



10 – Economic Development

10.1 INTRODUCTION

The Economic Development Element of the Quartzsite General Plan has been developed to assist the Town in its quest for additional jobs and growth in Town Revenues. The economic base of the Town currently relies heavily on tourism, and freeway oriented retail, hospitality, restaurant, and service related businesses. In addition, there are a large number of retirees in the Town whose fixed incomes are derived from social security and other retirement pensions. The main purpose of the economic development element is to assist the Town with diversification of its economic base through business attraction and expansion activities. Attraction of new businesses and the expansion of existing businesses will create new jobs and incomes for Town residents. This will have a multiplier effect due to an increase in demand for housing, goods, and services. The programs available to the Town from government agencies involved in economic development activities are also outlined herein.

This element includes appropriate goals, objectives, and policies that can assist the Town in its economic development efforts. The assets of the Town for economic development represent significant opportunities for new development. These include the strategic location of the Town on two major transportation routes: Interstate 10 is the main East/West route between Los Angeles and Phoenix, and State Highway 95 is a major North/South route between Mexico, Yuma, and Las Vegas. These Two major transportation corridors result in significant daily traffic flows through the Town.

The future development of a Town owned airport has direct economic development benefits. Not only does an airport provide a facility for cargo and air freight shipments, but an industrial park can be developed around the airport. In addition to the future airport, the development of a new La Paz County fairgrounds facility is also proposed. Like the airport, the future fairgrounds facility can also be important for economic development. An industrial park area can be located adjacent to the fairgrounds facility.



A critical element for a viable economic development program is provision of appropriate infrastructure (water, sewer, streets) to serve businesses desiring to locate in the Town. The Town is currently in the process of designing and constructing water system improvements, including the extension of water mains and development of water storage facilities.

In addition to infrastructure, having an adequate supply of affordable housing to accommodate future workers is very important. Employers interested in locating facilities in Quartzsite need to be assured that their workers and families will be able to find affordable housing. The housing element of the general plan includes programs which can increase the supply of affordable housing within the community.

10.2 ECONOMIC DEVELOPMENT TEAM

The formation of an economic development team is necessary for the future growth and prosperity of Quartzsite. The economic development team consists of Town leadership, the Chamber of Commerce, and involved citizens. First, the team must decide, based on the market feasibility study, which businesses and industries are priorities. Secondly, appropriate locations should be designated in the land use element for various types of commercial business. Third, selectivity must be exercised to ensure that proposed developments meet pre-established community standards.

In order to have a viable local economy, jobs must be created and money earned locally so that it can be spent within the Town. Therefore, the Quartzsite economic development program must place a high emphasis on job creation and retention. The economic challenge for Quartzsite is to make the most out of its unique marketplace circumstances. Jobs and revenue for Town services need to result from strategic deployment of the Town's commercial assets.

10.3 ECONOMIC BASE

The existing economic base of Quartzsite consists primarily of tourism, freeway oriented commercial, and the many recreational vehicle parks that cater to retirees on fixed incomes. Seasonal events, such as the annual gem and mineral shows, bring significant revenues into the Town for short periods of time.

In order to strengthen the existing economic base, the economy of Quartzsite must be diversified by adding manufacturing, warehousing, medical, and other related jobs to the community. In addition to diversifying the jobs and types of businesses within the Town, the pay scales for new jobs need to be significantly above minimum wage, preferably in the \$15 an hour and up range. The higher paying jobs will result in more



spendable income in the community. This in turn allows the Town to attract more retail businesses.

In order to diversify the economic base, the Town must attract employers, such as manufacturing and assembly firms, who can provide good paying jobs all 12 months of the year. Warehousing and distribution centers, along with the required truck terminals, also provide full time employment opportunities for Town residents. Provision of full time good paying jobs will attract young families to move to Quartzsite and establish permanent residences in the Town. The types of full time employers mentioned above will make the Town much less susceptible to seasonal variations in revenue. The full time year round employees will also be purchasing goods and services in the hot summer months, thereby helping to generate sales tax revenue during this period.

As previously mentioned, the Town should complete a target industry analysis to determine which industries Quartzsite can attract. Opportunities and constraints for industrial development would be discussed in the target industry study. Quartzsite has several advantages for new industries desiring to relocate. These advantages are outlined below:

- ❑ **Available land at reasonable prices**
- ❑ **Location on two major transportation routes (Interstate 10 and State Hwy 95)**
- ❑ **Close proximity to major markets (Phoenix metropolitan area is within 130 miles)**
- ❑ **Town water and sanitary sewer facilities currently being constructed**
- ❑ **Supportive Town government for new business**

The Town of Quartzsite is located within the Western Arizona Economic Development District (WAEDD). The WAEDD promotes economic development and economic base diversification within all communities located in Yuma, La Paz, and Mojave Counties. The WAEDD prepares the local economic development plan that is submitted to the U.S. Economic Development Administration (EDA). Through WAEDD, the Town is eligible to apply for EDA grants which can fund a target industry study to identify ways to diversify the economic base within the community.

10.4 JOB CREATION AND RETENTION

The creation of new jobs and the retention of existing jobs is a major component of the economic development element. The Town can assist in the effort to create new jobs in several ways. Through a target industry analysis, the Town can identify potential employers and market the Town of Quartzsite to those employers. Although acquiring one large employer would be ideal, it is not necessary for inducing positive job growth in Quartzsite. Expansion of existing businesses and the addition of new



start-up businesses should be sufficient to add 50-75 new jobs to the community each year.

The Town should make every effort to assist start-up businesses. One program available to accomplish this objective is the State Community Development Block Grant (CDBG) program. Through the State of Arizona CDBG program, the Town can apply for CDBG funds to set up a micro-enterprise program. This program would provide below market rate loans for micro-enterprise start up businesses. Micro-enterprise businesses are very small firms that employ between one and five persons, one of whom is the owner/operator. The Town is eligible to receive approximately \$250,000 in CDBG funds every three years. Micro-enterprise loans normally are between \$5,000 and \$25,000, and require the loan recipient to complete a small business training program prior to receiving the loan.

Other federal programs can assist with job training, such as those programs available through a Workforce Investment Board (WIB). The WIB can assist employers with the costs of training new employees. Under these programs, federal funds are used to pay for a portion of the employee training costs, with the employer absorbing the remaining costs. This makes it easier for an employer to increase its work force and hire new entry level employees.

10.5 BUSINESS EXPANSION

Expansion of and assistance to existing businesses is very important for the Town of Quartzsite. Business expansion strengthens the economic base and creates new jobs. The Town can promote business expansion by ensuring the following:

- ❑ Pro business attitude by Town officials
- ❑ Establishment of a CDBG Micro-enterprise business loan program
- ❑ Extend and upgrade water and sewer infrastructure to allow businesses to expand
- ❑ Establish a business incubator facility for mom and pop businesses
- ❑ Establish a fast track permit process within Town Hall
- ❑ Encourage home based small businesses as home occupations
- ❑ Partner with the Chamber of Commerce for business expansion promotions
- ❑ Establish public/private partnerships for business expansions and job creation through building permit fee reductions and other Town sponsored incentives.

To assist small business growth in the community, efforts should be undertaken through the Chamber of Commerce to publicize events, services, and products to prospective customers. This assists chamber members with business development and expansion. A visitor's registry may be developed to create mailing lists for catalogues, winter season newsletters, and special promotions such as off-road desert exploration events. In addition, the Town can publish an annual brochure with a listing of guest accommodation availability, to include motels and recreational



vehicle parks. Gem and Mineral show exhibitors and vendors can also be listed in the brochure. This can serve as a marketing tool to promote business expansion and increased sales.

10.6 MARKETING THE TOWN

In order to promote business and attract new industry to Quartzsite, the Town must establish and maintain an economic development marketing program. This program can have several facets. The use of the Town's internet web site for marketing the Town to potential businesses is very important. The web site should be expanded to include economic development marketing information. The marketing program should include the following:

- ❑ Internet web site marketing of the Town
- ❑ Production of a marketing brochure
- ❑ Large billboards located on Interstate 10 for both east and westbound traffic promoting the Town
- ❑ Promotion of winter recreational and camping opportunities in conjunction with the BLM
- ❑ Development and marketing of a Town owned and operated 15 acre recreational lake for summer water events, such as a fishing derby and water skiing competition. This would provide an attraction for visitors and tourists during the hot summer months.
- ❑ Advertise services and accommodations available for truck drivers in Quartzsite on web sites serving the trucking industry.

The above outlined methods for marketing Quartzsite will capitalize on the attractions and services Quartzsite has to offer to tourists, travelers, rock hounds, and truckers. By instituting an appropriate advertising program, the Town can make its assets known to travelers and truckers throughout the Western States. This in turn will increase Town revenues as local businesses increase their product sales and expand their business operations.

The Town should also cooperate with the economic development efforts of La Paz County. Any new industries established within the County should benefit Quartzsite, either directly or indirectly. For example, a new industry established in Ehrenberg could indirectly benefit Quartzsite by providing jobs within commuting distance for Quartzsite residents.

10.7 ECONOMIC DEVELOPMENT RESOURCES

There are several economic development resources available to the Town. These resources are both monetary and non-monetary. Monetary resources include various types of grants available from State and Federal Agencies. These grants can fund sewer and water infrastructure and other types of improvements. Non-monetary



resources include technical assistance from such entities as Western Arizona Council of Governments (WACOG) and WAEDD. The State Department of Commerce can also provide advise and technical assistance for economic development programs. Grants for economic development projects are available from the following agencies:

- ❑ Federal Economic Development Administration (water, sewer, roadways, land acquisition)
- ❑ Federal Department of Agriculture-Rural Development
- ❑ Federal Aviation Administration (Airport Construction)
- ❑ State Department of Commerce (CDBG Program)

Most economic development grant programs funded by the Federal government have job creation and retention as the major requirement for receipt of a grant. In addition, grants generally do not fund 100% of the project cost. Matching funds from the Town would be required for most grants. However, the federal grant programs can be very beneficial for the Town in assisting with infrastructure construction. This in turn can support new business development and the location of industrial firms in Quartzsite.

10.8 INCENTIVES FOR ECONOMIC DEVELOPMENT

In order to attract new retail, warehousing, and industrial uses to Quartzsite, the Town should explore incentives that could be used to entice new business and industry to locate in the Town. These incentives can be both monetary and non-monetary. The level and type of incentives should be based on the relative benefits to the Town from the new business. For example, a new light manufacturing firm that provides 100 jobs should receive more incentives than a small company creating only 5 jobs. The following types of incentives could be provided by the Town for business attraction and expansion:

- ❑ Reduction in building permit and plan check fees
- ❑ Extension of Town water and sewer to an industrial site
- ❑ Establishment of a one stop permit processing center
- ❑ Assistance with acquisition of BLM land for industrial uses
- ❑ Use of State CDBG funds to construct a business incubator facility
- ❑ Technical assistance through market feasibility studies utilizing EDA grants.

Competition for new businesses and industrial firms is intense for Cities and Towns. Therefore, in order to effectively compete, the Town of Quartzsite must be able to offer incentives to prospective firms when required. Otherwise, a competing nearby jurisdiction may convince the firm to locate in the nearby jurisdiction. This would result in an economic development loss for Quartzsite.

Once developed, the incentives available should be published in an informational Town brochure that can be mailed to prospective businesses. It should be stated in the brochure that provision of incentives is not automatic and requires Town Council



approval on a case by case basis. This allows the Town Council room for negotiation with the prospective business, and does not commit the Town to approve incentives for any particular business.

10.9 GOALS, OBJECTIVES AND POLICIES

Goal: The Town will promote new business and encourage expansion of existing businesses by capitalizing on Quartzsite's recognized attraction strengths: winter season gem and mineral shows, commercial services to travelers using Interstate 10, and winter tourism and recreation.

- Objective: Establish visitor accommodation centers with appropriate commercial services to provide for the needs of travelers and winter visitors.
 - Policy: Provide sufficient water and sewer infrastructure capacity to accommodate major retail chains, and motel chains who have indicated an interest in a Quartzsite location.
 - Policy: Provide hospitality industry sites at the re-designated east and west Interstate 10 interchanges.
 - Policy: Include an appropriate selection of convenience stores, traveler amenities, off-street parking, auto services, and other uses along with additional motel rooms and restaurants.
- Objective: Create incentives for artists and craftsmen type businesses to supplement the annual gem and mineral shows.
 - Policy: Small shops or mini-mall booths should be encouraged for displaying goods.
 - Policy: The Town, in conjunction with the chamber of commerce, should sponsor craft shows and fairs aimed at the tourist market.
- Objective: Establish airport and fairgrounds industrial development zones.
 - Policy: Gem and mineral businesses with all year sales facilities should be considered for the fairgrounds industrial park.
 - Policy: Develop the Airport Industrial Park with light manufacturing and assembly type businesses with world wide sales potential.
- Objective: Encourage warehouse/distribution center type facilities to locate in Quartzsite at sites with easy access to Interstate 10 and State Highway 95.



- Policy: Identify appropriate sites for warehouse/distribution center facilities.
- Policy: Warehouse/distribution sites for warehouse/distribution center facilities.
- Objective: Encourage development of an auto mall along the Interstate 10 corridor which features three or more automobile dealerships.
- Policy: Provide incentives for construction of the auto mall by extension of water and sewer infrastructure to the site.
- Policy: Ensure the auto mall site has good access to the on/off ramps for Interstate 10.
- Policy: Allow appropriate freeway oriented signage for advertisement of the auto mall.

Goal: Create a positive climate for economic development projects through adequate municipal service capacities, progressive visual aesthetic qualities, and expedited permit processing.

Objective:	Ensure facilities are available to attract quality corporate development while maintaining selectivity regarding environmental and community impacts.
Policy:	Work with private landowners to designate areas available for build to suit facilities, with Town services available, and at locations appropriate for motels, restaurants, warehousing and light assembly, and manufacturing.
Policy:	Assess potential environmental impacts of proposed industry on local facility capacity and on the Town’s water, air, and land resources. Require mitigation measures, if feasible, to minimize impacts and protect environmental quality.
Objective:	Project a positive Town environment for quality development.
Policy:	Improve the visual appearance of Main Street through landscaping and other improvements.
Policy:	Review developer proposals from the perspective of long term contributions to the community and its economic base.
Policy:	Require off-site improvements based on established development standards and guidelines.



Goal: Complete a market feasibility study for Quartzsite which identifies target industries and other businesses which can be supported in the Town.

Objective:	Establish a marketing program to attract new business and industry to Quartzsite.
Policy:	Distribute the marketing study free of charge to interested corporations and bona fide developers.
Policy:	Appoint a Town marketing coordinator to serve at the pleasure of, and under the direction, of the Town Manager.
Policy:	Apply for and obtain economic development grants from the EDA and other government agencies to fund the preparation of the market feasibility study and other economic development projects.

10.10 ACTION PLAN

Phase	Project	Responsible Agency/ Department	Funding Source
1 -5 years	Identify and fund measures to increase economic development in the Town of Quartzsite.	Town of Quartzsite	Town of Quartzsite
	Create a market feasibility study for the Town of Quartzsite.	Town of Quartzsite	Town of Quartzsite
6 + years	Continue to research and develop incentives promoting economic development in the Town of Quartzsite.	Town of Quartzsite	Town of Quartzsite
	.	Town of Quartzsite	Town of Quartzsite

10.11 SUMMARY

In summary, it is the purpose of the economic development element to act as a tool and guideline for the future economic development of Quartzsite. By implementing the goals, objectives, and policies for economic development, the Town of Quartzsite can attract new business and industry, create jobs, and enhance Town revenues. In addition, through a well conceived marketing effort the Town will be able to effectively compete with neighboring jurisdictions for new business and industry. It is



recommended that the economic development element be updated at least every 5 years in order to continue to be an effective document.