstate 10 and U.S. 95, near the Colorado River. The community has a Mohave Desert setting. The nearby Kofa, New Water, and Plomosa Mountains provide topographic relief while the Colorado River lies only 17 miles to the west. Quartzsite was established in 1867 on the site of old Fort Tyson, a privately built structure constructed in 1856 by Charles Tyson for protection against raids. Named Quartzite because quartz was occasionally found in the area, the name evolved to Quartzsite through an error in spelling.

Principal Economic Activities

Tourism is the major contributor to Quartzsite's economy. The retail trade and service sectors benefit from the visitors who reside at the numerous mobile home and trailer parks in the vicinity between October and March. Several major gem and mineral shows, as well as multiple general swap meets, are popular tourist attractions, drawing approximately 1.5 million people annually.

Scenic Attractions

A rock hunter's paradise surrounds Quartzsite with agates, limonite cubes, gold and quartz being just a few. In town, the Hi Jolly Monument honors the Arab camel driver, Hadji Ali, who took part in an unsuccessful 1850s U.S. War Department attempt to use camels as beasts of burden in the desert. To the south rise the Kofa Mountains. Historic and scenic areas include the Spanish Wall, Crystal Hill, Tyson Tanks, and Tyson Wells Museum. South in the Kofa Mountains is Palm Canyon, a tight gorge and home to Arizona's only native palms, reached by a steep, but rewarding, climb. Farther south is Castle Dome Peak. There are many points of interest including historical sites, day trips, and many off-road ATV trails.

Community Facilities

Quartzsite offers a broad range of community facilities including an 80-acre town park. Celia's Rainbow Gardens, a senior citizens' hall, recreation centers, a public library, a historical museum, and one nine-hole and one 18-hole primitive desert golf course are located in Quartzsite. The Quartzsite sewer and water system are upgraded on an on-going basis.

Quartzsite tourism is of a different sort. Dependent upon a short, intense show season, and elderly, RV driving winter visitors, Quartzsite tourism can be expected to follow a different pattern. Some Quartzsite sources have stated that show attendance was reduced this year, while others say it increased; apparently, the number of vendors offering at the shows was reduced from levels of recent years. The longer-term winter visitor population stayed stable. Winter visitors to Quartzsite are likely to be fixed income of modest means and would not see income

from pensions or social security impacted by economic cycles. Visitors for the show period may be a different group to some extent – but it is still RV tourism and primarily elderly.

Again, access to Quartzsite is by driving, and Southern California provides a population base to draw upon, though Quartzsite tourism is likely to attract visitors from more diverse origins. A reasonable level of stability under economic downturns is expected, though show tourism may prove to be highly volatile and subject to surges and declines caused by non-economic factors. The winter visitor population seems quite stable and possibly growing. Seasonality of economic activity in Quartzsite is extreme, with as many as 2 million visitor days crammed into two months of the year. This tourism surge period preceded and followed by a much more moderate level of longer-term winter visitors, which effectively more than doubles the town's population, then a five to six-month period of virtually no tourism or economically productive activity at all.

The Quartzsite population is quite elderly and has the country's third oldest population (34.9 percent) over 65, according to U.S. Census Bureau county population estimates in 2013. Having more than half the people at retirement age means many residents have fixed retirement income, which can provide a stable base for the community.

However, the age of the population as a whole means that people and economic decline may occur if Quartzsite cannot continue to attract a steady influx of retirees.

Yuma County

Yuma County has 3% of the state's population and 4.8% (3,534,832 acres or 5,523 square miles) of the state's land base. This population density averages out to 29 people per square mile. The landscape is primarily the Sonoran Desert with low desert hills. Just across the state border into California is a vast region of massive, shifting dunes, a popular destination for many OHV enthusiasts.

Extreme seasonality in the Yuma County economy is a significant concern, while the Mohave County economy is likely, in the Kingman area, to be affected by economic cycles. Diversification and the establishment of non-tourism and non-seasonal employment sectors would benefit all communities in the District. No rural community can remain dependent upon one or two economic development clusters can be considered stable, as any downturn in the communities' vital industry would be devastating for that town. However, District tourism, agriculture, defense installations, and the modest level of industrial development provides a secure and surprisingly stable base upon which additional economic sectors may develop in the future.

Military bases provide stable economic activity in Yuma County. While non-economic decisions can profoundly impact the base size and business, Yuma's military bases are probably entirely secure. Cross-border trade is more of a variable, as import/export levels will vary with economic cycles, currency valuations, and other factors. Yuma County border trade seems fairly saturated at this time, given the level of traffic the current port of entry can handle, so severe downturns in commercial border crossings are unlikely for now.

Changes in currency valuations can alter the level of Mexican shopping drastically and suddenly. Outside of these sectors, the Yuma County economy is dependent upon winter tourism and agriculture. As the primary source of the nation's winter vegetables, the Yuma region enjoys a strong and stable agricultural base, but agrarian activity is subject to adverse impacts from commodity price swings and other factors. Extreme seasonality is the norm. Winter tourism is also intense in seasonality. One hundred thousand visitors per day enjoy the moderate Yuma winter climate, then entirely disappear during the summer.

The winter visitor season coincides with the peak agricultural production season, giving Yuma County an annual boom and bust cycle for overall economic activity. Winter visitors are elderly RV tourists, many who relocate to Yuma for the entire winter. These snowbirds are likely to be on modest fixed incomes and relatively unaffected by economic cycles. The recent economic recession had little effect on Yuma winter tourism, like travel for snowbirds is by motor vehicle, and downturns do not impact the incomes of many. Yuma County needs economic diversification to reduce the extreme seasonality.

Town of Wellton

Wellton is surrounded by picturesque mountains in the heart of the Wellton-Mohawk Valley. The town abuts Interstate 8 and runs 29 miles east of Yuma. The name Wellton (formerly Well Town) came from the wells drilled to provide water to the Southern Pacific Railroad. As a diverse community, Wellton serves as a business, service and recreation center for more than 5,000 people in the Wellton-Mohawk Valley and the surrounding area. Wellton's mild, clear winters allow for a year-round growing season and provide a significant attraction for winter visitors and retirees.

Principal Economic Activities

Traditionally, agriculture and ranching have formed the area's economic basis. Besides, a large segment of the population is involved in agricultural support industries, trades, and services. A rapidly growing winter and retirement population significantly impact the economy. Wellton has a growing commercial services sector. The town continually seeks ways to enhance the local economy. Wellton has various incentives to attract new business and light industrial development.

Scenic Attractions

The community offers a variety of recreational activities and opportunities in the area including the Pioneer Museum, Tinas Altas, Desert Hot Springs, Baker's Tanks, and El Camino Del Diablo. Wellton is 35 miles from Yuma Territorial Prison, Fort Yuma Indian Museum, Custom House, the Fine Art Center (Depot) and Century House Museum. The town is 55 miles from San Luis Rio Colorado and Sonora, Mexico, which offer curio shops, nightclubs, and other attractions. South of San Luis is the small fishing village of El Golfo de Santa Clara, Mexico. El Golfo offers miles of sandy beaches for camping, swimming, and clam digging.

Community Facilities

The Town of Wellton offers a broad range of community facilities including a museum, a community center, a library, two golf courses, three parks, and a swimming pool. A recreational complex offers lighted pickleball courts, basketball courts and other facilities for athletic and recreational activities.

ECONOMIC RESILIENCE



Planning for and Implementing Resilience

The SWOT analysis conducted by the District CEDS committee identified a variety of vulnerabilities that have caused or could potentially cause major economic problems, both locally and regionally. According to the EDA, “in the context of economic development, economic resilience becomes inclusive of three major attributes: the ability to recover quickly from shock, the ability to withstand a shock, and the ability to avoid the shock altogether.” EDA further states that these shocks or disruptions can often be categorized in the following ways:

- *Downturns or other significant events in the national or International economy which impact demand or for locally produced goods and consumer spending;*
- *Declines in a particular industry that constitute a critical component of the activity, and/or;*
- *Other external shocks (a natural or man-made disaster, closure of a military base, exit of a major employer, the impacts of climate change, etc.)*

In the past, the District has experienced very few natural disasters. The most dramatic threat to the region is drought, flooding and possibly earthquakes. Each county in the District has extensive hazard mitigation plans in place and will continue to help develop new hazard mitigation measures for the future.

Economic resiliency is not only discussed in this section of the CEDS, but it is actually woven throughout the entire document. The purpose of this chapter is to discuss resiliency efforts already underway and discuss how resilience is a multi-faceted issue with many different components.

However, the overall purpose of economic resilience is to save and create as many jobs as possible, so that when a shock occurs, which is inevitable, the community, region, and people have options.

Economic vs. Physical Shocks

When examining the types of shocks that a community needs to plan for, most can be categorized in one of two ways, economic shocks, and physical shocks. Economic shocks are those which are caused primarily by economic forces such as the closing of a major factory that results in a significant loss in employment, a national recession, or change in regulations that affect importing and exporting.

Physical shocks are those who, cause harm to either built or natural environment or both, such as a hurricane, or an oil spill. Obviously, physical shocks are economic in nature as well. So, the issue is not just repairing physical damage, but restoring the economic damage and loss of income and businesses. Whether the shock comes as a financial shock or physical shock, it's essential that all aspects of the community be resilient: people, the built environment, and industries.

Pre-Disaster Recovery Planning

Hazard Mitigation

Economic resilience is essential for both economic shocks and physical shocks, but hazard mitigation is a tool that is mainly focused on physical shocks. Hazard mitigation planning is often focused primarily on natural disasters in which we usually have some advance warning. But hazard mitigation should also focus on physical shocks that come along with no indication. Each County in the district has adopted a hazard mitigation plan which outlines how to prepare for and react to hazards and the resources available in the event of a disaster.

The Arizona Department of Emergency and Military Affairs website ([Emergency Management | Department of Emergency and Military Affairs](#)), and also <https://www.ready.gov> offers information about planning for and responding to many different types of disasters.

In the region, extremely hot weather preparedness and massive dust storms during Arizona's summer months and "monsoon season." The monsoon season begins on June 15 and ends on September 30, but the peak of the storm between mid-July and mid-August. On average, about half of Arizona receives nearly half of its annual rainfall during the monsoon.

Measuring Resilience

Creating Resilient People

Education. *To have a resilient workforce, training and education should support local industry and should be adaptable and flexible enough to change as new industries emerge, or as existing industries grow and evolve over time.*

Communication. *The region should strive for excellent communication, whether it involves a discussion about jobs and training opportunities, or advance warning for storms and disaster preparedness.*

Quality of life. *Healthy and happy people tend to be more able and resilient in times of hardship, and excellent quality of life can make an area marketable and appealing to a new industry.*

Safety. *Providing a safe environment, either daily through good building and infrastructure, or during a time of real crisis, such as the availability of shelters and evacuation routes during a storm.*

Creating Resilient Environment

Structures. *Implementing building construction codes that result in sturdy construction create a built environment that is less vulnerable to natural disasters and will sustain the test of time.*

Infrastructure. *A new and up-to-date infrastructure that is stronger and more resilient that can withstand a natural disaster is a marketable feature for recruiting new industry.*

Land suitability. *Building on land suitable for development Reduces vulnerability to natural disasters.*

Site Redevelopment. *Redevelopment of an existing or underutilized site is often more efficient and cost-effective than developing a new size.*

Creating Resilient Industry

Diversity. *Industry in the region. The old saying, “don't put all of your eggs in one basket,” apply. For example, a chemical plant closing does not impact the tourism industry.*

Adaptability. As technologies change an economy's wax and wane, the industry needs to be adaptable to the current market, and the workforce should be adapted to meet those changing needs. Industry and adaptability and often occur.

Innovation. Industry innovation often goes hand-in-hand with diversity and adaptability and usually occurs as a response to a physical or economic shock.

Source: US Department of Homeland Security

Last update: May 1, 2019

CLIMATE CHANGE IMPACTS



Rural Communities Key Messages

Rural communities are highly dependent upon natural resources for their livelihoods and social structures. Climate change-related impacts are currently affecting rural communities. These impacts will progressively increase over this century and will shift the locations where agricultural economic activities (like agriculture, forestry, and recreation) can thrive.

Rural communities face particular geographic and demographic obstacles in responding to and preparing for climate change risks. In particular, physical isolation, limited economic diversity, and higher poverty rates, combined with an aging population, increase the vulnerability of rural communities. Systems of fundamental importance to rural people are already stressed by remoteness and limited access.

Responding to additional challenges from climate change impacts will require significant adaptation within rural transportation and infrastructure systems, as well as health and emergency response systems. Governments in rural communities have limited institutional capacity to respond to, plan for, and anticipate climate change impacts.

Rural Outlook

Warming trends, climate volatility, extreme weather events, and environmental change are already affecting the economies and cultures of rural areas. Many rural communities face considerable risk to their infrastructure, livelihoods, and quality of life from observed and projected climate shifts. These changes will progressively increase volatility in food commodity markets, shift the ranges of plant and animal species, and, depending on the region, increase water scarcity, exacerbate flooding and coastal erosion, and increase the intensity and frequency of wildfires across the rural landscape.

Climate changes will severely challenge many rural communities, shifting locations where particular economic activities are capable of thriving. Changes in the timing of seasons, temperatures, and precipitation will alter where commodities, value-added crops, and recreational activities are best suited. Because many rural communities are less diverse than urban areas in their economic activities, changes in the viability of one traditional commercial sector will place excessive stresses on community stability.

Climate change impacts will not be uniform or consistent across rural areas, and some communities may benefit from climate change. In the short term, the U.S. agricultural system is expected to be reasonably resilient to climate change due to the system's flexibility to engage in adaptive behaviors such as expansion of irrigated acreage, regional shifts in area for specific crops, crop rotations, changes to management decisions (such as choice and timing of inputs and cultivation practices), and altered trade patterns compensating for yield changes.

Recreation, tourism, and leisure activities in some regions will benefit from shifts in temperature and precipitation.

Tourism is often climate-dependent as well as seasonally dependent. Increasing heat and humidity projected for summers in the Midwest, Southeast, and parts of the Southwest by mid-century (compared to the period 1961-1990) – is likely to create unfavorable conditions for summertime outdoor recreation and tourism activity.

Rural Economies

Rural America has already experienced some of the impacts of climate change-related weather effects, including crop and livestock loss from severe drought and flooding, infrastructure damage to levees and roads from extreme storms, shifts in planting and harvesting times in farming communities, and large-scale failures from fires and other weather-related disasters. These impacts have profound effects, often significantly affecting the health and well-being of rural residents as well as their communities and are amplified by the vital economic link that many of these communities have to their natural resource base.

The implications of climate change on communities that are dependent on resource extraction (coal, oil, natural gas, and mining) have not been well studied. Attributes of economic development in these communities, such as cyclical growth, transient workforce, rapid development, pressure on infrastructure, and lack of economic diversification suggest that these communities could face challenges in adapting to climate change.

Responding to Risk

Modern rural populations are generally older, less affluent, and less educated than their urban counterparts. Rural areas are characterized by higher unemployment, more dependence on government transfer payments, less diversified economies, and fewer social and economic resources needed for resilience in the face of significant changes. In particular, the combination of an aging population and poverty increases the vulnerability of rural communities to climate fluctuations.

There has been a trend away from manufacturing, resource extraction, and farming to amenity-based economic activity in many rural areas of the United States. Expanding amenity-based commercial operations in rural areas include recreation and leisure, e-commuting residents, tourism, and second home and retirement home development. This shift has stressed traditional cultural values and put pressure on infrastructure and natural amenities that draw people to rural areas. Changes in climate and weather are likely to increase these stresses.

Rural components of transportation systems are particularly vulnerable to risks from flooding and sea level rise. Since rural areas often have fewer transportation options and fewer infrastructure redundancies, any disruptions in the road, rail, or air transport will profoundly affect rural communities.

Power and communication outages resulting from extreme events often take longer to repair in rural areas, contributing to the isolation and vulnerability of elderly residents who may not have cell phones. The lack of cellular coverage in some rural areas can create problems for emergency response during power failures.

Governments in rural areas are generally ill-prepared to respond quickly and effectively to large-scale events, although individuals and voluntary associations often show significant resilience. Health risks are exacerbated by limitations in the health service systems characteristic of rural areas, including the distance between rural residents and health care providers and the reduced availability of medical specialists.

Adaptation

Climate variability and increases in temperature, extreme events (such as storms, floods, heat waves, and droughts), and sea level rise are expected to have widespread impacts on the provision of services from the state, regional, local, and tribal governments. Emergency management, energy use, and distribution systems, transportation and infrastructure planning, and public health will all be affected.

Rural governments often depend heavily on volunteers to meet community challenges like fire protection or flood response. Also, rural communities have limited locally available financial resources to help deal with the effects of climate change. Small community size tends to make services expensive or accessible only by traveling some distance.

Local governance structures tend to de-emphasize planning capacity, compared to urban areas. While 73% of metropolitan counties have land-use planners, only 29% of rural counties not adjacent to a metro county had one or more planners. Moreover, rural communities are not equipped to deal with significant infrastructure expenses.

If rural communities are to respond adequately to future climate changes, they will likely need help assessing their risks and vulnerabilities, prioritizing and coordinating projects, funding and allocating financial and human resources, and deploying information-sharing and decision support tools.

The economic and social diversity of rural communities affects the ability of both individuals and communities to adapt to climate changes and underscores the need to assess climate change impacts on a local basis. The quality and availability of natural resources, legacies of past use, and changing industrial needs affect the economic, environmental, and social conditions of rural places and are critical factors to be assessed.

Successful adaptation to climate change requires balancing immediate needs with long-term development goals, as well as the development of local-level capacities to deal with climate change.

Southwest Region Impacts

The Southwest produces more than half of the nation's high-value specialty crops, which are irrigation-dependent and particularly vulnerable to extremes of moisture, cold, and heat. Reduced yields from increasing temperatures and increasing competition for scarce water supplies will displace jobs in some rural communities.

Increased warming, drought, and insect outbreaks, all caused by or linked to climate change, have increased wildfires and impacts to people and ecosystems in the Southwest. Fire models project more wildfire and increased risks to communities across extensive areas.

Projected regional temperature increases, combined with the way cities amplify heat, will pose increased threats and costs to public health in southwestern cities, which are home to more than 90% of the region's population. Disruptions to municipal electricity and water supplies will exacerbate these health problems.

The Southwest is the hottest and driest region in the United States, where the availability of water has defined its landscapes, history of human settlement, and modern economy. Climate changes pose challenges for an already parched region that is expected to get hotter and, in its southern half, significantly drier. Increased heat and changes to rain and snowpack will send ripple effects throughout the region's critical agriculture sector, affecting the lives and economies of 56 million people – a population that is expected to increase 68% by 2050, to 94 million.

Severe and sustained drought will stress water sources, already over-utilized in many areas, forcing increasing competition among farmers, energy producers, urban dwellers, and plant and animal life for the region's most precious resource.

Agriculture, a mainstay of the regional and national economies, faces uncertainty and change. The Southwest produces more than half of the nation's high-value specialty crops, including certain vegetables, fruits, and nuts. The severity of future impacts will depend upon the complex interaction of pests, water supply, reduced chilling periods, and more rapid changes in the seasonal timing of crop development due to projected warming and extreme events.

Vulnerabilities of Native Nations and Border Cities

The Southwest's 182 federally recognized tribes and communities in its U.S.-Mexico border region share unusually high vulnerabilities to climate changes such as high temperatures, drought, and severe storms. Tribes may face the loss of traditional foods, medicines, and water supplies due to declining snowpack, increasing temperatures, and growing drought (see also. Historical land settlements and high rates of poverty – more than double that of the general U.S. population – constrain tribes' abilities to respond effectively to climate challenges.

Most of the Southwest border population is concentrated in eight pairs of fast-growing, neighboring cities on either side of the U.S.-Mexico border (like El Paso and Juárez) with shared problems. If the 24 U.S. counties along the entire border were aggregated as a 51st

state, they would rank near the bottom in per capita income, employment rate, insurance coverage for children and adults, and high school completion.

Lack of financial resources and low tax bases for generating resources have resulted in a lack of roads and safe drinking water infrastructure, which makes it more daunting for tribes and border populations to address climate change issues. These economic pressures increase vulnerabilities to climate-related health and safety risks, such as air pollution, inadequate erosion and flood control, and insufficient safe drinking water.

Source: 2014 National Climate Assessment. U.S. Global Change Research Program

Last update: March 25, 2019

EVALUATION FRAMEWORK



PLAN of ACTION

The District fully supports the EDA Investment Policy Guidelines for evaluating proposed EDA investments. Regional investments will meet or exceed the following guidelines:

a. Be market-based and results-driven.

b. Have strong organizational leadership.

c. Advance productivity, innovation, and entrepreneurship.

d. Look beyond the immediate economic horizon, anticipate economic changes, and diversify the local and regional economy.

e. Demonstrate a high degree of commitment by exhibiting:

- High levels of local-government or nonprofit matching funds and private investment;

- Clear and unified leadership and support by local elected officials;

- Active cooperation between the business sector; relevant regional partners, sector leverage and local, state, and federal governments.

Goal 1: *Increase the effective pairing of workers and employers in the District region; a large, well trained, and well-prepared workforce could be one of the most attractive assets of this region.*

Goal 2: *Fully enable residents of the District region to reach their maximum potential. Thoroughly preparing children for productive work in the ‘economy of the future’ is a regional priority.*

Goal 3: *Identify and safeguard developable sites for current development needs; preserve and ‘groom’ developable sites for future development needs.*

Goal 4: *Maximize the ability of local governments to meet current and future municipal infrastructure needs cost-effectively and sustainably; educate taxpayers and residents about the infrastructure maintenance costs and benefits.*

Goal 5: *Reduce costs of transportation and increase transportation efficiency within the District region, for all modes of transportation.*

Goal 6: *Maximize quality of life and livability for residents and visitors to the District region.*

Goal 7: *Support sustainability and environmental awareness in La Paz, Mohave, and Yuma counties, mainly where local action would be beneficial.*

Goal 8: *Encourage rural communities to maximize the benefits of broadband Internet investment while minimizing the costs and negative externalities borne by the municipalities.*

Source: US Economic Development Administration

Last update: May 1, 2019

PERFORMANCE ISSUES

Performance measures are to be determined after implementation of the District CEDS.

The CEDS must contain a section that lists the performance measures used to evaluate the Planning Organization's successful development and implementation of the CEDS, including but not limited to the:

- *Number of jobs created after the implementation of the CEDS;*
- *Number and types of investments undertaken in the region;*
- *Number of jobs retained in the region;*
- *Amount of private sector investment in the region after implementation of the CEDS; and;*
- *changes in the economic environment of the region.*

Source: US Economic Development Administration

Last update: May 1, 2019

STRATEGIC PROJECTS, PROGRAMS & ACTIVITIES

The section of the CEDS identifies regional projects, programs, and activities designed to implement the Goals and Objectives of the CEDS.

Suggested Projects

Critical economic development “rallying issues” for the District include:

A. Refine identity and develop a brand

Refine the identity of the region to reflect its unique geographically distinct characteristics, including the integration of the "amenity" components of the region, generally of primary interest to the tourism cluster, and "hard economics" components - employment structure, workforce composition, etc. - of primary interest to employers. In this sense, the focus for this strategy is on the development of an integrated/coordinated brand, which different groups can individualize for their specific messages/audiences.

Key Implementation Issue(s). Several organizations in the District have completed (or are currently discussing) marketing and branding efforts. These include GYEDC, YVB, AWC, Yuma Crossing Heritage Area, and YRMC. These efforts have tended to be separate initiatives focused on the specific audiences of individual organizations. This fragmentation can result in

inconsistent messages about Yuma's identity. The timing of the Summit Action Plan is excellent in that it provides a framework for supporting the development of an integrated/coordinated brand, which different organizations can individualize for their specific audiences and purposes. The current budgets devoted to the individual efforts may provide a funding resource for the collaborative initiative, with the joint effort potentially being more cost-effective overall.

B. Business incubator

Provide input for the design and operation, and support the development of a business/industry incubator, in coordination with WAEDD.

Key Implementation Issue(s). Implementation of the incubator initiative is being spearheaded by the Western Arizona Economic Development District (WAEDD). WAEDD is successfully cultivating an "end user" community (i.e., prospective tenants -mostly local engineers) for the incubator and is in the process of securing funding for the project. The incubator concept is being included in the Summit Action Plan to ensure that: (a) the resource represented by a viable incubator is fully leveraged to support progress on other Action Plan strategies, and (b) the success of the incubator is enhanced through direct linkages with other relevant programs and initiatives addressed in the Action Plan.

C. High-tech cluster

Re-visit consideration of the concept (from 2001) creating a "high-tech cluster" in Yuma to highlight high-tech linkages among many local industries, provide a forum for exchanging information and ideas regarding emerging technology, give tech workers a broader sense of "community," and raise the high-tech profile of Yuma and its (proposed) business incubator.

Key Implementation Issue(s). Yuma has a broad range of existing institutions and activities with high-tech implications or potentials. These include, for example, MCAS, YPG/ General Motors, the YPIC WIRED program, YRMC, the AWC solar initiative, ICE, YMA, NextGen, and the proposed Joint Technological Education District (JTED).

Historically, two critical impediments to attracting high-tech activities to Yuma has been the relatively small pool of tech workers and the limited options for pursuing technical education (e.g., engineering locally). AWC's ongoing efforts to expand local degree options are therefore considered a "lynchpin" in the overall high-tech strategy. Another critical role that the Summit Action Plan can have in developing the high-tech cluster will be to provide a systematic framework for the Summit Partners to collectively and proactively identify opportunities for further leveraging Yuma's high-tech foundations. In this regard, the high-tech cluster strategy will be carefully coordinated with related efforts Existing (and possibly inactive) professional organizations related to high-tech activities (e.g., engineering association, IT association, etc.) should be included in the implementation of this strategy.

D. Green industries

Investigate the potential for leveraging the region's targeting of solar sectors to encourage the development of other "green industries," a growing segment of the economy (at least poised for growth) that also tends to fit well with the regions natural attributes.

Key Implementation Issue(s). The success of GYEDC's solar recruitment program and the recent announcement of AWC's solar initiative effectively position Yuma to be a national leader in solar-related economic development. As part of the Action Plan, the Summit Partners should proactively monitor and pursue opportunities to fully develop the solar cluster and expand the focus to other high growth "green industries."

The growing interest nationally in "energy audits" may be a potential niche market for Yuma. The potential for an AWC engineering program specializing in solar technologies (a "one of a kind" program in the U.S.) would be a "game changer" for Yuma.

Source: Yuma County Workforce and Economic Development Action Plan

Last update: May 1, 2019

VITAL PROJECTS

Major projects, programs, and activities address the District's most significant needs that will best enhance the District's competitiveness, including sources of funding for past and potential future investments. These can be overarching "themes" for regional economic development success and is expected to include components. Funding sources should not be limited to EDA programs.

Investing in Manufacturing Communities Partnership (IMCP)

The proposed EDA project will be in Yuma County, Arizona. The overall regional impact will be Yuma County and its nearby communities. The direct result would be to Yuma County, Arizona, and Imperial County, California with an indirect effect to Sonora and Baja, Mexico. These communities are connected through agriculture, logistics, and manufacturing.

The primary denominator is the workforce due to the 75-mile radius shared by all four contiguous states. The educational offerings and workforce development offered in all four contiguous states have bi-national goals and objectives driving the intense collaboration between all entities.

VITAL PROJECTS MATRIX

Community vital projects are appended to this page in order of submissions.

District community vital projects are further identified in the Community Improvement Plan (CIP) documents.

City of Yuma		
<p>Project: Yuma Commerce Center (YCC) Sewer Line Installation/Connection</p> <p>Priority 1: Enhance the City of Yuma and Yuma County region's ability to compete for new private sector investment and new job creation by delivering shovel-ready manufacturing sites in the Yuma Commerce Center.</p>	<p>Description: Construct 5,500 lineal feet of 12" sewer line in the City right of way with connection to the City's sewer system. Connection would serve 11 industrially-zoned vacant parcels in YCC including a 14-acre parcel targeted for the construction of a 50,000-sf technology operations center.</p>	<p>Budget: \$1.0 – \$1.1 million</p>
<p>Timeline: Estimated start date of 5/2020 with completion expected by 9/2020.</p>	<p>Jobs Created or Retained: A minimum of 300 new jobs at full operations with potential of up to 500 new jobs.</p>	
<p>Project: Avenue 4E Sewer Line Installation/Connection</p> <p>Priority: #2 The 4E corridor provides a mid and long-term opportunity for the creation of industrial sites and the development of one or more industrial parks providing</p>	<p>Description: Construct 8,500 lineal feet of 18" sewer line in Avenue 4E extending north from 36th Street to North Frontage Road with connection to City's existing sewer system.</p>	<p>Budget: \$3.5 - \$3.8 million</p>

shovel-ready sites. Water service is already in-place on Avenue 4E however, there is no existing sewer line. More than 500 acres of vacant land is accessible by the proposed sewer line. Phase 1, conversion of vacant land into industrial sites is projected to be 100 acres.		
Timeline: Estimated start date of 10/2020 with completion expected by 5/2021.	Jobs Created or Retained 300 to 400 (Phase 1)	

Yuma Multiversity Campus

Project:	Yuma Multiversity Campus
Goals:	Leverage strengths of community college and state universities Higher educational attainment and economic advancement Increased local workforce skills Catalyze innovation Increased sustainability Attract new employers by broadening economic clusters Access to business incubation Regional economic growth Lower unemployment and underemployment Reduced dependence upon public subsidies Higher quality of life

Objective: Expand local access to higher learning so Yuma County residents have the opportunity to achieve skills and support they need to find gainful employment across existing regional business clusters. Broaden access to higher education to increase per capita income. Increase Greater Yuma's capacity to succeed in the worldwide economy by attracting new base employers seeking an adequate skilled workforce.

Background: Employment in the modern economy increasingly requires some form of post-secondary education – whether a certificate, associate degree, bachelor's degree, or professional degree. Currently, many students and adults in Yuma County lack the skills and accreditations required by local employers. This limits their prospects of finding well-paying career opportunities that allow them to afford living and raising families locally.

Finding skilled talent is one of the greatest challenges facing employers in Yuma County. At the present time, only 14% of Yuma County residents have achieved a baccalaureate degree, half that of the State of Arizona. Moreover, statistics reveal many Yuma County residents start post-primary education without completing their degree or certification. Lack of access to advanced education in the Greater Yuma area has held back many of its citizens from achieving the education necessary to qualify for many of the skilled jobs available in the region.

Historically, a significant number of Yuma County students that start post-secondary education do not finish. One reason for this is theorized to be the lack of adequate certificate and baccalaureate education available in Yuma County, despite a young and rapidly growing population.

Yuma County has important primary employers including Yuma Proving Ground and the Marine Corps Air Station that offer high-tech jobs at wages that exceed the average for the area due to a lack of skilled prospective employees. These and other employers are often forced to hire from outside the Greater Yuma area; many of these employees stay a short time and then move on to jobs outside the area.

Talent developed locally is more likely to remain in the Greater Yuma area since their families are often already located here. This can enhance the sustainability of existing business clusters by reducing human capital procurement costs and enhance the socio-economic status of the Yuma MSA. A good supply of skilled human capital can help Greater Yuma attract new primary employers that are currently hesitant to locate here due to lack of skilled labor.

Much work has been done in Yuma County to achieve successful secondary education graduation outcomes. In fact, at 87%, Yuma County currently exceeds the State of Arizona on that metric. The key is to build upon that successful foundation of high school graduates and provide the career training necessary to connect this cohort with the skilled jobs offered by regional employers.

Improving education outcomes for students and re-training adults will be critical to ensure that residents are able to find gainful employment and those employers are able to find workers in the future. If these needs are not addressed, many employers will face even greater challenges maintaining operations. This threat impacts all organizations, including fundamental services like hospitals and schools in addition to manufacturers, agricultural operations, and professional businesses. Since several Greater Yuma employers are engaged in national defense and protection of sovereign borders, this is an even greater concern.

Arizona Western College (AWC) has developed a new program, the Yuma Promise that begins in the fall of 2020. The goal of Yuma Promise is to double the number of baccalaureate degrees in Yuma County by 2035. Achievement of this goal will dramatically benefit the local economy through advanced earning potential and a higher standard of living. Since AWC can provide Associates Degrees and not baccalaureate degrees, the capacity for local support to complete the goal is necessary. Arizona State University, Northern Arizona University and University of Arizona all have a local presence in Yuma County, but the need for more capacity may be necessary.

One challenge is that the AWC campus is located in a rural area that is not walkable or bikeable to an urban district.

Project: The Yuma Multiversity Campus is a project to develop a plan and potentially a place to fully unlock the benefits of universities and prospective local talent for local and regional economies, societies, culture, and quality of life.

The ultimate goal of the plan is to develop a pipeline of talent that is trained for the high-wage earning careers that are available through the diverse employers in the Greater Yuma region.

A vacant 200-acre Brownfield (US EPA) adjacent to the City of Yuma's main downtown retail district and urban core offers the potential for development of a walkable and bikeable educational district that can bring together advanced industry, institutions of higher learning, and prospective talent into an innovation district and training center.

A significant portion of this Brownfield is owned by Union Pacific Railroad. The land is no longer necessary for railroad operations.

Programming/amenities offered in the district could include:

- Yuma County Cooperative Education Program – bringing together high schools, AWC, ASU, NAU, and UA in partnership with local employers to develop a pipeline of skilled graduates into local firms. Cooperative education programs combine classroom-based learning with practical, structured work experience.
- Classroom/labs necessary to develop the talent pipeline needed for various branches of engineers.
- Development of local incubators and accelerators to catalyze business startups.
- Talent alignment council brings together private employers, government bodies, institutions of higher learning and AZ@WORK to discuss employer workforce needs and better align training programs to match those needs.
- Future food center expanding the use of plant-based foods; leveraging the growing importance of desert-based agriculture.
- Nurture Yuma County AgTech innovation and safety initiatives.
- Prepare businesses for the future through topics such as adoption of new technologies, utilization of eCommerce tools to sell products online, and upskilling of existing workers to increase productivity.
- Establish a construction skills training center similar to the **EDA-funded ICAST program** in Texas and New Mexico.
- Dislocated and Incumbent Worker Training programs, identifying specific training needs for existing workers, similar to the **EDA-funded facility** currently under construction (Treasure Valley) in Oregon.
- Yuma County has an active retiree population – many of whom have experience as executives, innovators, educators, and more. These retirees are a significant asset to the county. Volunteers could be better utilized as mentors, educators, childcare providers, and career coaches through a program focused on engaging them and connecting those in need with their services.

To determine which, if any of these or other ideas best align with the needs of regional employers, the capacity of institutions of higher learning, and regional prospective talent, a third-party Strategic Assessment & Market Analysis should be deployed. This Assessment and Analysis would reveal the present and future need for additional access to advanced education via skilled training centers. The Assessment and Analysis can also determine the potential need for research and development (R&D) amenities that would be focused on sustainable applied technologies in target economic clusters including agriculture, food manufacturing, and aerospace/aviation.

The scoping phase has been financed through grants from the Arizona Community Foundation and Arizona Public Service, as well as an in-kind contribution from the Gowan Company.

Future economic support for the project could come through the **Economic Development Administration (EDA)**, regional private and public sector employers, regional lending community that could in turn receive CRA credit from the Federal Reserve Bank of San Francisco, Gates Foundation, and the USDA's Food Research Initiative under Education & Workforce Development, as a collaborative effort under the Yuma Multiversity Campus project, for which potential partners could include the Arizona State University, Arizona Western College, Northern Arizona University, University of Arizona, and private sector employers including Gowan Company and major agriculturally-focused companies.

OBJECTIVE	ACTIONS	TIME FRAME		
		2020	2021	2022-30
YMVC Scoping (Phase 1)	Hire ED, Execute Phase I	X		
YMVC Planning (Phase 2)	Deploy a Strategic Assessment and Market Analysis to identify gaps, resources, partners, and best practices. Prepare execution plan based on results of Assessment and Analysis		X	
YMVC Execution (Phase 3)	Execute recommendations from Strategic Assessment and Market Analysis			X

Project Participants, Benchmarks, Timeline

<u>Goal</u>	<u>Defined Project</u>	<u>Project Team</u>	<u>Benchmarks</u>
YMVC Phase 1	YMVC Scoping: Establish structure/ Determine players	P. Brierley, U of A D. Corr, WAC J. Engel, GYEDC J. Jessen, Gowan R. McCloud, Yuma County D. Nicholls, C Yuma V. Smith, JV Smith R. Trenchel, YRMC	Executive Director hire Organization established Plan metrics determined Phase I plan *
Start:		January, 2020	
End:		September, 2020	
Status		Underway	
Budget		\$120,000	
Funding sources:		Arizona Community Foundation, APS, Gowan Company (in-kind)	
* Scoping benchmarks:		Research/create 501, web/graphic design, outline objectives for subcommittees, mission/vision, elevator speech, establish office/phone #/hours, acquire YMVC computer, initial funding plan, board communication protocols, media outreach, land acquisition, business plan outline, establish domain/email YMVC, ensure grant reporting, develop budget, local ecosystem outreach, CEDS , County 5-year plan, determine data points.	

<u>Goal</u>	<u>Defined Project</u>	<u>Project Team</u>	<u>Benchmarks</u>
YMVC Phase 2	Planning: 3rd Party Strategic Assessment/ Market Analysis	Scoping project team County Leadership City leadership Chambers of Commerce Private employers Banks/CU's SBDC AWC/ASU/NAU/UA AZ@work School districts WAEDD	Study/Analysis complete Execution plan developed
Start:		October, 2020	
End:		May, 2021	

Budget: \$150,000
Status: Scoping Phase 1, preparing for Phase 2
Funding sources: Arizona Community Foundation, Arizona Public Service, Gowan Company (in-kind), [EDA](#)

- Potential SA/MA Topics:
- Identify businesses, educational institutions, and workforce agencies and determine workforce skills needed to support expanding and potentially new industries in the region
 - Evaluate workforce needs in all areas of the region and recommend training to support local growth
 - Identify sustainable funding for specialized training which provides the skilled workforce for new and expanding industries (Ex., Precision Agriculture, Electrical and Civil Engineering)
 - Develop and sustain programs that improve training for high school level students in preparation for jobs of the future
 - Identify disconnect between regional students entering higher education, non-completion of degrees/certificates, and recommend plans for success including best practices
 - Develop industry cluster meetings to obtain input from industry leaders as to needs and opportunities for growth
 - Provide template for research and local training to assist firms in accessing new markets for products and services
 - Identify performance measures to assess economic performance as well as qualitative improvements in key areas supporting economic growth in the region
 - Investigate potential matching funds and grant opportunities to support the development of the Multiversity
 - Support research to identify value-added business opportunities and barriers to entrepreneurship in the region
 - Identify resources to support industry clusters and research of emerging industries
 - Improve access to small business development resources and incubators by evaluating the need for a business incubator within the Multiversity District
 - Conduct an assessment of the need and requirements for high-speed, high-bandwidth internet service in all communities of the District
 - Conduct research to identify opportunities for business expansion, new start-ups and challenges to entrepreneurs in rural areas of the region

- * Planning benchmarks: Prepare scope of services for third party vendor to execute a Strategic Assessment and Market Analysis (SA/MA), release proposal to minimum three vendors for SA/MA, provide comparable analysis of each proposal received, determine budget necessary for SA/MA, secure funding for SA/MA, hire 3rd party, plan timeline for the Assessment and Analysis data accumulation and reporting, execute SA/MA.

<u>Goal</u>	<u>Defined Project</u>	<u>Project Team</u>	<u>Benchmarks</u>
YMVC	YMVC Execution: Recommendations Of 3rd Party Strategic Assessment/ Market Analysis	Cities Chambers of Com. WAEDD Private employers Banks/CU's SBDC AWC/ASU/NAU/UA AZ@WORK School districts	Small Business Startups Women-minority owned businesses County average wage Income disparities Exports Capital investment Target Cluster Employment Students impacted Post-secondary enrollment Development

Start:	June, 2021
End:	Ongoing
Budget:	TBA
Status:	Pending
Funding sources:	Arizona Community Foundation, Arizona Public Service, City of Yuma, County of Yuma, Gowan Company (in-kind), EDA , USDA, institutions of higher learning, public & private sector employers

Greater Yuma Port Authority

<p>Project: GYEDC & City of San Luis, Mangrino Industrial Park, Unit #3 Road Extension</p> <p>Priority: #1: Magrino Industrial Park is a tool for enhancing employment opportunities within the region. The park has been developed in phases and after Phase 3, it will have 86.2893 remaining acres for future development. The most recent unit consists of 57.7465 acres currently zoned light industrial. The Authority's goal is to attract light and heavy industrial users to the area to promote job growth. Originally, the land use to the east side of Avenue D, the narrow portion of the property, was to accommodate a rail line but that would have to be located farther from future residential districts. An extension to Avenue D will provide a needed route for prospective properties to develop.</p>	<p>Description: Construct an extension of Avenue D including 12" waterline, 8" sewer line, and conduit lines.</p>	<p>Budget: \$1.3 – \$1.8 million</p>
<p>Timeline: 5 months</p>	<p>Jobs Created or Retained:76</p>	