

## **Location**

Eloy, Arizona

## **Funding**

\$99,900 USDA Rural Business Enterprise Grant

\$4,714,402 USDA Business and Industry Guaranteed Loan (*Sun Life Family Health Center, Inc.*)

\$1,167,000 USDA Business and Industry Loan from ARRA (*Pinal Hispanic Council*)

## **Partners**

City of Eloy

Holmes Family Trust

Central Arizona College

U.S. Department of Agriculture, Rural Development

## **Abstract**

The City of Eloy, Arizona collaborated with USDA, non-profit organizations, businesses, and an education institution to revitalize the town center and support investment in the area's economy. Working together, the community employed economically and environmentally sustainable revitalization techniques and attracted three major organizations to Eloy's struggling downtown.

## **Project Description**

Eloy, Arizona is a former cotton farming town located in Pinal County between Phoenix and Tucson. Eloy grew up around a rail switching station established in the early 1900's and came to anchor a vibrant cotton producing area. With demand for cotton driven by World Wars I and II, Eloy prospered and incorporated in 1949.

Eloy's post-war economy adjusted to the change in the cotton economy and the city has grown steadily. In 2001, however, a major job loss resulted in a spike in unemployment to 14.7% by 2010, almost twice the national average of 7.9%. Today, Eloy's historic downtown is dominated by vacant buildings surrounded by large, empty lots.

Eloy's location on the edge of 2 major metropolitan areas – Tucson and Phoenix – is a key economic asset. The long term outlook for the "Arizona Sun Corridor" is continued growth that will ultimately see the Tucson and Phoenix regions functioning more as one large region. Eloy's leaders have targeted the revitalization of downtown as a way to attract new organizations and businesses to Eloy and to position Eloy to prosper with the Sun Corridor over time.

With the help of a downtown revitalization consultant, the City of Eloy developed a strategy to attract major organizations to the center of the community. The City had been approached by a non-profit medical clinic, Sunrise Family Medicine, which sought a new location downtown. With a \$4.7 million Business and Industry Loan Guarantee from USDA, the Sunrise Family Medicine built a brand new building to house their clinic and pharmacy in downtown Eloy.

Shortly thereafter, the City brought Pinal Hispanic Council Behavioral Health Clinic to a building adjacent to the Sunrise Family Medicine clinic. The Pinal Hispanic Council's clinic was also supported by USDA in the form of a \$1,617,000 Business and Industry Loan, with funding from the American Recovery and Reinvestment Act. Today, the two clinics serve a large region and attract people from miles away to downtown Eloy.

The City's next downtown economic development project was to provide greater support and resources to entrepreneurs in the area. The lagging local economy, large fixed costs associated with starting a new business, and a lack of business training was an obstacle to the successful entrance of new businesses to Eloy. The City decided the best resource they could provide local entrepreneurs was to create a business incubator in the downtown area that would provide affordable office space for lease as well as business training and counseling.

To create the business incubator, the City partnered with the Holmes Family Trust and USDA. Holmes Family Trust, managed by descendants of one of Eloy's first residents, owned most of the downtown buildings and donated the large, old post office building for redevelopment as a business incubator. USDA provided a \$99,000 Rural Business Enterprise Grant to the City for renovations on the historic building, and the Holmes Family Trust matched the USDA grant.

After the financing for the redevelopment of the building was secured, the City established a partnership with Central Arizona College which runs business development centers throughout the state. They now provide training and support to the tenants of the new Eloy business incubator.

The newly renovated historic downtown building, officially named Eloy Business Center, has eight office spaces. The building is equipped with modern amenities that all tenants share. Tenants have access to WiFi, a fax machine, a copier machine, and meeting space. The Eloy Business Center rents out the office space to local businesses at affordable prices to promote business growth. In addition, Central Arizona College offers one-on-one confidential counseling at no cost to the small business tenants. The counseling covers many topics such as financial planning, marketing, feasibility studies, and strategic planning.

The Eloy Business Center opened in 2011. In addition to space, the incubator will provide support and services to both newly developing and existing businesses in Eloy. The City's plan is to encourage more businesses to work with the incubator while their business develops and to support growth that will allow their eventual move into other vacant buildings downtown. The City hopes to continue to draw more people and businesses toward the downtown area as a means to boosting the local economy and bringing vitality back to their community.

### **Livability Principles Addressed**

Enhance economic competitiveness.  
Support existing communities.  
Value communities and neighborhoods.

### **Lessons Learned**

*PARTNERSHIP WITH THE PRIVATE SECTOR* was critical to the success of the project.

Think about funding creatively. Funding does not have to come from the government. Find *PRIVATE MATCH DOLLARS*.

## Pictures and Maps



Description: Context Map.

Source: Esri Basemaps, ArcGIS online database (all layer packages by Esri)

### USDA INVESTMENT IN DOWNTOWN ELOY, 2009-2011



Description: DowntownMap – Eloy, AZ

Sources: GoogleMaps, Esri Basemap



Description: Ribbon Cutting at Opening of Eloy Business Center

Source: Photo taken by Dianna Jennings, Special Projects Coordinator, AZ USDA RD



Description: Exterior of Pinal Hispanic Council in Downtown Eloy

Source: Photo taken by Dianna Jennings, Special Projects Coordinator, AZ USDA RD

#### **Sources of Information from the Text:**

Eloy, C. o. (2011, May). *General Plan Update*. Retrieved September 10, 2012, from City of Eloy:  
[http://www.elayaz.org/PDF/GENERAL\\_PLAN/City%20of%20Eloy%20General%20Plan%2005.09.11.pdf](http://www.elayaz.org/PDF/GENERAL_PLAN/City%20of%20Eloy%20General%20Plan%2005.09.11.pdf)

Hutchins, M. (2012, July 17). Consultant for the City of Eloy. (A. Murnan, Interviewer)

Jennings, D. (2012, July 3). Special Projects Coordinator. (A. Murnan, Interviewer)