Sun Corridor Clusters/Centers Study Concept

Joint Planning Advisory Council
July 19, 2011

Why a Clusters-Center Study?

- Recognize reality of global economy
- Develop sustainable regional economy
- Roadmap for regional asset improvements

The Global Economy

- Economic interdependence of regions of the world
- Trading occurs within complex, cross-border systems
- Competition is not internal, but external

Urbanized Mega-Regions

Primary locations of the world's economic activity

What is an Industry Cluster?

- Inter-connected companies & institutions in a common industry

What is an Industry Cluster?

- Plus their services & providers that create specialized supporting infrastructure

What is an Industry Cluster?

- Plus shared talent pool of specialized skilled labor

Top Clusters, CAAG Region 2008

Industry Cluster	Jobs		
	2008	2004-2008 % Change	Export Share
Defense/Security	5,749	28.8%	39.8%
Biomedical/biotechnical	3,876	1.9%	-9.6%
Agribusiness/Food	3,493	-2.0%	72.8%
Arts, Entertainment, Recreation	3,429	0.6%	0.5%
Energy	3,116	25.9%	77.4%
Mining	2,573	49.7%	98.2%
Advanced Materials	2,493	23.4%	82.7%

Source: Central Arizona Association of Governments, April 2011

Clusters – EDA's Recent Economic Development Strategy Emphasis

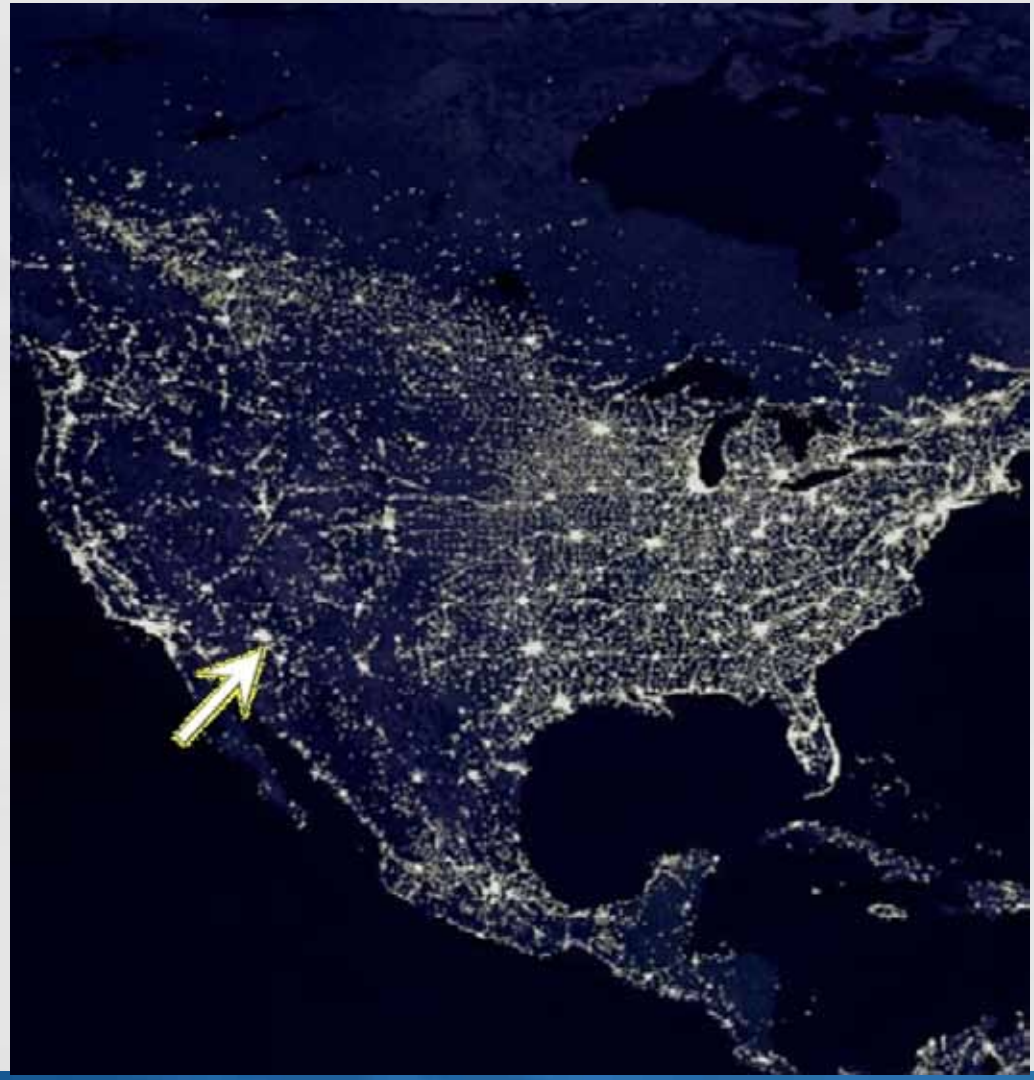
- Development strategy for regions that trade with each other in global economy
- Build economic capacity of regions
  - Identify region's unique competitive advantages
  - Target appropriate (*innovation*) clusters & (*high-impact*) companies
  - Improve region's competitive advantages

How?

Two Geographic Levels

1. Target Clusters *for* the Sun Corridor

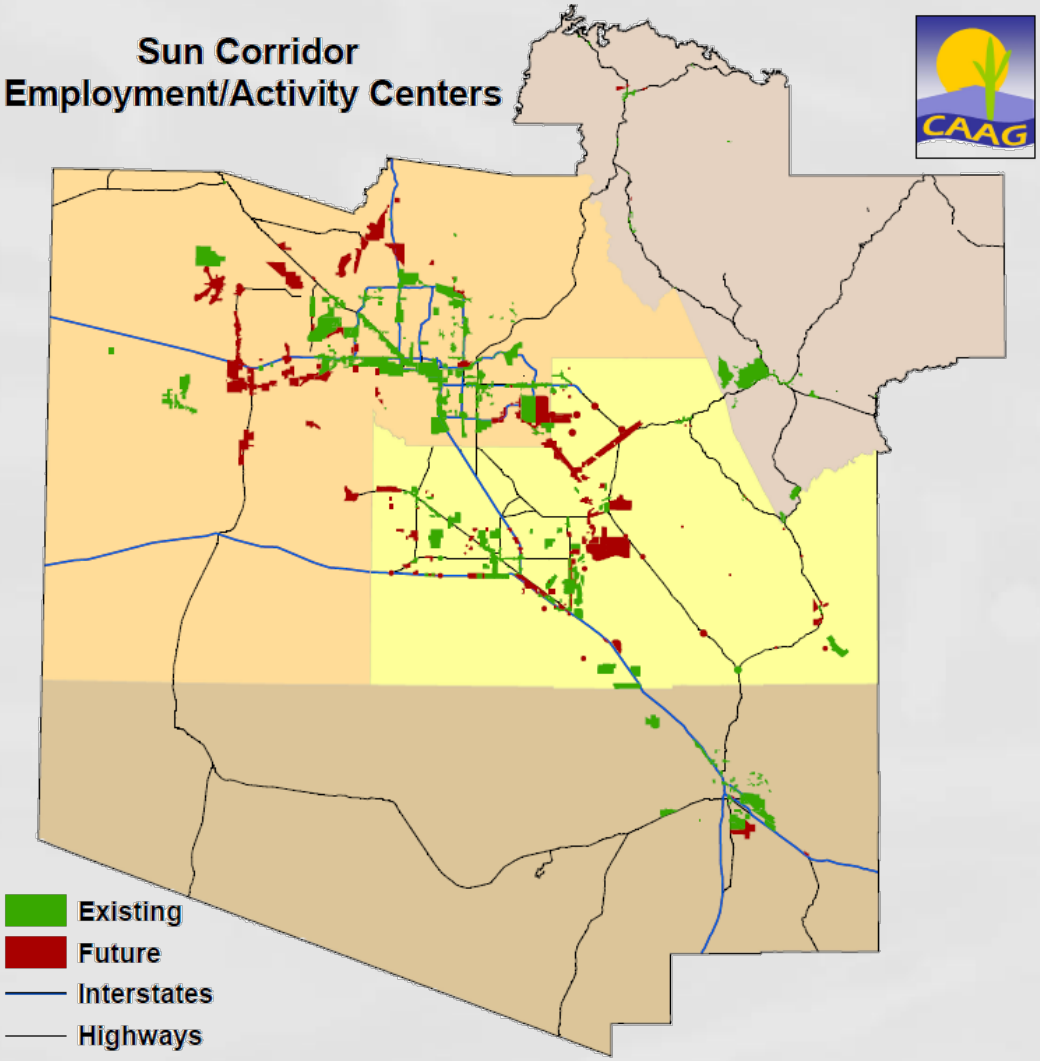
   Competitive assessment vis-a-vis other mega-regions



Two Geographic Levels

2. Centers Study – Clusters *within* the Sun Corridor

   Match mega-region clusters with each center in the JPAC Region



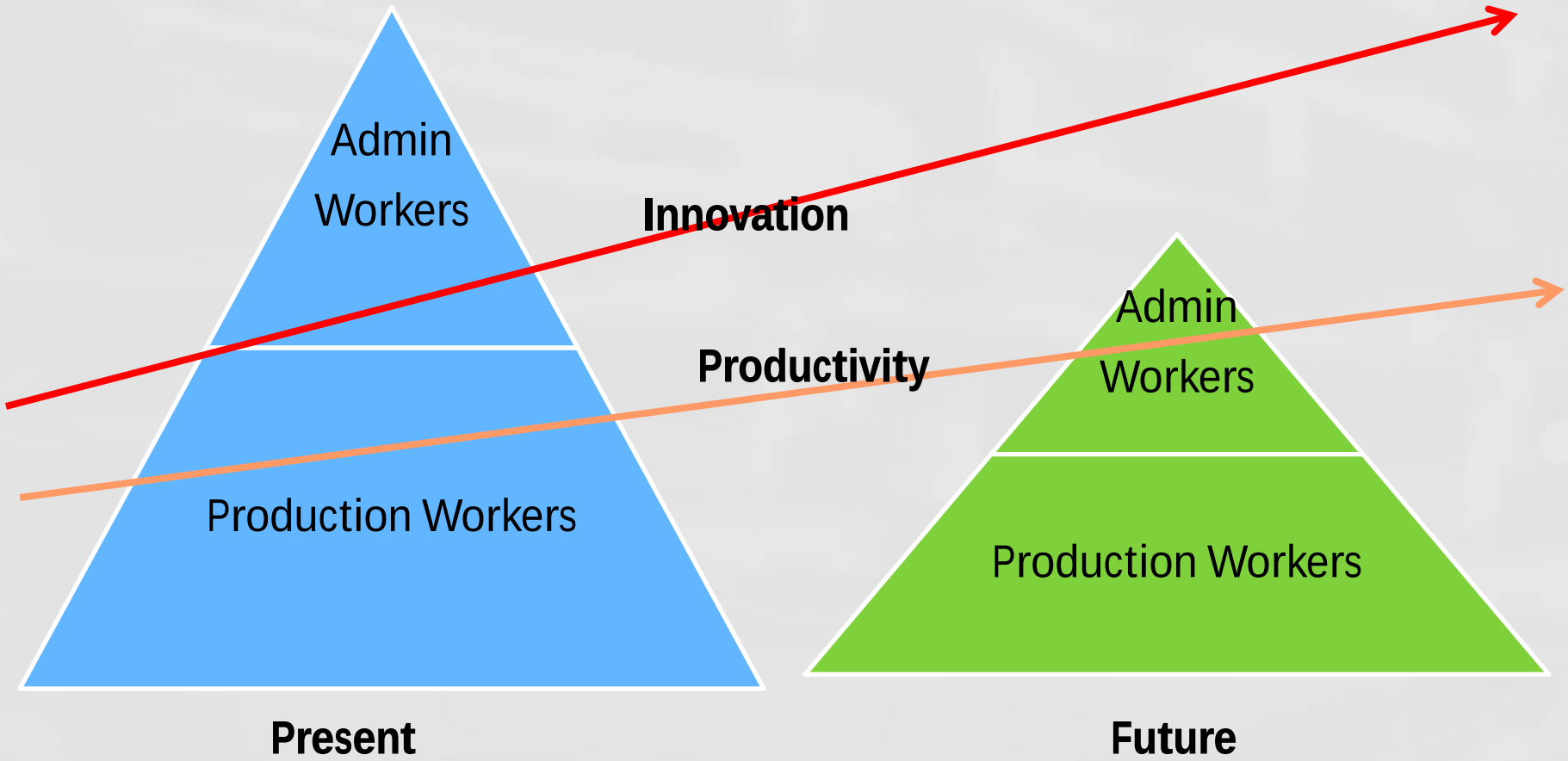
Identify Clusters *for* the JPAC Region

1. Identify existing clusters to build from
2. Analyze JPAC Region assets/liabilities
   - Market access
   - Transportation accessibility
   - Access to resources/suppliers
   - Availability/quality of work force
   - Buildings and improved land
   - Capital availability
   - Public sector investments
   - Public sector costs
   - Quality of life factors
3. Match assets/liabilities with cluster needs
4. Result: Identify future clusters for JPAC Region

Identify Clusters *within* the JPAC Region

5. Evaluate centers assets/liabilities
6. Match Sun Corridor target clusters to centers
7. Result: Target clusters for centers & municipalities

Cluster Needs Could Change



How Use Study Results?

- Target clusters & industries
  - Integrated strategy for multiple scales – the mega-region, its communities, its employment/ activity centers

How Use Study Results?

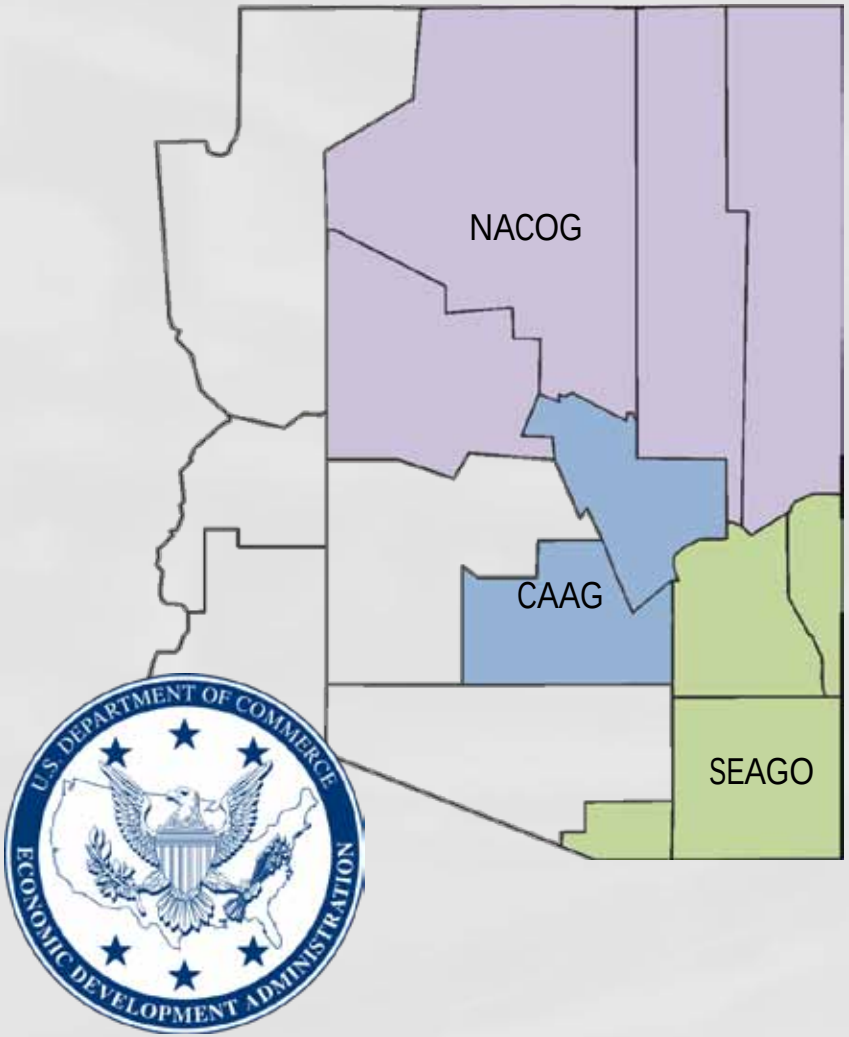
- Economic development follow-through
  - Business development follow-through
    - Marketing for locates
    - Entrepreneurial development
  - Workforce development – focus training on voids in labor pool

How Use Study Results?

- Asset improvements follow-through
  - Transportation planning & programming
  - Other public sector investments & costs
  - Quality of life improvements

CAAG Economic Development District

- Recognized agencies by US Economic Development Administration
- Funded to assist with supporting regional economic development
- CAAG Region – designated by EDA as "distressed economy"
  - Eligible for grant to do target cluster-centers study
  - EDA receptive to full Sun Corridor study
    - Can partner with other Sun Corridor
    - 25% match required for grant



Thank you for your time!

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