



Town of Pinetop-Lakeside Five-Year Economic Development Plan



September 2024

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Plan Overview

Project Background

The Town of Pinetop-Lakeside secured a Rural Business Development Grant from the USDA to prepare an economic development plan. The objective of the economic development plan is to strengthen and grow the economic base of the community. Implementation of the plan will be achieved through a Planning Committee who will work in concert with Town leadership.

During the course of the planning process, a variety of tasks were undertaken including conducting background research, interviewing policy makers, reviewing existing studies and reports and conducting work sessions with the Planning Committee. A Strengths, Weaknesses, Opportunities and Threats (SWOT) assessment was conducted evaluating Pinetop-Lakeside attributes and its regional context. In part the findings of the SWOT were gleaned from a survey of stakeholders. The findings serve to focus the plan on opportunities the Town should leverage and constraints or weaknesses the Town should improve. Finally, a five-year economic development plan was created identifying key initiatives, goals, strategies and tasks to undertake over the next five years to improve the economy and stem the tide of population decline.

In 2022 the Mayor and Council adopted the 2022-2027 Pinetop-Lakeside Strategic Plan which is grounded in four key strategic outcomes and priorities.

1. Strengthen and diversify our economic base.
2. Improve our infrastructure.
3. Enhance our residents' quality of life.
4. Ensure our operational excellence.

A vision for the future was included in the strategic direction report and that vision statement was adapted for the Pinetop-Lakeside Economic Development Plan. This economic development plan complements and augments the 2022-2027 strategic direction with an expressed focus on strengthening and growing the economic base of the community.

Economic Development Plan Framework

The Economic Development Plan was prepared in collaboration with the Pinetop-Lakeside policy makers, Town staff and the Economic Development Committee (EDC). Anchored with a vision and guiding principles, the economic development plan outlines three key initiatives and identifies potential business targets. For each strategic initiative there are goals that support the vision and guiding principles of the plan. The structure of each goal includes strategies and specific actions that the Town can undertake. It also identifies the lead Town department for implementation, timeframe for implementation and performance metrics to measure for plan monitoring. Achieving the outcome of the Economic Development Plan will require an alignment of goals and funding priorities among town departments and organizations who have a role to play in the Town's Economic Development Plan.

Figure 1 – Plan Organization



Vision and Guiding Principles

Accompanying the vision are guiding principles that provide clarity of the vision and foundational elements for plan implementation. These principles are based on input from the Planning Committee and key stakeholders and cover important aspects of community and economic development.

- ▶ **Strengthening our Local Economy** – Attract and retain businesses that provide jobs and economic opportunity. Facilitate development of affordable housing and work regionally to ensure a properly trained and educated workforce.
- ▶ **Maintaining and Investing in Community Amenities and Infrastructure** - Provide quality of life amenities, effective infrastructure, and streamline regulations for desired infill, adaptive reuse and raw land development to facilitate economic growth.
- ▶ **Preserving the Fiscal Integrity of our Town** – Maintain strong financial policies and explore sustainable funding sources. Develop sustainable revenue sources, fee structures, and economic growth strategies.

Vision
We strive to provide a growing and diverse economy with meaningful employment opportunities providing for a unique quality of life for our residents and visitors.

Community Initiatives and Goals

This plan is devised around three major initiatives to achieve economic development. These initiatives were identified based on leadership and stakeholder engagement and in conjunction with the Planning Committee.

Table 1 – Community Initiatives and Goals

Key Initiative	Goals
Community Planning & Development	<i>Develop and maintain economic assets that facilitate job creation and enhance quality of life.</i>
Economic Development	<i>Enhance business development resources to elevate the business success, serve as an advocate to existing small and emerging businesses, and collaborate with educational institutions to ensure alignment of education/training of high demand jobs and industry targets.</i>
Fiscal Sustainability	<i>Expand the Town's economic base to strengthen its viability and financial position.</i>

Business Targets and Catalyst Projects

Business targets and catalyst projects were revealed through stakeholder interviews and Planning Committee work sessions. Identification of targets and catalyst projects provides a focused approach to the deployment of staff and financial resources. The targets noted in Table 2 were determined to be the best fit for Pinetop-Lakeside. Some of the targets have little or no presence in Pinetop-Lakeside today, however, community leaders believe that existing community assets and regional demand could be leveraged to stimulate the growth or introduction of this business to the market.

The Town will take the lead on business recruitment and work collaboratively with Pinetop-Lakeside Chamber of Commerce on their business retention and expansion efforts.

Table 2 – Pinetop-Lakeside Business Targets

Business Targets
<ul style="list-style-type: none"> • Grocery • Retail (clothing, furniture, home goods, etc) • Drug Store • Hospitality Sector (restaurants lodging, recreation)

Table Note: BRE - Business Retention and Expansion

In addition to the list of industry targets, there are several catalyst projects that could be transformative for the community and potentially fulfill the vision of diversification and the guiding principle of the plan. These projects and methods may be considered bold, and a few represent a fresh approach to economic development for Pinetop-Lakeside. Some are currently underway and others will be long term in nature. The following Table 3 identifies the catalyst projects for the Town to pursue and the timeframe for implementation.

Table 3 – Catalyst Projects and Timeframe

Catalyst Projects	Project Timeframe
• Woodland Lake Park Tract (430 +/- acres) acquisition	• Long Term
• Hotel Resort Development	• Underway/Long Term
• High End RV Resort	• Long Term
• Investigate municipal infrastructure improvements	• Long Term

Community Assessment

Pinetop-Lakeside is a small town located in Navajo County, Arizona, nestled in the White Mountains region. It sits at an elevation of around 7,000 feet, offering a cool and refreshing climate during the summer months, making it a popular destination for those seeking to escape the intense heat of the lower elevations.

Pinetop-Lakeside is surrounded by the Apache-Sitgreaves National Forest. With its small-town charm, beautiful natural surroundings, and abundance of outdoor activities, Pinetop-Lakeside's economy is driven by tourism. It provides ample opportunities for outdoor recreation, such as hiking, camping, fishing, and skiing at the nearby Sunrise Park Resort. One of the town's main attractions is Woodland Lake Park, which features a picturesque lake and various recreational facilities, including a disc golf course, tennis courts, softball fields, pickle ball court, and playgrounds. The town also hosts several events throughout the year, including the annual Pinetop-Lakeside Fall Festival Parade, White Mountain Balloon Festival, Autumn Fest, Color Run, and Music and Movies in the Park.

SWOT Findings

According to 2020 Census, over the past decade, the town of Pinetop-Lakeside has experienced a population decline, with a six percent drop in residents and an aging demographic. The effects have been particularly impactful to the local economy, which relies heavily on tourism and the seasonal influx of visitors to sustain its retail, restaurant, and hospitality sectors. These businesses face a crippling labor shortage as they struggle to attract and retain workers priced out of the area's housing market by soaring housing costs. In an attempt to house employees, some hotels have begun converting guest rooms into makeshift residential units, contributing to a decline in sales tax revenue that the Town depends on for essential services and infrastructure. Meanwhile, numerous vacant storefronts contribute to the visual impression of a community in decline. Addressing workforce shortages will be crucial for maintaining the local economy's vibrancy and attracting new businesses.

A combination of qualitative and quantitative analysis was utilized in preparing the Town's strengths, weaknesses, opportunities and threats (SWOT) assessment. Interviews with policy makers and surveys of key Town staff and stakeholders provided invaluable background information. This approach, combined with independent research, data analysis, and the review of existing studies and reports was utilized to prepare the SWOT. The SWOT assessment highlights key town strengths to leverage and opportunities to pursue and identifies challenges or barriers that could be holding the town back.

Strengths to Promote – Pinetop-Lakeside has solid political leadership and is a well-run Town. A climate that includes the four seasons and abundant outdoor recreation adds to the quality of life and serves to promote tourism. Vacant parcels and redevelopment opportunities provide the town with real estate assets to leverage.

Opportunities to Leverage – Over the next five years the Town has an opportunity to strategically focus on reversing the tide of population decline. Increasing the supply of affordable housing will help retain and attract a workforce. Adding desired retail, trails, and entertainment will enhance the quality of life for

residents and bolster tourism. Collaborating with education and workforce providers will ensure workforce development programs and curriculum and meets the needs of local business and business targets.

Challenges to Overcome— A decade of population decline, housing affordability, and workforce shortages in the hospitality sectors are some of the biggest challenges to the local economy. With the scarcity of well-paying jobs to retain high school graduates, the Town’s median age will continue to increase. Overcoming the shortage of affordable and diverse housing options remains a challenge and continues to hold the town back.

Table 4 is a summary of key findings. The complete SWOT is included in Appendix A, and the SWOT survey findings are included in Appendix B.

Table 4 – Pinetop-Lakeside SWOT Summary

S	<p>Strengths</p> <ul style="list-style-type: none"> • Well run Town with political cohesiveness and support for economic development • Small town ambiance and family friendly • Outdoor recreation, parks and trails • Major tourism destination with beautiful scenery and four seasons • Extremely desirable place to live and work • Large area from which to draw visitors • Secondary home market 	W	<p>Weaknesses</p> <ul style="list-style-type: none"> • Decade of population decline • Lack of housing diversity and affordability are limiting growth • Workforce shortages in key sectors • Scarcity of well-paying jobs to retain young adults • Short term rentals compete with hotels and absorb affordable housing • Vacant commercial buildings are not generating sales tax revenue or jobs • Water delivery and infrastructure are provided by third parties and system capacity is limiting growth
O	<p>Opportunities</p> <ul style="list-style-type: none"> • Expansion of the hospitality sector • Acquisition of Woodland Lake Park Tract • Annexation of existing development and vacant land • Town owned & operated utility system • Improve pedestrian crossing along SR 260 • Increase affordable housing stock • Development of vacant land • Collaborating with workforce development providers 	T	<p>Threats</p> <ul style="list-style-type: none"> • Secondary home market does not provide year round population • Declining tax base • Neighboring competition • Short term rentals competing with area hotels • Inflation and increasing construction costs • Possibility of wildfires

Economic Landscape

An analysis of the existing local economy of the town was prepared to understand population and employment gains, socio-economic characteristics and workforce migration patterns. Data provided within this chapter originates from a variety of sources including U.S. Census, Arizona Office of Economic Opportunity, and Esri.

A summary of socio-economic data from Esri is presented in Table 5 with key findings noted below.

- The population is projected to grow less than one-half percent over a five year period.
- The daytime population draws in workers from outside Pinetop-Lakeside.
- The civilian population in the labor force¹ is employed heavily in white collar related fields (these are people who live in Pinetop-Lakeside).
- Total business establishments represent businesses that are physically located in Pinetop-Lakeside. Their employees can come from outside Pinetop-Lakeside.
- The business establishment data provided by Esri is not comparable to the daytime population figures. Esri uses an allocation method of census block groups to allocate business summary data.

Table 5 – Pinetop-Lakeside Key Socio-Economic Data, 2024

2024 Total Population	4,081	Population 25+ by Ed Attainment	3,043
2029 Total Population	4,115	High School Graduate/GED	22.6%
2024-2029 Annual Rate	0.17%	Associate's Degree	19.0%
		Bachelor's Degree	14.5%
2024 Daytime Population	5,958	Graduate/Professional Degree	18.1%
Workers	3,466		
Residents	2,492	Civilian Population 16+ in Labor Force	1,689
		Employed Population (16+ Yrs)	95.9%
2024 Households	1,761	White Collar	60.7%
2029 Households	1,800	Services	19.0%
2024-2029 Annual Rate	2.22	Blue Collar	20.3%
Median Household Income	\$59,660	Total Business Establishments	368
Median Age	50.4	Total Employees	3,624

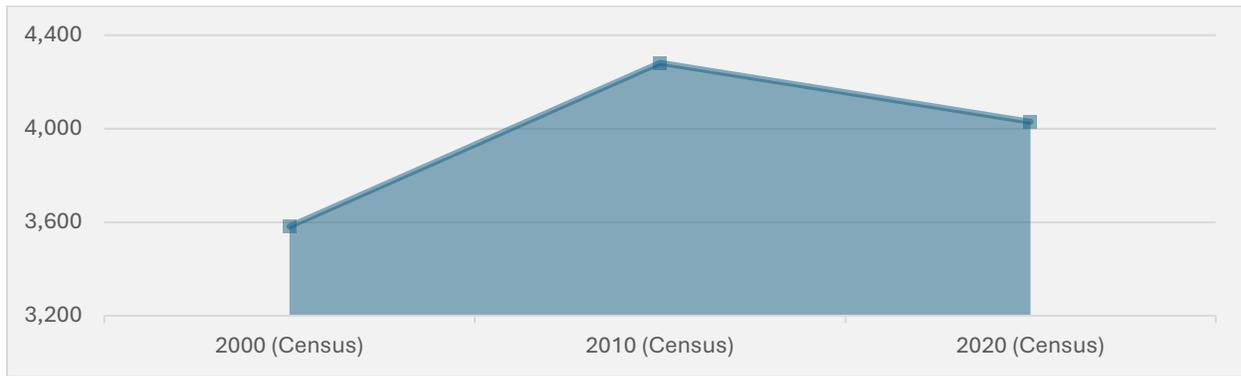
Source: Esri 2024

Population Growth and Demographics

Based on the decennial census, Pinetop-Lakeside had the largest population increase from 2000 to 2010 with the addition of 700 new residents, for a 19.5 percent increase. Over the course of the last decade, Pinetop-Lakeside experienced a population decline of nearly six percent (Figure 2).

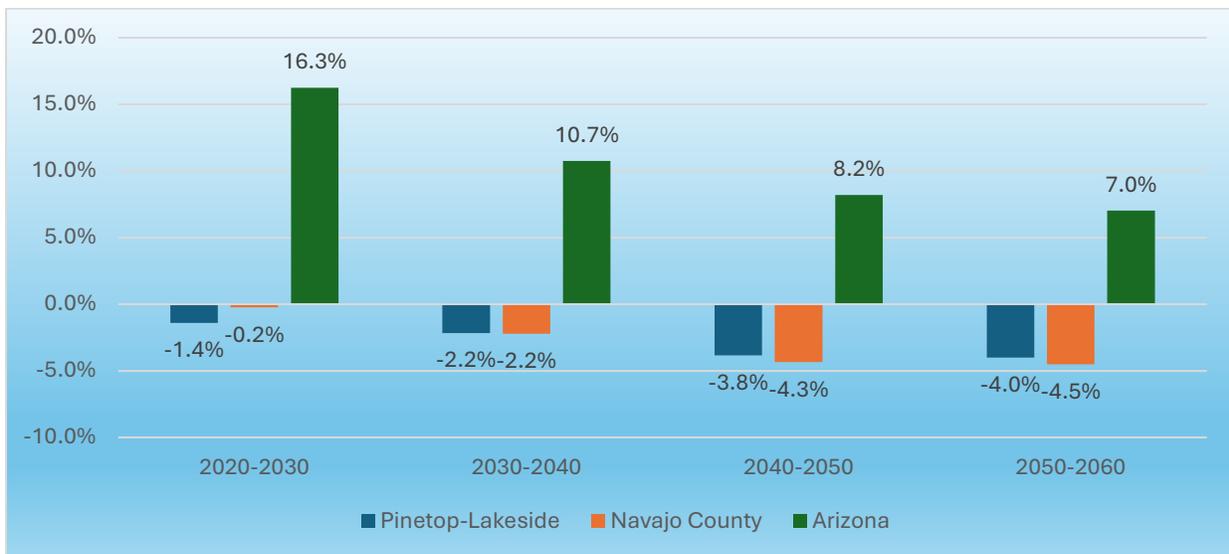
¹ Civilian labor force is defined by the US Census as all persons in the civilian noninstitutional population classified as either employed or unemployed.

Figure 2 – Pinetop-Lakeside Population Growth



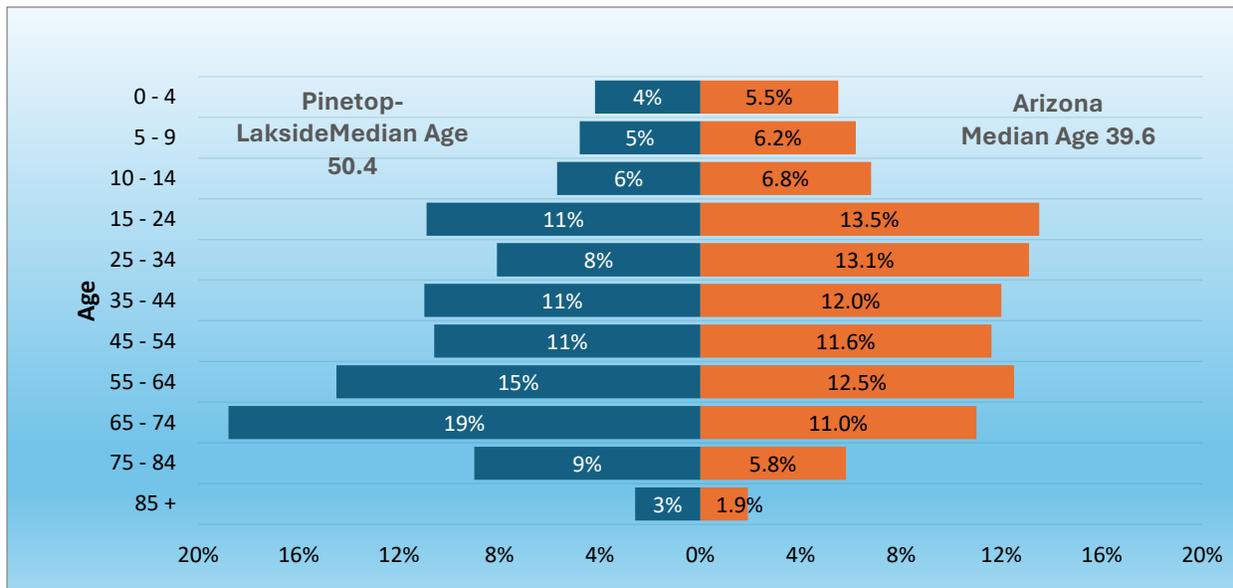
When reviewing population projections from the Arizona Office of Economic Opportunity, Pinetop-Lakeside shows a continual decline through the year 2060, which is comparable to Navajo County. The state, on the other hand, continues to show robust population growth.

Figure 3 – Population Projections 2020-2060



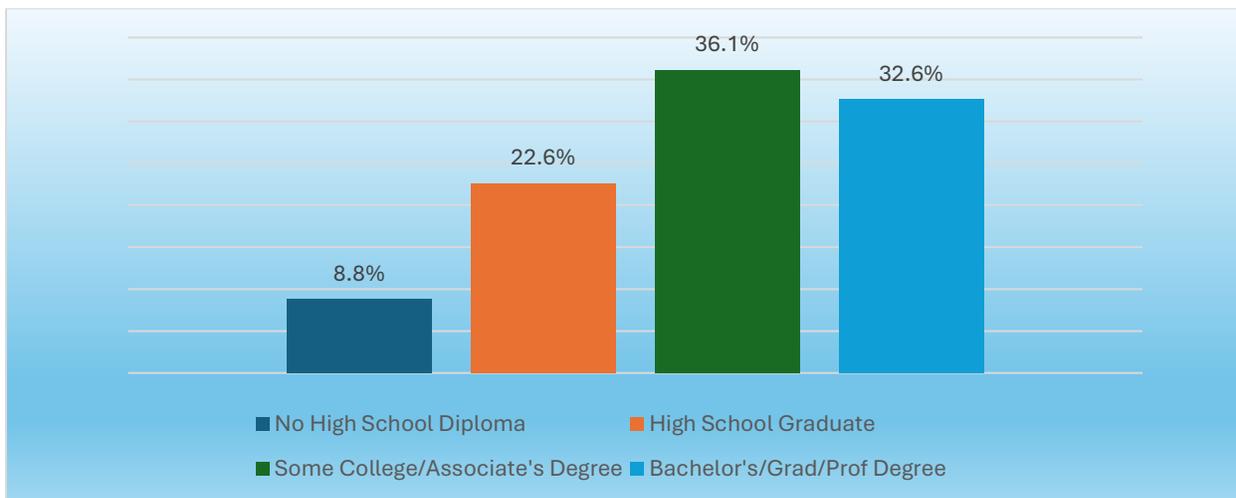
The median age of the community as presented in Figure 4 is 50.4, with nearly one in three people being 65 years and older. This is significantly older than the state as a whole at 39.6. Median age is an indicator of the availability of a working age population. The prime working years are between the ages of 25 and 54. At present, 29.7 percent of Pinetop-Lakeside’s population fall within this age parameter, as compared to Arizona at 36.7 percent.

Figure 4 – Population by Age, 2024



Educational attainment and lifetime earnings are intertwined. Empirical data suggests that those with higher educational attainment have lower unemployment and higher household income. Pinetop-Lakeside has 32.6 percent of its population over the age of 25 who have earned a bachelor’s degree or higher.

Figure 5 – Pinetop-Lakeside Population 25+ by Educational Attainment, 2024



The median household income for Pinetop-Lakeside is \$59,660, which is projected to grow to \$73,271 by 2029. Those households earning \$75,000 or more represent 42 percent of all households in the community.

Figure 6 – Pinetop-Lakeside Households by Income, 2024

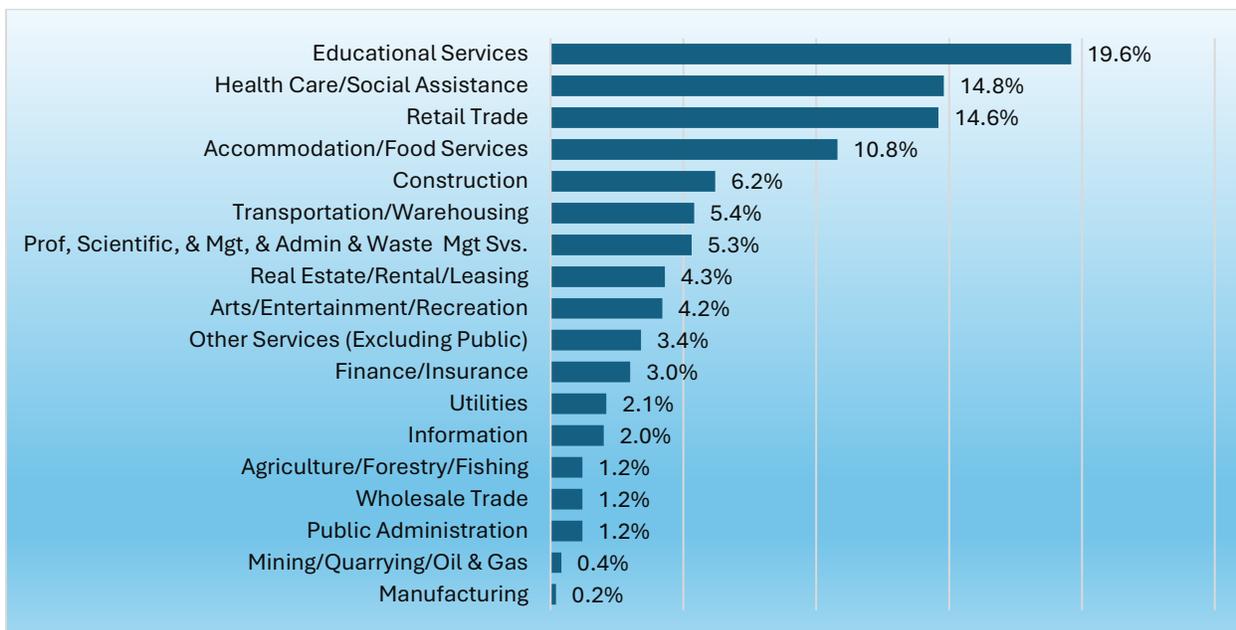


Employment

Workforce and Occupations

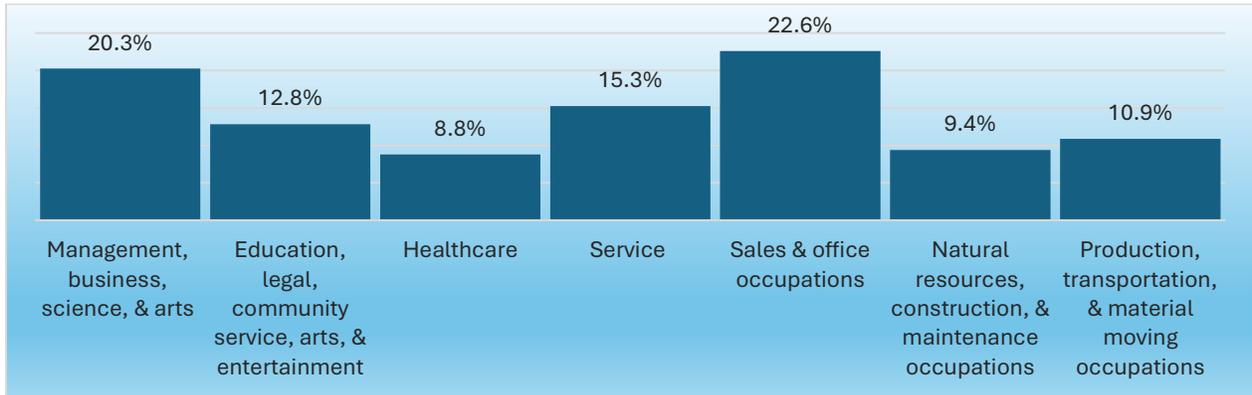
The civilian employed population 16 years of age and older living in Pinetop-Lakeside totals 1,619 people. The industry sectors that Pinetop-Lakeside residents are primarily employed within include educational services, healthcare, retail trade, and accommodation/food services which comprise nearly 60 percent of all jobs.

Figure 7 – Pinetop-Lakeside Labor Force by Industry, 2024



The occupations these people are employed in are represented in Figure 8. Sales and service occupations represent nearly 23 percent of the employed population followed by management, science and arts at 20.3 percent. Service occupations include protective service, food preparation and serving, building maintenance, community and social service, and personal care and services.

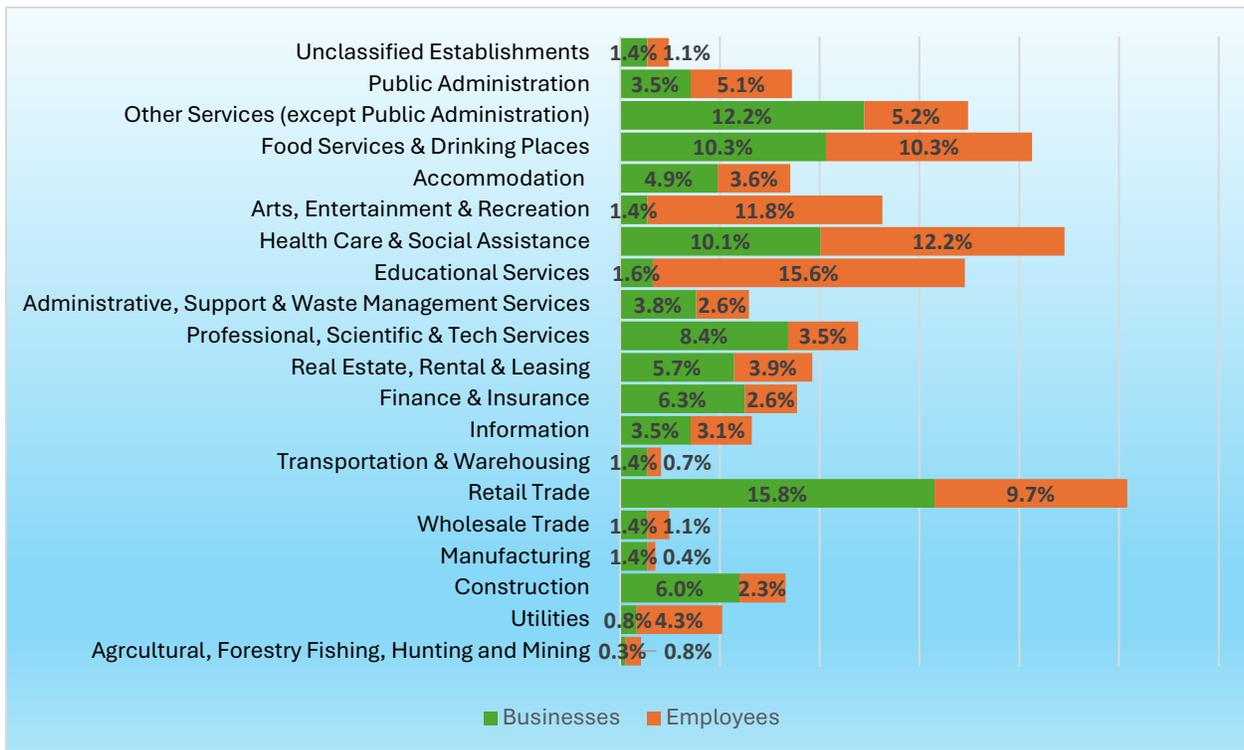
Figure 8 – Pinetop-Lakeside Occupations of Employed Population 16+, 2024



Pinetop-Lakeside Business Establishments

There are 368 business establishments located in Pinetop Lakeside that employ 3,624 people. Retail trade, accommodation, and food services represent 31 percent of all establishments and 23.6 percent of all jobs. The largest employers include educational services with 15.6 percent of the workers closely followed by healthcare with 12.2 percent, and arts, entertainment and recreation with 11.8 percent.

Figure 9 – Pinetop-Lakeside Business Summary, 2024

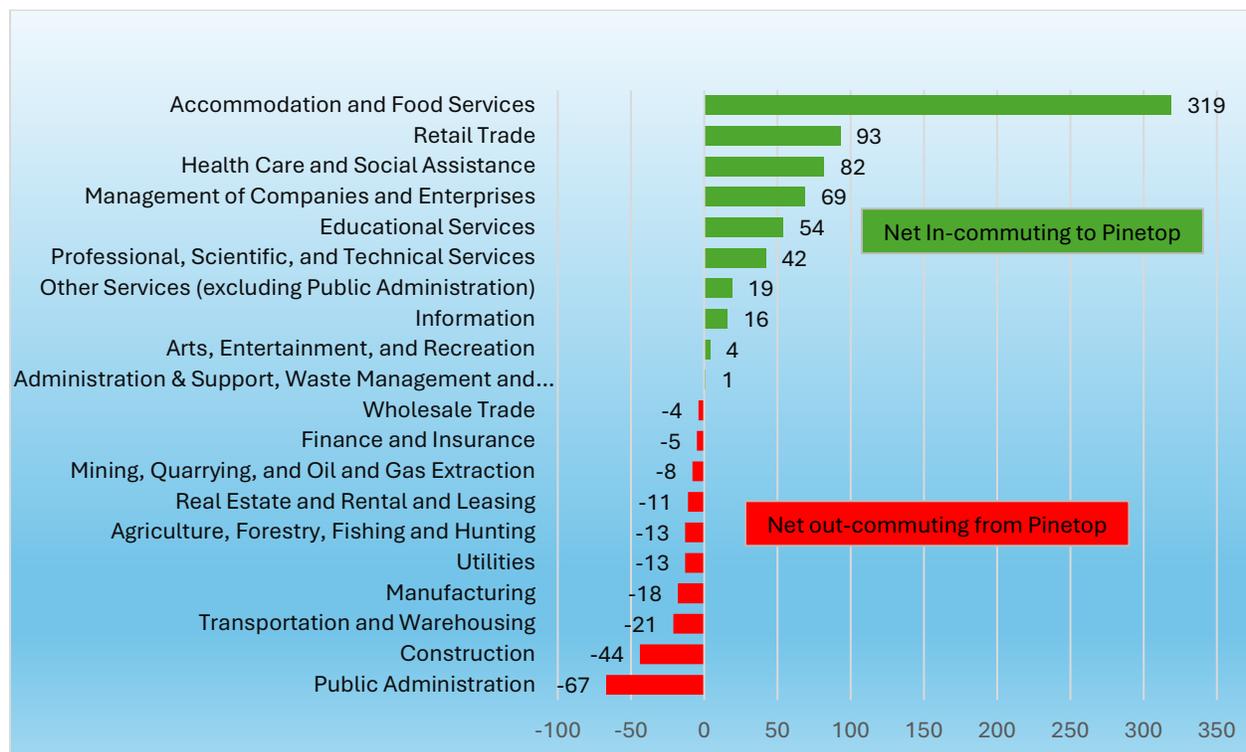


The labor force not only includes people living in Pinetop-Lakeside but extends beyond the town’s boundaries to include Show Low, Lake of the Woods, Snowflake, Wagon Wheel and other unincorporated areas. These communities deliver 40.7 percent of the workers to the community. The latest data available from the U.S. Census inflow-outflow data shows that in total, Pinetop-Lakeside imports nearly 85 percent of its workforce from outside the community and exports nearly 80 percent of its workers to other communities.

Examining the “net” effect of jobs (inflow minus outflow) within each sector, Figure 10 shows that Pinetop-Lakeside imports a large number of people to work in the accommodation and food services and retail trade sectors. Other key sectors that need to be supplemented by workers from outside the Town include health care, management of companies, and educational services.

The jobs that Pinetop-Lakeside residents commute to are largely in public administration and blue collar jobs within the construction, transportation/warehousing and manufacturing sectors.

Figure 10 – Pinetop-Lakeside Net Job Flow by Industry Sector



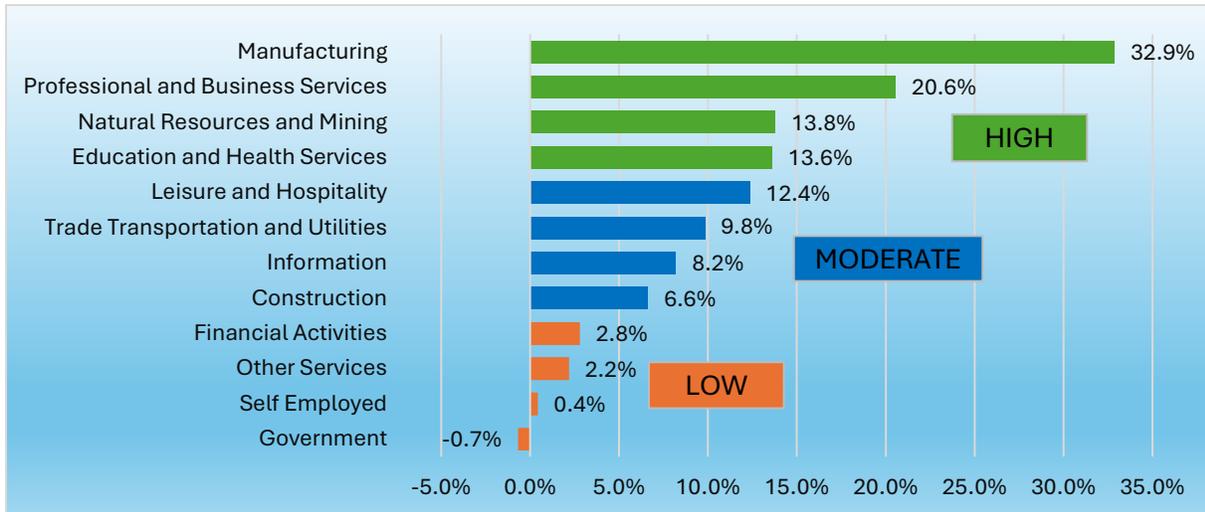
Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics, (Beginning of Quarter Employment, 2nd Quarter of 2002-2021).

Employment Projections

The Arizona Office of Economic Opportunity provides 10 year employment projections at the county level. This information is useful in understanding what sectors are projected to grow and how that compares to the Town’s business targets. The sectors with the greatest growth projections include manufacturing, professional and business services, natural resources and mining, education and health services. The

business targets Pinetop-Lakeside have identified fall within leisure and hospitality and trade. Both of these sectors are projected to grow at a moderate rate as presented in Figure 11.

Figure 11 – Navajo County Projected Employment Change, 2022-2032



Housing Characteristics

Pinetop-Lakeside has a seasonal population with a 51 to 49 split between occupied and vacant housing units. The majority of the vacant units (89.2%) are for seasonal or recreational use. Housing occupancy and tenure shows that nearly 75 percent of the units are owner occupied with renters occupying 25.4 percent.

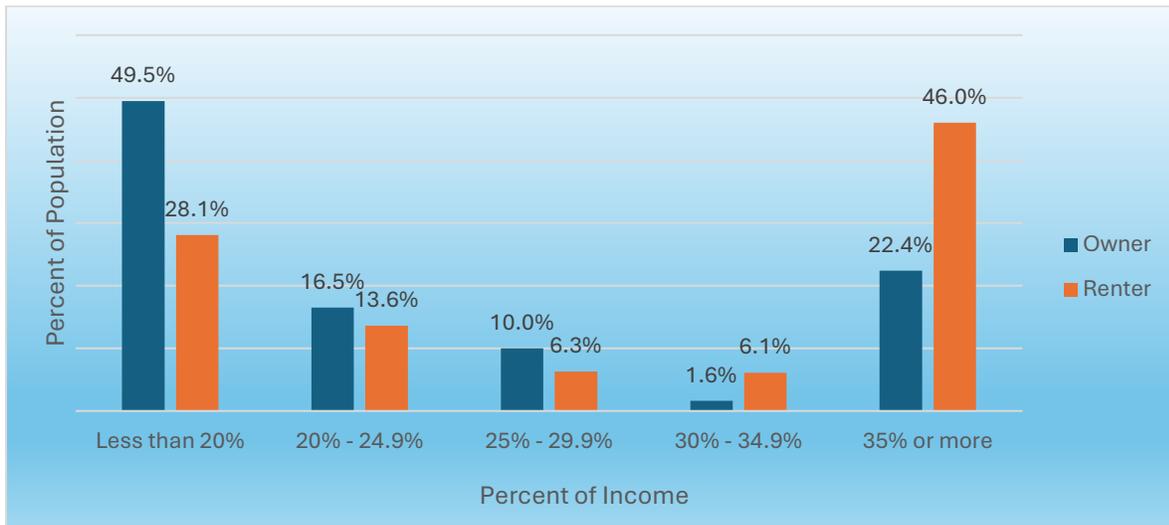
Table 6 – Pinetop-Lakeside Housing Occupancy and Tenure

Total Housing Units	3,446	100.0%
Occupied	1,761	51.1%
Owner	1,313	74.6%
Renter	448	25.4%
Vacant	1,685	48.9%

Source: Esri Housing Profile 2024

An examination of households by income indicates that 58 percent have annual household income less than \$75,000. The average home value in Pinetop-Lakeside is \$430,730 which is projected to increase to \$437,258 by 2029.² When determining “cost burden” in terms of monthly income that goes towards a mortgage or rent, 52.1 percent of renters spend 30 percent or more of their monthly income on rent. As a HUD guideline you want to spend no more than 30 percent of your monthly gross income on housing. In contrast, the housing cost at Navajo County level indicates that 38.6 percent of renters spend more than 30 percent of their income on housing.

² Esri, Housing Profile, Pinetop-Lakeside, 2024.

Figure 12 – Pinetop-Lakeside Housing Cost as a Percent of Income

This housing dynamic, combined with conversion of some housing stock into short term rentals has led to a shortage of affordable housing units within the community, making it difficult to retain or attract a year round workforce.

Economic Development Plan

The intertwined challenges of population decline, housing affordability, and workforce shortages pose significant threats to economic vitality and long-term sustainability. These issues are deeply interconnected, creating a complex web of challenges that require strategic and locally tailored solutions.

- Population decline is a common trend in rural areas, as younger generations often seek opportunities in larger urban centers, leaving behind an aging population. This demographic shift leads to a shrinking workforce, making it difficult for local businesses and industries to find and retain skilled workers. Additionally, a declining population can result in less local sales tax revenue and less state shared tax revenue (sales and income), leading to a smaller town budget that is limited in its ability to improve quality of life amenities and infrastructure.
- Housing affordability is a critical issue for Pinetop-Lakeside and is impacting the community's ability to attract and retain residents, including its workforce. The high cost of housing, conversion to short term rentals, and lack of housing options makes it challenging for workers to find suitable accommodations.
- Workforce shortages within a tourism based economy will continue to stifle economic growth and the town's ability to provide essential services. Collaborating on a regional level and partnering with local educational institutions to enhance vocational training programs tailored to the tourism industry's needs can help cultivate a homegrown workforce.

The Town is simultaneously working on several initiatives through the 2022-2027 Strategic Plan. To avoid duplication and confusion, not all the opportunities or challenges noted in the SWOT are included in the Economic Development Plan.

While the path forward may be challenging, Pinetop-Lakeside can proactively address these intertwined issues in order to enhance resilience, safeguard economic vitality, and ensure a sustainable future for residents and future generations.

Vision

The plan is structured around an economic development vision identified by Town leaders. The vision is the touchstone of the plan.

We strive to provide a growing and diverse economy with meaningful employment opportunities providing for a unique quality of life for our residents and visitors.

Guiding Principles

Accompanying the vision are three guiding principles that provide clarity of the vision and foundational elements for plan implementation. These principles are based on input from the Planning Committee and key stakeholders and cover important aspects of community and economic development.

- ▶ **Strengthening our Local Economy** – Attract and retain businesses that provide jobs and economic opportunity. Facilitate development of affordable housing and work regionally to ensure a property trained and educated workforce.
- ▶ **Maintaining and Investing in Community Amenities and Infrastructure** - Provide quality of life amenities, adequate infrastructure, and streamline regulations for desired infill, adaptive reuse and raw land development to facilitate economic growth.
- ▶ **Preserving the Fiscal Integrity of our Town** – Implement strong financial policies and explore sustainable funding sources. Develop sustainable revenue sources, fee structures, and economic growth strategies.

Key Initiatives

The economic development plan is devised around three major initiatives to achieve economic development. These initiatives were identified based on leadership and stakeholder engagement and in conjunction with the Planning Committee. In addition, several catalyst projects were identified to pursue, which are folded into the appropriate initiative.

Initiative 1: Community Planning and Development. Develop and maintain economic assets that facilitate job creation and enhance quality of life.

Initiative 2: Economic Development. Enhance business development activities to elevate program success, serve as an advocate to existing small and emerging businesses, and collaborate with educational institutions to ensure alignment of education/training to high demand jobs and industry targets.

Initiative 3: Fiscal Sustainability. Expand the Town’s economic base to strengthen its viability and financial position.

Business/Industry Targets and Catalyst Projects

During stakeholder interviews and work sessions with the Planning Committee, business and industry targets and catalyst projects were identified and discussed. Some of the catalyst projects may be considered bold, and a few will require community support and collaboration with other organizations. Industry targets identified were deemed the best fit to take advantage of local needs, community culture and Pinetop-Lakeside tourism based economy.

Table 7 – Business/Industry Targets and Potential Catalyst Projects

Business/Industry Targets	Catalyst Projects
<ul style="list-style-type: none"> • Grocery • Retail (clothing, furniture, home goods, etc) • Drug Store • Hospitality Sector (restaurants, lodging, recreation) 	<ul style="list-style-type: none"> • Woodland Lake Park Tract (430 +/- acres) acquisition • Hotel Resort Development • High End RV Resort • Investigate municipal infrastructure improvements

Plan Execution and Monitoring

The Town's role is to spearhead implementation by aligning its goals and funding priorities amongst the various Town departments and collaborating with its partners on plan implementation. In addition, Town staff will need to encourage organizations who have a role to play in the Town's economic vitality to also prioritize their goals in alignment of the economic development plan. Finally, Town staff will collaborate with its public and private sector partners throughout the region in order to carry out the applicable actions identified in the strategy plan.

Ongoing monitoring of the plan will be performed by staff and reported to the Town Council at least annually. Modifications to the plan should be considered to reflect new partners, changes in market conditions or new opportunities that arise.

Performance Measures

Monitoring the progress of plan implementation is crucial for optimizing outcomes. The Town can use the economic metrics listed below to assess progress toward its goals. These metrics serve as benchmarks for setting targets and evaluating performance. Annual tracking is recommended. The following table offers a suggested list of performance metrics to track the overall success of the economic development plan.

Metric	Description
Jobs	Number of jobs created or retained
Commercial Development	Square feet added or improved
Housing	New inventory, median home price and rental rate
Business	Number of new or existing businesses assisted
Tax Revenue	Fiscal year TPT and state shared revenue collections

Economic Development Plan

Three key initiatives form the foundation for the Economic Development Plan. Each key initiative is followed by a series of goals and strategic action. Following is the 5-year economic development plan for Pinetop-Lakeside.

Abbreviations are used to identify the lead department(s) responsible for implementation and the timeframe for execution. Below is the legend for the economic development plan.

Lead and Support	Abbreviation	Timeframe	Abbreviation
Administration	Admin	Short Term 1-2 years	ST
Community Development	CD	Long Term 3-5 years	LT
Community Services	CS	Ongoing Activity	OG
Finance	Finance	Underway	UW
Police Department	PD		
Public Works	PW		
Town Council	Council		

STRATEGIC INITIATIVE 1: COMMUNITY PLANNING AND DEVELOPMENT

Goal: Develop and maintain economic assets that facilitate job creation and enhance quality of life.

Strategic Action	Action Item	Lead	Timeframe
Strategy 1: Improve Housing Affordability.	1. Attend the upcoming Arizona Housing Forum this August and other housing conferences to learn, network and connect on ideas that create and improve housing in Pinetop-Lakeside.	CS	UW
	2. Continue coordinating with the developer of Pinetop Commons to bring the project to fruition.	CD/PW	OG
	3. Research, write, and present a resolution to the town Council on offering a sales tax rebate on the construction of housing for specific income ranges.	Finance/CD	UW
Strategy 2: Facilitate Commercial Development within the Community.	1. Enhance the appearance of existing commercial centers.	CD	ST
	a. Evaluate the requirements of the existing façade improvement grant for its effectiveness and modify if necessary.	CD	ST
	b. Consider streetscape/landscape improvements within the public right of way to enhance community beautification.	PW	ST
	2. Work closely with Arizona Water Company and Pinetop Water Community Facilities District to create a solution for the provision of adequate fire flow.	Admin	OG
Strategy 3: Enhance the Town's Quality of Life	1. Enhance walkability and pedestrian safety		
	a. Continue working with ADOT to figure out ways to slow down traffic along SR 260. This could include roundabouts, a road diet, pedestrian refuge island, etc.	PW	OG
	b. Identify pedestrian crossings and secure high intensity activated crosswalks along SR 260.	PW	LT
	c. Solicit community input on desired safe crossings and roadway improvements.	PW	LT
	2. Complete the Lakeside Area wide plan.		
	a. Visually improve the Lakeside area through revitalization of older buildings.	CD	UW

STRATEGIC INITIATIVE 2: ECONOMIC DEVELOPMENT

Goal: Enhance business development activities to elevate program success, serve as an advocate to existing small and emerging businesses and collaborate with educational institutions to ensure alignment of education/training to high demand jobs and industry targets.

Strategic Action	Action Item	Lead	Timeframe
Strategy 1: Acquire Woodland Lake Park Tract.	1. Create a Woodland Lake Park Tract master plan that includes a variety of uses.	PW	LT
Strategy 2: Create a Targeted Business Recruitment Program.	1. Identify key business to recruit within the retail and hospitality sectors.	CS	UW
	2. Create a business recruitment marketing outreach program.	CS	UW
Strategy 3: Encourage the Expansion of Existing Small Business.	1. Work closely with the Pinetop-Lakeside Chamber of Commerce on business retention and expansion efforts.	CS	OG
Strategy 4: Expand Visitor Accommodation Options within the Community. (Short Term)	1. Attract a resort hotel.	CS	OG
	2. Identify areas within the community for a high-end RV park and engage the community to building support for this project.	CS	LT
Strategy 5: Address Workforce Shortages in the Commercial and Hospitality sectors.	1. Collaborate with regional partners to jointly address workforce challenges.	CS	Ongoing

STRATEGIC INITIATIVE 3: FISCAL SUSTAINABILITY

Goal: Expand the Town's economic base to strengthen its viability and financial position.

Strategic Action	Action Item	Lead	Timeframe
Strategy 1: Initiate Annexation of Existing Development and Vacant Land.	1. Work closely with the grassroots committee to provide them with factual information and the pros of annexation.	CS	ST
	2. Prepare an analysis to quantify the cost of providing Town services to the annexed areas including staffing.	PW, PD, FINANCE	ST
	3. Meet the requirements of state statutes as it relates to annexation.	CD	ST
Strategy 2: Investigate municipal infrastructure improvements.	1. Open discussions with the Domestic Water Improvement District and the Pinetop-Lakeside Sanitary District to acquire their infrastructure and operations.	PW, ADMIN, COUNCIL	LT
	3. Meet with local water providers and discuss and plan how the Town can help them upgrade their systems to improve fire flow.	PW, ADMIN, COUNCIL	LT
Strategy 3: Overcome Community Pushback on Development Projects and Zoning.	1. Create a community engagement and education program to address concerns and highlight benefits.	CS	OG
	a. Involve the community early in the planning process through public meetings, community events, workshops and forums. Ensure area youth and young adults are included.	CS	OG
	b. Educate the community about the benefits of a proposed development project such as creating jobs, stimulating local business, and increasing tax revenue that can be reinvested in the community.	CS	OG
	c. Share case studies or successful examples from other projects.	CS	OG

STRATEGIC INITIATIVE 3: FISCAL SUSTAINABILITY

Goal: Expand the Town's economic base to strengthen its viability and financial position.

Strategic Action	Action Item	Lead	Timeframe
Strategy 3: Overcome Community Pushback on Development Projects and Zoning. (Continued)	2. Build trust and transparency.	CS	OG
	a. Ensure transparency in the decision-making process by making information readily available and understandable.	CS	OG
	b. Provide clear explanations for decisions and how community input was considered.	CS	OG
	3. Leverage supportive stakeholders.	CS	OG
	a. Build coalitions with local businesses, nonprofits and other stakeholders who can support the proposed development.	CS	OG
	b. Use their voices and influence to advocate for the benefits of the development project or zoning.	CS	OG
Strategy 4: Consider the Use of Public-Private Partnerships (PPP) for Economic Development Projects.	1. On a per project basis, determine the need/applicability of using a PPP.	ADMIN	OG
	2. Review other community's PPP agreements as a guideline to use as examples.	ADMIN	OG
	3. Identify a clear objective with well-defined and measurable objectives.	ADMIN	OG
	4. Delineate roles, responsibilities and shared risks.	ADMIN	OG

Appendix A – Strength, Weaknesses, Opportunities and Threats Assessment

STRENGTHS	WEAKNESSES/CHALLENGES/BARRIERS
<ul style="list-style-type: none"> • Family friendly • Small town vibe • Beautiful scenery and weather with four seasons • Desirable location to live and work • Woodland Lake Park • Tourist destination for fishing, hiking, camping, mountain biking, skiing, hunting, and off roading • Large secondary home market • Population and buying power from the greater trade area • Higher Education attainment levels • Infill and redevelopment opportunities • Outdoor recreation that includes parks and trail system • Great restaurants • Cohesive town council and talented administrative leadership • New fiber optic cable coming to town which will enhance local internet 	<p><u>Economic</u></p> <ul style="list-style-type: none"> • Tourism based economy which is seasonal. • Decline in population and loss of tax revenue. • Dependency on retail sales tax • Too many vacant commercial buildings which aren't generating tax revenue or jobs • Several vacant commercial parcels • Loss of hotel tax revenue, in part to short term rentals and hotels housing their employees who can't afford to live in PL. • Aging population • Location of Pinetop-Lakeside is remote and not proximate to interstate or rail • Lack of shopping choices in grocery and retail • Anti-growth attitude and referendum on zoning changes and development projects <p><u>Infrastructure</u></p> <ul style="list-style-type: none"> • SR 260 needs more traffic signals and pedestrian crossings. Beautification is needed • One road in and out of town is gridlock during high season. Need a defined bypass road • The town does not provide water or sewer services and has no control over service delivery, maintenance, and capital improvements. • Current water system doesn't support the Town's fire code for commercial operations. Auto Zone had to get a separate exemption in order to operate. • There is no redundancies in telecommunications infrastructure. If the system goes down, there is no backup. <p><u>Housing/Workforce</u></p> <ul style="list-style-type: none"> • Hospitality industry has a difficult time finding a workforce • High school youth graduate and move away • They are becoming a retirement community which does not provide a workforce • They lack affordable housing to attract a workforce • Rising land and construction costs factor into the cost of housing • Mental health and substance abuse issues

OPPORTUNITIES	
<p><u>Quality of Life</u></p> <ul style="list-style-type: none"> • Expand recreational activities such as pickleball, community center at Woodland Park Lake. • Multi-generational community center • Completion of Billy Creek trail • Create a more pedestrian and bike friendly community • Connecting and creating a continuous trail system that connects mountain communities (Alpine Trail). • Childcare services that meet the needs of the local workforce • Improve the regional bus system <p><u>Community Planning and Development</u></p> <ul style="list-style-type: none"> • Identify areas to zone for high end RV park(s) • Identify an area(s) to create a “main street” or town square or marketplace where people can congregate, walk, shop and dine. (Tejido Plan) • Foster the revitalization of old buildings in Lakeside near Billy Creek and create a connected trail to downtown Pinetop. • Review zoning code and building guidelines and remove barriers that make it difficult to create high density housing or commercial development • Continue implementing the Façade Improvement Grant Program • Complete the Lakeside Area wide planning process • Educate the public on zoning and new development projects to reduce misconceptions • Visually improve the north gateway to the Town through revitalization of older buildings <p><u>Housing</u></p> <ul style="list-style-type: none"> • Infill and redevelopment of older vacant buildings for residential use. • The annexation of vacant land for residential development. (Area east of Penrod Road) • Annexation of existing housing developments to expand the tax base. • Increase residential density and identify areas for multi-family housing • Create an incentive policy for affordable housing • Consider public/private partnerships to develop affordable housing <p><u>Economic Development</u></p> <ul style="list-style-type: none"> • Use vacant land in Pinetop to attract more business • Attract a resort hotel • Foster infill and redevelopment 	<p><u>Economic Development (Continued)</u></p> <p>Acquisition of Woodland Park Lake acreage to create a sports complex and create a master plan for other uses.</p> <ul style="list-style-type: none"> • Negotiate deed restrictions on the Woodland Park Lake acquisition that allow for revenue generating commercial uses, which could include a resort hotel. • Host regional events anchored with sports (mountain bike races, soccer, pickleball, etc.) • Attract a high altitude training center at Woodland Lakes • Create a targeted business attraction program aimed at outdoor recreation, entertainment, drug store, restaurants, clothing, off road vehicles sales and service, sports equipment rental, etc. • Attract medical services such as urgent care, physician offices, physical therapy, dental offices, etc. • Identify small manufacturing that could fit the culture of Pinetop-Lakeside • Consider initiating an incentive program to attract business • Consider the creation of co-working space for entrepreneurs and small businesses • Host small business events and provide a referral service to help entrepreneurs start a business. • Encourage weekly farmers market and attraction of food trucks • Consider public/private partnerships for commercial development • Coordinate with high school district and Northland Pioneer College to ensure there are adequate training and education programs that are aligned with local and desired businesses • Enhance the “brand” identity of Pinetop-Lakeside <p><u>Infrastructure</u></p> <ul style="list-style-type: none"> • Examine the creation of city owned utilities through the acquisition of water companies that service Pinetop-Lakeside • Examine the creation of a sanitary district run by the Town • Create a transportation plan that provides long term strategy for roads and identifies alternative routes into and out of the town. • Expansion of broadband to the community • Continue to work with ADOT to identify pedestrian crossings along SR 260.

THREATS

- Secondary home market does not provide a year round population
- Reduction in State shared revenue, which could impact the Town fiscally
- Neighboring competition
- Increasing construction costs
- Inflation
- Short term rentals competing with hotels and potentially absorbing affordable housing
- Residents lack an understanding of local issues
- Possible wildfires
- Town Council Elections could change the dynamics