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# Cooperative effort: Arizona Sun Corridor plan's success depends on all working together

Premium content from **Phoenix Business Journal** by **Janet Perez**, Contributing writer

Date: Friday, June 15, 2012, 3:00am MST

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While still far from a reality, the Sun Corridor — the economic merger of Arizona's largest counties — is being accepted increasingly as an inevitability by core members of the projected megapolitan, with Phoenix and Maricopa County taking the lead roles.

"First and foremost, the Sun Corridor is going to happen. We know that growth is going to return to our city and our region and our state," said Phoenix Mayor [Greg Stanton](#). "Our success in Phoenix is directly related to the success of this entire region. When I say 'this region,' I include Prescott; I include Tucson.

"What we are trying to achieve from an economic development perspective as an individual city and what we are trying to achieve as a Sun Corridor are exactly the same," he said. "We would be remiss if we didn't start thinking of ourselves as a corridor."

## Boom to bust

First discussed in the early 1990s during negotiations for the North American Free Trade Agreement, the concept of an economic, transportation and natural resources partnership within the state's most populous counties didn't really begin to coalesce until 2008. That was when the Morrison Institute for Public Policy at **Arizona State University** popularized the Sun Corridor name for a single functioning economy comprising Yavapai, Maricopa, Pinal, Pima and Santa Cruz counties with its "Megapolitan: Arizona's Sun Corridor" report.

When it was formally introduced four years ago, the Sun Corridor idea generated excitement at the business, economic development and government levels. Unfortunately, that initial excitement all but evaporated when Arizona's economy bottomed out just a few months after the report was released.

As a result of the state's economic slowdown, the population growth projections for the Sun Corridor were revised downward. In 2011, the Morrison Institute released another report, "Watering the Sun Corridor: Managing Choices in Arizona's Megapolitan Area," in which **University of Arizona** economist [Marshall Vest](#) adjusted his projected 2040 population figures from the original 10.1 million for the core Sun Corridor counties (Maricopa, Pinal and Pima) to 9 million.

"When I was going around doing presentations about the original report, I was conscious of the fact that people were sort of looking at me like, 'Well, this is kind of out of date now,'" said [Grady Gammage](#) Jr., one of the report's principal authors.

Along with scaling back population growth projections for the corridor, the recession also may have had the effect of galvanizing support for the work that needs to be done to prepare the region for growth.

"We've had the concept of a Sun Corridor in mind for few years, but I think the recession has really added a sense of urgency, because now we see that, for example, Texas is doing extremely well in terms of their regional coordination and they are seeing real benefits at their ports of entry (to Mexico)," said [Amy St. Peter](#), human services and special projects manager for the **Maricopa Association of Governments**. "They're beating us because they are coordinated at a level that we are aspiring to right now."

## Moving beyond the core

Officials in the Valley who advocate the Sun Corridor are acutely aware they must be inclusive of the entire region if it is to become a national economic powerhouse.

"It's important to go below Pima County, all the way to the Mexican border," Gammage said. "That is extremely critical because this connection to Mexico could be a major driving force for the Sun Corridor."

In 2009, MAG, the Central Arizona Association of Governments and the Pima Association of Governments formed the Joint Planning Advisory Council to coordinate plans and create an economically viable Sun Corridor.

The council decided to seek federal assistance for resources at the state's ports of entry and to improve transportation to and from those entry points.

"That's an example of far-reaching efforts," said outgoing Tempe Mayor [Hugh Hallman](#), who serves as MAG's chairman until June 30. "The ports of entry are not in Maricopa County or Pima County or Pinal County, but we recognize that without improved trade flows, the Sun Corridor and our three county organizations — and those who depend on us — will not have the opportunity to reach the greatest economic development activity."

Leaders in Maricopa County and the Valley also need to make sure the communities in the northern part of the Sun Corridor are included in planning the mega region, Gammage said.

In March, the Phoenix Business Journal published a story detailing how the Sun Corridor concept was failing to gain traction among civic and government leaders in Prescott. The report

spurred Gammage into action. He met with the planning director for Prescott Valley, and now plans are in the works to hold a community forum there this fall to discuss Yavapai County's role in the Sun Corridor.

"It has a different reaction up there than it does in the three main counties," said Gammage, an attorney with Phoenix law firm **Gammage & Burnham PLC**. "It's very split between people who want to embrace the concept of the Sun Corridor and ... people who want nothing to do with it; people who don't want to be part of a major metropolitan area (and those) who would like wherever they live in the mountain area to remain a more rural, less developed and more retirement-oriented place."

Helping in the effort to make planning for the Sun Corridor all-inclusive is MAG's participation in the Metropolitan Business Planning Initiative. In 2011, the Brookings Institution in Washington selected MAG as one of four U.S. organizations to take part in the initiative, which aims to foster a culture of economic development statewide through self-analysis of shared strengths, challenges and opportunities.

"Developing a robust, collaborative framework in which to pursue economic growth will result in revitalizing the state's economy," according to a MAG report. "In addition, the region will have a new process to approach economic development that may be utilized with a variety of industries and projects for years to come."

## **Transportation in the big picture**

The intra-county cooperation that leaders in Phoenix and Maricopa County are promoting for the Sun Corridor extends beyond opening lines of communication. There also is recognition that Arizona's Sun Corridor will fail to become a major economic player if critical transportation issues are not addressed. If companies cannot move their goods through the corridor efficiently, Arizona is out of the game.

The first line of attack is the proposed Interstate 11 from Las Vegas to Phoenix and down to the Mexico border.

"We've already spent significant resources on creating the trade-flow corridor with the new ports of entry along the Arizona-Mexico border," Hallman said. "What we haven't done is finish those connections."

The second major push is to get on the federal radar for a high-speed rail system between Phoenix and Tucson.

"I know there are a lot of details that need to be worked out and nothing can happen overnight, but I think high-speed rail is one — and, in time, certainly the most visible example of a partnership between our cities," Stanton said. "You are going to see a lot of businesses have operations in both Tucson and (Phoenix), and the more transportation options we can give them, the better."

## **Developing existing assets**

All this is not to say the counties making up the Sun Corridor come to the table empty-handed. Gammage points to the health care industry as an example of cooperation between Phoenix and Tucson — most notably the University of Arizona College of Medicine, which is operating a successful campus in downtown Phoenix. The biotech industry with the Translational Genomics Institute and medical destinations such as the Mayo Clinic and Barrow Neurological Institute also contribute to branding the Sun Corridor as a player in the health care field.

"The huge health care delivery system that exists in Phoenix helps to strengthen the Sun Corridor as a medical delivery competitor with places like Rochester, Minn., or Cleveland or Memphis, which are these deliverers of specialized medical services to people who migrate from other parts of the country," Gammage said.

The aerospace and defense industries also have found fertile soil in the Sun Corridor. Luke Air Force Base in Glendale will run some training missions for the F-35 Joint Strike Fighter program, and state land has been placed in trust to protect Davis-Monthan Air Force Base south of Tucson and Fort Huachuca in Sierra Vista.

That type of cooperation will be vital as the corridor tries to attract more defense industry work, Stanton said.

"As you see us pursue as a team things like the unmanned aircraft opportunities that are before us, that can only be accomplished by putting forward the fact that we have these incredible Sun Corridor assets," he said. "The unmanned aircraft system is a perfect example of the kind of statewide cooperation that is needed."

### **Attracting new business**

Those leading the Sun Corridor charge know merely saying a mega region is in the works is not enough to attract new businesses and high-paying jobs. Still, the promise of cooperation to create the infrastructure needed to sustain the Sun Corridor is proving to be a selling point, said [Barry Broome](#), president and CEO of the **Greater Phoenix Economic Council**.

"The megapolitan corridor concept increases improved planning between the market. Then you're going to get an economic benefit from improved planning," Broome said. "It's really an intellectual observation that can help people understand how grids are laid out for energy, whether or not there is a high-speed rail between Tucson and Phoenix, whether or not I-11 can get traction in the West Valley. All of these concepts get elevated when you have the megapolitan corridor concept."

For his part, Stanton said he hasn't "seen one business that has said they want to come here specifically because they want to be part of the Sun Corridor." However, "they want to utilize the assets that exist throughout this entire region."

One of the companies looking to take advantage of the region's existing assets and future opportunities is Solon. The solar energy company, based in Berlin, employs 58 people at operations in Phoenix and Tucson.

"In general, Arizona was an excellent location to set up our U.S. operations for many reasons," said [Robert Wanless](#), Solon's director of business development in Phoenix. "Arizona has one of

the highest degrees of solar radiation, which is the fuel source for solar power plants. It has an excellent renewable energy standard that addressed all three solar customer segments: residential, commercial and utility scale. And it has excellent engineering programs at the local universities that could provide a source for highly capable employees.”

At this stage of the Sun Corridor’s development, cooperation, branding and image are vital to recruiting new businesses to the state.

“Having the perception that we have our act together and we are working as a team ... is critically important to attracting the right kinds of jobs, the right kinds of entrepreneurs to our region,” Stanton said. “I often get asked how well we work with Tucson, how well we work with the other cities in the region, what is our relationship like with the state of Arizona. Companies want to make sure there is a well-functioning government if they are going to make a major investment in our region.”