



Key Highlight of the South 12th Avenue Corridor Redevelopment Strategy

Prepared February 2019 by City of Tucson Planning & Development Services Department, based on the US Department of Housing and Urban Development (HUD) Technical Assistance deliverables prepared by the National Association for Latino Community Asset Builders (NALCAB)

Purpose

In 2016, the U.S. Department of Housing and Urban Development (HUD) assigned the National Association for Latino Community Asset Builders (NALCAB) as the Technical Assistance Provider to assist the City of Tucson in assessing economic and social conditions along South 12th Avenue, between 44th Street and Drexel Road, to: 1) Find ways to support businesses and surrounding neighborhoods; 2) Preserve cultural heritage and build upon the contribution of the area towards Tucson's designation by UNESCO as City of Gastronomy; 3) Provide guidance for infrastructure investment to create a safer and culturally-relevant corridor for all users; 4) Address concerns about the potential for involuntary displacement.

Competitive Advantages

- ✓ South 12th businesses have strong ties to the community
- ✓ Many of the products sold are made by hand, with skills passed down from generation to generation
- ✓ Almost 90% are small businesses, with legacy businesses in operation for the last 30 to 40 years, benefiting from a readily available supply of local labor
- ✓ 31.8% of business are Retail Trade, while 39.4% are Services type
- ✓ The corridor contributes to the local economy through significant tax contributions; with the current City of Tucson sales tax rate at 2.5%, the corridor is generating \$3,062,418 in sales tax revenue to the City



Competitive Challenges

- ➔ Infrastructure deficiencies take away from the appeal of the area;
- ➔ Lack of a range of products, services, or customers could result in potential loss of business or spill to other areas;
- ➔ Lack of wealth to help small businesses grow;
- ➔ 79% of small businesses rent their space
- ➔ High levels of socioeconomic stress and lower incomes in the surrounding neighborhoods:
 - \$26,052 median household income in the corridor in 2017, versus \$38,331 city-wide
 - 42.9% of residents with no high school diploma, versus 15.8% city-wide
 - 62% of renters and 56% of homeowners are cost burdened (when they pay more than 30 percent of their income for housing)



"Infogroup and ESRI reported total sales in 2017 of \$122,496,711 from businesses located in the South 12th Avenue corridor. With the current City of Tucson sales tax rate at 2.5%, the corridor is generating \$3,062,418 in sales tax revenue to the City. In comparison, South 6th Avenue is generating \$1,269,564 in sales tax revenue, and the businesses in the City of South Tucson generate \$3,759,417 in sales tax revenue". - NALCAB

Recommendations

1. Market the area as a cultural and culinary destination
2. Anticipate and address possible gentrification
3. Create a District Manager position
4. Establish a non-profit or business association
5. Establish gateways at 12th Avenue/Ajo Way & 12th Avenue/Nebraska
6. Promote small business assistance and work with funders to provide small business loans
7. Establish organizations that assist startup businesses to grow
8. Pursue U.S. Department of Health and Human Services Office of Family Services Community Economic Development (CED) grant for commercial kitchen and craft-based businesses
9. Invest in prominent businesses that help attract customers to create job training programs
10. Build relationships with high-capacity non-profit partners
11. Develop a residential rehab program
12. Street improvements for walkability, bicyclists, transit users, and automobiles
13. Relocate public services to the area
14. Assemble land for key mix-use development that includes senior housing
15. Fund store front renovations and other physical improvements for local businesses
16. Pursue Neighborhood Revitalization Strategy Area (NRSA) designation to allow greater flexibility in use of CDBG funds to support efforts along the corridor
17. Pursue HUD's Section 108 loan funding to support large-scale revitalization efforts



"The strength of the cultural and culinary heritage of the corridor should be emphasized through events, marketing, and promotions. Inadequate signage, infrequently placed in the community, and missing from the gateways to the city reduces the ability of the corridor to leverage the City of Gastronomy"



"Anticipate the impact and implications of real estate market changes for residents and small businesses. Demographic changes can force small business to relocate, close, or offer different products to meet changing demand". - NALCAB

