

# CHANDLER AIRPARK Area Plan

## Airpark Area Plan

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**BRW**

A DAMES & MOORE GROUP COMPANY

## 5.0 ECONOMIC DEVELOPMENT ELEMENT

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### 5.0 Economic Development Element

The Economic Development Element of the Chandler Airpark Area Plan is presented in the following sections:

- 5.1 Introduction
- 5.2 Existing Setting
- 5.3 Economic Development Vision, Goals and Policies
- 5.4 Economic Development Plan
- 5.5 Economic Development Implementation Program

#### 5.1 Introduction

Chandler's population has increased from a modest 9,531 in 1960 to an estimated 165,000 residents in 1998. Chandler's growth rate has been seven to eight percent annually for the past 30 years and its share of Maricopa County has grown to five percent of the total population. By 2005, the State of Arizona Department of Economic Security projects that over 200,000 people will live in Chandler. The population of the Airpark Area is estimated to be somewhere between 700 and 1,000 residents in 1998. This represents less than one percent of the total Chandler population. However, it is projected to become one of the fastest growing areas of Chandler over the next few years.

Chandler has a highly educated workforce with 85.8 percent of the residents 25 years or older having high school degrees and 26.2 percent with 4 or more years of college. Median household income in Chandler continues to outstrip its neighboring cities and the County with a healthy \$46,096 median income. This compares with approximately \$31,000 in Maricopa County, Mesa and Tempe.

The labor force in Chandler had grown to 54,438 when last measured in 1994. Currently, Chandler has an unemployment rate slightly below three percent which is lower than Maricopa County and Arizona State averages. The labor force in Chandler is expected to continue its rapid growth, as high technology firms continue to cluster in the area around and in Chandler.

In 1990, Chandler's housing stock consisted of 34,967 units, a 13 percent compounded annual growth rate since 1980. Currently there are nearly 60,000 units in the City. From 1990 to 1994, Chandler issued 10,200 building permits and from 1994 to the present nearly 10,000 more permits have been issued. The average price of a new single family home was \$113,671 in 1994. By 1998, the average price had increased to over \$120,000.

#### Economic Overview

Chandler has emerged as the second fastest growing community in the country among cities with over 100,000 population. Approximately 40 percent of Chandler's 71.5 square-mile planning area is developed, with an anticipated population nearing 400,000 residents at build out. Current growth expectations (more than 200,000 people by 2005) are being influenced both by concerted local promotion and development attraction as well as regional market forces.

Large firms such as Intel and Motorola dominate the City's employment base and constitute large, important revenue generators for the local economy. Also, various aerospace and aviation industries involved in manufacturing have located and expanded in Chandler. As of 1998, Chandler had 12 fully-improved industrial/business parks in designated employment centers throughout the City, including the Airpark Area.

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### Office, Retail and Industrial Development

Approximately 1,715 acres of Chandler's 15,000 acres of developed area are devoted to industrial development, the majority situated in the City's 12 industrial parks. Many of the areas have an abundance of available parcels ready for development, with infrastructure and zoning in place. There are approximately 12.3 million square feet of built industrial space in the city, with a vacancy rate of less than five percent. Additionally, 1.5 million square feet, representing the new Intel "FAB-12" Microchip Plant in South Chandler, is complete, along with an additional 200,000 square feet under construction in other locations. In 1994, approximately 310,889 square feet of industrial space was absorbed, representing about 900 new manufacturing jobs. Office space consists of nearly 350,000 square feet.

Chandler is currently lagging behind its neighbors in the attraction of large retail establishments. While the city has its fair share of neighborhood and community shopping centers, attracting a regional mall would enhance the tax base. Westcor has a potential site for the development of a regional mall at the corner of Chandler Boulevard and the proposed San Tan Freeway.

Office development in Chandler is beginning to show signs of growth as back office space and new municipal buildings come on line in the next few years. Within the CAAP Airpark Area there is no office development, other than the few flightline related companies located at the airport. There are however, plans for several new compatible office developments adjacent to the airport with taxiway access.

### 5.2 Existing Setting

There are a variety of economic enterprises currently operating within the Chandler Airpark Area. These include:

- Agriculture and Dairy Farms
- Small Industries (Farm equipment/maintenance, fertilizer, etc.)
- Chandler Municipal Airport (Fixed Based Operators)

Agriculture and dairy farms are the largest category by acreage with nearly 65 percent of the nine square-mile Chandler Airpark Area dedicated to agricultural enterprises. Most of these farms are run by local farmers who operate as sole proprietors and provide full time employment to only a few residents. Part-time or migrant farm workers may be employed in fairly large numbers during seasonal harvests or plantings. While these farming operations provide a stable income to the owners of the land, the real value lies in the property and its potential for development within the Phoenix Metropolitan Market Area. Total full-time employment in agriculture is currently estimated to be less than 50 persons.

There are several small industrial enterprises located within the Chandler Airpark Area that are primarily located in the northwest corner along Arizona Avenue and the Southern Pacific Railroad Tracks. Evidence collected during the field analysis suggests that these industrial enterprises are geared towards serving the agricultural businesses located in the East Valley Region. Farm equipment maintenance, fertilizer makers, general equipment supply and the bulk processing of crops appear to cover the spectrum of uses. Most of these businesses employ several full time employees and some variable part-time workers during the harvesting and planting seasons. Total full-time employment in industrial enterprises is currently

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estimated to be less than 100 persons with Treadway Inc. accounting for 40 to 50 employees.

The Chandler Municipal Airport is the other large economic enterprise located in the Airpark Area. It is also the largest full-time employer with between 50 and 60 persons working at the FAA Air Traffic Control Tower, the Fixed Base Operators and the management of the Airport. The FAA Control Tower contains federal employees while the Airport Management employees work for the City of Chandler. The Fixed Base Operators offer a range of private sector jobs including aircraft maintenance, painting and refueling; cargo operations, flight schools and other general aviation support facilities.

### 5.3 Economic Development Vision, Goals and Policies

#### Vision

The creation of a diversified economic activity center, using the Chandler Municipal Airport's strategic location as a catalyst, and the Southern Pacific Railroad and San Tan Freeway marketing strengths to access and attract new development.

#### *Employment Base*

**Goal 1.0** To generate a diversified employment base through a full range of economic development activities.

**Policy 1.1** The City shall market the Airpark Area to large industrial/commercial users to create high quality job opportunities.

**Policy 1.2** The City shall encourage the creation of a wide variety of employment types.

**Policy 1.3** The City shall utilize the economic incentives associated with the Chandler Economic Enterprise Zone.

**Policy 1.4** The City shall encourage the development of mixed-use projects that include office, retail, hotel and commercial services.

**Policy 1.5** The City shall actively market the Airpark Area location within the Chandler Economic Enterprise Zone.

#### *Business Retention and Growth*

**Goal 2.0** To preserve and grow the existing businesses in the Airpark Area.

**Policy 2.1** The City shall encourage service-oriented retail businesses (e.g., gift shops, restaurants, and rental car agencies) within, or adjacent to, the Airport Terminal.

**Policy 2.2** The City shall work with agricultural-industrial users to relocate to the industrial area near the Wastewater Treatment Plant.

#### *Business Recruitment*

**Goal 3.0** To fully develop the Airport Area's industrial and commercial/office/business park areas into high quality employment centers.

**Policy 3.1** The City shall promote development of the industrial/commercial corridor along the Southern Pacific Railroad.

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Policy 3.2 The City shall emphasize the transportation accessibility (i.e., airport, freeway, railroad) of the Airport Area's industrial and commercial areas in marketing the area to businesses considering locating in Chandler.

Policy 3.3 The City shall consider a partnership with the Town of Gilbert to attract regional commercial to the Gilbert Road Corridor, as well as to jointly market the common border areas near the Airpark.

Policy 3.4 The City shall explore options for developing a trade zone for, all or a portion of, the Airpark.

### 5.4 Economic Development Plan

Improvement District #89 exists along the southern and eastern parts of the Airpark. The Improvement District is approximately 1,280 acres in size and will be the financing source for road, water and wastewater improvements to the area. A property assessment of \$6.3 million will be paid by local property owners within District #89. The combination of new roadways, sewers and water lines has a significant impact on the economic development of the Airpark Area. These improvements, together with infrastructure installed by the city in the same area, are expected to create a greater opportunity for development and expansion opportunities for industrial businesses.

The City of Chandler has also created an enterprise zone that encompasses the entire nine square miles of the Airpark Area, as shown in Figure 5-1, *Economic Enterprise Zone*. The Chandler Economic Enterprise Zone allows qualified businesses the ability to take advantage of state corporate income tax and

property tax benefits. Businesses that create net new quality jobs within the enterprise zone can receive up to \$3,000 in state income tax credits for each quality job created. A quality job is defined as one that pays the county minimum wage, is full time and permanent and at least 50 percent of the health insurance is provided by the employer. At least 35 percent of the positions for which credits are taken must be filled by an enterprise zone resident. Small (100 employees or less), minority-owned or woman-owned manufacturing businesses, that make at least a \$2 million investment in fixed assets within the Enterprise Zone, may receive a 40 to 60 percent property tax reduction on both real and personal property. This reduction is good for a five-year period.

### Potential Industrial Cluster Development

The Chandler Airport has tremendous potential for development of Industrial Clusters that would compliment the already developing high technology sector located in the area. Industrial clustering is a concept of business development where companies with similar or complimentary products locate in close proximity to one another to take advantage of reduced transportation costs and shared infrastructure improvements.

While Chandler in particular, and the Southeast Valley in general, pursue high-technology clusters, a significant potential for additional cluster development exists. A cluster of warehouse/distribution and transportation industries, could take advantage of the intermodal air, road and rail connections available in the Airpark Area. Also, with the Chandler Airport located in the middle of the nine square mile Airpark Area, there exists the potential for Aerospace Industry cluster development. The Aerospace cluster could interface with the high tech and transportation clusters.

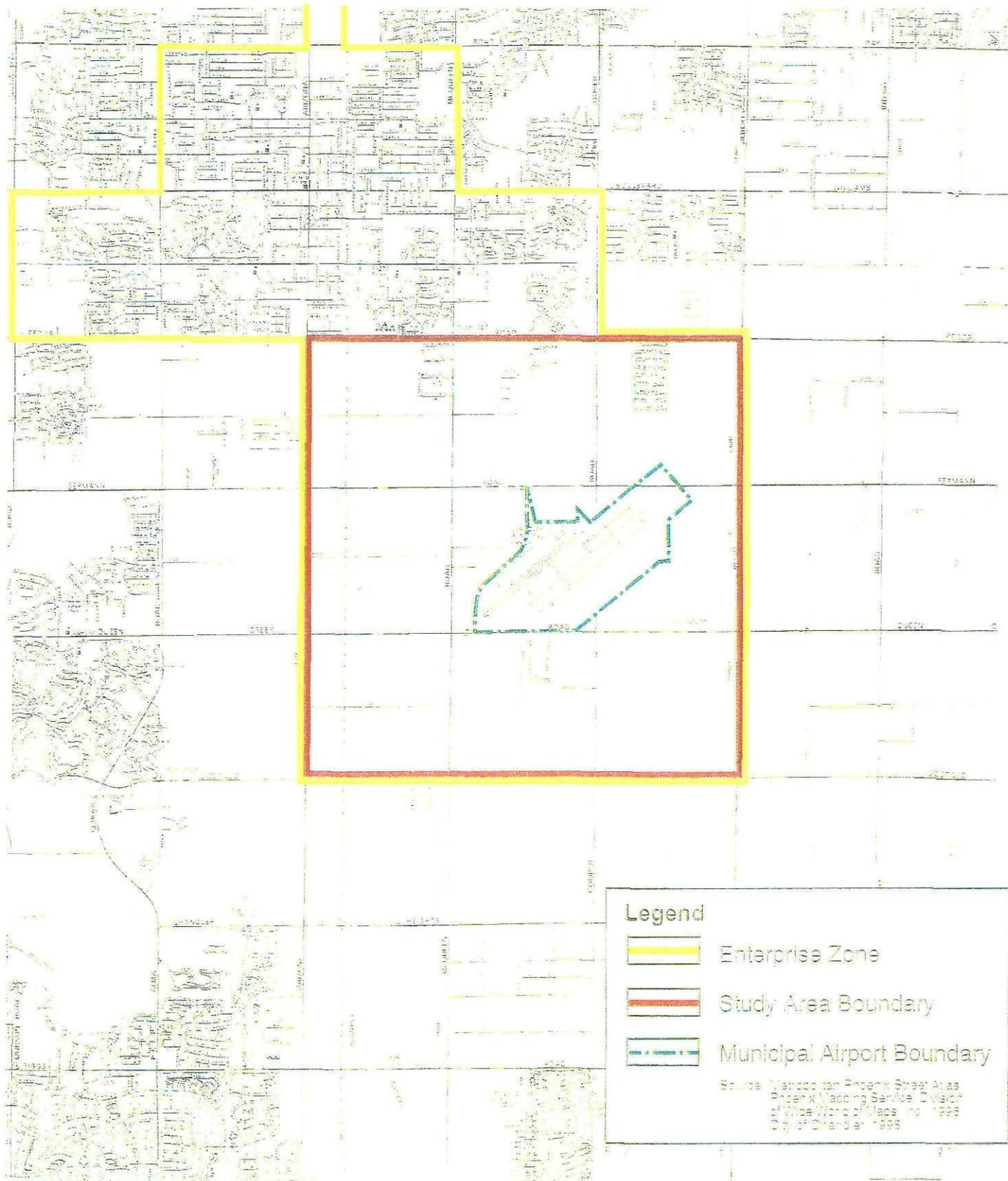


Figure 5-1  
Economic Enterprise Zone

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### 5.5 Economic Development Implementation Program

A series of implementation measures have been established for economic development in the Airpark Area, as shown on Table 5.1, *Economic Development Implementation Program*. These measures will serve as a tool in the development of economic strategies and initiatives and provide the City with guidance in prioritizing marketing opportunities.

The implementation program lists the specific implementation measure, the purpose, timeframe, key participants, project location and the resources necessary to accomplish each implementation measure.

#### Definitions:

- *Implementation Measures* - Lists the action necessary to carry out the Economic Development Element of the Chandler Airpark Area Plan.
- *Purpose* - Identifies the intent of accomplishing that particular action.
- *Timeframe* - Establishes the target 5-year priority within the 20-year planning horizon for implementation of the action.
- *Key Participants* - Assigns the elected or appointed public body, agency, group, individuals or volunteers principally responsible to initiate the implementation action.
- *Resources* - Lists the potential funding, City staff, volunteer or other community resources necessary to carry out the implementation action.

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Table 5.1  
 Economic Development Implementation Program

Implementation Measure Action	Purpose	Timeframe (Years)				Key Participants	Resources
		1-2	3-5	5-10	10-20		
Work with ADOT to move up construction of the San Tan Freeway.	To provide access to the Airport and enhance economic development.	•	•			ADOT, City Public Works, City Council	Federal Funding (TEA-21), MAG ½ cent sales tax revenue, local bonding as a loan to ADOT.
Formulate an overall Airport Area Marketing Program.	To attract targeted economic development to the Airport Area.	•	•		•	Public Works, City Economic Development Staff	Chamber of Commerce, City Economic Development Office, Consultants
Encourage the development of Industrial and Commercial Enterprises.	To provide fully serviced sites to attract new businesses and accommodate business retention and expansion.	•	•		•	City Economic Development Staff, Planning Staff, Public Works Staff	Improvement Districts, Municipal Bonds, Enterprise Zone Tax Breaks
Encourage the development of Speculative Office and Industrial Space.	To attract new and relocating businesses to the Airport Area.	•	•		•	City Economic Development Staff	Create incentives for development, i.e. loans and grants.
Market the Airport Area's proximity to major Transportation Facilities.	To attract businesses requiring direct access to Freeway, Rail and Airport Transportation.	•				City Economic Development Staff, Airport Commission	Chamber of Commerce, City Economic Development Staff, Consultants
Establish Airport Design Standards.	To harmoniously integrate the Airport into the Airport Area.	•				City Planning Staff and Planning and Zoning Commission	Consultants
Formulate a Business Retention and Expansion Program.	To encourage long-term growth of existing and potential new Economic Enterprises located in the Airport Area.	•	•		•	City Economic Development Staff	Chamber of Commerce, City Economic Development Staff, Consultants
Consideration of a Memorandum of Agreement with the Town of Gilbert to jointly encourage Gilbert Road Corridor Development.	To ensure adequate commercial services for the Airport Area and a team approach to mutually beneficial economic development.	•				City Economic Development Staff, Planning Staff, City Council, Gilbert Town Council	Chamber of Commerce, Legal Staff

Source: BRW, Inc., 1998