

**CITY OF PEORIA, ARIZONA
STAFF REPORT**

RPT #: SS2

Date Prepared: August 11, 2008

Council Meeting Date: August 26, 2008

TO: Carl Swenson, City Manager

FROM: Steve Prokopek, Economic Development Director 

SUBJECT: Review Higher Education Visioning Process

RECOMMENDATION: City Council review a presentation regarding an overview of the Higher Education Visioning project.

SUMMARY:

The purpose for this meeting will:

1. Review consultant and staff work regarding the strategy for attracting a university to the City of Peoria. The consultant, Triadvocates will present the results of two community focus sessions, a focus session with City staff, one on one interviews with Council members, and a survey conducted with members of the Youth Advisory Board.
2. Gain further Council input on the vision for higher education in Peoria.
3. Update and seek guidance on the the next steps for this strategic process.

In summary, it is staff's recommendation to link the higher education strategy to at least one of three other initiatives which include the Downtown Revitalization Study, Peoria Sports Complex Study, and the Healthcare Cluster Strategy. We will be seeking to retain a consultant that will integrate themselves with one or all of these strategies to further develop tangible opportunities to be integrated into these efforts, perform market and feasibility analysis, develop marketing and promotion strategy, assist with direct marketing efforts and solicitation of higher education projects and programs. We will seek opportunities to attract higher education that not only serves existing residents and their educational needs, but will also attract new students, residents, and business. In order to accomplish this, we will place a focus on our targeted industries such as healthcare and advanced business services, and emerging/growing industries and technologies such as sustainable technology and information technology.

Attached is the initial report generated by the consultant. This report includes input from the community focus group, surveys and staff focus group, but does

not include Council input.

Attachment: Consultant Visioning Summary

City of Peoria

Higher Education

Community Input - Stakeholder Visioning Process

Background

Triadvocates, a public affairs consulting firm with experience working with municipalities to achieve economic development objectives, including university recruitment, was engaged by the City of Peoria, Arizona in April of 2008 for the purpose of developing and initiating a stakeholder engagement effort to further the Peoria City Council's discussion of higher education and the potential for compatible economic development that will provide long term benefits.

Triadvocates worked with the City of Peoria's Economic Development Department to identify a diverse group of Peoria stakeholders to participate in a series of visioning sessions including three distinct groups consisting of representatives of the community, city employees and the Mayor and Council. Triadvocates facilitated higher education discussions with each of these groups and the input received from the dialogue is the basis for the options included in this summary.

Process

Community participants were nominated by the Mayor and each Councilmember to provide geographic/district representation and additional representatives were identified and invited to participate based upon their involvement in: the City of Peoria's Economic Development Advisory Board, Peoria Unified School District, the Greater Phoenix Economic Council, area community colleges, local church leadership, Luke Air Force Base, area real estate professionals, Western International University, and outside economic developers.

The goal for both the community and staff stakeholder engagement was to engage a minimum of 10 stakeholders in an interactive discussion of what higher education resources are currently available within the City of Peoria and surrounding communities and what gaps or opportunities exist in terms of meeting the needs of Peoria residents. City staff was also asked for input through a parallel stakeholder visioning session that was conducted in June of 2008.

Community visioning participants who participated in the one-half day visioning session on received a brief presentation related to the City of Peoria including content related to population, household characteristics and the 2025 vision for the future with emphasis on infrastructure, master-planned communities, partnerships with academic and health care organizations and stewardship of environmental resources. They were also asked to respond to a fourteen question survey to gauge their initial thoughts and ideas pertaining to higher education within the region and specific opportunities for the City of Peoria. During the visioning session, the results of the survey were shared along with detailed information about the current inventory of higher education resources in Arizona and the West Valley as well as competitive regions throughout the West and the comparative costs of private versus public higher education.

Higher Ed Options

As a result of the visioning sessions with community members and city staff, a framework of options has been developed to guide the Council's discussions and potential next steps. Options to be determined include, for a start, the kind of institutions of higher education that the City of Peoria wants to attract; the kinds of programs and degrees of study to be offered, the type of campus environment to be developed, and the level of participation by the City in the development effort.

These options should be reviewed in the context of other important considerations. What time frame does the City want to see higher education programs available? What kind of institutions and programs will be most compatible with the City's economic development strategy? What are the current and anticipated labor market requirements and how can the City move to meet these requirements? Is the City's goal to retain Peoria's youth in the City? Or to attract new residents?

In the following discussion, these options and considerations will be described in more detail in order to stimulate conversation among Council and Staff in determining the path forward. At this stage, there are no right or wrong answers. There is only the need to establish a conscious direction and strategic approach so that the effort does not become bogged down in academic analysis.

Institutions

There is incredible diversity among institutions of higher education. As any parent of a child considering college can attest, the options are incredibly numerous. While expansion and growth in public institutions is not uncommon, that kind of growth tends to be evolutionary relative to the growth within a community. Private traditional institutions have tended to be less growth oriented, preferring to establish and maintain a long standing reputation based on size, programs, and campus environment. Private non-traditional institutions have demonstrated tremendous growth in student enrollments, campus offerings and in incorporating distance learning tools. Private Vocational schools are also numerous and tend to rise and fall depending on the trades they are appealing too. Most are small businesses without substantial corporate backing. Private non-traditional and vocational schools tend to serve older populations of students and "life long" learners, and compete with public community colleges for those students.

The community visioning group expressed a preference to pursue types of institutions that would have an ability to act decisively and quickly. They felt it was preferable to pursue expansion of existing institutions, rather than establishing a new one from scratch. Public institutions were deemed to be too dependent on tax dollars and legislative authorities. ASU, while a valued contributor and participant in the West Valley, was seen as only one piece of the puzzle, but not the only answer to higher education in the area, and particularly not within Peoria's city limits. Private traditional institutions were deemed desirable because of issues of quality, reputation and stability, but there was concern that there is little precedent for these schools to seek new campuses. Private non-traditional institutions were seen as desirable for shorter term gain to serve the potential student population in Peoria, utilizing existing available office space, and both distance and classroom instruction.

The downside of pursuing private non-traditional institutions is that these types of schools would be less likely to offer Peoria a unique brand and image associated with their educational offerings. Therefore, the community visioning group hoped that the City would also pursue private traditional institutions for potential short term, or likely more longer term relationship development that would be compatible with the City's economic development strategy.

There was a strong preference for degree granting institutions, although there was a very strong minority sentiment about the need to assure an adequate supply and quality of vocational education for non-college bound students. Finally, the group wanted the City to pay careful attention to the quality of the institutions and the programs being offered. They didn't want the City to settle for programs of limited quality and attractiveness.

Programs

Regardless of the type of institution, the visioning group felt it was important that the educational organization demonstrate the ability to be nimble in providing programs of study that would meet current needs in the labor markets, as well as those needs that have only begun to emerge. It is well known that Arizona suffers shortages in the health care and teaching professions, but there are new trends in the labor market that call for technical disciplines in the renewable energy and health care technology fields. The group identified several categories of programming that they believed should be sought to provide real and sustainable value to Peoria. Those categories included:

- Natural Resources/ Water
- Sustainable Technology/Alternative Energy
- Health Care and Health IT
- Latin America
- Aeronautics/Aerospace
- Hospitality/Tourism

Campus

Consistent with the consideration of the type of institution, the Visioning Group felt that it was important to establish more higher education assets quickly, and that would be enabled by utilizing existing commercial lease space. However, the Group also felt that the City's planning efforts should also anticipate the potential of a more traditional campus environment. In doing so, the Group was attracted by the idea of pursuing either a shared service or shared facility model, similar to the approach adopted by the City of Claremont, California and their association with the Claremont Colleges.

A shared-facility or service approach would be attractive for both the City and institutions for use of meeting and assembly space, residential housing, sports facilities, and service facilities (such as food, health care, entertainment and computing services). A campus was seen as a potential attractor for both residents of Peoria and visitors from surrounding communities, as well as a potentially cost effective way of building out critical community infrastructure.

City Participation

The City of Peoria has embarked on this exercise in order to explore the potential for compatible economic development that will provide long term benefits. In pursuing this kind of development, the City's direct participation can range from a pure facilitation model, to one of a more active, co-developer. In reaching out to institutions, Peoria must understand that this exercise is just as much about marketing the City as it is about recruiting an educational asset.

Potential partners will want to know more about the City, its assets and its potential. They will also want to understand whether there is sufficient demand for higher education in this area, and whether they have a reasonable chance to run a successful operation. In that sense, the City should be open-minded as to the potential of City participation in this exercise.

The following represents various options the City may be asked to consider as it embarks on a recruitment effort. These are not ordered in any particular way, but it would be advisable for a priority exercise to be carried out based on the value, cost and difficulty associated with each option:

- The City could provide various abatements and incentives to potential partners;
- The City could participate jointly in the development of shared service or facilities, or in the development of utility infrastructure to the site;
- The City could establish tuition assistance programs for municipal employees to attend classes at the institution;
- The City could assist in the development of curriculum in disciplines it believes would be of benefit to either municipal government or the community at large;
- The City could conduct a market analysis of the potential student population and demand for higher education services in the Greater Peoria area;
- The City could facilitate meetings between the institution and key area employers to help identify labor market demands and to establish key industry partnerships;
- The City could establish public transit options to facilitate transportation to the institution;
- or
- The City could assist in marketing the institution to help recruit new students or faculty.

This is intended to be a partial list of the ideas identified for potential City participation. As this process continues, a number of other questions may arise that will require a similar analysis and direction from the Council. This is a starting point for the Council in providing guidance to staff as to how they want this project to operate in the near term, and what benefits they want to see achieved in the longer term.

Go Forward Recommendations

According to one source, 28% of Peoria residents possess a college degree. Increasingly, family wealth correlates positively with the level of educational attainment. As Peoria seeks to grow and prosper as a community, it is important that improvement in the level of educational attainment become a key metric for City staff and elected officials. This statistic is fundamentally compatible with other values and economic development objectives including the attraction of high quality employment, improving the capacity of the community to deliver services and improving the overall quality of life. It is important that any institution or institutions

that Peoria recruits not become an entity exclusively unto itself. It must be complementary and compatible with the values and ambitions of the community and its elected leadership.

With that in mind, the City should undertake both an internal and external exercise to take this project to its next logical level. Internally, clear roles and responsibilities for officials, staff and consultants should be devised. Much like other development efforts, this kind of effort will require a cross-disciplinary team that will need to work collaboratively to achieve a variety of objectives.

Externally, the City should consider a public approach, such as the production of a "Request for Information", a non-binding informational document that describes the City, its desire to pursue an educational partnership, and what the City seeks from that partnership. An RFI could then be distributed to various national education associations, with follow up inquiries to key personnel. The City should also consider attending some higher education organizational conferences to have continued conversations and to determine more thoroughly what kind of institutions it should recruit.

The City should also consider the benefits of producing a market study, utilizing economic analysis from existing and original research, on the potential community demand for educational programming. Appropriate marketing of this effort should also be conducted, in order to provide information to the community about the City's efforts. The marketing approach should be targeted at the dual goals of both retaining Peoria residents to live and grow the community, and to recruit new residents and employers to the City, who are seeking the kind of lifestyle and community assets the City is striving to provide.

Summary

Thank you for the opportunity to provide this framework for your consideration as the City evaluates its preferred relationship with higher education. The City of Peoria is to be applauded for proactively determining that higher education can be utilized as a community asset to complement economic development efforts, provide a direct means for residents who seek to better themselves through educational attainment and further distinguish the City amongst its peer municipalities.

The stakeholder input that was initiated through the multiple visioning sessions and serves as the foundation of the recommendations included in this report is intended to provide a strategic outline for the City in its pursuit of higher education partners. Triadvocates experience and lessons learned in developing and implementing a strategic plan that resulted in the successful recruitment of private colleges has provided us with an enhanced understanding of the considerations involved in the recruitment of higher education and we appreciate the work of City staff to develop this initiative. Further, as Peoria evaluates its options in going forward, we encourage the City to develop a specific timeline for implementation of the plan and to initiate the robust outreach process that will guide the interaction of the higher education community with the City of Peoria and its stakeholders.