



## Project Profile: Sierra Vista, Arizona

### Key Project Takeaways

Through its Industry Resilience grant, the Sierra Vista IR team has focused on diversifying offerings for those companies currently working in defense markets, helping these regional employers boost sales of commercial products and services. This has been accomplished by focusing the team's OEA funded work on creating pathways for defense companies to successfully compete in the commercial sector; helping existing commercial businesses, potential entrepreneurs, and start-up businesses to become more successful in their chosen market, especially for technology-oriented markets; and executing a strategy on the expansion of commercial activities at the Sierra Vista Municipal Airport (Libby Airfield) including a preliminary site plan. By providing these types of market diversification services, the Sierra Vista IR project increases economic resiliency for the entire region and maintains capabilities among firms and suppliers during future fluctuations in defense spending.

### Project Description

#### Rationale

The City of Sierra Vista has a population of approximately 45,000 and is the largest city within Southeast Arizona. Located south of Tucson, the region is home to Fort Huachuca whose missions include the Network Enterprise Technology Command (NETCOM) 9th Signal Command. The Fort also hosts the U.S. Army Intelligence Center of Excellence. Contractors like TASC and Sotera Defense Solutions contribute to a cyber security industry presence in the region. Other defense industry representatives with a presence in the region include Northrup Grumman Corporation, Mantech International, Raytheon Intelligence and Information Systems, and General Dynamics Information Technology. For many years, the city has been overly dependent on the Fort for its economic vitality. Total military and DOD civilian employment represents 15.5% percent of all wage and salary employment within the region. As such, Sierra Vista has felt the effects of sequestration, losing almost 5,000 defense-related jobs over the past decade. This has led to an actual decrease in population of the County. Given the region's dependency on DoD spending, the City of Sierra Vista received OEA funding to create a catalyst for academic partnerships, seeding growth industries, and fostering a more diversified economy that creates high quality "livable wage" jobs in commercial growth sectors. This will help offset Sierra Vista's dependency on military spending.

#### Program Activities

With the OEA funds, Sierra Vista advanced efforts to diversify its economy and support defense suppliers. The OEA grant has allowed the City to create several technical assistance programs for businesses. The "Leap Ahead Program" provides one-on-one technical assistance in specific areas customized for participating business' needs. A minimum of eight to ten companies will be identified to participate. These companies will receive 160 hours of one-on-one and group technical assistance from subject matter experts over a two-year period. Each Leap Ahead company will work with consultants to develop an action plan. The plan will include generalized knowledge-based assistance (e.g., accounting, legal, human resources, etc.) offered in small group settings with other Leap Ahead members.



Participants also receive at least 80 hours of one-on-one assistance specific to their industry and/or market sector based on an assessment conducted by the consultants.

Another program leveraged from OEA funds is the “Jump Start Program”. Two times a month, general training (e.g., webinars, workshops, seminars, etc.) are offered to businesses participating in this program. The instructors for these programs include national leaders within their own areas of expertise. The program uses Internet and conferencing technology to “beam” in instructors who are not regionally based. Training occurs in group settings so that participants benefit from interaction with other Jump Start members. The goal is to have 10-15 local businesses participating in each offered training course.

Eligible businesses for the OEA funded technical assistance include those currently working in the defense sector. More specifically, an eligible company must have either 15 percent of their current work or 15 percent of their annual income derived from DoD contracts and be seeking to diversify their products or services. Participating businesses should also have the potential to grow with scalable products or services, including potential international sales, and have been in business for a least one year. Eligible businesses must be located in the greater Sierra Vista region with the potential to hire employees from residents living in Sierra Vista and in nearby areas.

Sierra Vista plans to create a facility where businesses can meet and interact with each other. The Sierra Vista Technical Assistance Center will be the location for group meetings, networking events, webinars, workshops and seminars. It will provide a space where service companies can hold their own webinars, workshops and seminars, providing the technical equipment to interact with others throughout the world. The Technical Assistance Center will become a place for business owners to meet others, spurring collaboration and leveraging synergetic energies.

Lastly, with OEA funds, the City commissioned a feasibility study for increasing commercial activities at the airport. From a commercial perspective, the Sierra Vista Municipal Airport is an underutilized regional asset. Approximately 75 percent of the aviation activity at the airport is military related due to the airport’s ties to Libby Army Airfield. The airport has a joint-use, civilian-military classification with Fort Huachuca and offers amenities such as three runways, helipad, hangers, terminal and administration building owned by the City, as well as restricted airspace. The airport is professionally managed by the City and is used for General Aviation along with military operations. The 200+ acre airport includes ten acres of land that is currently either unused or underutilized.

## Resiliency Outcomes

### Commercial Diversification of Defense Companies to Sustain the Industrial Base

OEA funding in Sierra Vista has increased the strength and resilience of businesses and industries in the region, and the overall strength of the economy, by supporting the execution of specific outcomes included in the City of Sierra Vista’s “Our Future Vista Strategic Leadership Plan, 2017-2019”. One is city staff evaluated proposals and selected Sun Corridor, Inc. as the awardee for the Sierra Vista Technical Assistance Program (SVTAP) aspect of the grant. Their tasks include to educate, attract, and facilitate the



growth of entrepreneurs and other small businesses within the community, both newly operating businesses and established ones. Additionally, city economic development staff continue to engage local businesses about the various technical assistance opportunities. The ED staff views the OEA grant as critical for its overall business retention and support efforts. Currently, 4 businesses are enrolled in the Sierra Vista Technical Assistance Programs (SVTAP). Further, it was adopted by city leadership to evaluate ways in which to maximize the use of the municipal airport consistent with community economic development strategies. Jeff Donohoe and Associates was retained to perform the Libby Airfield Diversification study component of the OEA grant to evaluate options, strategies, and ideas for enhanced commercial use. The consultants have been to Sierra Vista on three occasions and the study is due in 2018. Further plans will be made upon evaluation of the recommended strategies.