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

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

*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
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

Present

Future

Admin Workers

Production Workers

Innovation

Productivity

Admin Workers

Production Workers

CENTRAL ARIZONA ASSOCIATION OF GOVERNMENTS
Serving Gila & Pinal Counties Since 1975
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!

Brian Tapp
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