

# Scottsdale Economic Development Strategic Plan

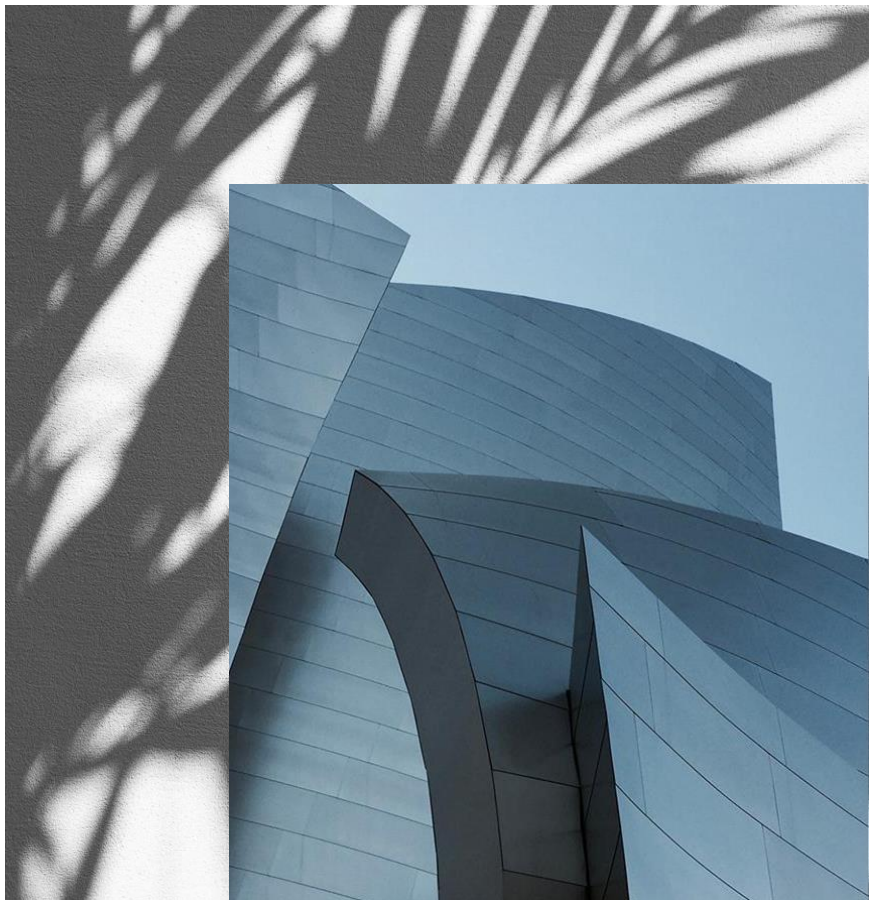
Scottsdale City Council  
Subcommittee on Economic Development

February 25, 2021



## STRATEGIC PLAN BACKGROUND

- Framework for guiding economic development strategies and goals over next 3-5 years
- Current plan adopted by Council February 2015
- Update process began March 2020
- Resonance Consulting



## Overview

- Strategic Plan Development
- Competitive Assessment, Engagement and Target Industries
- Proposed Strategy: Vision, Values, Guiding Principles, Goals, and Objectives

# Why a Strategy?

- Communicates the **long-term vision and values** of Scottsdale
- Builds upon **community assets** while addressing challenges
- Guides business **recruitment and expansion** strategy with data and on-the-ground intelligence
- Underscores the **resiliency and transition** needed for a post-COVID-19 work environment
- Promotes the city's **skill clusters**, while reimagining pathways to opportunity for residents
- Offers a plan for growing and **scaling startups**
- Markets Scottsdale's investment in placemaking and quality of place

# Timeline

01.

**KICK-OFF & SCOPE  
REFINEMENT**

JUNE 2020

02.

**COMPETITIVE  
MARKET ANALYSIS**

JUNE -  
JULY 2020

03.

**VIRTUAL  
STAKEHOLDER  
ENGAGEMENT**

JULY -  
SEPTEMBER 2020

04.

**STRATEGIC PLAN  
DEVELOPMENT**

OCTOBER 2020 -  
FEBRUARY 2021

05.

**FINAL STRATEGY,  
IMPLEMENTATION &  
APPROVAL**

FEBRUARY -  
APRIL 2021

# Steering Committee

- **Karen Churchard**  
City of Scottsdale Tourism
- **Randy Grant**  
City of Scottsdale Planning and  
Economic Development
- **Todd Hardy**  
Arizona State University
- **Rob Millar**  
City of Scottsdale Economic  
Development
- **Michelle Pabis**  
HonorHealth
- **Erin Perreault**  
City of Scottsdale Long Range  
Planning
- **Shane Stone**  
City of Scottsdale
- **Doreen Reinke**  
Nationwide Insurance
- **Dominick San Angelo**  
Scottsdale Rising Young Professionals
- **Stephanie Scher**  
Vanguard
- **Lawdan Shojaee**  
Axosoft
- **Mark Stanton**  
Scottsdale Area Chamber of Commerce

Key Takeaways:  
Competitive Assessment

# Competitive Market Assessment

## **FAST-GROWING AND EDUCATED POPULATION**

Scottsdale's population growth is 3 times the U.S. average. More than half of the population has a BA or higher.

## **A KNOWLEDGE CENTER**

Scottsdale outpaces Arizona for the share of knowledge businesses and has experienced increased venture capital investment.

## **DIVERSITY AND HIGH INEQUALITY**

12% of Scottsdale residents are people of color; 10% are Hispanic. The city also has high income inequality, a gender wage disparity gap, and limited diverse entrepreneurship.

## **LOWER LABOR PARTICIPATION**

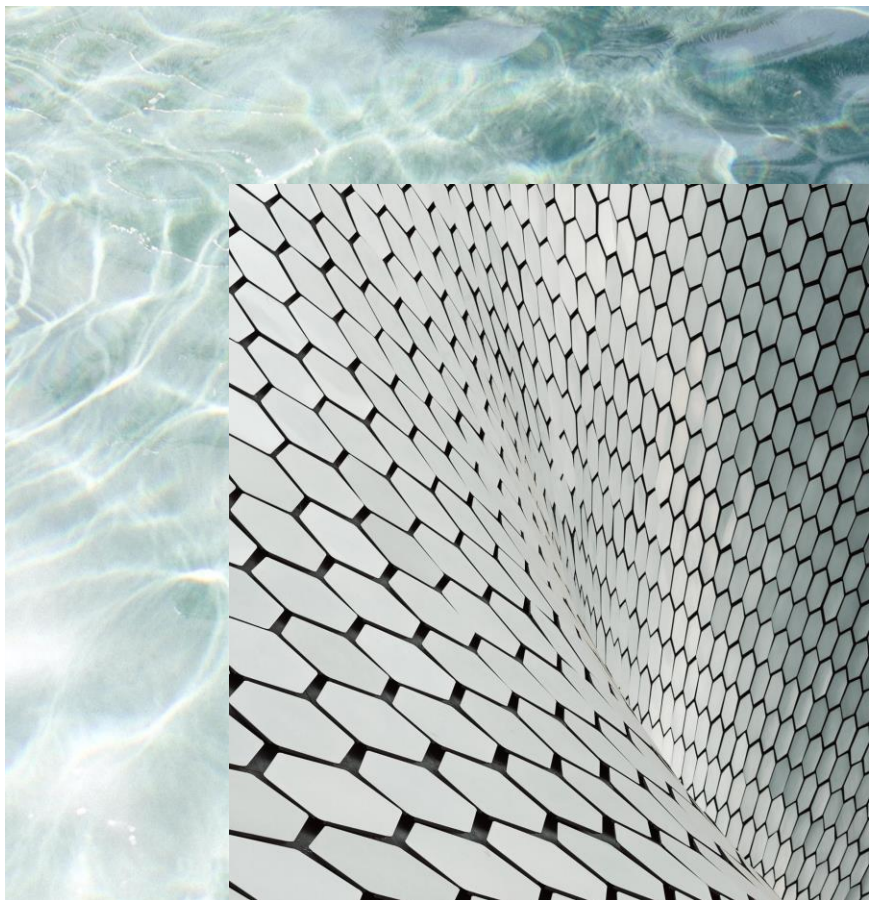
A popular retiree destination, the median age in Scottsdale is 47 (compared to 38.2 for the U.S.). Four in ten Scottsdale residents are not actively working. However, Scottsdale is a net importer of talent.

## **HIGH QUALITY OF PLACE**

Despite high housing prices, Scottsdale has median household incomes which are 40% higher than the U.S. average. The city boasts a high rate of home ownership and quality destination amenities.



# Roundtable Insights



# Roundtable Discussions

More than **70 participants** joined nine roundtable discussions:

- Brain Gain and Talent
- Commercial Real Estate
- City Staff Leadership
- Economic Development, Tourism and Planning Practitioners
- Financial and Insurance Services
- Healthcare and Life Sciences
- Quality of Place and Destination Development
- Startup Ecosystem
- Young Professionals

**15 1:1 interviews conducted**

**Community Visioning Workshop** with 50 attendees

# Roundtable Insights

## **CITY AT A CROSSROADS**

Scottsdale is changing quickly, creating both opportunities and challenges.

## **NEED FOR A VISION**

Scottsdale needs a clear and concise vision for economic development.

## **GROWING CORPORATE PRESENCE**

Retaining and expanding Scottsdale's corporate presence is a priority for the city.

## **INDUSTRY DIVERSIFICATION FOR LONG-TERM SUCCESS**

Industry diversification is an economic necessity for Scottsdale's future.

## **HIGHLY DEPENDENT ON TOURISM**

Scottsdale's economy remains highly dependent upon tourism dollars.

# Roundtable Insights (Continued)

## **BOOMING STARTUP COMMUNITY**

Scottsdale's startup ecosystem is expanding but it needs a champion.

## **GROWING MEDICAL TOURISM**

Medical tourism is a significant opportunity for Scottsdale.

## **REEVALUATING THE OFFICE**

With the impact of the COVID-19 pandemic, many businesses are adjusting their office space needs.

## **QUALITY OF PLACE A DRAW FOR HQ RELOCATION**

When closing relocation deals, Scottsdale has a strong quality of place story.

## **COMMUNICATING INCLUSION**

Scottsdale is a welcoming community but needs to better tell its story.

# Target Industries

# Elements of a Target Industry

## ***Innovation***

- Degree programs tied to industry
- R&D spurring innovation tied to industry
- Strong commercialization & tech transfer focus

## ***Infrastructure***

- Physical: roads, utility availability
- Digital: Broadband
- Sites: Buildings & sites where talent & business wants to go

## ***Industry***

- LQ over 1.0 that shows there is substantive base of industry
- Robust supply chain

## ***Talent Base***

- Robust workforce at all levels
- Strong local training programs tied to cluster

# Target Industries for Scottsdale

- IT Services and Software
- Financial and Insurance Services/ Technology
- Healthcare Services and Innovation
- Logistics Management
- Corporate HQs (*Marketing initiative v. Industry*)
- Tourism

# Target Industries

## **IT SERVICES AND SOFTWARE**

- Competitive advantage is 3x times the U.S. average, employing nearly 15,000 in AZ
- Average earnings: \$92,000
- Accounts for 25% of AZ GDP for the sector
- Make connections to Scottsdale's financial and insurance sectors, smart city road map and ASU's SkySong Innovation Center

## **FINANCIAL AND INSURANCE SERVICES**

- Combined employed of approximately 13,000 AZ residents
- Average earnings ranging from \$65,000 to \$101,000
- Legacy Industry with opportunity for innovation; position Scottsdale as the center for financial and insurance technology
- Foundation for startup ecosystem
- Accessible onramps to entry-level and lower-skilled positions



# Target Industries

(Continued)

## **HEALTHCARE SERVICES AND INNOVATION**

- Position Scottsdale as a healthcare/ wellness service center
- No significant competitive advantage in life sciences or bio-tech; however rapid growth
- Clinical research priority of key anchors such as Mayo Clinic and Virginia Piper Cancer Center
- Cure Corridor should become sustainable, stand-alone organization

## **LOGISTICS MANAGEMENT**

- Regional priority Industry for the Greater Phoenix Economic Council
- Approximately 3,000 employed in AZ; competitive advantage of 42%
- Fast-growing sector (becoming more important) nationally with rise of E-Commerce
- Arizona State University's Department of Supply Chain Management is ranked second in the U.S.

# Target Industries

(Continued)

## **CORPORATE HEADQUARTERS**

- Cuts across multiple Industries; position as marketing effort v. Industry development
- Competitive advantage that is 13% greater than U.S.
- Employing 4,200 AZ residents
- Leverage Scottsdale's destination and quality of life brand

## **TOURISM**

- Employing nearly 10,000 AZ residents
- Competitive advantage that is 2x the U.S. average
- Driver of quality of place development and local small business growth
- Strong partner in Experience Scottsdale
- Foundation for national and regional HQ attraction efforts

*Proposed*  
Scottsdale Economic  
Development Strategy

# Elements of the Strategy



## ECONOMIC DEVELOPMENT VISION

Scottsdale is a prosperous, sustainable destination for diverse talent, investment, and innovative businesses.

# Values

The City of Scottsdale Economic Development values:

**ECONOMIC  
PROSPERITY  
FOR ALL**

We advance economic prosperity for *all* Scottsdale residents and enterprises, by supporting wealth creation and economic mobility.

**FUTURE-  
DEFINING INNOVATION**

We invest in an entrepreneurial ecosystem that solves tomorrow's most pressing challenges.

**A HEALTHY  
ECONOMY FOR  
TOMORROW**

We foster resiliency through industry diversification, upskilling, talent attraction and responsible revitalization.

**A SONORAN  
DESERT  
WAY OF LIFE**

We prioritize Scottsdale's quality of place and promote our city's authenticity, character and values.

# Guiding Principles

The following **6** guiding principles serve as a framework to guide the development and implementation of the strategy:

## **BALANCE DEVELOPMENT**

Advance economic development initiatives that balance prosperity and livability.

## **EXPORT INDUSTRY-DRIVEN**

Pursue a data-driven export industry approach to drive economic diversification. Research shows that growing sectors that sell goods and services outside the region accelerates jobs creation.

## **EXISTING BUSINESSES FIRST**

Focus on business expansion and retention to grow Scottsdale's economic base and attract investment.

## **FOCUS ON ENTREPRENEURSHIP**

Foster an inclusive startup ecosystem in Scottsdale as a means of wealth creation for residents.

## **PRIVATE SECTOR AND PARTNER ENGAGEMENT**

Engage Scottsdale's private sector and economic development partners to advance the city's economic development priorities.

## **EQUITABLE APPROACH**

Apply an equity lens to all economic development efforts, ensuring all Scottsdale residents and businesses can thrive

# Goals

The 2021-2023 Scottsdale Economic Development Strategy and Action Plan has **6** key goals:

**1. EXPANSION  
FOR INCREASED VITALITY:**  
Grow Scottsdale's existing industries to foster economic vitality.

**2. BUSINESS AND  
INVESTMENT  
ATTRACTION:**  
Attract investment to diversify Scottsdale's economy.

**3. SUPPORT  
ENTREPRENEURSHIP:**  
Bolster Scottsdale's startup ecosystem.

**4. ADVANCE ECONOMIC  
PROSPERITY:**  
Make inclusion and diversity an economic development priority.

**5. TALENT DESTINATION:**  
Build the premier destination for talent in the Southwest.

**6. BRAND BUILDING:**  
Enhance the Scottsdale brand for business, capital and talent.



## GOALS AND OBJECTIVES:

# 1. EXPANSION AND GROWTH:

Grow Scottsdale's existing export industries and businesses.

*Target Industries: IT Services and Software; Financial and Insurance Services/ Technology; Health Services and Innovation; Logistics Management; and Tourism*

### Objective 1.1:

Implement a systematic, industry-focused business **retention and expansion program**, including engaged working groups.

### Objective 1.2:

Ready and promote **commercial sites** to support business expansion.

### Objective 1.3:

Deliver **technical resources** to Scottsdale small businesses to support economic recovery.

**GOALS AND OBJECTIVES:**

**2. BUSINESS AND INVESTMENT ATTRACTION:**

Attract investment to diversify Scottsdale's economy

**Objective 2.1:**

Execute a **site-selector engagement strategy** for Scottsdale's core industries: IT Services and Software; Financial and Insurance Services/Technology; Health Services and Innovation; and Logistics.

**Objective 2.2:**

Lead, in partnership with Experience Scottsdale, Canada Arizona Business Council, and others, a robust effort to attract high-value regional and national HQs.

**Objective 2.3:**

Develop a mechanism for evaluating **"highest and best"** use for future redeveloped commercial sites.

GOALS AND OBJECTIVES:

### 3. SUPPORT ENTREPRENEURSHIP

Bolster Scottsdale's startup ecosystem.

**Objective 3.1:**

Explore the creation of "**startup Scottsdale,**" an initiative to support high-potential entrepreneurs and activate a formalized investor/angel network in the city.

**Objective 3.2:**

Collaborate with **ASU's SkySong Innovation Center** to accelerate the growth of Scottsdale's high-tech scale-ups.

**Objective 3.3:**

Discover a **sustainable organizational and funding model for the Cure Corridor,** to galvanize Scottsdale's health sciences sector.

**Objective 3.4:**

Leverage the investment in **Scottsdale's Smart City Roadmap** to grow urban tech and sustainable tech enterprises.

GOALS AND OBJECTIVES:

## 4. ADVANCE ECONOMIC PROSPERITY:

Make inclusion an economic development priority.

**Objective 4.1:**

Evaluate the **needs of Scottsdale's diverse businesses.**

**Objective 4.2:**

Advance, in concert with Experience Scottsdale, destination assets, and anchor employers, an **initiative to support Scottsdale's diverse businesses.**

**Objective 4.3:**

Celebrate Scottsdale's **arts, culture, heritage and diverse entrepreneurial success stories.**

GOALS AND OBJECTIVES:

## 5. TALENT DESTINATION:

Build the premier destination for talent in the Southwest.

Objective 5.1:

Support the **Scottsdale Rising Young Professionals** initiative, in partnership with the Scottsdale Chamber.

Objective 5.2:

Collaborate with ASU, Scottsdale Community College, and anchor employers to **build a talent pipeline** (entry-level IT, business and healthcare), through flexible certificate programs and on-the-job training initiatives.

Objective 5.3:

Develop a **remote worker campaign** to draw tech-savvy and skilled talent to Scottsdale.

Objective 5.4:

Invest in **placemaking efforts and curate experiences** to enhance Scottsdale as an inviting destination for local talent.

GOALS AND OBJECTIVES:

## 6. BRAND BUILDING:

Enhance the Scottsdale brand for business, capital and talent.

**Objective 6.1:**

Develop a **competitive identity/marketing campaign** to support Scottsdale's economic development efforts.

**Objective 6.2:**

Ensure that city officials, community collaborators, and economic development partners, utilize **consistent messages** about investment and talent attraction.

**Objective 6.3:**

Launch a "**Economic Ambassadors**" program – engaging entrepreneurs, business owners and executives, young professionals – to tell story of Scottsdale's economy and diverse opportunity.



Thank You.