

# Economic Vitality

## VISION STATEMENT

*Scottsdale's future as a desirable place to live, work, and visit is dependent upon a dynamic, diversified, and growing economic base that compliments the character of our community. Scottsdale will be regionally competitive and will attract businesses that offer employment to our citizens, provide essential services, respect our desert environment, compliment our tourist industry, and bolster our tax base. Scottsdale will celebrate and embrace its existing strengths in business and employment, as well as diversify and develop new strengths through emerging technologies and changes in the ways of doing business. Economic competitiveness and prosperity will be the means of supporting a quality of life that is distinctive among Valley communities. The competing needs of residents and businesses will be balanced so neighborhoods are protected and enhanced while business districts are competitive and attractive.*

### Introduction

In 1996, the CityShape 2020 citizen committee recommended the addition of an Economic Element as an integral part of the city's General Plan. The first Economic Element was adopted by City Council in March 1998.

The importance of a healthy, vibrant economy to Scottsdale's lifestyle and identity cannot be over emphasized. Scottsdale relies on its strong economic vitality to generate financial resources to provide a high quality of life, to provide high quality services for citizens, to provide employment for its citizens and to preserve desert and mountain areas in Scottsdale. Without these economic strengths, citizens would experience decreased levels of city services and amenities, and/or increased taxes and costs of services. The strength of Scottsdale's economy has enabled the city to provide a high level of service to its residents at a relatively low cost through tourism and sales tax subsidies. The city is committed to supporting and expanding its existing economic strength. This can be done by targeting new opportunities that will diversify the economic base and provide for the future fiscal health of the city and long-term sustainability, while protecting the city's unique southwestern character.



Scottsdale's economic base is quite diverse; this is a change from the tourism dependent economy of the past. Today many other economic activities cultivate Scottsdale's economic strength including extensive retail opportunities and the diverse employment base at the Scottsdale Airpark and in Old Town. By focusing on these strengths, Scottsdale is able to broaden its tax base and provide high quality employment opportunities for its citizens.

### **Tourism**

Tourism is an integral part of Scottsdale's identity and it serves as the community's key economic engine, therefore, it is essential to the community to provide and preserve appropriate natural, social and cultural environments and guest services that maintain and enhance the tourism experience. Significant money is spent in Scottsdale by tourists; these dollars help to provide a higher level of community services and amenities to the citizens of

Scottsdale. The health of the tourism market is enormously dependent upon the quality and character of the local hotels and resorts, the availability of naturally occurring and built attractions and entertainment activities for the tourist. The preservation and enhancement of Scottsdale's tourism market is unequivocally critical to the continued economic health of the city.

### **Retail**

Scottsdale's retail market is an integral part of Scottsdale's unique identity and is one of the major economic drivers in community. Scottsdale's retail leadership in the metro area will continue to be challenged by other metro area communities. Therefore, it is crucial for Scottsdale to maintain a strong, aggressive position in maintaining and bringing in new, high quality retail to the community.

### **Employment**

The city actively seeks targeted business services appropriate to the community, to provide quality jobs for the citizens of Scottsdale. These activities help to further diversify the economy and provide services and amenities to the community.

### **Revitalization**

Revitalization and redevelopment becomes a critical part of the economic vitality of the community as the city matures. Scottsdale tries to prevent

## Economic Vitality, Livability, and Transportation

Economic vitality is crucial to Scottsdale as a livable community, but so is transportation mobility. These two values may come into conflict, for example, when a shopping center is proposed in an area where it will generate trips and cause traffic congestion. Driveways on major roadways can reduce traffic flow and effectiveness as well.

decline in mature areas by acting before they lose their attractiveness, as housing and the stability of residential neighborhoods is an essential ingredient to Scottsdale's quality of life. While discussed in other elements of the General Plan (Housing Element and Neighborhoods Element), the Economic Vitality Element recognizes that quality housing is crucial to the stability of the local economy. Retaining and enhancing the vitality of maturing areas of the city is a critical priority in maintaining the city's overall economic health.

### **Conclusion**

Scottsdale's economic vitality faces several new economic challenges as the community matures. Scottsdale is approaching build out and the traditional model by which new opportunities for economic growth and sustainability were defined must be rethought and redefined. There are new and non-traditional citizen demands for what the Scottsdale economy should not only provide but also what economic uses comprise the economy. Scottsdale also needs to recognize the regional challenges of the now undeveloped land in the neighboring Salt River Pima Maricopa Indian Community and the potential economic factors there with tribal gaming opportunities as well as large-scale economic development taking place in Phoenix and Tempe. Finally, the community must establish a balance of these demands with the complexities of the "new economy." Scottsdale's economic position going forward must be agile enough to respond to the dynamic needs and demands of the "new economy." Suitable response to these demands is critical to ensuring Scottsdale's economic future.

The Economic Vitality Element addresses policies to better evaluate decisions and encourage economic development that will sustain the community. The Element has been prepared to ensure that the needs of Scottsdale's residential neighborhoods are balanced with those of its business community. The goals emphasize compatibility, diversity, growth, and flexibility. This Economic Vitality Element acknowledges the economic factors that strongly influence the future well being of the community and its current and future neighborhoods and residents. The sustainability of the city of Scottsdale's quality of life directly relies on the economic prosperity of the community balanced with the preservation of and respect for the natural environment. The policies of the Economic Vitality Element are designed to support and enhance this sustainability. To assure a high quality of life for Scottsdale residents, economic growth must be fostered.



## Scottsdale Values ...

- Quality of life of residents, quality of the experience of the visitor, and quality of environment of the community.
- Continuation of a strong, locally unparalleled retail environment.
- Attraction and retention of high quality employment opportunities for citizens.
- Preservation and enhancement of Scottsdale as a world-class tourism destination.
- Economic stability and a continued high level of public services for citizens and visitors.
- A diverse array of goods and services to be provided for consumers.
- Access to jobs, resources, and services for citizens.
- A vibrant downtown with cultural and recreational opportunities for residents and visitors.
- Business entities that complement Scottsdale's community characteristics, such as high quality design standards, desert environment, and resort community lifestyle.



## Goals and Approaches

- 1. Sustain and strengthen Scottsdale's position as a premier international and national tourism destination and resort community.**
  - Maintain the quality and character of the local hotels and resorts.
  - Encourage the development and redevelopment of hotels and resorts in the context of the character and quality Scottsdale is known for. This development should recognize the availability of naturally occurring and built attractions, and entertainment activities.
  - Encourage diversity and high quality in the lodging industry and resorts that cater to specific market segments (e.g. spas, dude ranches, eco-tourism etc.).
  - Preserve Scottsdale's natural, social, and cultural environments to enhance the Scottsdale tourism experience.
  - Enhance Scottsdale's tourism support services including fine dining, specialty retail, and entertainment.

- Provide destination attractions that celebrate Scottsdale’s heritage. These should include the key theme areas of the arts, contemporary arts, Southwestern culture, Native American Culture, cowboy lore, the Sonoran Desert environment.
- Build on Scottsdale’s strength for attracting sporting events/entertainment opportunities, such as professional level sports including baseball, hockey, tennis and golf in addition to entertainment events, such as the Parada del Sol, Culinary Festival, Art Festival, etc.
- Ensure a wide variety of participatory outdoor recreational opportunities, for visitors and residents alike, such as golf, mountain climbing, hiking, horseback riding, etc.
- Ensure the golf experience remains a positive and readily available destination activity.
- Preserve and enhance the tourist’s ability to travel easily to different destinations throughout the city. Promote the Transportation Center, trolley system, bike rental, and pedestrian connections, etc.

**2. Encourage and maintain a high level of diverse, quality retail and entertainment activity in Scottsdale that supports the needs of Scottsdale’s residents and visitors.**

- Encourage the location of new, high quality, regionally oriented retail activities in Scottsdale. New retail activity should focus on unique and diverse retail adventures.
- Maintain a strong, aggressive position in dealing with bringing new, high quality retail and entertainment experiences to the community.
- Encourage the concentration of retail and entertainment in Old Town and the historic specialty retail and art gallery districts.
- Advocate the development of additional retail opportunities, especially those that capture the unique flavor of Scottsdale and complement the quality, and resort and desert character of the community.

**3. Encourage and support a diversity of businesses that contribute to Scottsdale’s sales and property tax base so that needed infrastructure, physical amenities, services, and the expansion of such services are provided.**

- Nurture and support established businesses as well as new businesses.
- Ensure adequate opportunities for future and expanded commercial and business activity throughout the community.
- Diversify Scottsdale’s business and retail community so it includes a variety of business types as well as a variety of business scales and sizes.
- Promote Scottsdale as a diverse shopping and entertainment destination.
- Develop existing and attract new high value/low impact businesses.



**4. Foster new and existing economic activities and employment opportunities that are compatible with Scottsdale's lifestyle.**

- Strive to grow and expand the economic base on pace and in harmony with the population and supporting built and natural environment.
- Support businesses in adapting to the constantly changing market as a result of new technologies and support those companies that are integral to the “new economy”.
- Target specific economic sectors for expansion or relocation in Scottsdale that will provide for the greatest positive impact and the fewest negative impacts. These include medical and health care services, biomedical research and development, technology related research and development, business and professional services, administrative offices, corporate and regional headquarters.
- Strongly pursue economic opportunities that enhance the quality of life of the community as well as have a positive economic impact. This would include those businesses that provide medical, educational, cultural or recreational amenities for the community.
- Focus on opportunities that are non-polluting and that support telecommuting and alternative transportation modes. Recruit quality companies at the forefront of economic and technological change.
- Emphasize the retention and expansion of businesses in Scottsdale and provide support mechanisms for small businesses in Scottsdale.
- Support entrepreneurial development and ‘incubator’ activities to grow and support high value start up businesses.



**5. Locate and integrate non-residential development to improve access and visibility and to protect the integrity of neighborhoods.**

- Regional and larger community retail centers are encouraged to locate on major streets and freeway interchanges where access is available and/or in close proximity to customers.
- Maintain and create distinctive commercial, retail, and entertainment districts that benefit through clustering uses together, such as Old Town Scottsdale, Old Town Scottsdale Districts, Motor Mile, North Scottsdale Auto Mall.
- Maintain and develop neighborhood-shopping areas that are in proximity to neighborhoods and residential concentrations.
- Focus major employment uses in targeted areas (i.e. Scottsdale Airpark and Old Town).
- Insure neighborhoods are adequately protected from major commercial development through design sensitivity, buffering and traffic management, etc.
- Promote pedestrian/bicycle improvements and provide options for alternative modes of transportation to access commercial, retail and entertainment centers.

**6. Maintain and develop partnerships that will support and promote quality employment and business opportunities.**

- Maintain and develop relationships with businesses that provide the contacts that can enhance the city's presence and position in enhancing and attracting quality and innovative business opportunities.
- Encourage partnerships to work on the renovation or reuse of underutilized or vacant buildings/shopping centers
- Work with other jurisdictions and agencies (i.e. Scottsdale Area Chamber, School Districts, adjacent communities, Greater Phoenix Economic Council, etc.) to coordinate business and employment opportunities.
- Work with appropriate entities within the local and metropolitan community to address issues and economic hindrances.



**7. Sustain the long-term economic well being of the city and its citizens through redevelopment and revitalization efforts.**

- Encourage quality redevelopment in employment areas to provide new jobs, new retail, and new entertainment opportunities in the Scottsdale market.
- Encourage and support the renovation and reuse of underutilized or vacant parcels/buildings/shopping centers.
- Enhance the experience for visitors who evaluate the quality of their experience through their visual impressions of the community by revitalizing the mature built environment of businesses and neighborhoods.
- Support and encourage appropriate public and private redevelopment and revitalization efforts in the community.
- Improve and enhance the links between the physical and social relationship between non-residential land uses and the surrounding residential neighborhoods.
- Promote residential revitalization to maintain quality housing and thus maintain quality of life and stability of the local economy.

The city of Scottsdale implements many of the policies of the Economic Vitality Element through the Economic Vitality Action Plan. The Action Plan outlines specific activities to achieve the goals and approaches of the Element. The Economic Vitality Action Plan includes specific measurements to evaluate the city's economic success, and it is updated annually. Copies are available through the Economic Vitality Office of the city.

An "Economic Trends Supplement" shows market and economic trends in Scottsdale and provides a concise insight into the marketplace and features trends within the themes outlined in the Element.

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### Related Plans and Policies:

- Economic Trends Supplement, April 2000\*
- Economic Vitality Action Plan 2000-02\*
- CityShape 2020 Comprehensive Report, October 1996
- Shared Vision Report, December 1992
- Scottsdale's Economic Development Strategies, GSO, Inc., 1989
- Fiscal Impact of Development Study, Tischler & Associates, 1996

### Reference:

- The Scottsdale/Paradise Valley Tourism Study, Part I: Lodging Statistics, November 2000\*
- The Scottsdale/Paradise Valley Tourism Study, Part II: Visitor Statistics, November 2000\*
- Retail Market Analysis, April 2001\*
- Demographic Trends, October 2000
- Golf in Scottsdale, October 2000
- Analysis and Forecast of the Economic Base of Scottsdale, Gruen Gruen & Associates, June 1999

\*updated annually