

FY 2016/17

# Q3 REPORT



CHOOSE  
*Scottsdale*

CITY OF SCOTTSDALE ECONOMIC DEVELOPMENT

## Spring is in the Air

It is not uncommon for events and activities to take center stage in the early part of the year in Scottsdale, and for the economic development team this year was no exception.

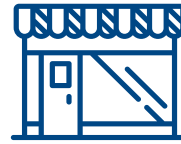
Scottsdale economic development hosted an executive event at Mayo Clinic. On March 31 key Scottsdale Cure Corridor executives and leadership gathered to hear keynote speaker Lisa Clarke, executive director of the Destination Medical Center (DMC) Economic Development Agency in Rochester, Minnesota. The DMC is a unique 20-year economic development initiative which boasts a \$5.6 billion plan to make Rochester a global destination for health and wellness. The event created a dialogue amongst leadership on opportunities involving medical tourism. Lisa Clarke's speech can be viewed on the Choose Scottsdale YouTube Channel as well as the question and answer portion of the event which featured unique perspectives from additional local panelists.

AdvaMed CEOs joined Scottsdale and Mesa for Spring Training fun in March. Baseball was an exceptional way to connect with CEOs of leading medical technology companies in Scottsdale as part of a larger leadership conference. Scottsdale worked with AdvaMed association staff and the City of Mesa to coordinate a spring training event at Mesa's Sloan Park, home of the Chicago Cubs. The team hosted 24 CEOs from such companies as Goldman Sachs, Ernst & Young and Accenture Medical Technology.

## Business Attraction

Scottsdale commercial occupancy trends show continued strength in Q3. The McDowell Corridor continues to see growth in retail use with a 7.9 percent vacancy rate for the quarter, down from 8.8 percent the previous quarter and 8.4 percent the same quarter prior year. The average Scottsdale office vacancy rate for the quarter was 13.3 percent compared to the metro Phoenix rate of 15.3 percent. Scottsdale industrial vacancy rate dropped to 8.5 percent compared to the Phoenix metro vacancy rate of 9.1 percent.

New companies continue to make Scottsdale home. Ingenu, a company that enables long-range, low-power connectivity for the internet of things (IoT), conducted a ribbon cutting Feb. 16 at its new 15,000 square foot Scottsdale office located at 8900 E. Bahia. This office is an expansion from its corporate headquarters in San Diego. The company opened with 75 employees and is expecting to grow to 125 by year five. IoT is widely considered one of the fastest growing industries in the world with an estimated 34 billion devices connected to the internet by 2020 and nearly \$6 trillion anticipated to be spent on IoT solutions over the next five years.



RETAIL  
8.3%  
Vacancy Rate

+1.5%



OFFICE  
13.3%  
Vacancy Rate

- 1.7%



INDUSTRIAL  
8.5%  
Vacancy Rate

+2.2%



- 11%  
BED TAX  
COLLECTIONS



-13%  
PRIVILEGE &  
USE TAX  
COLLECTIONS

All figures above are in comparison to the same quarter of the prior fiscal year.

Phoenix StartUp Week conducted its third annual event in February 2017, with a day hosted at The Quad in Scottsdale. A variety of topics and sessions geared toward business leaders interested in learning more about how to enter the technology marketplace were held at the event. Located on the Northwest corner of 64th Street and Thomas Road, The Quad features 160,000 square feet of redeveloped office space consisting of 14 free standing buildings which are attracting attention of local and national tech companies looking for creative office space.

In fact, Scottsdale startups received nearly one quarter of all venture capital activity in the Phoenix Metro area in 2016 according to CB Insights, a leading venture capital intelligence platform.

## Small Business Programming

The economic development department assisted eight small businesses/entrepreneurs in Q3. Services included research and connections needed to open a business in Scottsdale and learning about new programming and events at Eureka Loft Scottsdale and private resources such as 1951@SkySong and Deskhub.

Opendoor opened its Arizona office at the Quad in Scottsdale in March. Opendoor, valued at \$1 billion, launched in 2014. It is headquartered in San Francisco and is revolutionizing the real estate industry, specifically around buying and selling residential homes. With nearly 80 employees in Scottsdale and other offices in Dallas and Las Vegas, Opendoor continues to expand.

## Business Retention & Expansion

In Q3, 29 business retention visits were conducted with a wide range of firms including new locates to the region as well as some that have recently moved to Scottsdale from other Phoenix area locations, such as APL Logistics.

**South by Southwest in Austin Continues to Garner Interest.** More than 20 companies joined economic development in person and virtually for the 2017 South by Southwest Job Market in Austin, Texas. This initiative began in 2015 to promote Scottsdale as a destination of choice for skilled talent and to help Scottsdale businesses recruit from around the country. Nearly 100 individuals submitted resumes via a text-based job portal courtesy of local Scottsdale company Recruiting.ai and hundreds more learned about living in Scottsdale. Twenty-three Scottsdale companies registered as 'virtual partners' and Quicken Loans staff attended the show along with department staff.



Measure	Q3 2016/17	FY to Date	FY Goal	% of FY Goal to Date
Number of businesses recruited or retained with City assistance	6	9	15	60%
Number of business retention & expansion visits	29	84	110	76%
Number of special events and programs/attendees*	6/144	12/837	15/900	80% / 93%
Total number of new jobs created or retained*	480	835	1,100	76%
New capital investment into the community	\$46,600,000	\$53,700,000	\$63 M	85%
Average wage of jobs created or retained*	\$54,279	\$59,645	\$55,986	N/A
Square footage constructed or absorbed	294,593	363,811	500,000	73%
Total 5-yr direct revenue impact of projects	\$2,654,735	\$6,193,599	\$10 M	62%
Total 5-yr economic impact of projects	\$687,774,889	\$1,969,798,340	\$1.5 B	131%

Source: City of Scottsdale Economic Development Department internal goals, FY 2016/17 City Budget Book\*

## Q3 FY 2016/17- Claimed and Assisted Projects

The companies below identified as 'claims' represent new businesses which located in Scottsdale or existing businesses that were retained and expanded with significant assistance provided by the City of Scottsdale Economic Development Department and/or additional partners during the location decision making process. Projects denoted as 'assists' represent companies that chose to locate in Scottsdale without material influence from the department, but which have received post-decision assistance and services of significant levels worthy of denoting.

Name	Type/Industry	Location	Sq Ft	Jobs: Year 1	Jobs: Year 5	5 Year Direct Revenue
Indeed	ATTRACTION / ICT	4343 N. Scottsdale Rd.	24,398	100	250	\$416,520
Greentree Hospitality Group	ATTRACTION / Visitor Trade	9089 E. Bahia Dr.	15,691	15	55	\$236,922
Voya Fund Mgmt.	RETENTION / Adv. Bus.	7337 E. Doubletree Ranch	25,000	200	200	\$680,290
Scottsdale Inn	ATTRACTION / Visitor Trade	5101 N. Scottsdale Rd.	199,504	90	110	\$844,192
SiSense	ATTRACTION / ICT	4900 N. Scottsdale Rd.	15,000	50	50	\$389,405
Deskhub	EXPANSION / Emerging Enterprises	7135 E. Camelback Rd.	15,000	25	50	\$87,406
<b>TOTAL CLAIMS METRICS</b>			<b>294,593</b>	<b>480</b>	<b>715</b>	<b>\$2,654,735</b>



## Strategic Marketing

Salt River Project (SRP) recently funded a co-branded advertising campaign at Signature Flight FBO in the Scottsdale Airpark promoting economic development in Arizona and in Scottsdale.

The campaign, with hard costs valued at \$16,000, includes signage at six locations throughout Signature Flights facilities which see significant traffic during spring events. SRP has also placed graphics on its economic development website [PowerToGrowPHX.com](http://PowerToGrowPHX.com) linking to [ChooseScottsdale.com](http://ChooseScottsdale.com).



## Social Media



More than 166,000 Twitter and 61,000 Facebook impressions year to date



4,868 YouTube views occurred in Q3 with total watch time of 9,960 minutes - more than the entire prior fiscal year combined



Unique visitors to department website totaled 2,177 in Q3 compared to 1,632 in Q2



*"Since our founding in 2007, InfoArmor made its home Scottsdale, Arizona. As we've grown from struggling start-up to a rapidly-expanding global information security company, we have leveraged all that Scottsdale offers, including a diverse talent pool, innovative business community and fun, action-packed cultural scene.*



*Whether entertaining clients or attracting relocating employees, it is rarely difficult enticing folks to enjoy the city's Southwestern hospitality."*

*– Drew Smith, CEO, InfoArmor*

City of Scottsdale  
Economic Development

3839 N. Drinkwater Blvd. 2nd Floor  
Scottsdale, AZ 85251  
P: 480-312-7989  
[Business@ScottsdaleAZ.gov](mailto:Business@ScottsdaleAZ.gov)  
[ChooseScottsdale.com](http://ChooseScottsdale.com)  
[@ScottsdaleEcDev](https://twitter.com/ScottsdaleEcDev)

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