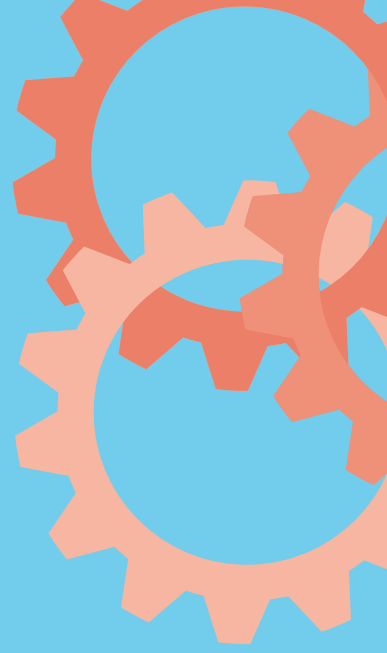


The City of Sedona's

# ECONOMIC DIVERSIFICATION STRATEGIC PLAN



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## City of Sedona Economic Diversification Strategic Plan

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## Acronyms

ACA	Arizona Commerce Authority
AAID	Arizona Association for Economic Development
APS	Arizona Public Service
ASQ	Advance Sedona Quality
CD	Sedona Community Development Department
CEDS	Comprehensive Economic Development Strategies
CFA	Community Focus Area
CIP	Capital Improvement Plan
CM	Sedona City Manager's Office
DSL	Digital Subscriber Line
ED	Sedona Economic Development
EDAC	Economic Diversification Advisory Committee
IMPLAN	Impact Analysis for Planning
IT	Sedona Information Technology Department
LEHD	Longitudinal Employer-Household Dynamics
LQ	Location Quotient
M&E	Media and Entertainment
NACET	Northern Arizona Center for Entrepreneurship and Technology
NAH	Northern Arizona Healthcare
NAICS	North American Industrial Classification System
NCCIH	National Center for Complementary and Integrative Health
PW	Sedona Public Works Department
R&D	Research and Development
REDC	Regional Economic Development Center
SBDC	Small Business Development Center
UCLA	University of California Los Angeles
VACTE	Valley Academy for Career and Technology Education
VVREO	Verde Valley Regional Economic Organization

# Plan Overview

The purpose of this Economic Diversification Strategy is to present a clear plan of action over the next five years with the primary vision of economic diversification. The overarching principle of the strategy is a healthy and sustainable community. The plan is consistent with the City’s community plan adopted in 2014, as well as the Verde Valley Regional Economic Organization Strategic Plan adopted in 2018.

The diversification strategy plan consists of four key pillars that emphasize Community Development, Business Development, Economic Gardening/Entrepreneurship, and Marketing and Branding.



Comprehensive stakeholder input was obtained during the course of the planning process. One-on-one interviews were held with elected officials and key staff, and broader stakeholder input was also solicited through in person and telephone interviews. This input provides a clear picture of the vision and guiding principles of the strategy.

## Vision and Values

There are community beliefs and values that underpin the Vision of “Economic Diversification,” and the Guiding Principle of “Healthy and Sustainable Community.” Based on input from policy makers, staff, stakeholders and the Economic Diversification Advisory Committee (EDAC) the following beliefs and values shape the foundation of the plan with its goals and strategies.

- 1. Work Towards Sustainability** – A major focus of the adopted *Sedona Community Plan* transcends this economic diversification plan. The ideals behind sustainability include not only reducing the impact on the environment, but also creating policies and plans that lead to economic diversification and improving the collective quality of life for Sedona residents, which advances a prosperous community.
- 2. Embrace Change** – Maintaining the status quo will not lead to economic diversification that policy makers and stakeholders desire. Diversification of the economy requires a new approach to job and business creation by advancing fresh ideas and diversifying the expenditure of City funds. Planning for and budgeting economic development related projects will diversify the City's portfolio of spending.
- 3. Welcome Diversity** – Social, ethnic, racial, age and cultural diversity of people and business is recognized and celebrated in Sedona. Everyone has strengths that they bring to the table, and their diverse community voices enhance the policy process. An appreciation of differences is a driver of sustainability and change, and leads to a stronger community.
- 4. Leverage Assets** – The strength of any economic development plan requires utilizing and leveraging existing assets. Sedona is rich in natural beauty with foundational assets such as outdoor recreation, higher education, healthcare, and arts and culture. There is mounting interest to focus on entrepreneurship, and promote an innovation economy by leveraging the tools and resources needed by existing business and residents to make a positive economic impact.
- 5. Focus on Local** – A strong locally owned business base is the foundation of economic sustainability. Strengthening and expanding the capacity of local business and entrepreneurs, by accessing financing and securing local contracts, will help accelerate and scale up local success.
- 6. Creative Placemaking** – Strengthen the connection between people and the places they share by incorporating placemaking principles across all facets of a development project. Through a collaborative process, placemaking will help facilitate social connections and the engagement of residents and businesses. Placemaking attributes will focus on access and connections, comfort and image, uses and activities, and sociability, as discussed on page 27. The result will foster diversity and inclusiveness by bringing people of different backgrounds together.

## Industry Targets

The Diversification Strategy includes a targeted industry analysis which identifies industry clusters that best fit Sedona and could also benefit from community and regional assets. The foundation of successful economic development is the identification of industry targets that provide a focused approach to the deployment of staff and financial resources. Industries at the four digit NAICS level within Sedona were evaluated and compared to Yavapai County.

A short list of industries was prepared to zero in on those present in Sedona today and are achieving job growth. The screening methodology assessed industries and assigned a score in four areas: industry growth, wages, market strength, and job presence in Sedona. Based on this analysis the City identified business targets that will help achieve diversification in the economy, create jobs and provide opportunities for entrepreneurs.

Some of the targets have little or no presence in Sedona today, however, community leaders believe that existing community assets and supply chains could be leveraged to stimulate the growth or introduction



of this industry to the market. There are other targets which may not have the historical job growth and are predominately low wage, but the addition of this industry could be the focus of entrepreneurial growth and has the potential to round out the economy.

Below is the list of targeted industry clusters. A description of the industries within each cluster can be found in Table 4, and a list of business support services within the industry supply chain can be found in Table 7.

- Biopharmaceuticals
- Business Services & Information Technology
- Healthcare
- Food and Beverage Products
- Other Small-Scale Fabrication (Manufacturing)
- Video Production & Recording
- Supply Chain industries within Business Support Services (Table 7)

### Utilizing Your Assets

In addition to the list of industry targets, there are several transformative projects and economic development methods that could potentially fulfill the vision of diversification and the guiding principle of sustainability. These projects and methods may be considered bold, and a few represent a fresh approach to economic development for Sedona. Some can be implemented in the short term, while others will be long term in nature. These five projects/methods are noted below and discussed in the Target Industry chapter.

1. Agricultural Innovation Park
2. Co-Working Space
3. Economic Gardening (Entrepreneurship)
4. Health and Wellness
5. Sedona Cultural Park

### Strategic Framework

The economic diversification strategy was developed in collaboration with the City of Sedona policy makers, staff and the Economic Diversity Advisory Committee. For each pillar of the plan there are a series of goals that supports the vision, values and the guiding principle of the plan. The structure of each goal includes strategies and specific actions that the City and/or its partners can undertake. It also identifies the potential partners and timeframe for implementation. Achieving the goals of the Diversification Strategy will require an alignment of goals and funding priorities among City Departments and organizations who have a role to play in the City's Diversification Strategy.

Table 1 – Economic Diversification Strategy, Pillars and Goals

Pillars of the Plan	Goals
<p><b>Community Development</b></p>	<ul style="list-style-type: none"> <li>• Make investments in community projects and infrastructure that support economic diversification to achieve long term sustainability.</li> <li>• Review and create policies that support sustainable economic development.</li> <li>• Implement creative placemaking principles that will shape the physical, social, cultural and economic identity of Sedona.</li> <li>• Look for ways to enhance/expand the educational curriculum and programs, which are in alignment with the economic diversification strategic plan.</li> </ul>
<p><b>Business Development</b></p>	<ul style="list-style-type: none"> <li>• Refine business retention and attraction efforts to reflect the framework of the targeted industry findings.</li> <li>• Facilitate economic diversity by taking steps to realize transformative projects.</li> </ul>
<p><b>Economic Gardening/ Entrepreneurship</b></p>	<ul style="list-style-type: none"> <li>• Develop an entrepreneurial landscape that fosters the growth of local entrepreneurs, freelancers and home-based business owners.</li> </ul>
<p><b>Marketing and Branding</b></p>	<ul style="list-style-type: none"> <li>• Establish a marketing program that builds awareness of Sedona as a business location.</li> </ul>

# Economic Assessment

An assessment of the demographic and economic factors for the City of Sedona was prepared and compared to Yavapai County. The purpose of the economic assessment is to identify demographic characteristics and trends for the City of Sedona as compared to Yavapai County as a whole. These findings are important to understand the city’s competitive advantages and disadvantages as it relates to economic diversification and job creation. For example, the data helps the community understand what drives the local economy, its workforce characteristics and migration patterns, and current employment.

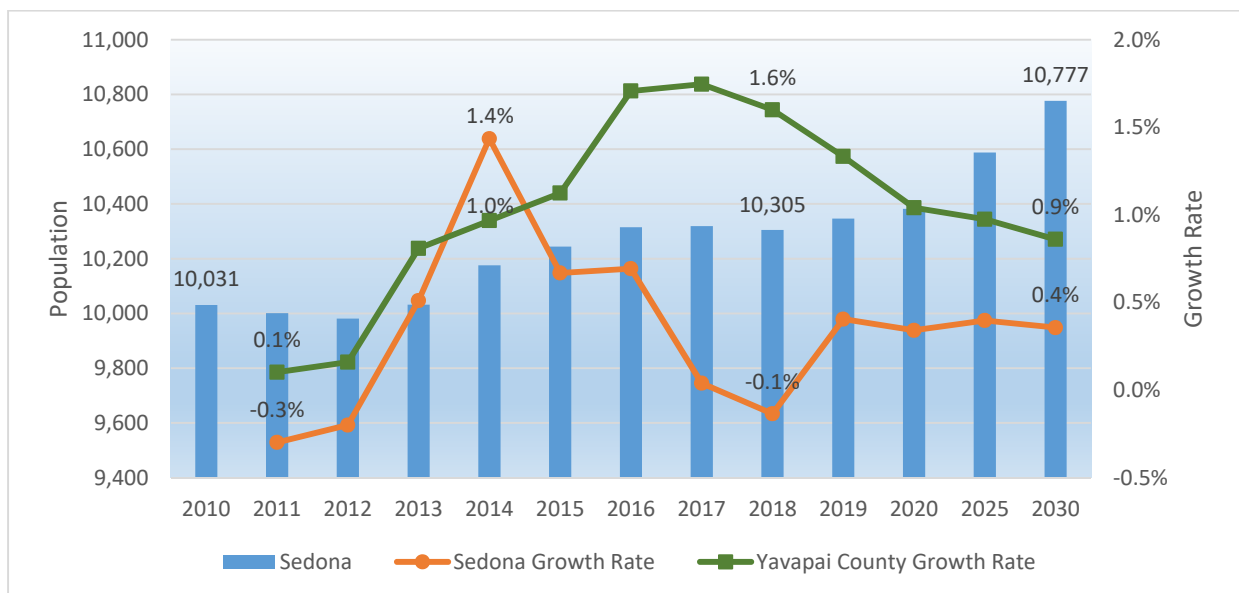
The findings of the economic assessment, combined with council, staff and stakeholder input, targeted industry analysis, national trends and influences, and Sedona’s core assets and challenges, were all used to help create the economic diversification goals and potential transformative projects.

Data in the following figures and tables comes from a variety of sources including: the Arizona Department of Administration, Office of Employment and Population Statistics; U.S. Census American Community Survey, 2017; and LEHD Origin-Destination Employment Statistics, 2017. Following are the key findings of this assessment. Due to data collection methodology, employment figures from these datasets should not be compared to one another. See employment data notes in Appendix A, which highlights the differences.

## Population and Demographic Characteristics

**Sedona is growing at a slower rate than Yavapai County.** Since the year 2015, Sedona’s population growth rate has lagged that of Yavapai County. In addition, population projections from the Arizona Office of Employment and Population Statistics also indicate a slower growth rate. The 2019 population estimate for Sedona is 10,347, which includes population in both Yavapai and Coconino Counties. By 2030 Sedona’s population is projected to grow 4 percent to 10,777, compared to Yavapai County at 11 percent.

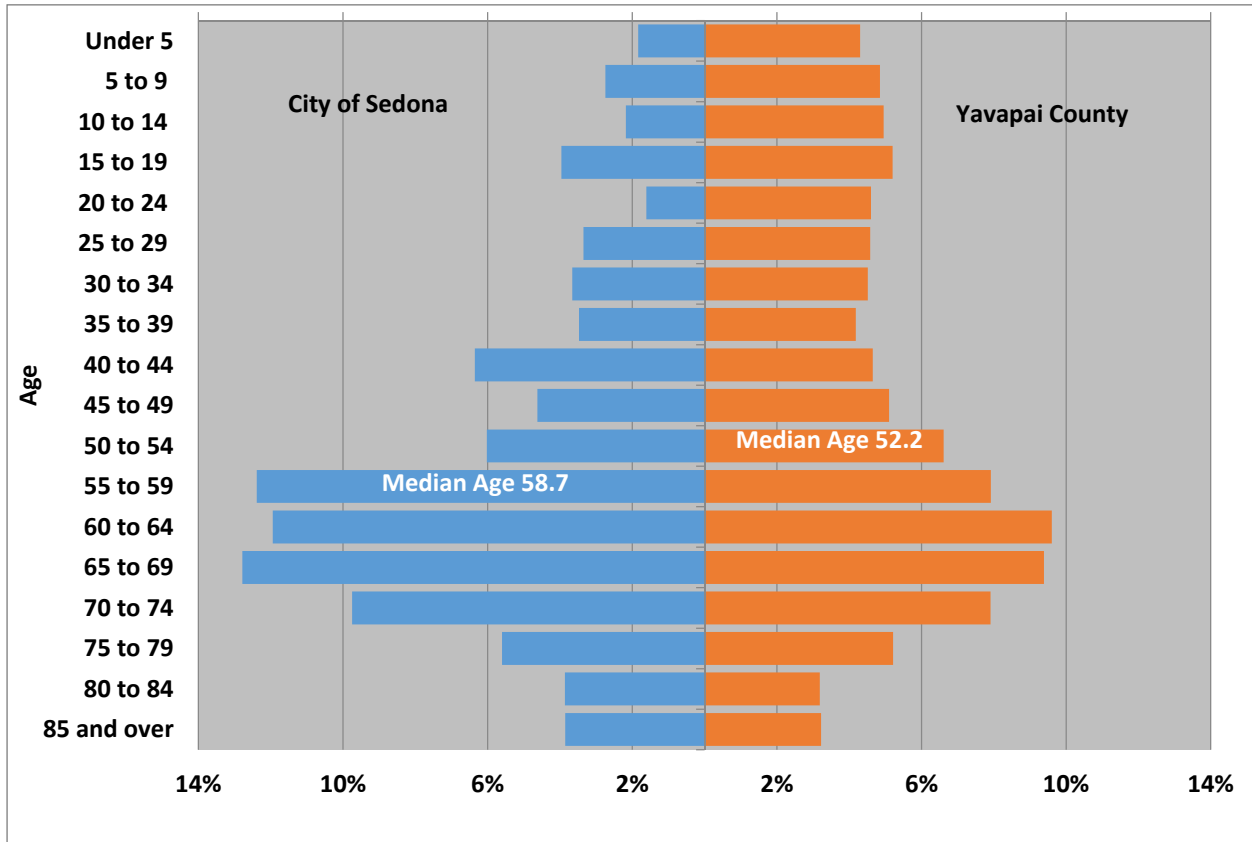
Figure 1 – Population Growth and Projections



Source: Arizona Department of Administration, Office of Employment and Population Statistics

**Sedona has an older population than Yavapai County.** The median age of Sedona’s population is 58.7, with 1 in 3 residents being 65 years of age or older. Overall, Yavapai County is slightly younger with a median age of 52.2. Median age is an indicator of the availability of the working age population, since the prime working years are between the ages of 25-54. However, Sedona residents 55 years of age and older comprise 50 percent of the employed population, compared to the County at 33 percent.

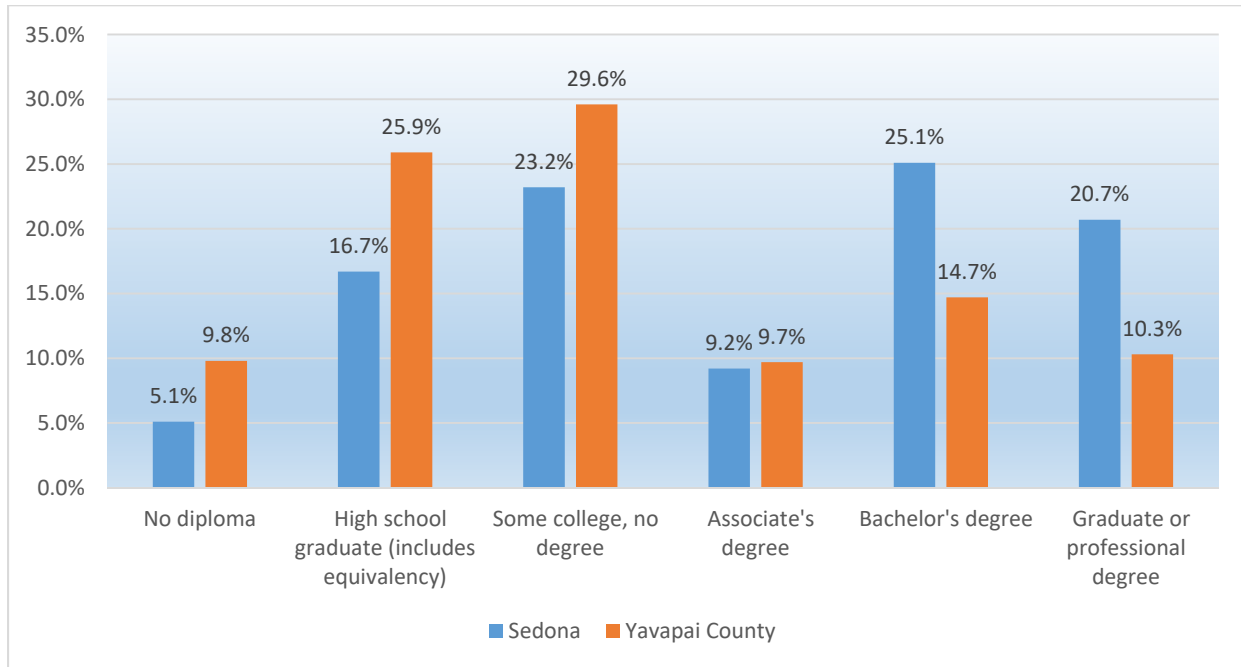
Figure 2 – Age Breakdown Comparison



Source: U.S. Census Bureau, 2013-2017 American Community Survey Five Year Estimates

**Sedona has higher incomes and educational attainment levels.** The median household income for Sedona residents is \$58,417 annually, compared to the County at \$48,259. Households with disposable income of \$100,000 or more represent 21 percent of all Sedona households, which is in stark contrast to Yavapai County residents at only 12 percent.

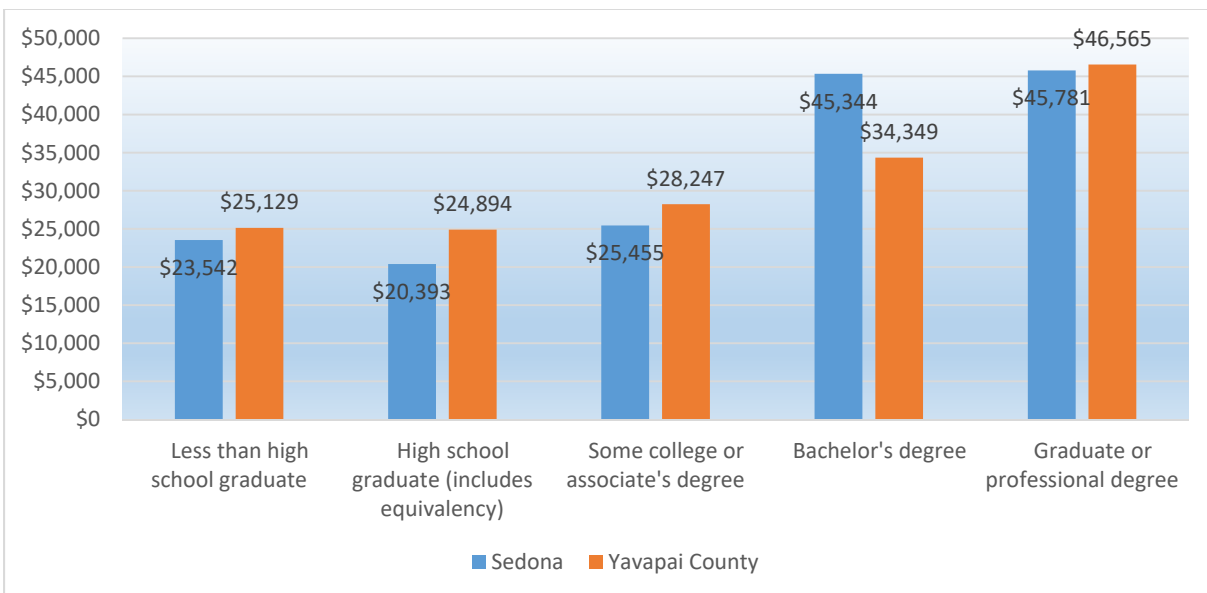
Figure 3 – Educational Attainment



Source: U.S. Census Bureau, 2013-2017 American Community Survey Five Year Estimates

When examining the talent pipeline in Sedona nearly 46 percent have a Bachelor’s Degree or higher, compared to Yavapai County at 25 percent. Sedona’s median household income reflects the higher educational attainment levels. Those with a Bachelor’s Degree earn \$45,344 compared to those with some college or Associates Degree at \$25,455.

Figure 4 – Median Earnings by Educational Attainment

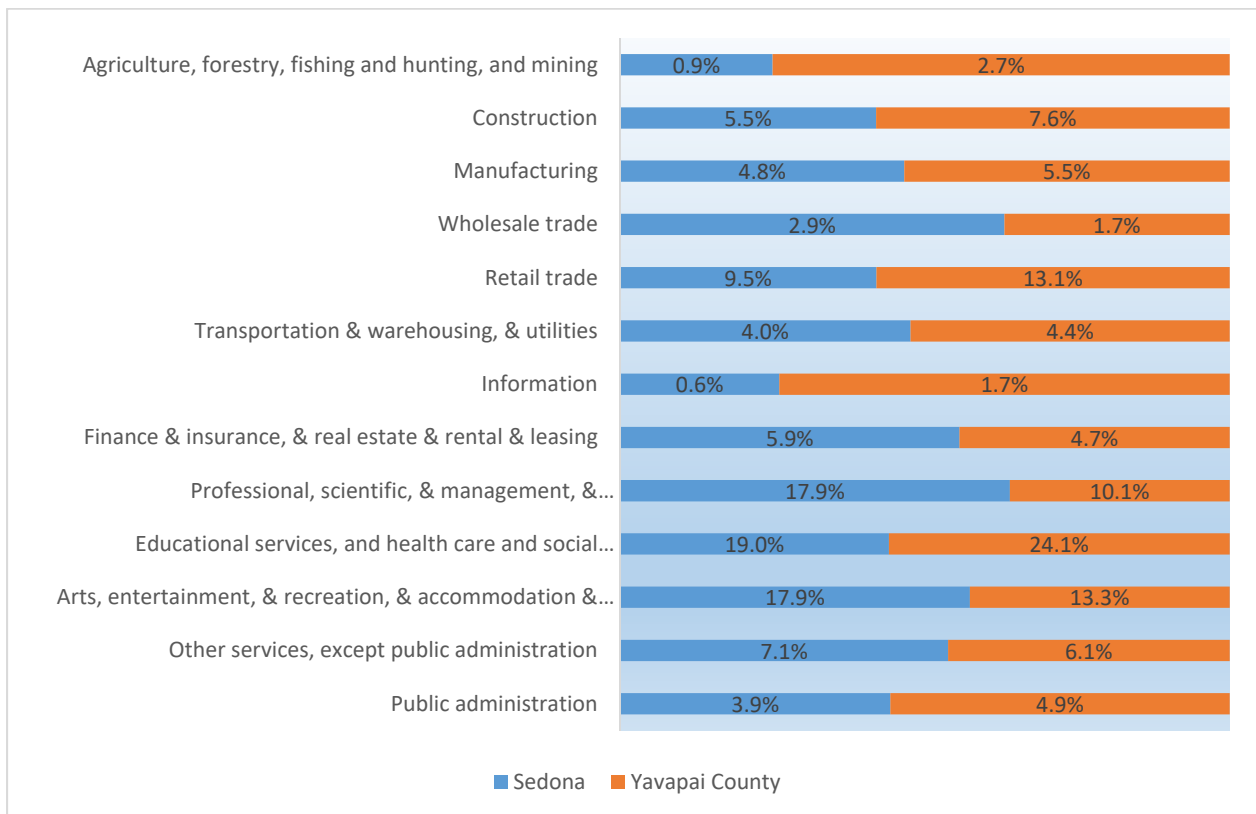


Source: U.S. Census Bureau, 2013-2017 American Community Survey Five Year Estimates

Workforce Characteristics

**Services and Arts and Entertainment are the leading source of employment for Sedona residents.** The predominate business sectors in Sedona include Professional and Scientific services (18%), Educational and Healthcare services (19%), and Arts and Entertainment (18%), which includes accommodations and food services. These three sectors combined represent 55 percent of the civilian employment in Sedona. When compared to Yavapai County, a higher percentage of Sedona residents are employed in Professional and Scientific services at 18 percent compared to Yavapai County at 10 percent. Likewise, Sedona has a higher percentage of people employed in Arts, Entertainment and Recreation (18% vs. 13%).

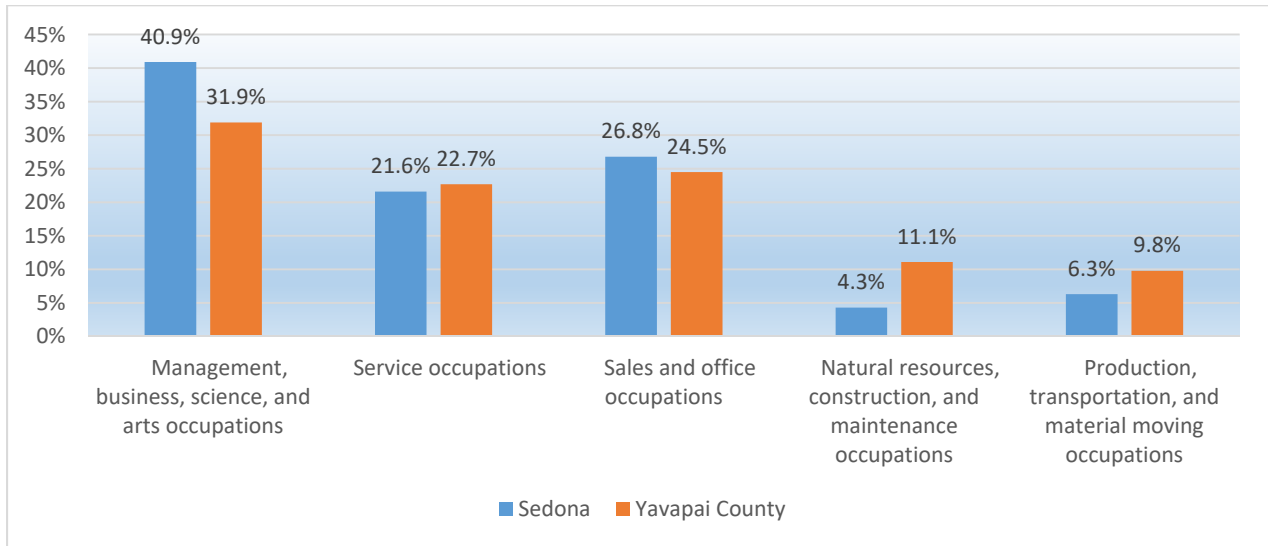
Figure 5 – Civilian Employed Population, 16 Years and Older



Source: U.S. Census Bureau, 2013-2017 American Community Survey Five Year Estimates

**Nearly 41 percent of Sedona residents are employed in management, business, science and arts occupations.** Compared to Yavapai County, a larger percentage of Sedona residents are employed in higher and middle skilled occupations that include management of organizations, architecture and engineering, education and training, and arts, design and entertainment (41% vs 32%). Nearly 27 percent of Sedona residents are also employed in sales and office occupations.

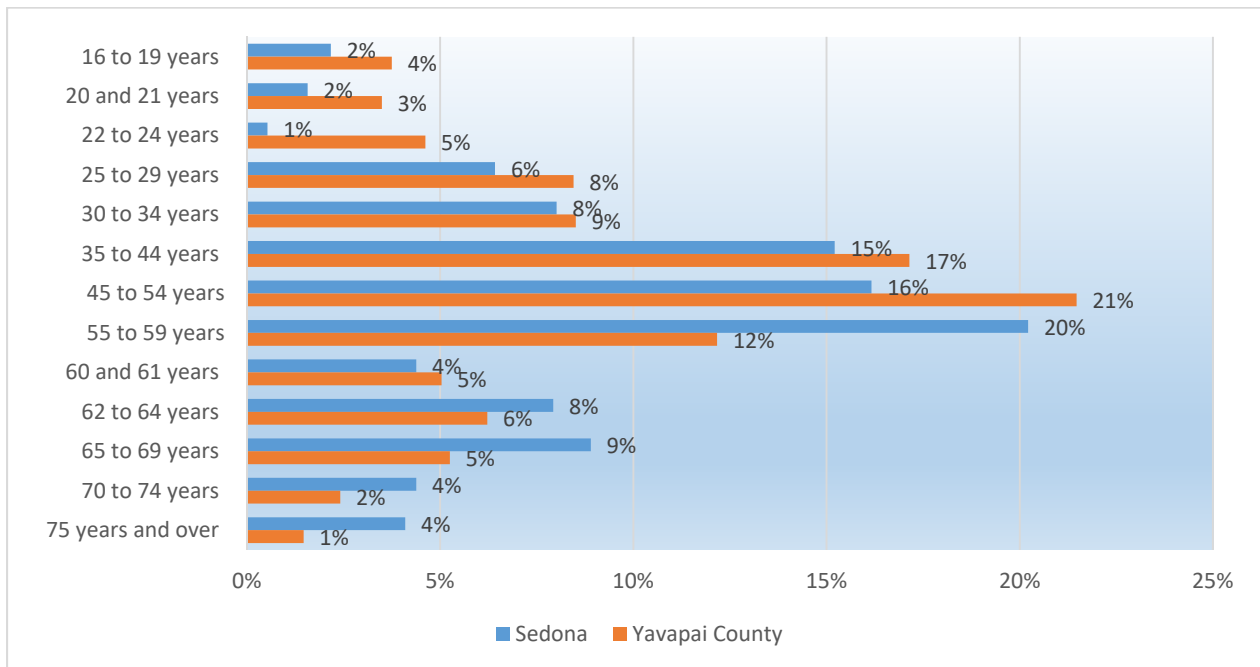
Figure 6 – Civilian Employed Occupations, 16 Years and Older



Source: U.S. Census Bureau, 2013-2017 American Community Survey Five Year Estimates

According to the U.S. Census, the prime working years are between the ages of 25 and 54. For Sedona, 46 percent of employed workers are within their prime working years, compared to 56 percent for Yavapai County. However, Sedona residents 55 years of age and older represent 50 percent of all employed workers, compared to Yavapai County at 33 percent. This implies that Sedona residents are working longer in their retirement years.

Figure 7 – Employed Population by Age



Source: U.S. Census Bureau, 2013-2017 American Community Survey Five Year Estimates

**Sedona is a net importer of labor.** To successfully grow or attract new business it is critical that a talent pipeline be in place either within the community or its commute shed. An evaluation of the inflow and outflow of the workforce was prepared to understand the migration patterns. This dataset is also collected by the U.S. Census, but uses a different methodology and should not be compared to the civilian employed population data previously reported.

When examining the data that represents the inflow-outflow of jobs, there are 5,979 people employed in Sedona. Of this amount, 74 percent (4,435) are coming from other communities for jobs in Sedona. In fact, the labor shed for Sedona reaches beyond the city limits with Cottonwood, Verde Village, the Village of Oak Creek, Camp Verde, and Flagstaff representing 37 percent of workers. The primary types of jobs that workers are in-commuting to Sedona include accommodations and food services, retail trade and other services.

Figure 8 – In and Out Commuting Characteristics

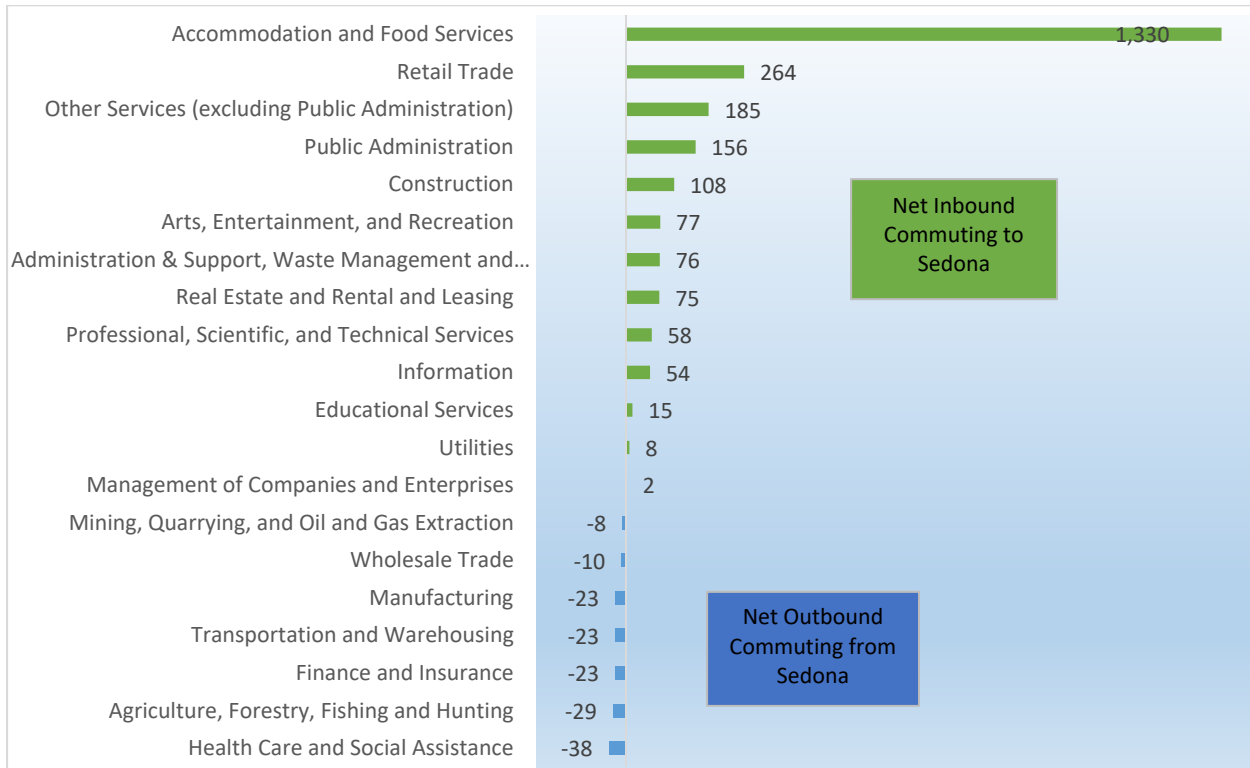


Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002-2017).

Figure 9 shows the difference between the number of workers employed in Sedona versus the number of Sedona based outbound workers by type of job. Sedona has a lot more jobs in the accommodation and food services industries than can be filled by Sedona residents. By the same token, Sedona does not have enough jobs in higher wage industries such as manufacturing, finance and insurance and health care, causing people to out commute.



Figure 9 – Net Commuting Job Flows by Industry Sector, 2017



(Net flows = Inbound minus Outbound)

Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002-2017).

Table 2 – Top 10 Cities Where Workers Live and Work

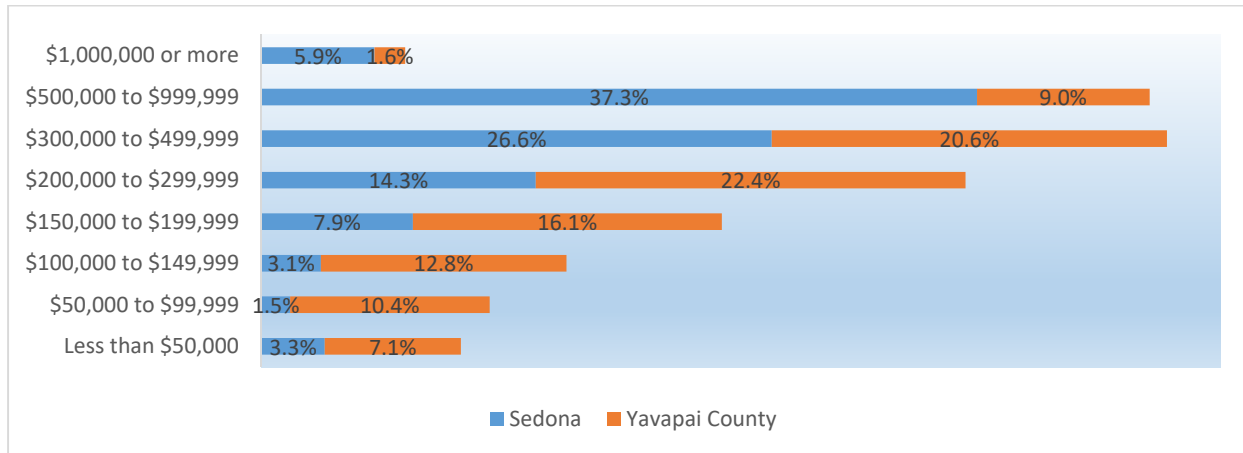
Where Workers Live who are Employed in Sedona				Where Workers are Employed who Live in Sedona		
		Count	Share		Count	Share
	<b>Total All Jobs</b>	<b>5,979</b>	<b>100.0%</b>	<b>Total All Jobs</b>	<b>3,725</b>	<b>100.0%</b>
1	Sedona	1,544	25.8%	Sedona	1,544	41.4%
2	Phoenix	418	10.7%	Verde Village	637	11.2%
3	Flagstaff	211	10.3%	Cottonwood	615	5.7%
4	Scottsdale	115	7.9%	Village of Oak Creek	475	3.1%
5	Cottonwood	90	4.2%	Camp Verde	252	2.4%
6	Tempe	80	4.0%	Flagstaff	237	2.1%
7	Village of Oak Creek	74	3.5%	Phoenix	208	2.0%
8	Prescott	64	3.3%	Cornville	198	1.7%
9	Camp Verde	56	2.2%	Lake Montezuma	132	1.5%
10	Mesa	46	1.8%	Prescott Valley	106	1.2%
	All Other Locations	1,575	27.6%	All Other Locations	1,027	27.6%

Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002-2017).

### Housing Characteristics

**Sedona Housing is unaffordable to middle income workers.** The percent of owner occupied housing that is valued at \$500,000 or more is significantly higher in Sedona (43%) than Yavapai County (11%). Per the U.S. Census, the median home value in Sedona is \$446,900 compared to Yavapai County overall at \$215,000. According to Zillow, the median price of homes currently listed in Sedona is \$671,750, while the median price of homes that sold is \$506,700.<sup>1</sup>

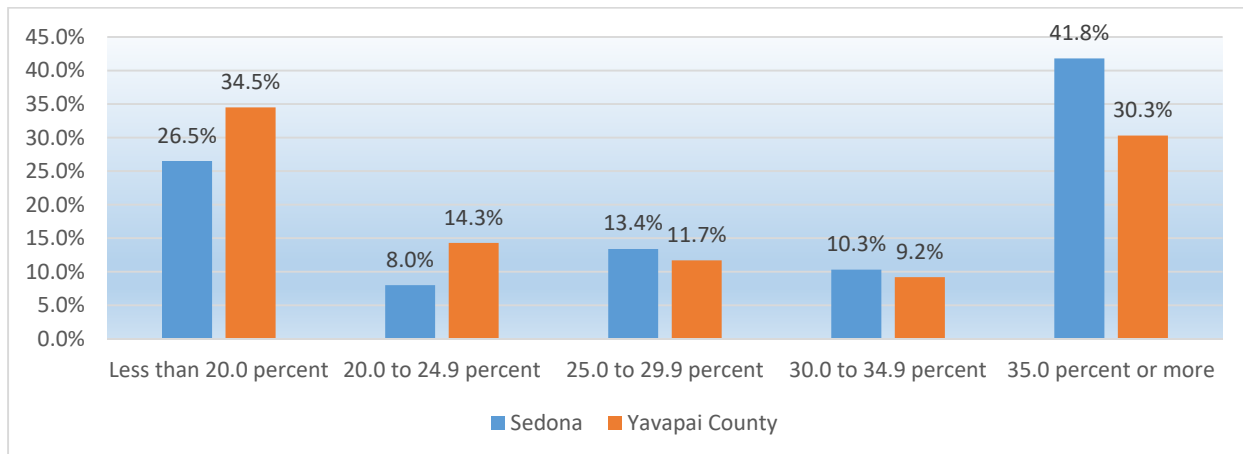
Figure 10 – Owner Occupied Housing Value



Source: U.S. Census Bureau, 2013-2017 American Community Survey Five Year Estimates

When determining the “cost burden” in terms on monthly income that goes towards a mortgage or rent, nearly 42 percent of owners spend 35 percent or more on their mortgage and 58 percent spend more than 35 percent on their monthly rent. As a HUD guideline you want to spend no more than 30 percent of your monthly gross income on housing.

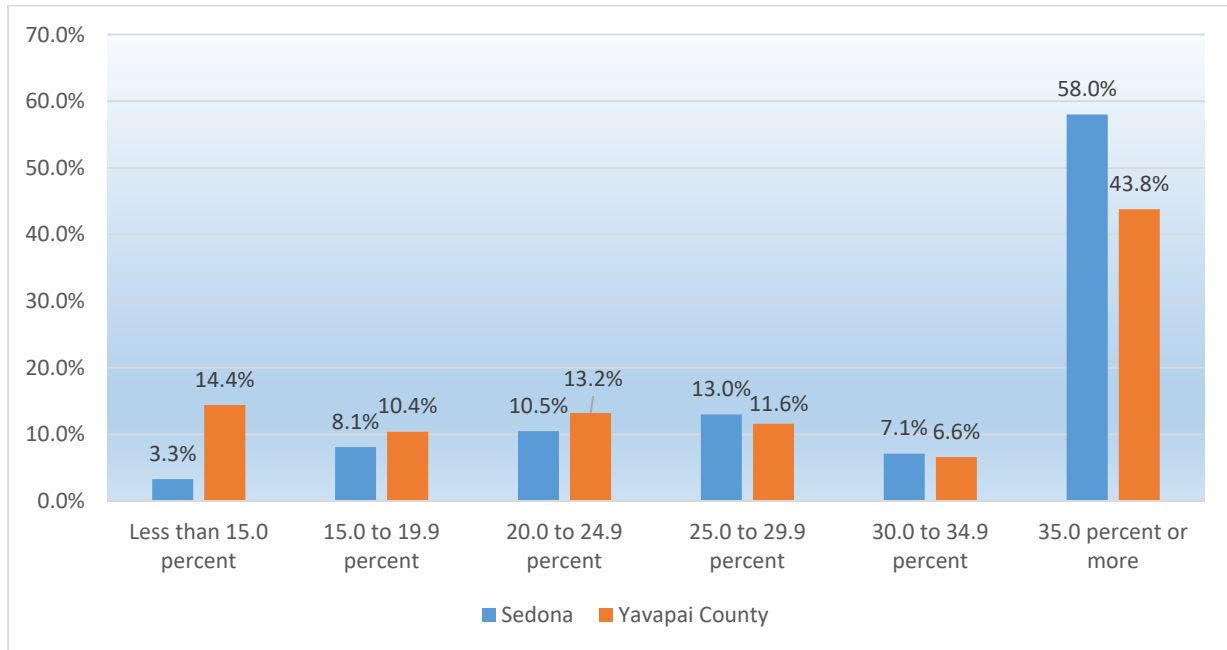
Figure 11 – Owner Monthly Cost as a Percent of Income



Source: U.S. Census Bureau, 2013-2017 American Community Survey Five Year Estimates

<sup>1</sup> Zillow, <https://www.zillow.com/sedona-az/home-values>, accessed September 15, 2019.

Figure 12 – Gross Rent as a Percent of Income



Source: U.S. Census Bureau, 2013-2017 American Community Survey Five Year Estimates

Nearly three-quarters of Sedona housing units are owner occupied with an average household size of 2.23 people. Sedona has a slightly higher percent of vacant housing units at 19 percent versus 17 percent for Yavapai County.

Table 3 – Housing Occupancy and Tenure

	Sedona	Yavapai County
<b>Total Housing Units</b>	<b>6,450</b>	<b>113,915</b>
Occupied housing units	80.9%	82.8%
Vacant housing units	19.1%	17.2%
<b>Occupied Housing Units</b>	<b>5,220</b>	<b>94,343</b>
Owner-occupied	73.3%	70.7%
Renter-occupied	26.7%	29.3%
<b>Average Household Size</b>		
Owner occupied	2.23	2.25
Renter occupied	2.41	2.39

Source: U.S. Census Bureau, 2013-2017 American Community Survey Five Year Estimates

# Target Industry Analysis, Opportunities & Trends

In 2018 the Regional Economic Development Center (REDC) at Yavapai College prepared an industry target and supply chain analysis for the greater Verde Valley, which included Cottonwood and Camp Verde. The Sedona targeted industry analysis focuses on a smaller geographic area to shine a spotlight on the local economic landscape and job growth. This geographic study area includes the zip codes 86336 and 86351, and is referred to in this analysis as Sedona. The analysis identifies the industry clusters that best fit Sedona and which could also benefit from community and regional assets.

The target industry analysis utilizes IMPLAN<sup>2</sup> data and categorizes industries in Sedona at the four digit NAICS level by industry cluster. These industries were then evaluated and compared to Yavapai County. It is important to point out that IMPLAN is a software application that uses a sophisticated input-output econometric model that incorporates numerous federal government datasets. The methodology they utilize estimates non-disclosed data elements and converts them all to a consistent year and sectoring scheme, all while benchmarking them against other data to maintain accuracy. This data should not be compared to the U.S. Census, American Community Survey data.

## Industry Analysis

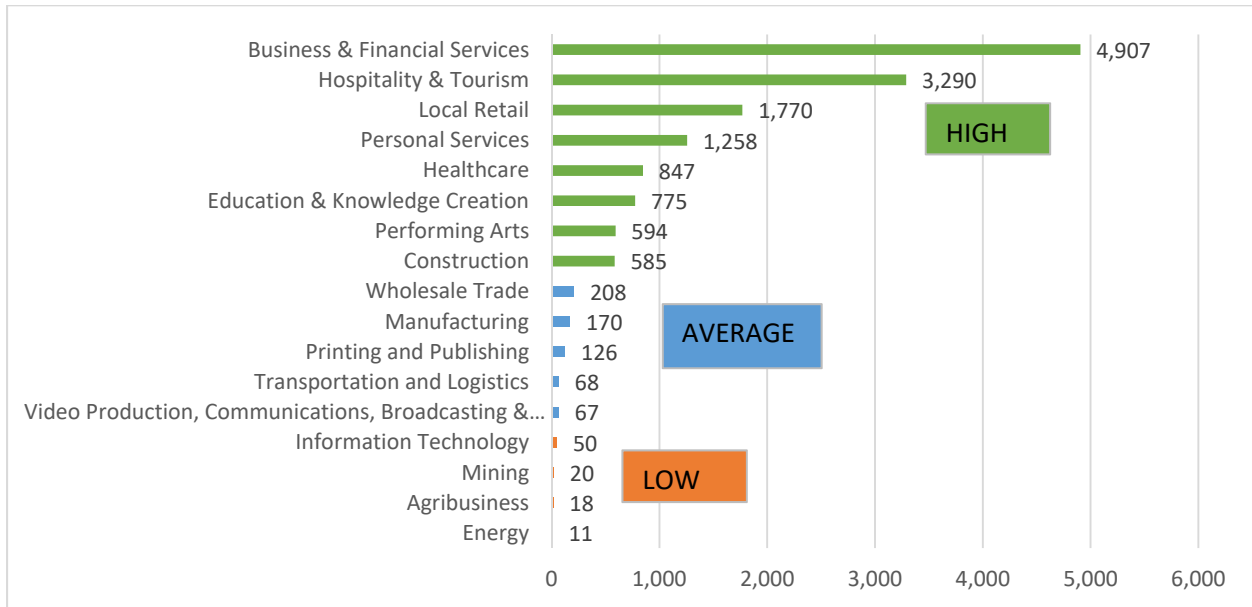
An aggregation of industry sectors was prepared to identify those sectors in Sedona's economy that employ the greatest number of people, have the greatest historical job growth, and the largest location quotient as measured against Yavapai County. The location quotient (LQ) is presented as a ratio of the concentration of jobs that a specific industry has in the local market. A LQ of 1.0 represents the same share of total employment as the industry's share of Yavapai County's employment. A LQ greater than 1.0 signifies that the industry is more concentrated in Sedona and is presumed to have a comparative advantage. Likewise, if a LQ is less than 1.0, that means the industry has less concentration, but there may be opportunity for attraction.

IMPLAN data encompasses both employed and self-employed individuals. Figure 13 shows the sectors of the economy that employ the greatest number of workers. Business and financial services leads the way with 4,907 jobs, followed by hospitality and tourism at 3,290 jobs. Appendix B provides a list of industries associated with each sector and the accompanying number of jobs.

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<sup>2</sup> Impact Analysis for Planning (IMPLAN) is a software application from IMPLAN Group, LLC. Originally created in the early 1970's for the U.S. government. It includes extensive databases used for economic impact modeling.

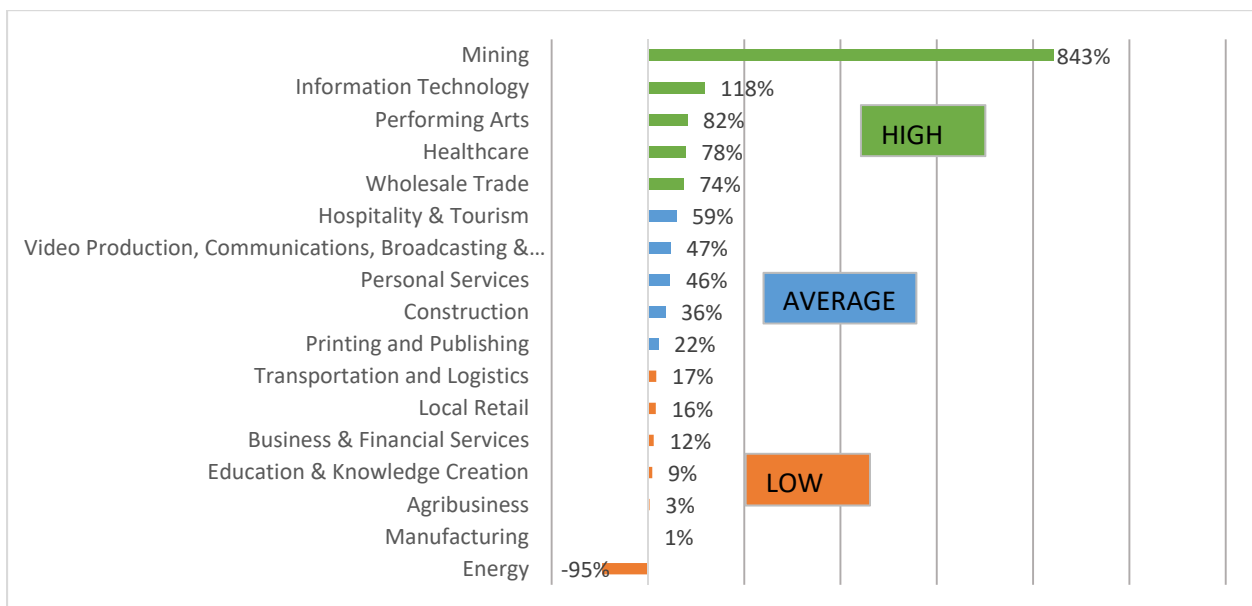
Figure 13 – Sedona Employment by Sector, 2017



Source: IMPLAN

When it comes to the percentage increase in job growth, mining and information technology lead the way, however, they employ the smallest number of workers. Business and financial services is Sedona’s largest employers, yet it only had a 12 percent job increase over the five-year time horizon. Performing arts, healthcare, and hospitality and tourism are some of Sedona’s larger employing sectors, and they experienced robust employment growth ranging from 59%-82% (Figure 14).

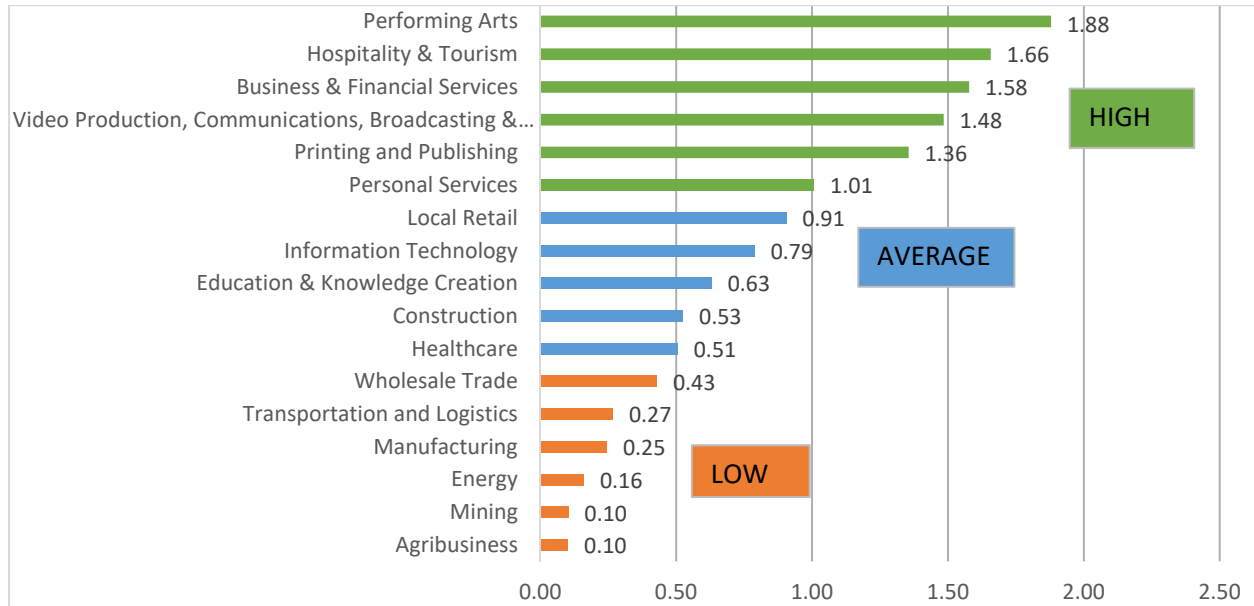
Figure 14 – Sedona Employment Change, 2012-2017



Source: IMPLAN

A review of each sector’s LQ paints another picture of economic strength (Figure 15). Performing arts, hospitality and tourism, and business and financial services all have a LQ above 1.50, which demonstrates their dominance in the market. On the other hand, healthcare has a LQ of .51, but it is still a significant employer in Sedona with strong job growth potential.

Figure 15 – Sedona Employment Sector Location Quotients, 2017



Source: IMPLAN

### Short List

The entire list of industries at the four digit NAICS code was evaluated and filtered utilizing a screening methodology that assessed Yavapai County employment growth over five years, wages, strength in the local market (LQ), and the presence of jobs in Sedona. There are six industry clusters with associated business targets that have been identified, which are the focus of the economic diversification plan (Table 4).

These business targets will help achieve diversification of the economy, create jobs and provide opportunities for entrepreneurs. Some of the targets have smaller presence in Sedona today, however, community leaders believe that existing community assets could be leveraged to stimulate the growth or introduction of this industry to the market. There are other targets which may not have the historical job growth and are predominately low wage, but the addition of this industry could be the focus of entrepreneurial growth and has the potential to round out the economy.

The NAICS definitions of the targeted industries presented in Table 4 are included within Appendix B.

## City of Sedona Economic Diversification Strategic Plan

*Table 4 – Sedona Industry Targets and Performance*

NAICS	Description	Industry Growth	Wages	Market Strength	Presence in Sedona
<b>Biopharmaceuticals</b>					
325411	Medicinal and botanical manufacturing	Very Strong	Average	Weak	None
325412	Pharmaceutical preparation manufacturing	Strong	High	Weak	Low
325414	Biological product (except diagnostic) manufacturing	Flat	High	Very Strong	Low
<b>Business Services &amp; Information Technology</b>					
541511	Custom computer programming services	Moderate	High	Weak	Moderate
541512	Computer systems design services	Very Strong	High	Weak	Strong
54151A	Other computer related services, including facilities management	Moderate	High	Weak	Moderate
5112	Software publishers	Very Strong	Low	Weak	Low
<b>Healthcare</b>					
6213	Offices of other health practitioners	Moderate	Average	Strong	Strong
6215	Medical and diagnostic laboratories	Very Strong	High	Strong	Moderate
6231, 6233	Nursing and community care facilities	Moderate	Average	Strong	Very Strong
<b>Food and Beverage Products</b>					
311352	Confectionery manufacturing from purchased chocolate	Flat	Low	Strong	Low
311811-2	Bread and bakery product, except frozen, manufacturing	Declining	Low	Weak	Strong
31212	Breweries	Declining	Low	Weak	Low
31213	Wineries	Very Strong	Average	Very Strong	Low
<b>Other Small Scale Fabrication (Manufacturing)</b>					
334519	Watch, clock, and other measuring and controlling device manufacturing	Very Strong	Average	Strong	Low
33991	Jewelry and silverware manufacturing	Very Strong	Low	Very Strong	Low
339112	Surgical and medical instrument manufacturing	Very Strong	Low	Weak	Low
<b>Video Production &amp; Recording</b>					
5121	Motion picture and video industries	Strong	Low	Weak	Moderate
5122	Sound recording industries	Very Strong	Low	Strong	Moderate

**Qualitative Ranking Legend**

Industry % Growth	Wages	Market Strength (LQ)	Presence in Sedona (Jobs)
<0.1% Declining	>\$45,000 High	>3.0 LQ Very Strong	0=none
0 = Flat	\$35,000-\$44,999 Average	>1.00 Strong	<16 low
<5% Weak	<\$35,000 Low	<1.00 Weak	<50 Moderate
<50% Moderate			<300 Strong
<100% Strong			>300 Very Strong
<300% Very Strong			

Additional data was collected to understand employment projections within Sedona’s targeted cluster/industry. The State of Arizona, in collaboration with the U.S. Bureau of Labor Statistics, prepares state and county long term employment projections through the year 2026. The names of the industry sub-sectors don’t line up exactly with the names of Sedona’s industry cluster, however, they are close enough to discern the employment growth potential. Table 5 provides a side-by-side comparison of Yavapai County’s employment projections to the State of Arizona’s. In Yavapai County, employment growth within the healthcare and beverage manufacturing industries exceeds the statewide projection. Taken as a whole, manufacturing, information technology and motion picture and sound recording all have strong employment growth potential in Arizona.

*Table 5 – Yavapai County 2016-2026 Industry Employment Projections*

<b>Industry</b>	<b>Yavapai County Projected Employment Change 2016-2026</b>	<b>Arizona Projected Employment Change 2016-2026</b>
Professional, Scientific, and Technical Services	13.3%	20.8%
Information	-3.0%	7.4%
Health Care and Social Assistance	62.4%	43.7%
Nursing and Residential Care Facilities	53.1%	47.7%
Beverage and Tobacco Product Manufacturing	19.1%	8.4%
Manufacturing	10.9%	12.0%
Computer and Electronic Product Manufacturing	-12.1%	18.3%
Chemical Manufacturing**	--	17.5%
Miscellaneous Manufacturing	-2.0%	13.6%
Motion Picture and Sound Recording Industries**	--	13.1%

Source: Arizona Office of Economic Opportunity in Cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics, July 2018.

\*\*Note: Data is not available for Yavapai County.

### Key Occupations by Industry Cluster

An examination of the top 10 occupations by each industry cluster was assembled, in part to identify occupations that are common to more than one industry, which could be a focus for education and workforce development training. Table 6 provides a list of the top common occupations amongst industry clusters. The complete list of the top 10 occupations by industry cluster is included as Appendix C.

Based on the targeted industries, business and healthcare occupations will continue to have an emphasis under the economic diversification plan. Yavapai College currently has curriculum addressing the education of this workforce with degrees being offered in accounting, management, nursing and allied health occupations. Additionally, the college has a few certificate programs in the healthcare field. However, training and certificate programs within small scale manufacturing occupations are not available, and within film and media there are only a couple of certificate programs. Finally, education and training within software development, which pervades all sectors of the economy today, is lacking within the Verde Valley.



Table 6 – Common Occupations by Industry Cluster

Top Occupations	Biopharmaceuticals	Business Services	Info Technology	Medical & Diagnostic Labs	Assisted Living Facilities	Nursing Care Facilities	Offices of Other Health Practitioners	Food & Beverage	Small Scale Fabrication	Video Production	Sound Recording
Sales Representatives, Wholesale and Manufacturing, Technical and Scientific Products	X							X	X		
First-Line Supervisors of Production and Operating Workers	X							X	X		
Inspectors, Testers, Sorters, Samplers, and Weighers	X								X		
Software Developers, Applications		X	X								
Office Clerks, General		X					X			X	X
Customer Service Representatives				X							
General and Operations Managers		X	X						X	X	X
Secretaries and Administrative Assistants, Except Legal, Medical, and Executive		X									X
Medical Secretaries				X			X				
Receptionists and Information Clerks				X			X				
Bookkeeping, Accounting, and Auditing Clerks		X			X	X					X
Personal Care Aides					X	X					
Nursing Assistants					X	X					
Food Servers, Non-restaurant					X	X					
Licensed Practical and Licensed Vocational Nurses					X	X					
Maids and Housekeeping Cleaners					X	X					
Cooks, Institution and Cafeteria					X	X					
Registered Nurses					X	X					
Recreation Workers					X	X					
Maintenance and Repair Workers, General					X	X					
Packaging and Filling Machine Operators and Tenders								X	X		
Laborers and Freight, Stock, and Material Movers, Hand								X	X	X	
Audio and Video Equipment Technicians										X	X

Industry Supply Chain Findings

A targeted industry analysis was prepared for the Verde Valley by the Regional Economic Development Center (REDC) of Yavapai College in 2018. The list of Sedona’s industry targets are in alignment with the findings of the REDC. A supply chain analysis of the industry targets was also performed by REDC to identify the potential for import substitution by examining in-region and imported purchases. This analysis screened out industries that spend less than \$500,000 in order to focus on industries with larger expenditures. Table 7 depicts a list of spending by industry within each of the six targeted clusters. The total value of import substitution is \$94.7 million, with business and professional services leading the way with \$31.6 million in spending.

Table 7 – Verde Valley Supply Chain Analysis

Industry	Agriculture & Food Processing	Advanced Manufacturing	Business & Professional Services	Healthcare Services	Hospitality & Tourism	Info Tech & Telecomm	Total by Industry
Temporary Help Services			\$6,257,819	\$2,811,952	\$1,399,187	\$517,330	\$10,986,287
Offices of Real Estate Agents and Brokers			\$2,577,729	\$3,233,506	\$2,998,824		\$8,810,059
Commercial Banking	\$534,116	\$671,193	\$4,428,448	\$1,700,385	\$1,015,515		\$8,349,657
Other Activities Related to Real Estate			\$2,314,259	\$2,975,444	\$2,645,852		\$7,935,554
Offices of Lawyers		\$585,181	\$1,608,594	\$2,074,578	\$2,207,237	\$524,290	\$6,999,881
Residential Property Managers			\$1,868,348	\$2,401,205	\$2,136,793		\$6,406,346
Animal Production and Aquaculture	\$5,588,468						\$5,588,468
Direct Property and Casualty Insurance Carriers			\$1,047,684	\$2,953,744	\$1,324,473		\$5,325,902
Janitorial Services			\$3,132,799	\$642,970	\$1,377,359		\$5,153,128
Wholesale Trade Agents and Brokers	\$820,057	\$1,620,671		\$1,059,718	\$1,345,409		\$4,845,854
Landscaping Services			\$2,514,092	\$510,022	\$1,107,203		\$4,131,316
Investment Advice			\$2,535,607	\$623,082			\$3,158,688
Data Processing, Hosting, and Related Services		\$847,497	\$1,251,082		\$586,314		\$2,684,893
Offices of Certified Public Accountants			\$577,140	\$679,332	\$1,284,869		\$2,541,341
Machine Shops		\$2,217,311					\$2,217,311
Adhesive Manufacturing		\$1,994,120					\$1,994,120
Limited-Service Restaurants			\$799,227	\$500,926	\$684,808		\$1,984,962
Computer Systems Design Services			\$703,687	\$590,279	\$554,841		\$1,848,808
Pharmaceutical Preparation Manufacturing				\$964,084			\$964,084
Breweries					\$959,945		\$959,945
Surgical Appliance and Supplies Manufacturing				\$956,961			\$956,961
Distilleries					\$941,070		\$941,070
<b>Total by Cluster</b>	<b>\$6,942,641</b>	<b>\$7,935,973</b>	<b>\$31,616,516</b>	<b>\$24,678,187</b>	<b>\$22,569,698</b>	<b>\$1,041,619</b>	<b>\$94,784,633</b>

Source: REDC, Yavapai College, 2018

Transformative Projects

In addition to the list of industry targets, there are several transformative economic development projects that could potentially fulfill the vision of economic diversification and the guiding principles of the plan. These projects may be considered bold, and a few represent a fresh approach to economic development for Sedona. Some can be implemented in the short term, while others will be long term in nature (Figure 16).

Figure 16 – Transformative Economic Development Projects

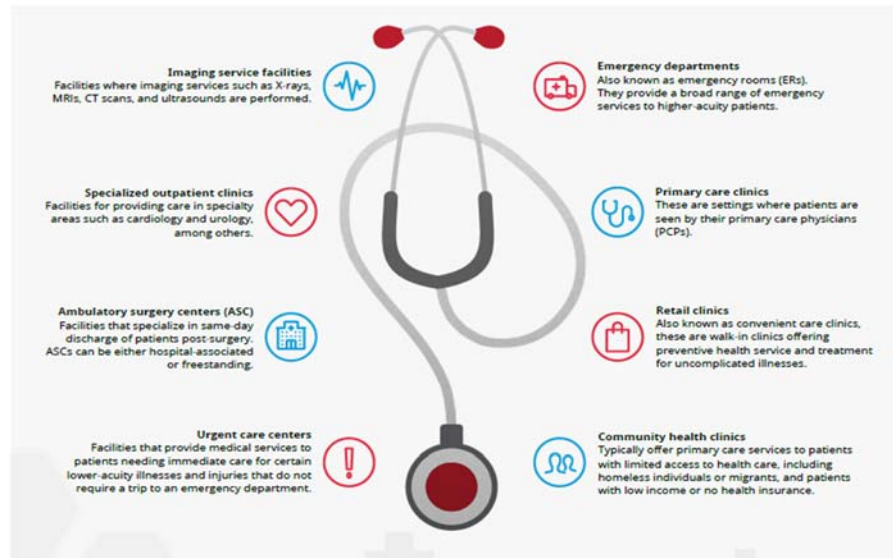
	<p><b>Agricultural Innovation Park</b> Positioning the City-owned property west of town on 89A (often referred to as “The Dells”) into an innovation park will create an opportunity to advance value added manufacturing in Sedona that could include hemp commodities and the associated R&amp;D and testing labs, as well as food and supplements.</p>
	<p><b>Co-Working Space</b> Repurposing the vacant school district building or another suitable property will give local entrepreneurs, freelancers, remote workers, and home-based business owners’ access to networks and resources, which will help them build their portfolio of work. Activities could include networking events, lectures, workshops, educational classes and programs and meetings.</p>
	<p><b>Economic Gardening</b> As a complement to Co-Working space is an approach to stimulate the startup and growth of small business. Utilizing techniques in economic gardening, such as providing basic market research and connecting entrepreneurs to business and financial resources, is a way to build the entrepreneurial landscape and diversify the local economy.</p>
	<p><b>Health &amp; Wellness</b> Healthcare delivery is driven by population health, clinical innovations and patient preferences, which is making way for economic development opportunities. To build upon Sedona’s image of spiritual healing, attract providers who blend the best of modern Western medicine with Traditional Eastern medicine with the creation of the “Sedona Center for East-West Medicine.”</p>
	<p><b>Sedona Cultural Park</b> A key asset located in the western gateway of the community is the Sedona Cultural Park, which has the potential to be a premier mixed used development that could be anchored by arts, culture, and entertainment. Collaboration, partnerships, and time will dictate the nature of success that can be achieved.</p>
	<p><b>Smart City</b> High speed internet is the backbone infrastructure that drives the economy today. Having fast and reliable internet service supports education, healthcare, public safety, and economic development. Leveraging public assets and policies to accelerate broadband deployment is a strategy that works to stimulate private investment and job creation.</p>

## National Trends and Influences

To develop an effective diversification plan there are several things we need to understand besides the socio-economic makeup of the city, key industry targets and transformative projects. We must also understand key national trends and influences that will impact the pathway to economic sustainability.

**Aging Population** - The year 2030 is an important demographic milestone in U.S. history. By 2030 all baby boomers will be older than 65 so that 1 in every 5 residents will be of retirement age. It is projected that within a couple of decades older people are projected to outnumber children under the age of 18 in the U.S.<sup>3</sup> With a median age of 58.7, Sedona has already surpassed this milestone with 1 in every 3 residents being 65 years of age or older, as compared to Arizona with 1 in every 6 residents of retirement age. The aging of Sedona’s population also impacts the availability of a local workforce. The importance of retaining and attracting a workforce is critical to the success of existing business as well as new business.

**Healthcare Delivery** - Healthcare is being driven by population health, clinical innovations, and patient preferences. This is prompting hospitals to move certain inpatient services to lower-acuity/outpatient facilities,<sup>4</sup> making way for economic development opportunities such as retail clinics, surgery centers, urgent care facilities, and imaging service facilities. Medical office today has a retail component to it, which is driven by consumer demand and shifts towards faster and more convenient medical services. As a real estate strategy, Healthcare is increasingly looking for highly visible retail locations with convenient parking for their customers.



Source: Deloitte Center for Health Solutions research.

There is a shift in healthcare delivery from curing disease to preventing and managing

disease. Opinion leaders are saying that social determinants of health, such as socioeconomic status, education, neighborhood and physical environment, employment and social support networks, are having a greater impact on health outcomes than does health care. Creating walkable communities and incorporating placemaking principles are a couple of strategies being used by cities to build healthy and prosperous communities.

There is also widespread interest in person-centered care of Western medicine integrated with Eastern medical concepts of personalized diagnosis and treatment. The result is a health care model based upon evidence based thinking and shared decision making, patient education, holistic diagnosis and

<sup>3</sup> U.S. Census,

<sup>4</sup> Deloitte, 2019 Global Health Care Outlook.

individualized treatment. Research on integrative approaches continues to grow as the use of these treatments become more common. According to the National Center for Complementary and Integrative Health (NCCIH), in the U.S. approximately 38 percent of adults use complementary and alternative medicine developed outside of conventional Western medicine. Doctors are also embracing evidence-based alternative therapies, often combining them with mainstream therapies to treat disease and maintain health.

UCLA is the world leader in integrative East-West Medicine. In 1993 UCLA founded the UCLA Center for East-West Medicine with a mission to improve health, well-being, and the quality of life of people by blending the best of Modern Western medicine with Traditional Chinese Medicine to provide healthcare that is safe, effective, affordable and accessible. The Center has established a model system of comprehensive care with emphasis on health promotion, disease prevention, treatment and rehabilitation through an integrated practice of East-West Medicine. Training programs have helped transform the thinking of clinical care.

A key challenge facing the healthcare industry today across the country is the shortage of skilled health care staff due to the aging of their workforce, rising demand for health care services, and reduction in physician working hours to achieve a work-life balance. The emergence of digital and automated technology in healthcare, such as AI, cognitive computing and robotics, will influence training models by redesigning healthcare pathways and equipping the workforce with more flexible skills. The entrance of millennials into the workforce, who desire a work-life balance and flexible careers, are a part of the solution.

The healthcare industry has a significant presence in Sedona comprised of healthcare practitioners in offices, outpatient facilities, medical and diagnostic laboratories, and nursing and community care facilities. This industry generates \$68.5 million in annual economic output in Sedona employing 847 workers. The economic sustainability of this industry sector is highly dependent upon having a local workforce.

**Job Shifts Due to Automation** - The future workforce will be reshaped by technology, which will lead to job displacement in occupations impacted by automation, such as manufacturing, office support, food service, customer service and retail sales; and job growth in other occupations such as healthcare, STEM occupations and business services. Almost 40 percent of Americans are in occupational categories that could shrink by 2030,<sup>5</sup> some due to attrition and reduced hiring. Men and women tend to cluster in different occupations and potential losses for men and women will be different. Women are well represented in the fast growing healthcare sector while more men are concentrated in machine operation and production work occupations, which are expected to decline due to automation.

The challenge facing employers is finding a way to equip people with the appropriate skills that will help them move into new roles. Communities across the U.S. will need to fine tune their workforce

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<sup>5</sup> McKinsey Global Institute, "The Future of Work in America, July 2019."

development efforts by focusing on job matching, skills and training, economic development and job creation, and support for workers in transition.

Sedona has a heavy concentration of jobs in business services and healthcare, which are projected to grow. However, within the healthcare sector labor shortages and modification of training models are factors that could impact the community.

**Arts, Entertainment, and Recreation** – This industry sector consists of nine subsectors ranging from the performing arts to museums, to video and sound recording industries. This sector has benefited by strong growth in per capita disposable income spending on the consumer side, and innovated media delivery on the industry side. The purchasing potential of this industry is sizable and has significant economic impacts on other industries in the local economy. For example, 25 percent of all purchases by this industry are from the professional and business services sector, followed by educational services, healthcare and social assistance at 20 percent.<sup>6</sup>



When isolating the Arts and Culture subsector, the U.S Bureau of Economic Analysis latest estimates indicate that arts and culture contributes over \$800 billion a year to the U.S. economy and is expected to grow 8 percent in the next ten years. According to the Arizona Commission on the Arts, Arizona’s arts and culture industries contribute \$9 billion to the state’s economy, employing 90,000 Arizonans who earn \$4.9 billion annually, most of which is spent in the local economy.

Within the Media and Entertainment (M&E) industry subsector, M&E is projected to reach \$792 billion by 2022.<sup>7</sup> The fastest growing segments are virtual reality (VR), over-the-top (OTT) video, and internet advertising with combined revenues in 2017 of \$109.6 billion. The U.S. is currently the world’s leader in the VR market and the gaming industry accounts for a significant amount of the M&E industry, and revenues are expected to reach nearly \$26 billion in 2019.<sup>8</sup> Today’s consumers have access to multiple devices for gaming, including PCs, mobile phones, digital or physical consoles, and tablets. The sector is comprised of: physical, digital, and online games; mobile apps; and virtual and augmented reality (VR/AR). Electronic sports, also known as "eSports" or "e-sports", includes professional gaming, in which players compete before a live audience, and the industry is growing quickly: \$281 billion in 2019, more than double its size in 2016.

In Sedona, the arts and entertainment industry is a significant contributor to the economy with nearly \$48 million in economic output. This sector of the economy is supported by dozens of locally based arts and cultural establishments and associations. Motion picture, video and sound recording industries are key Sedona targets, which have strong growth potential and as existing presence in the community.

<sup>6</sup> Data USA

<sup>7</sup> PwC, “2018 Media & Entertainment Outlook.”

<sup>8</sup> Select USA and the U.S. International Trade Administration

**Hemp as an Agricultural Commodity** – Under the 2018 U.S. Farm Bill, cultivation of hemp has become legal and falls into nine submarkets: agriculture, textiles, recycling, automotive, furniture, food and beverages, paper, construction materials and personal care. There are endless products that can be commercially made from hemp including beer, sunscreen, shoes, clothes, rope, soap, hemcrete, protein powder, diapers, animal feed, and fuel. Hemp can be grown as a fiber, seed or dual-purpose crop.

The global industrial hemp market is projected to grow from \$4.6 billion in 2019 to \$26.6 billion by 2025.<sup>9</sup> In 2018 Asia Pacific held the largest market share, which is attributed to extensive production and consumption of hemp fiber in the textile and paper industry. It is also a booming market for cosmetics and personal care products. The legalization of industrial hemp in food supplements is estimated to drive the market growth. The product that investors are seeing financial returns is from a derivative of hemp called cannabinoid (CBD), which has promise for its therapeutic use as a pharmaceutical product. CBD is known for its relaxation, anxiety and pain aid, is being used in nutraceuticals and food products.



**Healthy Food** – A major focus today is eating healthy by eliminating sugar and unnecessary additives in our diet. Within the health food industry are several trends such as:

- Infused water that includes new flavors, vitamins, minerals and prebiotics.
- Non-dairy milks, such as almond, soy and oat, now command 13 percent of the overall milk retail market in the U.S.
- Plant based meat is gaining popularity for those that want to reduce their meat intake, embrace sustainability and foster animal welfare. There has been an uptick in realistic faux meat alternatives including burgers, vegan jerky and meat crumbles as taco filling. There will be more innovations using nuts, extruded seeds, beans, water lentils and algae, which will be found in snack bars, chips, meat-free burgers or sausages and dairy-free yogurts and cheeses.
- Gut (digestive) health is at the forefront of the health and wellness industry by improving gut health through fiber, prebiotics and probiotics
- Cannabinoid (CBD) is now legal and one of the biggest trends within food processing is the use of CBD in food products. CBD is an extract from the cannabis plant, which produces no psychoactive effects because it doesn't contain THC. The CBD has been used in lotions and oils to help reduce inflammation and pain, and is finding its way into coffee, cocktails, and olive oil. CBD is being infused in sparkling water with flavors such as blackberry, peach and pomegranate. Future products could include yogurts, soups and even salad dressings.

**Value Added Agriculture** – This is a term defined by the USDA as the production of a product in a manner that enhances its value, such as organically produced products, or a change in its physical state, such as making strawberries into jam, tomatoes into salsa or grapes into wine. Locally grown and locally sourced products is a health and wellness consumer trend that complements value added manufacturing.

<sup>9</sup> Research and Markets, "Global Industrial Hemp Market Overview," July 3, 2019.

According to the National Restaurant Association, some of the top 10 food trends include locally grown and sourced produce, chef driven-fast-casual restaurant concepts, and environmental sustainability. A survey by Mazars USA Food and Beverage Group expect sales growth in 2020 to be driven by growing consumer interest in healthy nutritious, private label foods, allergen, gluten and Non-GMO free products, and plant based options.

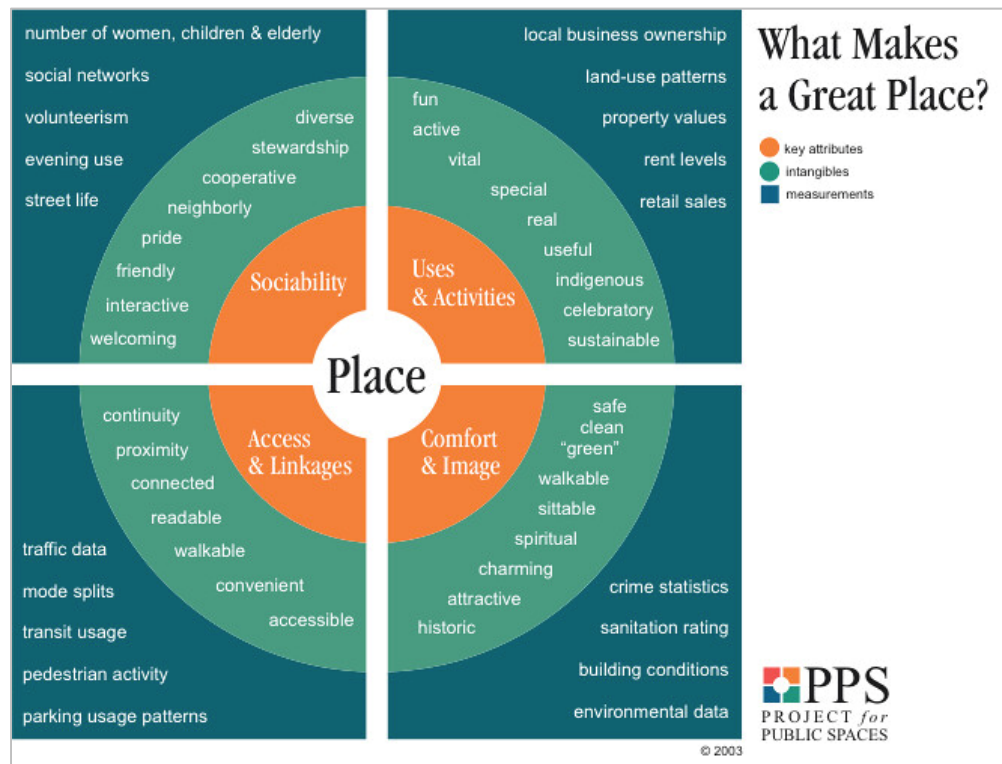
Sedona’s value added agriculture is a small segment of its economy today with annual economic output of \$14 million. This industry currently consists of confectionary manufacturing from purchased chocolate, bread and bakery products, frozen cakes and other pastries, and wineries.

**Creative Placemaking** – The term “placemaking” is not a new concept and was pioneered in the 1960’s as an overarching idea to design cities and neighborhoods for people, not just cars and shopping centers. Today, it refers to a collaborative process to promote better urban design and pays attention to the physical, cultural and social identities that define a place and support its ongoing evolution.<sup>10</sup> Communities and developers today are incorporating placemaking concepts into public spaces and development projects. What makes a great place includes four qualities:

Placemaking is about creating an environment that people want to visit and return to.

--CBRE

1. **Access and linkages** – a great public space is easy to get to, easy to enter and easy to navigate.
2. **Uses and activities** – having something to do gives people a reason to come and return to a place. A range of activities will attract a variety of people at different times of the day.



<sup>10</sup> Project for Public Spaces. “What is Placemaking.”

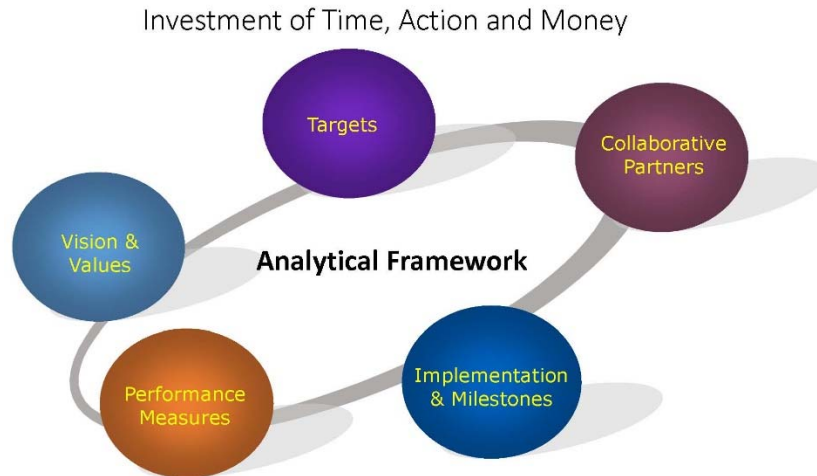


3. **Comfort and image** – A sense of comfort includes perceptions about safety, cleanliness and the availability of places to sit.
4. **Sociability** – the most important quality for a place to achieve, and one of the most difficult. A successful place becomes a favorite spot and allows people to meet each other, and take friends and family when they come to visit.

Best practices of placemaking show that success is dependent upon having a clear vision of what the place needs to achieve. It is about authenticity and making people feel connected to the place, a feeling that draws them to, and keeps them coming back to a place.

# Economic Diversification Plan

An effective economic development strategic plan requires a comprehensive understanding of an area’s ability to support and sustain existing business, foster new job creation, capture market trends, and provides guidance for future investments. The analytical framework of the strategic plan should steer the investment of time, action and money. Its underlying strength is grounded in a collaborative approach in which there is consensus on the economic development vision, and goals for the future, as well as support from policy makers and key stakeholders in the community.



The Sedona Economic Diversification Strategy Plan presents a clear plan of action over the course of the next five years, with the primary vision of “economic diversification” and the overarching principle “sustainability.” The strategy plan is based on the review of existing studies, reports and community surveys, identification of market trends, targeted industry analysis, and independent research. Comprehensive stakeholder input was obtained, which includes one-on-one interviews with elected officials and key City staff, and broader stakeholder input through in person and telephone interviews. This input provides a clear picture of the vision and guiding principles of the strategy, as well as the best prospects for growth.

## Core Assets and Challenges

The City of Sedona is an international tourist destination that is overflowing with its natural beauty and abundant outdoor recreation. There are many assets that would make it a desirable place to live and work, but there are several constraints that impact the future economic growth and health of the City. Among those assets and constraints include the following:

### Core Assets

- **Natural beauty of the area is a magnet for visitation.** Sedona is an international tourist designation with notable name recognition.

- **Outdoor recreation and trails are abundant.** A full complement of outdoor activities that will appeal to just about everyone are available in Sedona including mountain biking hiking, ATV adventures, yoga, and scenic tours.
- **Educating the workforce of the future.** Yavapai College offers a wide variety of degree and certificate programs geared towards the market, and Valley Academy Career and Technical Education offers programs at its site and partners with Yavapai College to bring CTE programs to Verde Valley high school students. Articulation agreements are in place between Yavapai College and the State Universities.
- **Proximity to Flagstaff.** The largest city closest to Sedona is Flagstaff with a population of nearly 70,000 people. The Flagstaff Pulliam Airport is located five miles south of the city and has regular and seasonal service to Denver, Dallas, Phoenix and Los Angeles. Northern Arizona University has a student body population of nearly 31,000, and there are 95 undergraduate degree programs and 76 graduate degree programs, with a pipeline to a younger demographic.

### Core Challenges

- **Lack of affordable and diverse housing options.** The City recognizes this barrier to entry and is currently undertaking a housing analysis to understand affordability and income gap. Findings from this report will help lay the groundwork for overcoming the affordability issue and could lead to policy decisions.
- **Aging population** - One in every three residents in Sedona are 65 years of age or older. The declining school enrollment has caused the closing of an elementary school, and there is a segment of the retiree population that is not supportive of the issuance of school bonds to support education. The prime working years are between the ages of 25 and 54. Having affordable housing to attract a younger demographic that includes younger families will foster social and economic sustainability.
- **Lack of existing buildings and shovel ready sites to accommodate new and expanding business.** The City has adopted the Sunset Live/Work Community Focus Area Plan in which approximately half of light industrial zoned property is located. The plan identifies recruitment goals and infrastructure improvements, such as road and wastewater access. This is an area of the city in which a mix of uses is encouraged including “production industries, makers, entrepreneurs, small start-ups, and live/work combinations.”
- **Transportation congestion affects mobility and quality of life.** Tourism is the primary economic generator in the City, contributing \$1 billion annually to the city’s economy and generating an estimated \$17 million in tax revenue during FY2018. The amount of traffic that is generated is negatively impacting the quality of life. Proposed solutions have included public transportation; the addition of trails and bike paths that connect neighborhoods to one another as well as places of work; and, finally, community walkability in general.
- **Inadequate broadband coverage.** According to the National Digital Inclusion Alliance, in 2017 (most recent data available) residential access to broadband such as cable, fiber optic or DSL in Sedona was between 70-80 percent. Three broadband providers have speeds of at least 25 Mbps downstream / 3 Mbps upstream, which is considered reasonable standard for streaming. However, with the continuing growth of connected devices, and the important advances to be made in diversifying the economy, Sedona will need to expand broadband coverage and encourage providers to increase their speeds in order to stay ahead of the technological curve and build a thriving economy.

### Strategic Framework

Based on what was learned from the background research, interviews with policy makers and stakeholders, and feedback from the EDAC, the economic diversification plan was prepared with a focus on providing solutions to overcome core challenges and seizing opportunities that leverage Sedona’s existing assets.

This diversification plan contains four key pillars: Community Development, Business Development, Economic Gardening/Entrepreneurship, and Marketing and Branding. The overarching vision of economic diversification is articulated in the *Sedona Community Plan*, and forms the foundation for the goals and strategies of this plan. This economic diversification plan is consistent with the City’s community plan, adopted in 2014, as well as the Verde Valley Regional Economic Organization Strategic Plan, which was adopted in 2018.

Each of the four pillars contain goals and strategies that focus on overcoming key challenges or leveraging opportunities. For example, the Community Development pillar recognizes the lack of affordable housing within the community and how this is preventing Sedona from attracting a younger working age population. It also promotes strategic capital improvements and policies to attract investment. The Business Development pillar is geared towards capitalizing on Sedona’s existing assets, retention and growth of local business, strategic attraction of new business and transformative projects, such improving broadband connections and speed.



The Economic Gardening pillar takes advantage of existing intellectual talent within Sedona by providing resources and tools entrepreneurs need to succeed, such as co-working space, education and training and venture capital. Finally, Marketing and Branding creates the “message” and marketing materials that assert Sedona as a place to do business. Collectively, the goals and strategies under these four pillars are devised to leverage Sedona’s existing assets, help diversify the economy, and create jobs.

There are community beliefs and values that underpin the Vision of “Economic Diversification,” and the Guiding Principle of “Healthy and Sustainable Community.” Based on input from policy makers, staff, stakeholders and the Economic Diversification Advisory Committee (EDAC) the following beliefs shape the foundation of the plan with its goals and strategies.

- 1. Work Towards Sustainability** – A major focus of the adopted *Sedona Community Plan* transcends this economic diversification plan. The ideals behind sustainability include not only reducing the impact on the environment, but also creating policies and plans that lead to economic diversification and improving the collective quality of life for Sedona residents, which advances a prosperous community.
- 2. Embrace Change** – Maintaining the status quo will not lead to economic diversification that policy makers and stakeholders desire. Diversification of the economy requires a new approach to job and business creation by advancing fresh ideas and diversifying the expenditure of City funds. Planning for and budgeting economic development related projects will diversify the City’s portfolio of spending.
- 3. Welcome Diversity** – Social, ethnic, racial, age and cultural diversity of people and business is recognized and celebrated in Sedona. Everyone has strengths that they bring to the table, and their diverse community voices enhance the policy process. An appreciation of differences is a driver of sustainability and change, and leads to a stronger community.
- 4. Leverage Assets** – The strength of any economic development plan requires utilizing and leveraging existing assets. Sedona is rich in natural beauty with foundational assets such as outdoor recreation, higher education, healthcare, and arts and culture. There is mounting interest to focus on entrepreneurship, and promote an innovation economy by leveraging the tools and resources needed by existing business and residents to make a positive economic impact.
- 5. Focus on Local** – A strong locally owned business base is the foundation of economic sustainability. Strengthening and expanding the capacity of local business and entrepreneurs, by accessing financing and securing local contracts, will help accelerate and scale up local success.
- 6. Creative Placemaking** – Strengthen the connection between people and the places they share by incorporating placemaking principles across all facets of a development project. Through a collaborative process, placemaking will help facilitate social connections and the engagement of residents and businesses. Placemaking attributes will focus on access and connections, comfort and image, uses and activities, and sociability, as discussed on page 26. The result will foster diversity and inclusiveness by bringing people of different backgrounds together.

### Plan Execution and Monitoring

The City’s role is to spearhead implementation by aligning its goals and funding priorities amongst the various City departments and collaborating with its partners on plan implementation. In addition, City staff will need to encourage organizations who have a role to play in the City’s economic diversification to also prioritize their goals in alignment of the diversification plan. Finally, City staff will collaborate with

its public and private sector partners throughout the region in order to carry out the actions recommended by the diversification plan.

It is suggested that the City establish an economic diversification committee that includes City staff and key community stakeholders and collaborative partners. Meeting on a regular basis to provide an update on plan implementation should be scheduled in order to stay on task and ensure forward progress.

**Strategic Action Plan**

Based on the combination of key findings in the Economic Assessment chapter, the targeted industries and supply chain analysis, combined with the core assets and challenges, four key pillars were identified followed by goals and strategies to foster economic diversification. These four high level categories reflect the vision and community values, and support the guiding principle of a healthy and sustainable community (Table 8). Each focus area has one or more goals, followed by strategies designed to realize the vision of economic diversification. Some of the initiatives reflect activity captured from other plans, some represent fundamental economic development activities that a community must commit to for economic growth, and others are intended to be transformative, which will have a more dramatic impact on the future of the City as a whole.

The plan includes performance measures to track progress, and identification of lead and supporting organizations taking responsibility for implementation.

*Table 8 – Economic Diversification Strategy Plan Pillars and Goals*

Pillars	Goals
<b>Community Development</b>	<ul style="list-style-type: none"> <li>• Make investments in community projects and infrastructure that support economic diversification to achieve long term sustainability.</li> <li>• Review and create policies that support sustainable economic development.</li> <li>• Implement creative placemaking principles that will shape the physical, social, cultural and economic identity of Sedona.</li> <li>• Look for ways to enhance/expand the educational curriculum and programs, which are in alignment with the economic diversification strategic plan.</li> </ul>
<b>Business Development</b>	<ul style="list-style-type: none"> <li>• Refine business retention and attraction efforts to reflect the framework of the targeted industry findings.</li> <li>• Facilitate economic diversity by taking steps to realize transformative projects.</li> </ul>
<b>Economic Gardening/ Entrepreneurship</b>	<ul style="list-style-type: none"> <li>• Develop an entrepreneurial landscape that fosters the growth of local entrepreneurs, freelancers and home-based business owners.</li> </ul>
<b>Marketing and Branding</b>	<ul style="list-style-type: none"> <li>• Establish a marketing program that builds awareness of Sedona as a business location.</li> </ul>

Following is a summary of the economic diversification plan. An implementation matrix is included as Appendix D. This matrix is designed to direct the work of the City and its partners.

## COMMUNITY DEVELOPMENT

**Goal 1: Make investments in community projects and infrastructure that support economic diversification to achieve long term sustainability.**

### Strategies and Actions

1. Identify and implement capital projects that support commerce and industry.
  - a. Prioritize the installation of key infrastructure within the CIP that supports the implementation of the Economic Diversification Plan, transformative projects and Community Focus Area plans.
  - b. Prioritize parking and transit solutions as delineated in the *Sedona in Motion Transportation Master Plan*.
  - c. Seek out champions and assess legacy funding opportunities for community priority projects.
  - d. Collaborate with the Sedona Airport and support infrastructure projects that will enhance job creation and economic development.
2. Identify community attributes and amenities needed in order to attract younger residents and business owners.
  - a. Conduct a focus group, or series of focus groups, with young business owners and residents to identify their concerns and needs.
  - b. Evaluate other communities who have a large group of young business owners.
3. Preserve the city's commercial and light industrial land inventory.
  - a. Consider the acquisition of key parcels to retain as industrial/commercial land use, i.e. CFA's.
  - b. Review the City's industrial zoning code and modify to allow work/live land use. Support and facilitate access and expansion of high speed internet connectivity infrastructure in the city.
4. Identify or create policies that will facilitate the development of a diverse affordable housing stock.
  - a. Examine the expenditures of the City's affordable housing program for its effectiveness. Consider changes to align with affordable housing goals.
  - b. Research policy approaches used by other communities to facilitate the development and retention of affordable housing.
  - c. Continue to review zoning and other development guidelines, along with the community focus area plans to identify regulations that impede the development of affordable housing.
  - d. Identify and purchase properties for affordable housing.
  - e. Utilize the findings of the housing market study when completed, and refine the strategies and actions for facilitating affordable housing.
  - f. Partner with private developer and business to include housing in commercial developments.
5. Implement a pedestrian/bicycle circulation plan.
  - a. Evaluate a phased approach for implementation.
  - b. Identify funding sources such as grants and loans.

- c. Employ tactical urbanism and install a small project such as a pop-up bike lane, mini parklets, or crosswalks as a temporary demonstration project (2 to 7 days).
  - i. Identify the best location to increase neighborhood connections to services, and for the demonstration project
  - ii. Determine the surface treatment that will be used, any physical barriers (cylinders, planters, etc.) and temporary signs.
  - iii. Monitor and collect data to refine the approach for future permanent projects.

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Tactical Urbanism is an approach to neighborhood building that uses short-term, low-cost, and scalable interventions and policies to catalyze long term change.

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**Goal 2: Review and Create policies that support sustainable economic development.**

**Strategies and Actions**

1. Annually conduct a thorough review of regulatory policies to ensure consistencies and create opportunities that are in alignment with the Economic Diversification plan.
  - a. Work with the development community and business owners to understand their concerns.
  - b. Review regulatory policies of other communities that are considered “business friendly.”
  - c. Evaluate how the timeframe from application to approval process can be streamlined, including better internal staff/department coordination.
  - d. Implement on-line permitting and tracking.
2. Ensure consistency among community plans and documents (Zoning ordinance, CFA’s, Econ Dev, CIP, etc.)
3. Establish a one-on-one liaison to facilitate targeted projects.

**Goal 3: Implement creative placemaking principles that will shape the physical, social, cultural and economic identify of Sedona.**

**Strategies and Actions**

1. Implement an applicant design-based approach for planning and development projects.
  - a. Establish a design center to facilitate the process.
  - b. Collect case studies and examples of desirable projects to use as visuals.
  - c. Establish an awards program to promote best projects.
2. Implement the placemaking goals and strategies of the Community Focus Areas (CFA) plans.
3. Survey residents to gain an understanding of their neighborhood needs, and identify projects that will enhance social cohesion and safer neighborhoods.
4. Identify and strengthen public spaces by engaging the public on their vision and desires.

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Places thrive when users have 10+ reasons to be there, such as a place to sit, playgrounds to enjoy, art to touch, music to hear, food to eat, history to experience, and people to meet.

--Project for Public Spaces

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- a. Consider touring “best practice” places.
  - b. Develop one-page best practice case studies.
5. Utilize the local arts and cultural community to help shape the social, cultural, and economic identity of a project.
6. Encourage creative incremental development (pop up and small scale real estate projects) and gathering places to help strengthen commercial centers and neighborhoods.
7. Engage in partnerships between public and private sector, including the city, businesses, artists, community members to create and maintain thriving public places.
8. Pursue creative financing that could include resident and public-private sector donations, Tribal contributions and other philanthropy.

**Goal 4: Look for ways to enhance/expand the educational curriculum and programs, which are in alignment with the economic diversification strategy plan.**

**Strategies and Actions**

1. Work with Yavapai College to introduce an introductory course on integrative East-West medicine that will familiarize students with integrative healthcare and forms of complementary and alternative medicine. (Cross reference Business Development, Goal 2, Strategy 5.c.).
2. Encourage Valley Academy for Career and Technology (VACTE) and Yavapai College to add vocational entrepreneurship training certificates and curriculum to their programs.
  - a. Consider using existing entrepreneurship curriculum from other organizations such as Ramsey Education<sup>11</sup> which teaches students how to start and run their own business or VentureLab<sup>12</sup> which has curriculum, training and programs to empower kids. Deploy those locally.
3. Explore the creation of a dual enrollment program between Sedona Red Rocks High School and Yavapai College in computer sciences, which includes computer programming, cyber security, data analytics, etc.
4. Help identify the skills/trades that are needed in Sedona to support the targeted industries of this plan.
  - a. Work with Yavapai College Skills Trade Center to introduce the curriculum for those trades.
  - b. Establish apprenticeships and internships geared towards the targeted industries.
5. Work with the Helios Foundation<sup>13</sup> and launch a kids coding camp.

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<sup>11</sup> Ramsey Education exists to equip educators across the country with the tools and resources they need to teach their students how to successfully manage their money and their lives. Over the last 10 years Ramsey Education has provided curriculum in personal finance and entrepreneurship.

<sup>12</sup>VentureLab is a nonprofit organization that is helping create the next generation of innovators and changemakers through entrepreneurial learning by making world-class entrepreneurship education accessible to kids all around the world.

<sup>13</sup>Helios Foundation is a philanthropic, public charity focused exclusively in Arizona and Florida. The Foundation's community investments are made across three impact areas: Early Childhood Education, the Transition Years and Postsecondary Education Success.

## BUSINESS DEVELOPMENT

**Goal 1: Refine business retention and attraction efforts to reflect the framework of the targeted industry findings.**

### Strategies and Actions

1. Facilitate the retention and growth of existing business.
  - a. Establish a formal business visitation and survey program to identify the needs of existing business.
  - b. Help build the capacity of local business and their employees with programs that could include leadership development, skills training, consultations, and networking.
  - c. Promote the awareness of current workforce training resources, workshops, and programs.
  - d. Collaborate with SBDC, NACET, Local First, and others to leverage their resources and expertise.
  - e. Utilize the findings of the REDC supply chain analysis (Table 8) and focus on import substitution within Sedona’s targeted industries to foster new business startup and expansion.
  - f. Assist businesses with succession planning. Encourage retiring business owners to create an employee buy-out program that will sustain the business operation into the future.
    - i. Conduct research on employee buyout best practices and create a working guide that local businesses could use.
  - g. Assist NAH and other healthcare service providers with the attraction and expansion of newly licensed physicians to Sedona.
2. Build local wealth by improving the process of buying and selling locally.
  - a. Identify the network of people, business, organizations and agencies that are a part of the value chain (hospitality, healthcare, arts and culture, etc.)
  - b. Develop a supplier database that can be used by business, entrepreneurs, and residents to source products and services locally,
  - c. Work with the local major employers to stage a regional “Doing Business with Local Employers” event.
    - i. Prepare a list of trade associations, relevant conferences/events and trade publications.
    - ii. Include organizations at the event whose function is to provide services that help build the capacity of local business such as SBDC, lenders, Local First, Yavapai College, etc. At the event have them make presentations about their programs and services designed to help local business and entrepreneurs.
3. Recruit new targeted businesses to the area through expanded marketing efforts.
  - a. Utilize the findings of the targeted industry analysis and identify 2-5 industries to attract.
    - i. Create a business case for each one that includes information on the workforce, supply chain, existing sites, etc.
  - b. Consider the tourism industry services supply chain in Sedona and the region as a potential target for business attraction.
  - c. Develop industry intelligence that will aid market understanding and networking.

- i. Prepare a list of trade associations, relevant conferences/events and trade publications.
  - d. Attend 1-2 relevant conferences, trade shows or events annually geared toward industry targets.
4. Become a destination for national or regional conferences and workshops on technology and wellness subjects, which will showcase Sedona as a business location to company representatives.
5. Place the business license program on line and make it a searchable GIS database.

**Goal 2: Facilitate economic diversity by taking steps to realize transformative projects.**

**Strategies and Actions**

1. Support and facilitate access and expansion of internet infrastructure connectivity in the city.
    - a. Collaborate with others in the Verde Valley and the ACA on the initiative.
    - b. Facilitate and reduce the cost of connectivity investments by creating a dig once policy and city funded conduit.
    - c. Consider incentivizing broadband and cellular infrastructure through the creation of tax policies and incentives.
    - d. Work closely with APS on their rural *Strategic Fiber Program* as they provide access to their surplus fiber optic capacity, which is expected in 2020.
      - i. Identify and encourage local communication providers to partner with APS in order to enhance broadband capabilities within core commercial and industrial locations.
      - ii. Attempt to create a GIS database showing the location of fiber optic lines in the city.
  2. Position the Dells Farm as an Agricultural Innovation Park to advance R&D, testing and production of industrial hemp and/or other products into value added commodities.
    - a. Conduct research to identify other markets pursuing this strategy and interview to learn their approach, resources needed, the pros and cons, etc.
    - b. Evaluate growing and soil conditions that are best suited for various crops.
    - c. Work with Community Development to integrate this strategy with a CFA plan.
    - d. Reach out to the University of Arizona Agricultural Extension Service and/or College of Agriculture to gauge their interest in helping to launch the Innovation Park.
  3. Facilitate the creation of co-working space for entrepreneurs, remote-workers, freelancers, and home based business owners.
    - a. Identify potential location(s) for co-working space.
      - i. Begin discussions with the Sedona School District regarding utilization of their vacant administrative building for co-working space.
- High speed broadband network improves the productivity of existing businesses and attracts new businesses. It allows individuals to work from home more effectively, supports advanced healthcare and security systems, strengthens local housing markets, and represents long term social investments in the form of better-connected schools and libraries.

- b. Create a plan that defines the business model and lists the amenities and services that will or could be included (i.e. high-speed internet, access to shared printer/scanner/copier, use of conference room, desk and chair, etc.).
    - c. Allocate funding on an annual basis and contract with a service provider to manage and market the space.
  4. Research and identify the demand for a commercial production kitchen and cold storage facility.
    - a. Conduct outreach to determine what is missing in the market.
    - b. Explore the feasibility of entering into a collaborative agreement with Yavapai College.
    - c. Utilize the City of Sedona's food and beverage initiative for entrepreneurs.
    - d. Explore the adaptive reuse of the Jordan Road building for economic development.
  5. Build upon health and wellness. Leverage Sedona's "spiritual healing" image by creating the Sedona Center for East-West Medicine.
    - a. Research other integrative medicine centers in the U.S. for ideas and support (exp. Andrew Weil Center for Integrative Medicine in Tucson operated by Banner).
    - b. Seek philanthropic support for the center.
    - c. Work with Yavapai College to introduce an introductory course on integrative East-West medicine that will familiarize students with integrative healthcare and forms of complementary and alternative medicine.
    - d. Become a destination for workshops, forums, summits, seminars and conferences on topics associated with integrative East-West medicine, such as herbal and botanical medicine, acupuncture and pain management, nutrition, etc.
    - e. Create a working group that includes NAH, Verde Valley Medical Center and other service providers to gain their support and further explore the concept.
  6. Collaborate with the property owner of the Sedona Cultural Park to further strategize the development of the parcel.
    - a. Facilitate conceptual land use or concept plans that incorporate a mix of land uses, which could include the targeted industries, arts and entertainment, and health and wellness, and workforce housing.
    - b. Consider developing feasibility studies and/or RFP's to promote economic diversification. Solicit feedback to "ground truth" the concepts.
    - c. Upon completion the aforementioned bulleted items, consider reevaluating the vision and recommendation of the Western Gateway CFA.
  7. Create a medical tourism attraction program by leveraging holistic health care.
    - a. Collaborate with the Sedona Chamber of Commerce and Northern Arizona Healthcare (NAH).
    - b. Tour other successful communities to learn about their programs and best practices.

## ECONOMIC GARDENING / ENTREPRENEURSHIP

**Goal 1: Develop an entrepreneurial landscape that fosters the growth of local entrepreneurs, freelancers and home-based business owners.**

### Strategies and Actions

1. Stimulate entrepreneurial activities and the startup of new business.
  - a. Connect entrepreneurs with established businesses to foster mutually beneficial partnerships.
  - b. Promote the small business lending capabilities of VVREO and other small business funding.
  - c. Utilize SBDC resources for entrepreneurs and connect entrepreneurs to the programs and resources provided by the community, county, its partners and the state.
  - d. Connect entrepreneurs and small business to online mentoring services such as MicroMentor<sup>14</sup> and Springboard Enterprises<sup>15</sup>.
2. Accelerate the work of local organizations and service providers that align with the goals of the economic diversification plan.
3. Collaborate with the Sedona Chamber of Commerce and create a business succession planning guidebook that includes employee buy-out.
4. Evaluate local regulations on home-based businesses, and identify and modify those that may be stifling growth.
5. Utilize the co-working space to further an entrepreneurial culture by staging networking events, educational and business seminars. Partner with the College and NACET to conduct entrepreneurial workshops.
6. Identify and meet with potential venture capitalists living in the City of Sedona to understand their investment objectives, and encourage the creation of a pooled venture capital investment fund.
7. Collaborate with the SBDC to offer training programs and seminars directed at young and startup companies to help facilitate their growth and expertise. Training sessions could include: basic finance, taxes and management, business plan development, website design/analysis, press release writing/dissemination, utilization of social media, and marketing and sales.
8. On a regular basis, gather data and market intelligence to help refine and direct economic gardening activities.
  - a. Begin tracking location neutral business by including questions in the city's twice a year survey
  - b. Begin tracking location neutral home based business through the on-line portal.

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<sup>14</sup> MicroMentor is an online search engine which was established to help entrepreneurs find mentors, or mentors find entrepreneurs.

<sup>15</sup> Springboard's mission is to accelerate the growth of entrepreneurial companies led by women through access to essential resources and a global community of experts. It is the leading network of influencers, investors and innovators dedicated to building high-growth companies led by women who are transforming industries in technology and life science.

## MARKETING AND BRANDING

**Goal 1: Establish a marketing program that builds awareness of Sedona as a business location.**

### **Strategies and Actions**

1. Create an economic development marketing plan that lays out a program for branding Sedona as a business destination. This may include:
  - a. Identify and develop messages that reflects Sedona’s unique value proposition for business, dispel negative perceptions, and brand Sedona as a welcoming place to do business.
  - b. Create a social media and digital branding strategy.
  - c. Create a content editorial calendar.
  - d. Prepare a monthly social media marketing calendar.
  - e. List the marketing channels that could be used, such as social and print media.
  - f. Create a marketing budget that supports the plan.
2. Identify the target audience that you want to attract along with their geographic location.
3. Create customized marketing material content geared towards targeted industries, such as one-page profiles.
4. Implement a twice a year economic development e-newsletter that highlights programs, projects and new business expansions or locates in Sedona.
  - a. Help change the perception of Sedona by promoting local success stories.
5. Enhance the existing economic development website to more effectively reach the targeted audience. Begin monitoring web traffic.
6. Collaborate with regional economic development partners to attract an entrepreneurial minded younger demographic.
7. Work with regional partners and build relationships with real estate brokers, developers, site location consultants and others who influence business location decisions.
8. Attend 1-2 major conferences to promote Sedona as a destination for investment. (Cross reference Business Development, Goal 1, Strategy 3.d).

## Appendix A – Employment Data Notes

## Employment Data Notes

Employment data utilized in this report comes from a variety of sources including the U.S. Census American Community Survey, 2017; LEHD Origin-Destination Employment Statistics, 2017 and IMPLAN. Due to various data collection methodology, the employment figures from these datasets should not be compared to one another.

The U.S. Census Bureau provides complementary data products, including the American Community Survey (ACS) commuting and workplace data, and the Longitudinal Employer-Household Dynamics (LEHD) Origin-Destination Employment Statistics (LODES) The LEHD dataset can be used to answer questions about spatial, economic, and demographic questions relating to workplaces and home-to-work flows. The nation's major sources of employment and unemployment estimates household surveys, establishment surveys, and unemployment insurance administrative records serve different, albeit complementary, purposes. Estimates from the various surveys or programs will almost never match (unless explicitly controlled), because of differences in such things as questionnaire content, data collection methodology, reference-period specifications, editing procedures, residency requirements, response rates, and timing of responses, as well as the coverage and rules of the unemployment insurance program.

Following provides an overview of these data products.

**American Community Survey** – The ACS is a nationwide survey of which estimates are derived from a sample of the population in the U.S. The employment data includes the civilian labor force 16 years of age and older. It does not include self-employed workers who are not counted as wage and salary workers in official state statistics.

**LEHD** – This dataset infrastructure is composed of administrative records, census and survey data focused on the labor market, worker, and firm statistics. State unemployment insurance reporting and account information and federal worker earnings records provide information on employment location for covered jobs and residential information for workers, which form the basis of the data product. Examples of job types beyond the scope of LEHD earnings records are: the military and other security-related federal agencies, postal workers, some employees at nonprofits and religious institutions, informal workers, and the self-employed.

**IMPLAN** – This is a software application from IMPLAN Group, LLC, which uses a sophisticated input-output econometric model that incorporates numerous federal government datasets including U.S. Bureau of Economic Analysis, U.S. Department of Agriculture, U.S. Bureau of Labor Statistics, and the U.S. Census Bureau. The methodology used by IMPLAN estimates non-disclosed data elements and converts them all to a consistent year and sectoring scheme, all while benchmarking them against other data to maintain accuracy. IMPLAN data encompasses both employed and self-employed individuals. The IMPLAN data contains 546 sectors representing all private industries in the U.S.



## Appendix B – Sedona Industry Sector Analysis

Sedona Industry Sector Analysis

NAICS	Description	Sedona			Yavapai County			Industry Assessment				
		Emp Growth	Average Wage	Jobs	Emp Growth	Wages	LQ	Jobs	Industry Growth	Market Strength	Presence in Sedona	Industry Target
		27.4%	\$30,773	1,00	22.9%	\$38,422	1.00	98,537				
	<b>Agribusiness</b>											
111331-2, 111331-4, 1114, 1125*	Fruit farming	New	\$8,191	0.06	3875.2%	\$8,540	1.95	101	Very Strong	Low	Strong	Low
11211, 11213	Greenhouse, nursery, and floriculture production	-41.6%	\$25,859	0.08	-41.7%	\$25,861	2.04	142	Declining	Low	Strong	Low
	Beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming	0.0%	\$4,579	0.16	11.5%	\$3,254	2.20	355	Moderate	Low	Strong	Low
	Poultry and egg production	0.0%	\$27,734	0.00	-18.0%	\$27,851	1.29	2	Declining	Low	Strong	None
1122, 1124, 1125*, 11	Animal production, except cattle and poultry and eggs	375.8%	\$13,562	0.14	443.5%	\$9,949	3.42	128	Very Strong	Low	Very Strong	Low
1133	Commercial logging	0.0%	\$0	0.21	0.0%	\$12,198	1.19	11	Flat	Low	Strong	Low
1142	Commercial hunting and trapping	-100.0%	\$16,437	0.00	0	\$120,719	2.65	24	Strong	High	Strong	None
	<b>Biopharmaceuticals</b>											
325411	Medical and botanical manufacturing	0.0%	\$0	0.00	235.7%	\$35,942	0.96	11	Very Strong	Average	Weak	None
325412	Pharmaceutical preparation manufacturing	84.9%	\$51,240	6.19	84.9%	\$51,240	0.21	10	Strong	High	Weak	None
325414	Biological product (except diagnostic) manufacturing	0.0%	\$116,193	0.10	0.0%	\$116,193	27.22	105	Flat	High	Very Strong	Low
	<b>Business &amp; Financial Services</b>											
5231-2	Securities and commodity contracts intermediation and brokerage	45.5%	\$21,145	0.99	50.8%	\$21,145	0.51	229	Strong	Low	Weak	Moderate
5239	Other financial investment activities	77.8%	\$7,258	1.17	40.6%	\$7,258	1.11	1490	Moderate	Low	Strong	Strong
5242	Insurance agencies, brokerages, and related activities	17.7%	\$27,856	1.08	29.4%	\$27,330	0.62	652	Moderate	Low	Weak	Strong
525	Funds, trusts, and other financial vehicles	-100.0%	\$0	0.00	16.3%	\$17,203	1.17	401	Moderate	Low	Strong	None
531	Real estate	-2.8%	\$15,489	2.31	17.1%	\$15,441	1.32	6598	Moderate	Low	Strong	Very Strong
533	Lessors of nonfinancial intangible assets	94.0%	\$10,808	6.19	94.7%	\$10,789	2.00	136	Strong	Low	Strong	Strong
5411	Legal services	23.8%	\$36,924	0.43	26.0%	\$36,924	0.91	579	Moderate	Average	Weak	Moderate
5412	Accounting, tax preparation, bookkeeping, and payroll services	70.5%	\$28,542	0.65	45.1%	\$28,542	1.36	1027	Moderate	Low	Strong	Strong
5413	Architectural, engineering, and related services	45.0%	\$41,666	1.49	39.3%	\$41,501	0.75	609	Moderate	Average	Weak	Strong
5414	Specialized design services	425.5%	\$19,590	2.26	115.2%	\$19,590	1.26	227	Very Strong	Low	Strong	Strong
541511	Custom computer programming services	-13.6%	\$46,744	1.20	25.5%	\$46,744	0.40	254	Moderate	High	Weak	Moderate
541512	Computer systems design services	3495.2%	\$85,458	2.80	240.5%	\$85,458	0.55	238	Very Strong	High	Weak	Strong
54151A	Other computer related services, including facilities management	176.0%	\$61,822	2.48	40.8%	\$61,822	0.25	61	Moderate	High	Weak	Moderate
54161	Management consulting services	6.9%	\$26,504	1.38	58.0%	\$26,504	0.72	713	Strong	Low	Weak	Strong
54162-9	Environmental and other technical consulting services	37.8%	\$38,582	1.39	46.0%	\$38,582	0.63	98	Moderate	Average	Weak	Moderate
5418	Advertising, public relations, and related services	-19.8%	\$20,052	1.72	34.5%	\$20,052	0.48	161	Moderate	Low	Weak	Moderate
54192	Photographic services	178.7%	\$19,008	2.25	169.7%	\$19,008	2.50	318	Very Strong	Low	Strong	Strong
54191, 54193, 54199	Marketing research and all other misc. professional, scientific, and technical services	-15.3%	\$19,286	1.60	45.3%	\$19,286	1.10	827	Moderate	Low	Strong	Strong
55	Management of companies and enterprises	235.5%	\$29,229	1.35	115.7%	\$29,229	0.24	235	Very Strong	Low	Weak	Strong
5611	Office administrative services	-10.5%	\$29,995	1.29	8.0%	\$29,344	0.68	443	Moderate	Low	Weak	Strong
5614	Business support services	23.3%	\$21,235	0.88	-3.4%	\$21,235	0.19	235	Declining	Low	Weak	Moderate
56171-2, 56174-9	Services to buildings	19.2%	\$19,076	1.80	14.0%	\$19,076	1.00	1336	Moderate	Low	Strong	Very Strong
56173	Landscape and horticultural services	-13.6%	\$23,824	0.48	31.7%	\$23,824	1.35	981	Moderate	Low	Strong	Strong
562	Waste management and remediation services	-36.6%	\$65,436	0.45	12.6%	\$65,436	1.63	291	Moderate	High	Strong	Moderate
	<b>Construction</b>											
23*	Health care structures	-26.9%	\$45,159	0.54	-35.1%	\$45,139	1.22	155	Declining	High	Strong	Low
23*	Manufacturing structures	62.0%	\$44,302	0.54	43.8%	\$44,300	1.15	278	Moderate	Average	Strong	Moderate
23*	Power and communication structures	33.0%	\$53,539	0.54	18.1%	\$53,541	1.43	551	Moderate	High	Strong	Moderate
23*	Educational and vocational structures	18.9%	\$45,788	0.54	5.7%	\$45,755	1.32	313	Moderate	High	Strong	Moderate
23*	Highways and streets	-39.3%	\$45,044	0.54	-46.1%	\$45,026	1.21	341	Declining	High	Strong	Moderate
23*	Commercial structures, including farm structures	122.4%	\$43,684	0.54	97.4%	\$43,678	1.17	652	Strong	Average	Strong	Strong
23*	Other nonresidential structures	25.9%	\$44,574	0.54	11.9%	\$44,562	1.23	1144	Moderate	Average	Strong	Strong
23*	Single-family residential structures	55.8%	\$40,608	0.50	57.9%	\$40,608	1.23	980	Strong	Average	Strong	Strong
23*	Multifamily residential structures	207.1%	\$45,341	0.50	211.3%	\$45,341	1.24	215	Very Strong	High	Strong	Moderate
23*	Other residential structures	40.9%	\$49,947	0.50	42.9%	\$49,947	1.74	768	Moderate	High	Strong	Strong
23*	Nonresidential maintenance and repair	14.3%	\$45,577	0.54	1.5%	\$45,552	1.25	847	Weak	High	Strong	Strong
23*	Residential maintenance and repair	349.8%	\$45,260	0.50	356.0%	\$45,260	1.23	341	Very Strong	High	Strong	Moderate
23*	Maintenance and repair of highways, streets, bridges, and tunnels	89.6%	\$45,577	0.54	68.4%	\$45,552	1.25	302	Strong	High	Strong	Moderate

Sedona Industry Sector Analysis

	Sedona			Yavapai County			Industry Assessment						
	Emp Growth	Average Wage	LQ	Jobs	Emp Growth	Wages	LQ	Jobs	Industry Growth	Wages	Market Strength	Presence in Sedona	Industry Target
<b>Education and Knowledge Creation</b>													
5417	10.6%	\$63,180	2.53	237	23.2%	\$63,180	0.84	581	Moderate	High	Weak	Strong	✓
6111	11.5%	\$31,940	0.63	102	6.8%	\$31,940	1.42	1006	Moderate	Low	Strong	Strong	
6112-3	0.0%	\$0	0.00	0	21.1%	\$63,637	2.14	961	Moderate	High	Strong	None	
	-9.0%	\$53,807	0.50	298	-7.7%	\$53,807	0.98	3704	Declining	High	Weak	Strong	
<b>Energy</b>													
211111	-95.1%	\$7,136	0.21	11	43.7%	\$7,140	3.41	321	Moderate	Low	Very Strong	Low	
213111	-100.0%	\$5,968	0.00	0	43.7%	\$7,107	1.28	39	Moderate	Low	Strong	None	
213112	0.0%	\$0	0.00	0	-5.1%	\$23,540	2.95	29	Declining	Low	Strong	None	
2212	0.0%	\$0	0.00	0	New	\$91,929	0.94	28	New	High	Weak	None	
<b>Healthcare</b>													
54194	7.5%	\$40,158	0.48	29	28.9%	\$40,158	1.86	382	Moderate	Average	Strong	Moderate	
6211	40.4%	\$73,855	0.54	117	9.5%	\$73,855	0.79	1348	Moderate	High	Weak	Strong	
6212	5.2%	\$53,626	0.72	77	19.7%	\$53,839	1.19	664	Moderate	High	Strong	Strong	
6213	2.8%	\$38,017	0.63	102	39.6%	\$38,017	1.43	1010	Moderate	Average	Strong	Strong	✓
6214	-14.0%	\$55,341	0.13	20	72.2%	\$55,341	1.39	954	Strong	High	Strong	Moderate	
6215	-11.8%	\$46,658	0.39	25	176.0%	\$46,658	1.73	402	Very Strong	High	Strong	Moderate	✓
6216	18.3%	\$36,398	0.41	49	42.8%	\$36,398	0.94	728	Moderate	Average	Weak	Moderate	
6219	0.0%	\$0	0.00	0	2.2%	\$45,792	1.02	331	Weak	High	Strong	None	
622	0.0%	\$0	0.00	0	14.4%	\$83,289	0.75	1924	Moderate	Average	Weak	None	
6231, 6233	311.3%	\$39,466	1.21	399	7.6%	\$39,466	1.89	2043	Moderate	Average	Strong	Very Strong	✓
6232, 6239	951.9%	\$40,552	0.31	29	172.3%	\$40,552	1.22	575	Very Strong	Average	Strong	Moderate	
<b>Hospitality &amp; Tourism</b>													
487, 488	27.4%	\$35,321	3.27	160	-24.8%	\$35,321	0.76	302	Declining	Average	Weak	Strong	
5615	150.4%	\$39,652	4.29	252	230.8%	\$39,652	1.39	364	Very Strong	Average	Strong	Strong	
712	-2.8%	\$32,636	1.48	24	12.1%	\$29,939	1.30	99	Moderate	Low	Strong	Moderate	
7132	-37.2%	\$21,020	0.03	2	41.8%	\$17,566	1.57	386	Moderate	Low	Strong	Low	
71391-3, 71399	62.2%	\$18,233	1.43	97	-1.4%	\$18,233	1.20	420	Declining	Low	Strong	Strong	
71394	-56.5%	\$10,778	0.43	23	6.9%	\$10,778	0.96	327	Moderate	Low	Weak	Moderate	
71395	New	\$22,773	0.29	2	20.3%	\$22,773	1.36	43	Moderate	Low	Strong	Low	
<b>Hospitality &amp; Tourism (Continued)</b>													
72111-2	72.1%	\$22,683	3.79	847	45.1%	\$22,683	1.62	1383	Moderate	Low	Strong	Very Strong	
72119, 7212-3	83.7%	\$9	2.91	139	28.9%	\$9	4.66	295	Moderate	Low	Very Strong	Strong	
722511	49.8%	\$28,062	1.81	1276	30.6%	\$28,062	1.53	4362	Moderate	Low	Strong	Very Strong	
7223-4, 722514-5	128.9%	\$34,360	0.50	140	44.1%	\$34,246	1.25	1720	Moderate	Low	Strong	Strong	
<b>Information Technology</b>													
5112	678.5%	\$12,137	3.10	8	120.1%	\$12,159	0.12	17	Very Strong	Low	Weak	Low	✓
<b>Local Retail</b>													
441	-34.9%	\$46,891	0.05	8	19.3%	\$46,891	1.03	917	Moderate	High	Strong	Low	
442	32.3%	\$48,528	1.33	60	15.8%	\$48,528	0.88	280	Moderate	High	Weak	Strong	
443	-37.5%	\$39,295	0.54	24	-19.2%	\$39,295	0.76	270	Declining	Average	Weak	Moderate	
444	-4.0%	\$31,631	0.26	47	10.6%	\$31,631	1.57	1130	Moderate	Low	Strong	Moderate	
445	45.4%	\$34,347	1.40	436	9.8%	\$34,347	1.31	1919	Moderate	Low	Strong	Very Strong	
446	135.6%	\$30,183	0.87	99	17.6%	\$30,183	1.05	698	Moderate	Low	Strong	Strong	
447	20.9%	\$26,691	0.57	52	8.5%	\$26,691	1.14	565	Moderate	Low	Strong	Strong	
448	-25.8%	\$17,970	2.24	225	-3.0%	\$17,970	0.85	622	Declining	Low	Weak	Strong	
451	31.7%	\$24,093	0.70	46	32.6%	\$24,093	1.03	405	Moderate	Low	Strong	Moderate	
452	-5.2%	\$30,971	0.09	31	10.0%	\$30,971	1.28	2165	Moderate	Low	Strong	Moderate	
453	23.2%	\$20,374	2.38	521	21.4%	\$20,038	1.45	1353	Moderate	Low	Strong	Very Strong	
454	13.0%	\$8,502	0.78	224	45.7%	\$7,976	1.26	1774	Moderate	Low	Strong	Strong	

Sedona Industry Sector Analysis

	Sedona				Yavapai County				Industry Assessment				
	Emp Growth	Average Wage	LQ	Jobs	Emp Growth	Wages	LQ	Jobs	Industry Growth	Wages	Market Strength	Presence in Sedona	Industry Target
	<b>Manufacturing - Aircraft</b>												
336413	0.0%	\$0	0.00	0	0.0%	\$70,025	1.44	169	Flat	High	Strong	None	
	<b>Manufacturing - Automotive &amp; Motor Homes</b>												
33635	0.0%	\$0	0.00	0	20.9%	\$49,858	4.99	16	Moderate	High	Very Strong	None	
336214	0.0%	\$0	0.00	0	-32.1%	\$35,081	3.73	14	Declining	Average	Very Strong	None	
	<b>Manufacturing - Chemical Products</b>												
32551	0.0%	\$0	0.10	0	1609.4%	\$44,841	2.89	23	Very Strong	Average	Strong	Low	
	<b>Manufacturing - Communications &amp; Recording</b>												
33429	0.0%	\$0	0.00	0	493.3%	\$76,423	3.88	23	Very Strong	High	Very Strong	None	
3343	0.0%	\$0	0.10	0	0.0%	\$41,159	0.92	21	Flat	Average	Weak	Low	
334614	0.0%	\$0	0.00	0	0.0%	\$50,525	0.99	3	Flat	High	Weak	None	
	<b>Manufacturing - Construction Materials and Components</b>												
32731	0.0%	\$0	0.00	0	206.6%	\$91,302	7.75	85	Very Strong	High	Very Strong	None	
32732	0.0%	\$0	0.00	0	85.4%	\$65,994	1.30	91	Strong	High	Strong	None	
327331	80.9%	\$77,664	0.10	1	204.2%	\$77,664	3.33	73	Very Strong	High	Very Strong	Low	
32742	New	\$66	6.19	4	-70.3%	\$66	1.04	4	Declining	Low	Strong	Low	
327991	0.0%	\$0	0.00	0	22.1%	\$37,246	4.15	91	Moderate	Average	Very Strong	None	
332322	0.0%	\$0	0.00	0	188.6%	\$39,543	1.10	79	Very Strong	Average	Strong	None	
	<b>Manufacturing - Electrical Equipment &amp; Components</b>												
335314	0.0%	\$0	0.00	0	231.3%	\$31,771	3.63	22	Very Strong	Low	Very Strong	None	
335999	0.0%	\$92,484	0.10	1	81.8%	\$92,484	1.75	64	Strong	High	Strong	Low	
	<b>Manufacturing - Food Processing</b>												
311352	New	\$20,696	4.17	3	0.0%	\$20,696	1.99	5	Flat	Low	Strong	Low	✓
311811-2	176.1%	\$94,104	4.56	92	-7.6%	\$34,104	0.59	124	Declining	Low	Weak	Strong	✓
311813	0.0%	\$33,448	0.00	0	9.9%	\$33,448	1.30	8	Moderate	Low	Strong	None	
311942	0.0%	\$0	0.00	0	1675.7%	\$22,423	17.70	16	Very Strong	Low	Very Strong	None	
31212	-100.0%	\$0	0.00	0	-63.2%	\$7,536	0.60	9	Declining	Low	Weak	None	✓
31213	66.2%	\$42,642	0.19	4	208.1%	\$42,642	14.98	137	Very Strong	Average	Very Strong	Low	✓
	<b>Manufacturing - Foundries &amp; Forging</b>												
33152	-100.0%	\$0	0.00	0	151.9%	\$50,856	14.80	280	Very Strong	High	Very Strong	None	
332111	0.0%	\$0	0.10	0	New	\$5,444	11.08	4	New	Low	Very Strong	Low	
	<b>Manufacturing - Glass and Ceramics</b>												
327110	0.0%	\$0	0.00	0	39.6%	\$4,122	5.09	23	Moderate	Low	Very Strong	None	
327215	-100.0%	\$0	0.00	0	-30.4%	\$9,519	1.02	20	Declining	Low	Strong	None	
	<b>Manufacturing - Industrial Machinery</b>												
333242	New	\$72,886	0.10	1	New	\$72,886	1.98	44	New	High	Strong	Low	
33271	New	\$38,006	0.07	3	0.9%	\$38,006	2.42	299	Weak	Average	Strong	Low	
333111	-73.6%	\$0	0.10	0	-55.7%	\$30,207	7.24	13	Declining	Low	Very Strong	Low	
333318	0.0%	\$0	0.00	0	281.9%	\$45,097	5.28	83	Very Strong	High	Very Strong	None	
333612	0.0%	\$0	0.00	0	41.8%	\$64,800	25.17	19	Moderate	High	Very Strong	None	
333922	-100.0%	\$0	0.00	0	124.4%	\$35,278	31.62	62	Very Strong	Average	Very Strong	None	
	<b>Manufacturing - Instrument</b>												
334511	0.0%	\$0	0.00	0	-34.3%	\$91,250	0.91	132	Declining	High	Weak	None	
334512	0.0%	\$0	0.10	0	0.0%	\$61,628	1.06	18	Flat	High	Strong	Low	
334513	0.0%	\$0	0.00	0	New	\$53,498	0.50	8	New	High	Weak	None	
334519	0.0%	\$41,840	6.19	13	518.7%	\$41,840	1.61	13	Very Strong	Average	Strong	Low	✓
	<b>Manufacturing - Jewelry and Precious Metals Products</b>												
33991	200.4%	\$25,959	1.41	13	154.2%	\$25,959	4.94	59	Very Strong	Low	Very Strong	Low	✓
	<b>Manufacturing - Air Handling Equipment</b>												
333415	New	\$30,468	0.10	1	New	\$30,468	1.40	34	Very Strong	Low	Strong	Low	



Sedona Industry Sector Analysis

	Sedona			Yavapai County			Industry Assessment				
	Emp Growth	Average Wage	Jobs	Emp Growth	Wages	LQ	Jobs	Industry Growth	Market Strength	Presence in Sedona	Industry Target
<b>Mining</b>											
212221	0.0%	\$0	0	-44.5%	\$222,157	3.74	10	Declining	High	Very Strong	None
212231	0.0%	\$108,593	17	New	\$108,593	3.68	503	Very Strong	High	Very Strong	Moderate
212234	0.0%	\$0	0	-46.3%	\$108,559	3.67	504	Declining	High	Very Strong	None
21231	0.0%	\$0	0	-2.2%	\$35,302	5.26	112	Declining	Average	Very Strong	None
212321-4	0.0%	\$0	0	266.3%	\$35,746	2.42	58	Very Strong	Average	Strong	None
212393	-56.6%	\$74,792	0	-56.6%	\$74,792	2.63	10	Declining	High	Strong	Low
213114	200.0%	\$25,150	3	197.6%	\$25,150	2.37	15	Very Strong	Low	Strong	Low
<b>Performing Arts</b>											
7111	-7.1%	\$7,868	2.81	33.0%	\$7,868	0.98	120	Moderate	Low	Weak	Strong
7112	0.0%	\$0	0	-93.2%	\$65,778	0.02	0	Declining	High	Weak	Low
7113-4	198.6%	\$13,259	1.17	15.2%	\$10,686	1.00	160	Moderate	Low	Strong	Moderate
7115	97.7%	\$4,880	1.95	99.8%	\$4,880	2.98	1613	Strong	Low	Strong	Very Strong
<b>Personal Services</b>											
5321	-18.9%	\$77,053	1.42	-29.8%	\$77,053	0.17	41	Declining	High	Weak	Low
53221-2, 53229, 532	27.7%	\$79,532	1.68	2.7%	\$79,532	1.12	169	Weak	High	Strong	Moderate
5323	0.0%	\$0	0	-21.3%	\$109,544	1.51	7	Declining	High	Strong	None
6242-3	715.4%	\$30,829	0.39	1.3%	\$30,829	1.65	458	Weak	Low	Strong	Moderate
6244	16.4%	\$15,578	0.09	11.7%	\$15,578	1.06	625	Moderate	Low	Strong	Low
8111-2, 811191, 811	-9.7%	\$50,234	0.49	16.4%	\$50,103	1.49	1372	Moderate	High	Strong	Strong
8112	0.0%	\$0	0	32.6%	\$47,011	0.94	102	Moderate	High	Weak	None
8113	0.0%	\$0	0	-1.2%	\$51,354	0.50	84	Declining	High	Weak	None
8114	126.8%	\$48,883	0.78	50.0%	\$48,883	1.29	434	Moderate	High	Strong	Strong
8121	135.8%	\$23,415	1.87	67.2%	\$23,415	0.92	978	Strong	Low	Weak	Strong
8122	-37.3%	\$36,633	0.20	-23.4%	\$36,633	0.90	39	Declining	Average	Weak	Low
8129	81.3%	\$22,554	1.77	56.4%	\$22,554	0.17	1606	Strong	Low	Strong	Very Strong
8131	3.6%	\$45,657	1.85	-31.9%	\$51,427	0.14	94	Declining	High	Weak	Moderate
8132-3	191.6%	\$30,249	1.14	65.2%	\$28,648	0.84	148	Strong	Low	Weak	Moderate
81391-2	-2.9%	\$40,484	3.33	-9.0%	\$40,484	1.39	107	Declining	Average	Strong	Strong
8134, 81393-9	-35.6%	\$16,514	2.12	-8.9%	\$16,100	0.90	204	Declining	Low	Weak	Strong
<b>Printing and Publishing</b>											
32311	-92.2%	\$42,170	0.06	-0.1%	\$42,170	1.10	212	Declining	Average	Strong	Low
51111	-12.3%	\$30,787	0.89	-29.1%	\$30,787	2.10	148	Declining	Low	Strong	Moderate
51112	1.6%	\$26,356	1.81	31.5%	\$26,356	2.27	85	Moderate	Low	Strong	Moderate
51113	4.9%	\$36,634	1.08	44.1%	\$36,877	1.51	24	Moderate	Average	Strong	Low
51114, 511199	0.0%	\$0	0	-47.5%	\$34,790	2.25	19	Declining	Low	Strong	None
51911-2, 51919	172.0%	\$41,988	6.19	172.0%	\$41,988	3.12	61	Very Strong	Average	Very Strong	Strong
51913	0.0%	\$22,442	3.09	107.6%	\$22,442	0.34	24	Very Strong	Low	Weak	Low
<b>Video Production, Communications, Broadcasting &amp; Recording</b>											
5121	33.6%	\$15,475	1.46	53.5%	\$15,475	0.67	127	Strong	Low	Weak	Moderate
5122	219.4%	\$8,519	4.13	139.3%	\$8,509	2.42	27	Very Strong	Low	Strong	Moderate
5151	-36.3%	\$205,085	0.40	-11.1%	\$205,085	1.08	114	Declining	High	Strong	Low
5152	91.1%	\$175,846	6.19	91.1%	\$175,846	0.50	12	Strong	High	Weak	Low
<b>Wholesale trade</b>											
42	73.9%	\$50,128	0.43	33.8%	\$49,713	0.98	2992	Moderate	High	Weak	Strong

Industry Assessment Scale

**Industry Growth**  
 <0.1% Declining  
 0 = Flat  
 0.1% - 5% Weak  
 6% - 50% Moderate  
 51% - 100% Strong  
 >100% Very Strong

**Wages**  
 <\$35,000 Low  
 \$35,000-\$44,999 Average  
 >\$45,000 High

**Market Strength**  
 <1.00 Weak  
 1.00 - 2.99 Strong  
 >3.0 Very Strong

**Presence in Sedona**  
 0 = None  
 1-16 Low  
 17-50 Moderate  
 51-300 Strong  
 >300 Very Strong

## Sedona Targeted Industries - NAICS Definitions

Source: North America Industry Classification System Manual, United States, 2017, Office of Management and Budget

### Biopharmaceuticals

#### **325411 Medicinal and Botanical Manufacturing**

This U.S. industry comprises establishments primarily engaged in (1) manufacturing uncompounded medicinal chemicals and their derivatives (i.e., generally for use by pharmaceutical preparation manufacturers) and/or (2) grading, grinding, and milling uncompounded botanicals.

#### **325412 Pharmaceutical Preparation Manufacturing**

This U.S. industry comprises establishments primarily engaged in manufacturing in-vivo diagnostic substances and pharmaceutical preparations (except biological) intended for internal and external consumption in dose forms, such as ampoules, tablets, capsules, vials, ointments, powders, solutions, and suspensions.

#### **325414 Biological Product (except Diagnostic) Manufacturing**

This U.S. industry comprises establishments primarily engaged in manufacturing vaccines, toxoids, blood fractions, and culture media of plant or animal origin (except diagnostic).

### Business Services & Information Technology

#### **541511 Custom Computer Programming Services**

This U.S. industry comprises establishments primarily engaged in writing, modifying, testing, and supporting software to meet the needs of a particular customer.

#### **541512 Computer Systems Design Services and 54152A Other computer related services, including facilities management**

This U.S. industry comprises establishments primarily engaged in planning and designing computer systems that integrate computer hardware, software, and communication technologies. The hardware and software components of the system may be provided by this establishment or company as part of integrated services or may be provided by third parties or vendors. These establishments often install the system and train and support users of the system.

#### **5112 Software Publishers**

This industry comprises establishments primarily engaged in computer software publishing or publishing and reproduction. Establishments in this industry carry out operations necessary for producing and distributing computer software, such as designing, providing documentation, assisting in installation, and providing support services to software purchasers. These establishments may design, develop, and publish, or publish only. These establishments may publish and distribute software remotely through subscriptions and downloads.

### Healthcare

#### **6213 Offices of Other Health Practitioners**

This industry group comprises establishments of independent health practitioners (except physicians and dentists).

### **6215 Medical and Diagnostic Laboratories**

This industry comprises establishments known as medical and diagnostic laboratories primarily engaged in providing analytic or diagnostic services, including body fluid analysis and diagnostic imaging, generally to the medical profession or to the patient on referral from a health practitioner.

### **623110 Nursing Care Facilities (Skilled Nursing Facilities)**

This industry comprises establishments primarily engaged in providing inpatient nursing and rehabilitative services. The care is generally provided for an extended period of time to individuals requiring nursing care. These establishments have a permanent core staff of registered or licensed practical nurses who, along with other staff, provide nursing and continuous personal care services.

### **62331 Continuing Care Retirement Communities and Assisted Living Facilities for the Elderly**

This industry comprises establishments primarily engaged in providing residential and personal care services for (1) the elderly and other persons who are unable to fully care for themselves and/or (2) the elderly and other persons who do not desire to live independently. The care typically includes room, board, supervision, and assistance in daily living, such as housekeeping services. In some instances these establishments provide skilled nursing care for residents in separate on-site facilities.

## **Food and Beverage Products**

### **311352 Confectionery Manufacturing from Purchased Chocolate**

This U.S. industry comprises establishments primarily engaged in manufacturing chocolate confectioneries from chocolate produced elsewhere. Included in this industry are establishments primarily engaged in retailing chocolate confectionery products not for immediate consumption made on the premises from chocolate made elsewhere.

### **311811 Retail Bakeries**

This U.S. industry comprises establishments primarily engaged in retailing bread and other bakery products not for immediate consumption made on the premises from flour, not from prepared dough.

### **312120 Breweries**

This industry comprises establishments primarily engaged in brewing beer, ale, lager, malt liquors, and nonalcoholic beer.

### **312130 Wineries**

This industry comprises establishments primarily engaged in one or more of the following: (1) growing grapes and manufacturing wines and brandies; (2) manufacturing wines and brandies from grapes and other fruits grown elsewhere; and (3) blending wines and brandies.

## **Other Small Scale Fabrication (Manufacturing)**

### **334519 Other Measuring and Controlling Device Manufacturing**

This U.S. industry comprises establishments primarily engaged in manufacturing measuring and controlling devices (except search, detection, navigation, guidance, aeronautical, and nautical instruments and systems; automatic environmental controls for residential, commercial, and appliance



use; instruments for measurement, display, and control of industrial process variables; totalizing fluid meters and counting devices; instruments for measuring and testing electricity and electrical signals; analytical laboratory instruments; irradiation equipment; and electromedical and electrotherapeutic apparatus).

### **339910 Jewelry and Silverware Manufacturing**

This industry comprises establishments primarily engaged in one or more of the following: (1) manufacturing, engraving, chasing, or etching jewelry; (2) manufacturing, engraving, chasing, or etching metal personal goods (i.e., small articles carried on or about the person, such as compacts or cigarette cases); (3) manufacturing, engraving, chasing, or etching precious metal solid, precious metal clad, or pewter flatware and other hollowware; (4) stamping coins; (5) manufacturing unassembled jewelry parts and stock shop products, such as sheet, wire, and tubing; (6) cutting, slabbing, tumbling, carving, engraving, polishing, or faceting precious or semiprecious stones and gems; (7) recutting, repolishing, and setting gem stones; and (8) drilling, sawing, and peeling cultured and costume pearls. This industry includes establishments primarily engaged in manufacturing precious solid, precious clad, and precious plated jewelry and personal goods.

### **339112 Surgical and Medical Instrument Manufacturing**

This U.S. industry comprises establishments primarily engaged in manufacturing medical, surgical, ophthalmic, and veterinary instruments and apparatus (except electrotherapeutic, electromedical and irradiation apparatus). Examples of products made by these establishments are syringes, hypodermic needles, anesthesia apparatus, blood transfusion equipment, catheters, surgical clamps, and medical thermometers.

## **Video Production & Recording**

### **5121 Motion Picture and Video Industries**

This industry group comprises establishments primarily engaged in the production and/or distribution of motion pictures, videos, television programs, or commercials; in the exhibition of motion pictures; or in the provision of postproduction and related services.

### **512110 Motion Picture and Video Production**

This industry comprises establishments primarily engaged in producing, or producing and distributing motion pictures, videos, television programs, or television commercials.

## Appendix C – Top 10 Occupations by Industry Cluster

## Appendix C – Top 10 Occupations by Industry Cluster

### Top 10 Occupations by Industry Cluster

#### **BIOPHARMACEUTICALS**

##### **Pharmaceutical and Medicine Manufacturing**

Packaging and Filling Machine Operators and Tenders  
Chemists  
Inspectors, Testers, Sorters, Samplers, and Weighers  
Mixing and Blending Machine Setters, Operators, and Tenders  
Sales Representatives, Wholesale and Manufacturing, Technical and Scientific Products  
Chemical Equipment Operators and Tenders  
First-Line Supervisors of Production and Operating Workers  
Medical Scientists, Except Epidemiologists  
Industrial Engineers  
Chemical Technicians

#### **PROFESSIONAL SERVICES/INFORMATION TECHNOLOGY**

##### **Professional, Scientific, and Technical Services**

Accountants and Auditors  
Lawyers  
Software Developers, Applications  
Office Clerks, General  
Management Analysts  
General and Operations Managers  
Paralegals and Legal Assistants  
Secretaries and Administrative Assistants, Except Legal, Medical, and Executive  
Computer Systems Analysts  
Bookkeeping, Accounting, and Auditing Clerks

##### **Info Technology**

Software Developers, Applications  
Telecommunications Equipment Installers and Repairers, Except Line Installers  
Customer Service Representatives  
Sales Representatives, Services, All Other  
Producers and Directors  
Computer User Support Specialists  
Telecommunications Line Installers and Repairers  
Advertising Sales Agents  
Editors  
General and Operations Managers

## Appendix C – Top 10 Occupations by Industry Cluster

### HEALTHCARE

#### Medical & Diagnostic Labs

- Clinical Laboratory Technologists and Technicians
- Phlebotomists
- Radiologic Technologists
- Customer Service Representatives
- Couriers and Messengers
- Magnetic Resonance Imaging Technologists
- Diagnostic Medical Sonographers
- Medical Secretaries
- Receptionists and Information Clerks
- Billing and Posting Clerks

#### Continuing Care Retirement Communities and Assisted Living Facilities

- Personal Care Aides
- Nursing Assistants
- Home Health Aides
- Food Servers, Nonrestaurant
- Licensed Practical and Licensed Vocational Nurses
- Maids and Housekeeping Cleaners
- Cooks, Institution and Cafeteria
- Registered Nurses
- Recreation Workers
- Maintenance and Repair Workers, General

#### Nursing Care Facilities

- Nursing Assistants
- Licensed Practical and Licensed Vocational Nurses
- Registered Nurses
- Maids and Housekeeping Cleaners
- Food Servers, Nonrestaurant
- Cooks, Institution and Cafeteria
- Recreation Workers
- Personal Care Aides
- Medical and Health Services Managers
- Maintenance and Repair Workers, General

#### Offices of Other Health Practitioners

- Physical Therapists
- Receptionists and Information Clerks
- Medical Assistants
- Medical Secretaries
- Physical Therapist Assistants
- Office Clerks, General

## Appendix C – Top 10 Occupations by Industry Cluster

### HEALTHCARE (Continued)

- Speech-Language Pathologists
- Occupational Therapists
- Massage Therapists
- Chiropractors

### FOOD AND BEVERAGE PRODUCTS

#### Sugar and Confectionery Product Manufacturing

- Food Batchmakers
- Packaging and Filling Machine Operators and Tenders
- Packers and Packagers, Hand
- Retail Salespersons
- Laborers and Freight, Stock, and Material Movers, Hand
- First-Line Supervisors of Production and Operating Workers
- Industrial Machinery Mechanics
- Food Cooking Machine Operators and Tenders
- Maintenance and Repair Workers, General
- Helpers--Production Workers

#### Bakeries and Tortilla Manufacturing

- Bakers
- Food Batchmakers
- Packaging and Filling Machine Operators and Tenders
- Packers and Packagers, Hand
- Cashiers
- Retail Salespersons
- Helpers--Production Workers
- First-Line Supervisors of Production and Operating Workers
- Counter Attendants, Cafeteria, Food Concession, and Coffee Shop
- Janitors and Cleaners, Except Maids and Housekeeping Cleaners

#### Beverage Manufacturing

- Packaging and Filling Machine Operators and Tenders
- Separating, Filtering, Clarifying, Precipitating, and Still Machine Setters, Operators, and Tenders
- Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products
- Bartenders
- Demonstrators and Product Promoters
- Retail Salespersons
- Waiters and Waitresses
- Laborers and Freight, Stock, and Material Movers, Hand
- Industrial Truck and Tractor Operators
- Driver/Sales Workers

## Appendix C – Top 10 Occupations by Industry Cluster

### **OTHER SMALL SCALE FABRICATION (MANUFACTURING)**

Assemblers and Fabricators, All Other, Including Team Assemblers  
First-Line Supervisors of Production and Operating Workers  
Inspectors, Testers, Sorters, Samplers, and Weighers  
Laborers and Freight, Stock, and Material Movers, Hand  
Machinists  
Packaging and Filling Machine Operators and Tenders  
Welders, Cutters, Solderers, and Brazers  
Electrical, Electronic, and Electromechanical Assemblers, Except Coil Winders, Tapers, and Finishers  
Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products  
General and Operations Managers

### **VIDEO PRODUCTION & RECORDING**

#### **Motion Picture and Video Industries**

Ushers, Lobby Attendants, and Ticket Takers  
Producers and Directors  
Counter Attendants, Cafeteria, Food Concession, and Coffee Shop  
Actors  
Film and Video Editors  
Cashiers  
Audio and Video Equipment Technicians  
Office Clerks, General  
Laborers and Freight, Stock, and Material Movers, Hand  
General and Operations Managers

#### **Sound Recording Industries**

Sound Engineering Technicians  
Producers and Directors  
Audio and Video Equipment Technicians  
General and Operations Managers  
Office Clerks, General  
Market Research Analysts and Marketing Specialists  
Sales Representatives, Services, All Other  
Agents and Business Managers of Artists, Performers, and Athletes  
Secretaries and Administrative Assistants, Except Legal, Medical, and Executive  
Bookkeeping, Accounting, and Auditing Clerks

Appendix D – Sedona Economic Diversification Strategic Plan Matrix

## CITY OF SEDONA ECONOMIC DEVELOPMENT DIVERSIFICATION PLAN

### COMMUNITY DEVELOPMENT

Goal 1: Make investments in community projects and infrastructure that support economic diversification to achieve long term sustainability.					
Strategies and Actions	Lead and Support	Ongoing	1 to 3 years	3 to 5 years	Performance Metric
1. Identify and implement capital projects that support commerce and industry.					
a. Prioritize the installation of key infrastructure within the CIP that supports the implementation of the Economic Diversification Plan, transformative projects and Community Focus Area plans.	Lead: ED Support: PW and CD	x	x		Completed projects that facilitate economic diversification
b. Prioritize parking and transit solutions as delineated in the <i>Sedona in Motion Transportation Master Plan</i> .	Lead: CD and PW Support: Chamber	x			10-year implementation plan
c. Seek out champions and assess legacy funding opportunities for community priority projects.	Lead: ED Support: AZ Community Foundation			x	Identification of champions and projects with a shared vision
d. Collaborate with the Sedona Airport and support infrastructure projects that will enhance job creation and economic development.	Lead: ED Support: Sedona Airport and Yavapai County	x			Completed projects that facilitate economic diversification
2. Identify community attributes and amenities needed to attract younger residents and business owners.	Lead: XYZ Support: ED, Chamber, Verde Valley School, Local First				Identified projects and strategies and have a shared marketing approach; Number of hosted groups. Identified projects and strategies
a. Conduct a focus group, or series of focus groups, with young business owners and residents to identify their concerns and needs.		x	x		
b. Evaluate other communities who have a large group of young business owners.					



**CITY OF SEDONA ECONOMIC DEVELOPMENT DIVERSIFICATION PLAN**

<b>COMMUNITY DEVELOPMENT (Continued)</b>					
<b>Strategies and Actions</b>	<b>Lead and Support</b>	<b>Ongoing</b>	<b>1 to 3 years</b>	<b>3 to 5 years</b>	<b>Performance Metric</b>
<p>3. Preserve the city's commercial and light industrial land inventory.</p> <p>a. Consider the acquisition of key parcels to retain as industrial/commercial land use, i.e. CFA's.</p> <p>b. Review the City's industrial zoning code and modify to allow work/live land use.</p>	<p>Lead: CD</p> <p>Support: ED</p>	x	x		Number of industrial/commercial acres
<p>4. Identify or create policies that will facilitate the development of a diverse housing stock, including affordable housing.</p>	<p>Lead: CD</p>	x	x		Policies are in place.
<p>a. Examine the expenditures of the City's affordable housing program for its effectiveness. Consider changes to align with affordable housing goals.</p>	<p>Lead: CD</p> <p>Support: Housing committee, ED</p>	x	x		Data is being tracked and studied.
<p>b. Research policy approaches used by other communities to facilitate the development and retention of affordable housing.</p>	<p>Lead: CD</p> <p>Support: Housing committee, ED</p>	x	x		Policy approaches are researched and considered.
<p>c. Continue to review zoning and other development guidelines, along with the community focus area plans to identify regulations that impede the development of affordable housing.</p>	<p>Lead: CD</p> <p>Support: Housing committee, ED</p>	x			Regulations are reviewed, and a process has begun to make changes if necessary.
<p>d. Identify and purchase properties for affordable housing.</p>	<p>Lead: CD</p> <p>Support: Housing committee</p>		x		Properties are identified and researched for this purpose.
<p>e. Utilize the findings of the housing market study when completed, and refine the strategies and actions for facilitating affordable housing.</p> <p>f. Partner with private developer and business to include housing in commercial developments.</p>	<p>Lead: CD</p> <p>Support: Housing committee</p>		x		Solutions are planned and/or implemented



**CITY OF SEDONA ECONOMIC DEVELOPMENT DIVERSIFICATION PLAN**

<b>COMMUNITY DEVELOPMENT (Continued)</b>					
<b>Strategies and Actions</b>	<b>Lead and Support</b>	<b>Ongoing</b>	<b>1 to 3 years</b>	<b>3 to 5 years</b>	<b>Performance Metric</b>
<ul style="list-style-type: none"> <li>c. Evaluate how the timeframe from application to approval process can be streamlined, including better internal staff/department coordination.</li> <li>d. Implement on-line permitting and tracking.</li> </ul>	<p>Lead: CD Support: ED, ASQ</p> <p>Lead: CD</p>	x	x	x	<p>Timeframe is streamlined for efficiency and better coordination</p> <p>Permitting is online</p>
2. Ensure consistency among community plans and documents (Zoning ordinance, CFA's, Econ Dev, CIP, etc.)	Lead: CD Support: ED		x		Completion of the review New projects
3. Establish a one-on-one liaison to facilitate targeted projects.	Lead: CD Support: ED	x	x		The process is established.
<b>Goal 3: Implement creative placemaking principles that will shape the physical, social, cultural and economic identity of Sedona.</b>					
1. Implement an applicant design-based approach for planning and development of projects. <ul style="list-style-type: none"> <li>a. Establish a design center to facilitate the process.</li> <li>b. Collect case studies and examples of desirable projects to use as visuals.</li> <li>c. Establish an awards program to promote best projects.</li> </ul>	Lead: CD Support: PW, ED		x		Establishment of a collaborative design process
2. Implement the placemaking goals and strategies of the Community Focus Areas (CFA) plans.	Lead: CM and CD Support: ED				Survey complete and clarity on the needs
3. Survey residents to gain an understanding of their neighborhood needs, and identify projects that will enhance social cohesion and safer neighborhoods.			x		
4. Identify and strengthen public spaces by engaging the public on their vision and desires. <ul style="list-style-type: none"> <li>a. Consider touring "best practice" places</li> <li>b. Develop one-page best practice case studies</li> </ul>	Lead: CM and CD Support: ED			x	Survey results and more consensus on projects Documented best practices
5. Utilize the local arts and cultural community to help shape the social, cultural, and economic identity of a project.	Lead: CM Support: CD, ED	x			Incorporating ideas

**CITY OF SEDONA ECONOMIC DEVELOPMENT DIVERSIFICATION PLAN**

<b>COMMUNITY DEVELOPMENT (Continued)</b>					
<b>Strategies and Actions</b>	<b>Lead and Support</b>	<b>Ongoing</b>	<b>1 to 3 years</b>	<b>3 to 5 years</b>	<b>Performance Metric</b>
6. Encourage creative incremental development (pop up and small-scale real estate projects) and gathering places to help strengthen commercial centers and neighborhoods.	Lead: CD		x		Track the progress
7. Engage in partnerships between public and private sector, including the city, businesses, artists, community members to create and maintain thriving public places.	Lead: ED and CD Support: Chamber		x		Partnerships leveraged
8. Pursue creative financing that could include resident and public-private sector donations, Tribal contributions and other philanthropy.	Lead: ED		x		Financing identified and secured
<b>Goal 4: Look for ways to enhance/expand the educational curriculum and programs, which are in alignment with the economic diversification strategy plan.</b>					
<b>Strategies and Actions</b>					
1. Work with Yavapai College to create an introductory course on integrative East-West medicine that will familiarize students with integrative healthcare and forms of complementary and alternative medicine. (Cross reference Business Development, Goal 2, Strategy 5.c.).	Lead: ED and REDC Support: chamber, healthcare providers			x	Creation of a course

## CITY OF SEDONA ECONOMIC DEVELOPMENT DIVERSIFICATION PLAN

<b>COMMUNITY DEVELOPMENT (Continued)</b>					
<b>Strategies and Actions</b>	<b>Lead and Support</b>	<b>Ongoing</b>	<b>1 to 3 years</b>	<b>3 to 5 years</b>	<b>Performance Metric</b>
<p>2. Encourage Valley Academy for Career and Technology (VACTE) and Yavapai College to add vocational entrepreneurship training certificates and curriculum to their programs.</p> <p>a. Consider using existing entrepreneurship curriculum from other organizations such as Ramsey Education<sup>1</sup> which teaches students how to start and run their own business or VentureLab<sup>2</sup> which has curriculum, training and programs to empower kids. Deploy those locally.</p>	<p>Lead: REDC and VACTE Support: ED</p>			x	Creation of curriculum
<p>3. Explore the creation of a dual enrollment program between Sedona Red Rocks High School and Yavapai College in computer sciences, which includes computer programming, cyber security, data analytics, etc.</p>	<p>Lead: REDC and Red Rock High Support: ED</p>		x		Dual enrollment is considered and ideas are planned and implemented
<p>4. Help identify the skills/trades that are needed in Sedona to support the plan's targeted industries.</p>	<p>Lead: REDC Support: ED</p>	x	x		Needs are identified
<p>a. Work with Yavapai College Skills Trade Center to introduce the curriculum for those trades.</p>	<p>Lead: REDC Support: ED</p>		x		New curriculum in place
<p>b. Establish apprenticeships and internships geared towards the targeted industries.</p>	<p>Lead: REDC Support: ED</p>		x		Number of interns and apprentices
<p>5. Work with the Helios Foundation<sup>3</sup> or another organization to launch a kid coding camp.</p>	<p>Lead: Parks &amp; Rec Support: ED</p>			x	Kids camp established

<sup>1</sup>Ramsey Education exists to equip educators across the country with the tools and resources they need to teach their students how to successfully manage their money and their lives. Over the last 10 years Ramsey Education has provided curriculum in personal finance and entrepreneurship.

<sup>2</sup>VentureLab is a nonprofit organization that is helping create the next generation of innovators and changemakers through entrepreneurial learning by making world-class entrepreneurship education accessible to kids all around the world.

<sup>3</sup>Helios Foundation is a philanthropic, public charity focused exclusively in Arizona and Florida. The Foundation's community investments are made across three impact areas: Early Childhood Education, the Transition Years and Postsecondary Education Success.

## CITY OF SEDONA ECONOMIC DEVELOPMENT DIVERSIFICATION PLAN

### BUSINESS DEVELOPMENT

BUSINESS DEVELOPMENT		Lead and Support	Ongoing	1 to 3 years	3 to 5 years	Performance Metric
<b>Goal 1: Refine business retention and attraction efforts to reflect the framework of the targeted industry findings.</b>						
<b>Strategies and Actions</b>						
1.	Facilitate the retention and growth of existing business.	Lead: ED Support: Chamber	x			Number of businesses retained/expanded
a.	Establish a formal business visitation and survey program to identify the needs of existing business.	Lead: ED Support: Chamber	x	x		Number of business visitations
b.	Help build the capacity of local business and their employees with programs that could include leadership development, skills training, consultations, and networking.	Lead: ED and Chamber	x	x		Number of programs and participants
c.	Promote the awareness of current workforce training resources, workshops, and programs.	Lead: ED Support: Yavapai College, Chamber	x	x		This will be included in the overall marketing strategy.
d.	Collaborate with SBDC, NACET, Local First, and others to leverage their resources and expertise.	Lead: ED	x	x		Programs and participants
e.	Utilize the findings of the REDC supply chain analysis (Table 8) and focus on import substitution within Sedona's targeted industries to foster new business startup and expansion.	Lead: ED Support: REDC, Chamber, VVREO		x		Number of business established and retained
f.	Assist businesses with succession planning. Encourage retiring business owners to create an employee buy-out program that will sustain the business operation into the future. <ul style="list-style-type: none"> <li>i. Conduct research on employee buyout best practices and create a working guide that local businesses could use.</li> </ul>	Lead: ED Support: SBDC, Chamber, Sustainability Alliance			x	Research is completed and working guide is created
g.	Assist NAH and other healthcare service providers with the attraction and expansion of newly licensed physicians to Sedona.	Lead: NAH Support: ED, Chamber	x	x		Increase in number of medical doctors

**CITY OF SEDONA ECONOMIC DEVELOPMENT DIVERSIFICATION PLAN**

**BUSINESS DEVELOPMENT (Continued)**

Strategies and Actions	Lead and Support	Ongoing	1 to 3 years	3 to 5 years	Performance Metric
2. Build local wealth by improving the process of buying and selling locally (local/regional supply chain).					
a. Identify the network of people, business, organizations and agencies that are part of the value chain (hospitality, healthcare, arts and culture, etc.) b. Develop a supplier database that can be used by businesses, entrepreneurs, and residents to source products and services locally.	Lead: ED and Chamber Support: NACET, VVREO	x	x		Creation of database
c. Work with the local major employers to stage a regional "Doing Business with Local Employers" event. <ul style="list-style-type: none"> <li>i. Prepare a list of trade associations, relevant conferences/events and trade publications.</li> <li>ii. Include organizations at the event whose function is to provide services that help build the capacity of local business such as SBDC, lenders, Local First, Yavapai College, etc. At the event have them make presentations about their programs and services designed to help local business and entrepreneurs.</li> </ul>	Lead: ED and Chamber Support: NACET, VVREO	x	x		Number of events and participants
3. Recruit new targeted businesses to the area through expanded marketing efforts. <ul style="list-style-type: none"> <li>a. Utilize the findings of the targeted industry analysis and identify 2-5 industries to attract.                             <ul style="list-style-type: none"> <li>i. Create a business case for each one that includes information on the workforce, supply chain, existing sites, etc.</li> </ul> </li> </ul>	Lead: ED Support: Chamber			x	Number of new business

**CITY OF SEDONA ECONOMIC DEVELOPMENT DIVERSIFICATION PLAN**

**BUSINESS DEVELOPMENT (Continued)**

<b>Strategies and Actions</b>	<b>Lead and Support</b>	<b>Ongoing</b>	<b>1 to 3 years</b>	<b>3 to 5 years</b>	<b>Performance Metric</b>
<ul style="list-style-type: none"> <li>b. Consider the tourism industry services supply chain in Sedona and the region as a potential target for business attraction.</li> </ul>	Lead: ED and Chamber		x		Supply chain targets identified
<ul style="list-style-type: none"> <li>c. Develop industry intelligence that will aid market understanding and networking.                             <ul style="list-style-type: none"> <li>i. Prepare a list of trade associations, relevant conferences/events and trade publications.</li> </ul> </li> </ul>	Lead: ED and Chamber		x		Supply chain targets identified
<ul style="list-style-type: none"> <li>d. Attend 1-2 relevant conferences, trade shows or events annually geared toward industry targets.</li> </ul>	Lead: ED Support: Chamber			x	Supply chain targets identified
<ul style="list-style-type: none"> <li>4. Become a destination for national or regional conferences and workshops on technology and wellness subjects, which will showcase Sedona as a business location to company representatives.</li> </ul>	Lead: Chamber Support: ED			x	Number of conferences held
<ul style="list-style-type: none"> <li>5. Place the business license program on line and make it a searchable GIS database.</li> </ul>	Lead: IT Support: ED		x		Program is online



**CITY OF SEDONA ECONOMIC DEVELOPMENT DIVERSIFICATION PLAN**

**BUSINESS DEVELOPMENT (Continued)**

<b>Strategies and Actions</b>		<b>Lead and Support</b>	<b>Ongoing</b>	<b>1 to 3 years</b>	<b>3 to 5 years</b>	<b>Performance Metric</b>
<b>Goal 2: Facilitate economic diversity by taking steps to realize transformative projects.</b>						
<b>Strategies and Actions</b>						
1.	Support and facilitate access and expansion of internet infrastructure connectivity in the city.	Lead: ED and CM Support: CD, PW, XYZ		x		Upload and download speed improved Increased provider choice and availability
a.	Collaborate with others in Verde Valley and the ACA on the initiative.	Lead: PW				Policy is in place
b.	Facilitate and reduce the cost of connectivity investments by creating a dig once policy and city funded conduit.			x		
c.	Consider incentivizing broadband and cellular infrastructure through the creation of tax policies, leveraging grants/loan assistance, and incentives.	Lead: ED				Incentive and leveraged funds are researched and understood.
d.	Work closely with APS on their rural Strategic Fiber Program as they provide access to their surplus fiber optic capacity, which is expected in 2020. <ul style="list-style-type: none"> <li>i. Identify and encourage local communication providers to partner with APS in order to enhance broadband capabilities within core commercial and industrial locations.</li> <li>ii. Attempt to create a GIS database showing the location of fiber optic lines in the city.</li> </ul>	Lead: ED and IT Support: APS, ACA, VVREO		x		Providers and partners are identified. The database is in place.

**CITY OF SEDONA ECONOMIC DEVELOPMENT DIVERSIFICATION PLAN**

<b>BUSINESS DEVELOPMENT (Continued)</b>		<b>Lead and Support</b>	<b>Ongoing</b>	<b>1 to 3 years</b>	<b>3 to 5 years</b>	<b>Performance Metric</b>
<u><b>Strategies and Actions</b></u>						
2. Position the Dells as an Agricultural Innovation Park to advance R&D, testing and production of industrial hemp and/or other products into value added commodities.		Lead: ED Support: Wastewater, CD			TBD	
a. Conduct research to identify other markets pursuing this strategy and interview to learn their approach, resources needed, the pros and cons, etc.					TBD	
b. Evaluate growing and soil conditions that are best suited for various crops.						
c. Work with Community Development to integrate this strategy with a CFA plan.					TBD	
d. Reach out to the University of Arizona Agricultural Extension Service and/or College of Agriculture to gauge their interest in helping to launch the Innovation Park.					TBD	
3. Facilitate the creation of co-working space for entrepreneurs, remote-workers, freelancers, and home-based business owner's.		Lead: ED Support: NACET, Chamber, VVREO		x		Creation of space
a. Identify potential location(s) for co-working space.		Lead: ED		x		Location selected
i. Begin discussions with the Sedona School District regarding utilization of their vacant administrative building for co-working space.				x		
b. Create a plan that defines the business model and lists the amenities and services that will or could be included (i.e. high speed internet, access to shared printer/scanner/copier, use of conference room, desk and chair, etc.).		Lead: ED		x		Plan created
c. Allocate funding on an annual basis and contract with a service provider to manage and market the space.		Lead: ED		x		Funding budgeted

**CITY OF SEDONA ECONOMIC DEVELOPMENT DIVERSIFICATION PLAN**

<b>BUSINESS DEVELOPMENT (Continued)</b>					
<b>Strategies and Actions</b>	<b>Lead and Support</b>	<b>Ongoing</b>	<b>1 to 3 years</b>	<b>3 to 5 years</b>	<b>Performance Metric</b>
<p>4. Research and identify the demand for a commercial production kitchen and cold storage facility.</p> <ul style="list-style-type: none"> <li>a. Conduct outreach to determine what is missing in the market.</li> <li>b. Explore the feasibility of entering into a collaborative agreement with Yavapai College.</li> </ul>	<p>Lead: ED Support: NACET, REDC</p>		x		Facility developed
<ul style="list-style-type: none"> <li>c. Utilize the City of Sedona’s food and beverage initiative for entrepreneurs.</li> </ul>	<p>Lead: ED Support: NACET, REDC</p>		x		Number of entrepreneurs in the program.
<ul style="list-style-type: none"> <li>d. Explore the adaptive reuse of the Jordan Road building for economic development.</li> </ul>	<p>Lead: ED Support: Chamber</p>		x		Options explored
<p>5. Build upon health and wellness. Leverage Sedona’s “spiritual healing” image by creating the Sedona Center for East-West Medicine.</p> <ul style="list-style-type: none"> <li>a. Research other integrative medicine centers in the U.S. for ideas and support (e.g. Andrew Weil Center for Integrative Medicine in Tucson operated by Banner).</li> <li>b. Seek philanthropic support for the center.</li> <li>c. Work with Yavapai College to create an introductory course on integrative East-West medicine that will familiarize students with integrative healthcare and forms of complementary and alternative medicine.</li> <li>d. Become a destination for workshops, forums, summits, seminars and conferences on topics associated with integrative East-West medicine, such as herbal and botanical medicine, acupuncture and pain management, nutrition, etc.</li> <li>e. Create a working group that includes NAH, Verde Valley Medical Center and other service providers to gain their support and further explore the concept.</li> </ul>	<p>Lead: ED</p>			TDB	

**CITY OF SEDONA ECONOMIC DEVELOPMENT DIVERSIFICATION PLAN**

<b>BUSINESS DEVELOPMENT (Continued)</b>					
<b>Strategies and Actions</b>	<b>Lead and Support</b>	<b>Ongoing</b>	<b>1 to 3 years</b>	<b>3 to 5 years</b>	<b>Performance Metric</b>
<p>6. Collaborate with the property owner of the Sedona Cultural Park to further strategize the development of the parcel.</p> <ul style="list-style-type: none"> <li>a. Facilitate conceptual land use or concept plans that incorporate a mix of land uses, which could include the targeted industries, arts and entertainment, and health and wellness, and workforce housing.</li> <li>b. Consider developing feasibility studies and/or RFP's to promote economic diversification. Solicit feedback to "ground truth" the concepts.</li> <li>c. Upon completion the aforementioned bulleted items, consider reevaluating the vision and recommendation of the Western Gateway CFA.</li> </ul>	Lead: CD & ED	x	x		Plans are solidified
<p>7. Create a medical tourism attraction program by leveraging holistic health care.</p> <ul style="list-style-type: none"> <li>a. Collaborate with the Sedona Chamber of Commerce and Northern Arizona Healthcare (NAH).</li> <li>b. Tour other successful communities to learn about their programs and best practices.</li> </ul>	Lead: ED Support: Chamber NAH  Lead: ED Support: Chamber			x  x	Creation of an attraction program A partnership is in place Best practices are researched and communities are toured.

## CITY OF SEDONA ECONOMIC DEVELOPMENT DIVERSIFICATION PLAN

### ECONOMIC GARDENING

		Lead and Support	Ongoing	1 to 3 years	3 to 5 years	Performance Metric
<b>Goal 1: Develop an entrepreneurial landscape that fosters the growth of local entrepreneurs, freelancers and home based business owners.</b>						
<b>Strategies and Actions</b>						
1.	Stimulate entrepreneurial activities and the startup of new business.	Lead: ED	x			Number of activities
a.	Connect entrepreneurs with established businesses to foster mutually beneficial partnerships.	Lead: ED, NACET Support: VVREO, REDC, SBDC, XYZ	x			Number of entrepreneurs connected
b.	Promote the small business lending capabilities of VVREO and other small business funding.	Lead: ED Support: SBDC, VVREO	x			Incorporate loan funding in marketing plan.
c.	Utilize SBDC resources for entrepreneurs and connect entrepreneurs to the programs and resources provided by the community, county, its partners and the state.	Lead: ED Support: SBDC, VVREO	x			Number of entrepreneurs connected
d.	Connect entrepreneurs and small business to online mentoring services such as MicroMentor <sup>4</sup> and Springboard Enterprises <sup>5</sup> .	Lead: ED	x	x		Number of entrepreneurs connected
2.	Accelerate the work of local organizations and service providers that align with the goals of the economic diversification plan.	Lead: ED Support: APS and other service providers	x	x		Number of connections
3.	Collaborate with the partners and create a business succession planning guidebook that includes employee buy-out.	Lead: ED Support: NACET, Chamber, SBDC			x	Guidebook created.

<sup>4</sup> MicroMentor is an online search engine which was established to help entrepreneurs find mentors, or mentors to find entrepreneurs.

<sup>5</sup> Springboard's mission is to accelerate the growth of entrepreneurial companies led by women through access to essential resources and a global community of experts. It is the leading network of influencers, investors and innovators dedicated to building high-growth companies led by women who are transforming industries in technology and life science.

**CITY OF SEDONA ECONOMIC DEVELOPMENT DIVERSIFICATION PLAN**

**ECONOMIC GARDENING (Continued)**

<b>Strategies and Actions</b>	<b>Lead and Support</b>	<b>Ongoing</b>	<b>1 to 3 years</b>	<b>3 to 5 years</b>	<b>Performance Metric</b>
4. Evaluate local regulations on home-based businesses, and identify and modify those that may be stifling growth.	Lead: CD and ED	x	x		Regulations are evaluated annually.
5. Utilize the co-working space to further an entrepreneurial culture by staging networking events, educational and business seminars. Partner with Yavapai College and NACET to conduct entrepreneurial workshops.	Lead: ED Support: REDC, SBDC, NACET, Chamber		x		Number of events by partners at the co-working space.
6. Identify and meet with potential venture capitalists living in the City of Sedona to understand their investment objectives, and encourage the creation of a pooled venture capital investment fund.	Lead: ED Support: NACET, Bankers			x	Number of investors identified. Fund created.
7. Collaborate with the SBDC and/or NACET to offer training programs and seminars directed at young and startup companies to help facilitate their growth and expertise. Training sessions could include: basic finance, taxes and management, business plan development, website design/analysis, press release writing/dissemination, utilization of social media, and marketing and sales.	Lead: ED, SBDC, NACET Support: VVREO	x	x		Number of trainings
8. On a regular basis, gather data and market intelligence to help refine and direct economic gardening activities. <ul style="list-style-type: none"> <li>a. Begin tracking location neutral business by including questions in the city's twice a year survey</li> <li>b. Begin tracking location neutral home based business through the on-line portal.</li> </ul>	Lead: ED Support: Chamber, REDC	x			Data is routinely collected and current.

## CITY OF SEDONA ECONOMIC DEVELOPMENT DIVERSIFICATION PLAN

### MARKETING AND BRANDING

Goal 1: Establish a marketing program that builds awareness of Sedona as a business location.		Lead and Support	Ongoing	1 to 3 years	3 to 5 years	Performance Metric
<b>Strategies and Actions</b>						
1.	<p>Create an economic development marketing plan that lays out a program for branding Sedona as a business destination. This may include:</p> <ul style="list-style-type: none"> <li>a. Identify and develop messages that reflect Sedona's unique value proposition for business, dispel negative perceptions and brand Sedona as a welcoming place to do business.</li> <li>b. Create a social media and digital branding strategy.</li> <li>c. Create a content editorial calendar.</li> <li>d. Prepare a monthly social media marketing calendar.</li> <li>e. List the marketing channels that could be used, such as social and print media.</li> <li>f. Create a marketing budget that supports the plan.</li> </ul>	Lead: ED	x	x		Plan is created
2.	Identify the target audience to attract along with their geographic location.	Lead: ED	x	x		Target audience is identified.
3.	Create customized marketing material content geared towards targeted industries, such as one-page profiles.	Lead: ED	x	x		Marketing materials are created.
4.	<p>Implement a twice a year economic development e-newsletter that highlights programs, projects and new business expansions or locates in Sedona.</p> <ul style="list-style-type: none"> <li>a. Help change the perception of Sedona by promoting local success stories.</li> </ul>	Lead: ED	x	x		Success stories are collected. Newsletter is in place.
5.	Enhance the existing economic development website to more effectively reach the targeted audience. Begin monitoring web traffic.	Lead: ED	x	x		Website is live and routinely tracked.

**CITY OF SEDONA ECONOMIC DEVELOPMENT DIVERSIFICATION PLAN**

**MARKETING AND BRANDING (Continued)**

<b>Strategies and Actions</b>	<b>Lead and Support</b>	<b>Ongoing</b>	<b>1 to 3 years</b>	<b>3 to 5 years</b>	<b>Performance Metric</b>
6. Collaborate with regional economic development partners to attract an entrepreneurial minded younger demographic.	Lead: ED Support: Flagstaff, VVREO, NACET			x	Collaboration is in place
7. Work with regional partners and build relationships with real estate brokers, developers, site location consultants and others who influence business location decisions.	Lead: ED Support: ACA, VVREO, AAED	x		x	Relationships are in place.
8. Attend 1-2 major conferences to promote Sedona as a destination for investment. (Cross reference Business Development, Goal 1, Strategy 3. d).	Lead: ED		x		Number of conferences attended and contacts made.

**LEAD AND SUPPORT LEGEND**

ACA	Arizona Commerce Authority	IT	Sedona Information Technology Department
AAID	Arizona Association for Economic Development	NACET	Northern Arizona Center for Entrepreneurship and Technology
APS	Arizona Public Service	NAH	Northern Arizona Healthcare
ASQ	Advance Sedona Quality	PW	Sedona Public Works Department
CD	Sedona Community Development Department	REDC	Regional Economic Development Center
CFA	Community Focus Area	SBDC	Small Business Development Center
CM	Sedona City Manager's Office	VACTE	Valley Academy for Career and Technology Education
ED	Sedona Economic Development	VVREO	Verde Valley Regional Economic Organization
EDAC	Economic Diversification Advisory Committee		