

PLEASE NOTE: (1) this draft of the full text for the new Economic Environment Focus Area includes the goals & policies that were posted on the Plan Tucson website on Friday, (2) was developed beginning with the Economic Development Element from the Plan Tucson Final Draft and includes some exhibits, photos, and text from that element, (3) has not yet been formatted for inclusion in the Plan – that will happen after comments are received, reviewed, and the copy is finalized.

THE ECONOMIC ENVIRONMENT

- Jobs & Workforce Development
- Regional & Global Positioning
- Business Climate
- Tourism & Quality of Life

Introduction

Economic development is fundamental to a community’s standard of living and quality of life. “Standard of living” is typically measured by a series of indicators related to meeting basic needs and providing economic opportunities to residents. The elements presented in Plan Tucson’s Social Environment Focus Area, e.g., Housing, Education, Public Health, Public Safety, as well as the elements in the Built Environment, e.g., Redevelopment & Revitalization and Public Infrastructure, Facilities, and Cost of Development, all contribute to the “standard of living” and Tucson’s overall livability. Within this focus area are references to these topics and direct relationship to the Tucson’s economy.

Exhibit EE-1 presents a picture of Tucson market trends in recent years. The data presented on population, income, employment, cost of living, home sales, and new development indicate fluctuations in Tucson’s economic activity between 2000 and 2012, including the impacts of the 2007-2009 economic recession.

The City has multiple roles impacting the local economy. Beyond its authority as a regulatory agency, the City of Tucson is a major employer and local investor working with many other organizations to create a prosperous region.

The City’s economic development activities can be categorized as follows:

- Developing and expanding partnerships
- Supporting existing businesses
- Pursuing economic growth opportunities and new businesses
- Maintaining a safe, clean, and attractive environment
- Enforcing laws and regulations
- Supporting and enhancing employability
- Investing City resources to maintain and promote a livable, vibrant, and attractive community for all residents
- Marketing and promoting Tucson

In 2006 the Tucson Regional Economic Opportunities, Inc. (TREO), completed a strategic analysis report, the Tucson Economic Blueprint. This report describes how Tucson’s economy and job market reflects global shifts toward expanding intellectual capital for income growth,

Exhibit EE -1 Tucson Market Trends 2000-2012

Market Trends	2000	2002	2004	2006	2008	2010	2012
City Population (est)	489,359	503,973	516,748	529,608	541,811	520,116	524,295
% Increase or Decrease	n/a	2.99	2.53	2.49	2.30	-4.0	.80
Median Household Income	30,981	n/a	n/a	36,095	36,640	36,428	n/a
Unemployment	13,639	n/a	n/a	17,200	19,218	33,294	n/a
Cost of Living Compared to U.S.	+2.5%	+2.6%	+2.1%	+4.1%	+2.3%	0%	+3.6%
# of Residential Sales	10,988	13,135	16,557	15,726	10,578	11,802	n/a
Average home sales price	\$156,373	\$169,963	\$206,996	\$270,080	\$242,066	\$189,352	n/a
Building Permits							
• Commercial	163	189	168	190	84	74	33
• Residential	2,910	2,523	2,376	2,369	593	348	479

Source: Median sales and number of sales, Tucson Association of Realtors/ Residential Permits, Tucson Planning and Development Services Department/ Population, U.S. Census

with a new emphasis on technology, innovation, and entrepreneurial development. “In the global economy, the central focus of economic development is shifting from adding new jobs to boosting income and creating better jobs for all.” Tucson has many competitive advantages in this new global economy, including its location as an international port and logistics hub; its leadership role in technology, education, and research; and its attraction as a major tourist destination. The City of Tucson Office of Economic Initiatives plays a pivotal role in each of the strategic areas contributing to a vibrant economy, defined in the Tucson Economic Blueprint report as the “Power of Five” (Exhibit I-2).

EXHIBIT I-2 “The Power of Five”



This focus area on Economic Environment includes four elements that are interrelated and necessary to sustain a healthy economy and the quality of life in Tucson. Each of these elements presents background text followed by policies intended to further the element's function.

GOALS

The City strives for

1. An economy that supports existing businesses and attracts new businesses to increase employment opportunities, raise income levels, expand the tax base, and generate public and private investment leading to a high quality of life for the community.
2. A local job market that provides opportunities for all Tucsonans to meet their basic needs and pursue career advancement, matched with a well-educated, well-qualified workforce that is able to meet the dynamic needs of businesses and employers.
3. A sustained increase in household income and wages, and a sustained reduction in the poverty rate, especially for Tucson's children, seniors, and disabled residents.
4. A sustainable and diversified economy that maximizes Tucson's strategic location and balances traditional import and export of resources with locally supplied goods and services to meet local demand.
5. A community whose quality of life and sense of place reflects a vibrant economy and its commitment to arts, culture, and heritage and its care for the built and natural environments.

Jobs & Workforce Development

For the majority of Tucsonans, a job is fundamental for not only meeting basic needs, but for providing opportunities for more education, better physical and mental health, and overall better quality of life. Developing and expanding diverse employment opportunities are top priorities for Tucson.

While the City plays an active role in both business attraction and workforce development, it has many partners in the form of local businesses and not-for-profit organizations. The City is working to capitalize Tucson's special strengths while mitigating those market conditions that businesses find challenging. Tucson Regional Economic Opportunities, Inc. (TREO), the region's economic development agency, focused on bringing new firms with primary jobs to the Tucson region, has defined Tucson's strengths as its higher educational resources, cultural diversity, quality of life, leisure and recreational assets, defense related facilities, and geographic proximity to Phoenix and Mexico.

In April 2013, Star 200, the Arizona Daily Star's employment information service, published the largest projected percentage change in number of jobs by industry between 2010 and 2020. The top three industries with the greatest projected change include construction 49.1%, educational and health services 32.4%, and professional and business services 29.8%.

The U.S. Census American Community Survey indicates that as of 2011 approximately 60% of Tucson's population over the age of 16 was employed in the local workforce. According to the U.S. Equal Employment Opportunity Commission statistics for that same year, 48.7% of Tucson's employees were women, and 42% of the total was defined as minority.

Census figures show that by 2011 Tucson's 207,000 households had a median income of \$35,362. This was comparatively lower than the \$50,000 median household income reported for Arizona and the United States. This would be remedied in part by having more residents employed and in part by attracting businesses with more high-wage jobs.

A study published by the Metropolitan Policy Program at the Brookings Institution showed that in 2011 Tucson workers in STEM fields (science, technology, engineering and math) represented 20.3% of the workforce. "Job growth, employment rates, patenting, wages and exports are all higher in STEM-based economies."

Tucson's economic growth and household income is dependent on the availability of a skilled workforce to fill jobs in a changing economy. One of the goals in TREO's Economic Blueprint calls for high-skilled/high-wage jobs "to increase regional prosperity by focusing resources on growing industrial sectors with high-paying jobs while developing a world-class workforce. In 2013 the Pima County Workforce Investment Board re-adopted the 2008-2009 Local Workforce Investment Area Plan. This plan lists the industries and occupations "most critical to the Local Workforce Investment Area" as Aerospace and Defense, Emerging Technologies, Natural and Renewable Resources, Logistics, Health, Science, and Infrastructure.

Exhibit JW-1 identifies the ten employers in Tucson employing the greatest number of workers. As can be seen, eight out of ten of these employers are public sector, service-oriented organizations. Consequently, the local economy is influenced by federal policies related to housing, health care, transportation, aviation and defense, education and research, and international border issues. To the extent possible, the City must adopt a balanced approach that integrates the federal agenda and regulations with short-term and long-term strategies for a sustainable local economy. More specifically, Tucson must support the significant contribution of economic drivers such as the University of Arizona, Raytheon Missile Systems, and Davis-Monthan Air Force Base, while continuing to plan for a more diversified economic base to include a broader spectrum of job opportunities and wages.

EXHIBIT JW-1 Top 10 Employers in Tucson

[Note: The following to be prepared as a bar chart]

University of Arizona – 10,846
Raytheon Missile Systems – 10,300
Davis-Monthan Air Force Base – 9,100
State of Arizona – 8,807
Wal-Mart Store, Inc. – 7,450
Tucson Unified School District – 6,790
US Customs & Border Protection/US Border Patrol – 6,500
The University of Arizona Health Network – 6,099
Pima County – 6,076

Source: Star 200, Arizona Daily Star, 2013

Pursuing job growth taking into account residents' needs and investing strategically to build a skilled workforce are interrelated. An example of this interrelationship is illustrated when considering education. A study conducted by Tucson's largest school district suggests that students are more likely to succeed academically if they are not subjected to the conditions associated with poverty. *Exhibit JW-2* shows the correlation between the poverty rate and *educational* attainment for people 25 years or older, further emphasizing the point that education is a very important factor in economic stability. Based on studies, a stable home and a stable school environment are indicators of educational attainment, which in turn is an directly related to a household's income and quality of life.



Jr. BIOTECH, operated by the UA's BIOS Institute, provides classroom visits for modeling hands-on biotechnology activities

EXHIBIT JW-2 Poverty Rate for Population 25 Years & Over by Educational Attainment Level

Educational Attainment	Poverty Rate
Less than a High School Diploma	30%
High School Graduates	18.3%
Some College/Associates Degree	11.6%
Bachelor's Degree	8.2%
Graduate or Professional Degree	5.2%

Source: U.S. Census -2008 American Community Survey 1-Year Estimates

“The success of the nation’s economy is dependent on the talent of its workforce. Educators must continue to adapt and evolve, bringing together business and government to ensure that students are graduating with the right skills to succeed in the market. This is a time for transformation in business, education and society and the key to success lies in collaboration.” Gregg Johnson, University of Phoenix, Southern Arizona Campus Director, The Chamber Edge, Tucson Metropolitan Chamber of Commerce – Spring 2013

Tucson has been identified as one of the cities in the United States that holds specific economic growth potential. In 2002, author and economist Richard Florida introduced the term “creative class,” which includes two types of workers: (a) those whose economic function is to create meaningful new forms, i.e., new ideas, new technology and/or creative content, and (b) those whose function is to think about and create new approaches to problems. At that time, Florida ranked cities based on their potential for economic growth related to the creative class. Tucson was identified as third in the top ten medium-sized communities. In 2012, Florida took another look at cities’ creative class rankings; Tucson ranked twentieth. *Exhibit JW-3* shows this comparison of Tucson to other cities with a strong creative class.

The policies that follow provide general guidance regarding the retention and creation of jobs and development of the local workforce in the coming years.

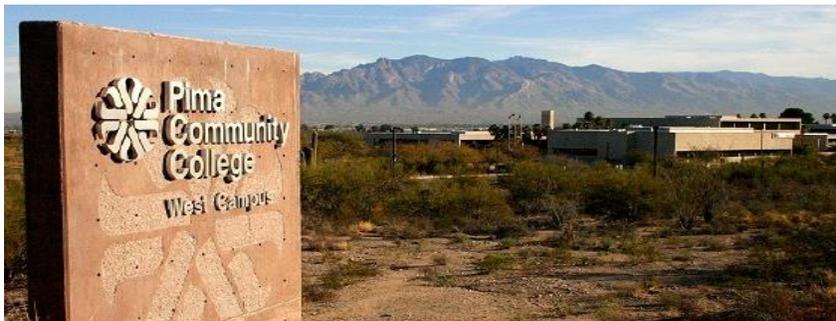
EXHIBIT JW-3 Sample Comparison from Top Creative Class Cities

City and 2012 Ranking out of 20	Median Household Income	Cost of Living	Unemployment	Household Poverty Rate
Tucson, AZ (20)	\$48,563	96.5	8.5%	20.2%
Austin, TX (16)	\$72,650	95.5	6.1%	14.6%
Boston, MA (3)	\$75,394	132.5	7.8%	17.8%
Boulder, CO (1)	\$92,134	N/A	4.8%	7.6%
Minneapolis, MN (18)	\$68,664	111	7.1%	16.4%
Portland, OR (13)	\$67,443	111.3	6.8%	14.1%
San Diego, CA (15)	\$81,144	132.3	6.7%	11.2%
San Jose, CA (12)	\$99,062	156.1	7.2%	8.3%
Seattle, WA (4)	\$85,945	121.4	5.2%	7.8%

Based on US Census Data: 2011 American Community Survey



The University of Arizona, which receives almost a half billion dollars in research grants each, is the state's premier research university, ranked among the top 20 public research universities nationwide. Areas of particular renown include the environment, optics, space sciences, biosciences, and Southwest/border issues.



Pima Community College has six college campuses in the greater Tucson area; five of which are located within the City of Tucson. Pima College contributes to the advancement of Tucsonans education and technical training, offering 182 transfer and occupational programs.

POLICIES

Jobs & Workforce Development (JW)

- JW1** Recognize and enhance the three interrelated building blocks of a strong economy: a high quality of life and vibrant urban environment, a skilled and talented workforce, and a diversified, high-wage job market.
- JW2** Recruit, retain, and expand businesses and industries within Tucson’s key economic sectors, including but not limited to aerospace and defense, bio-sciences, renewable energy, astronomy, optics and tourism to increase high-quality, high-paying job opportunities.
- JW3** Increase and promote environmentally sensitive businesses, industries, and technologies.
- JW4** Support and expand entrepreneurship through partnerships, technical assistance, and incentives.
- JW5** Expand opportunities to fulfill local needs with locally produced goods and services to help Tucson capture a greater market share and advance a sustainable economy.
- JW6** Collaborate with local institutions, including but not limited to the University of Arizona, Pima Community College, Pima County, and public and private training and technical organizations to support a well-educated, well-trained workforce with skills matched to local job opportunities and employer needs.
- JW7** Contribute to workforce stability and advancement through support of ancillary services, such as transportation, childcare, nutrition, and healthcare.

Other Related Policies

ELEMENT	POLICY #	PAGE#
Jobs & Workforce Development		
Business Climate		
Regional & Global Positioning		
Tourism & Quality of Life		
Housing		
Public Safety		
Parks & Recreation		
Public Health		
Urban Agriculture		
Education		
Arts & Culture		
Governance & Participation		
Energy & Climate Change		
Water Resources		
Green Infrastructure		
Environmental Quality		
Historic Preservation		
Public Infrastructure, Facilities, & Cost of Development		
Redevelopment & Revitalization		
Land Use, Transportation & Land Use		

Businesses Climate

As of June 2013, 58.6% of the 22,569 registered businesses in the City of Tucson were categorized as “retail sales” or “service oriented, out of 21 categories. Commercial uses are generally located along major transportation corridors or in economic development activity clusters, such as the central business district and around the University of Arizona. *Exhibit BC-1* shows Tucson’s commercial land use distribution and zoning classifications in 2013.

How businesses perceive a community’s hospitality to their needs and desires is important in their decisions regarding expansion in or moving to the community. Businesses, like residents, consider a variety of factors in measuring a community’s desirability. These factors and the weight given to any one factor may vary. *Exhibit BC-2* provides an example of factors that businesses may consider in making future decisions about location or expansion. TREO’s Chief Executive Office, Joe Snell, emphasizes that, “Companies choose to expand or relocate into markets, not jurisdictions. The top criterion for any business is workforce supply – do we have the talent needed to run the business successfully? Second is our ability to attract workforce. This means a strong K-12 education system, a vibrant downtown and urban core, and good healthcare.

EXHIBIT BC-2 Example of Attraction Factors

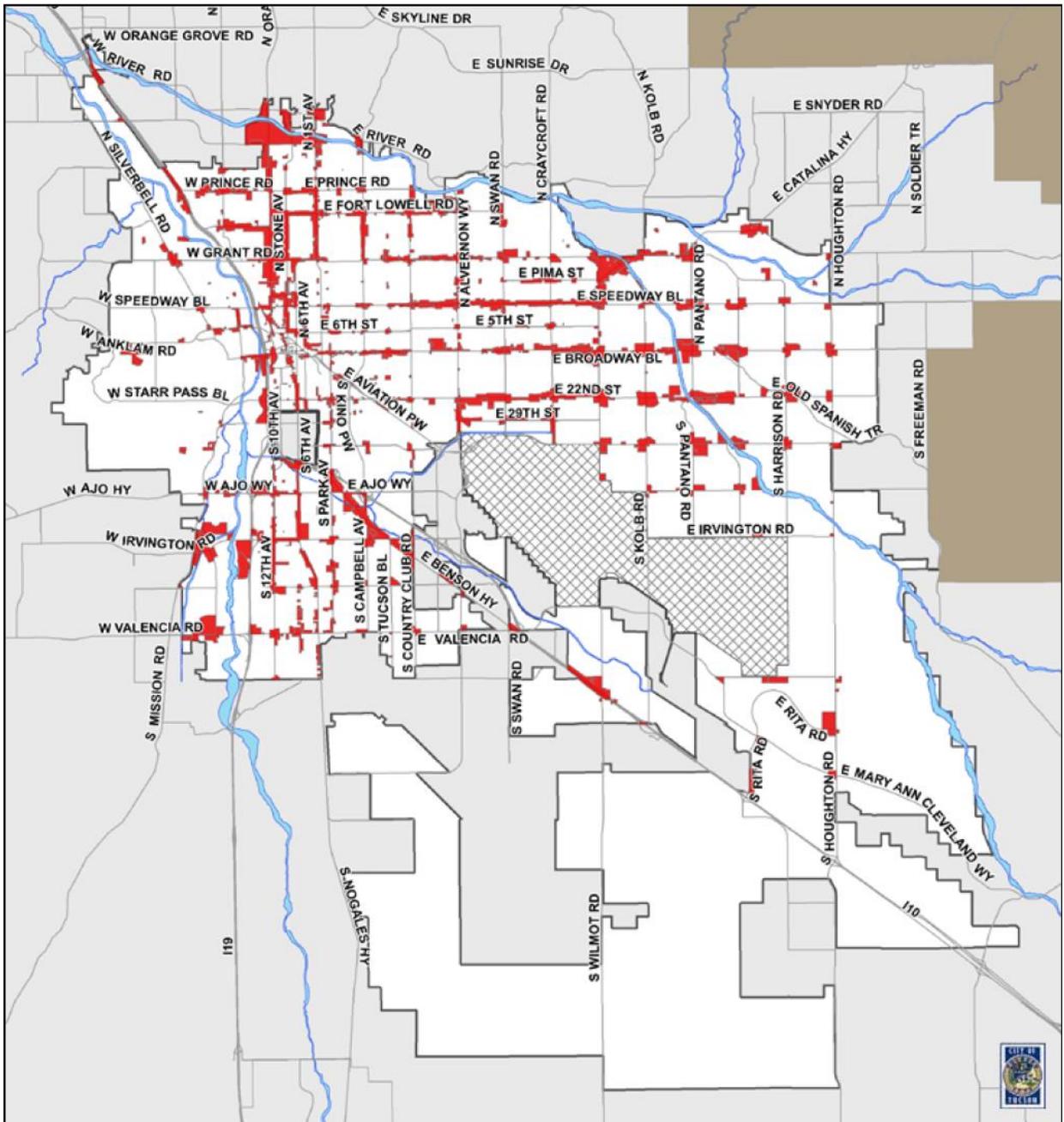
Affordable car insurance	Housing appreciation	Near amusement parks
Affordable medical care	Inexpensive living	Near lakes or ocean
Clear air	Lack of hazardous wastes	Near natural forests and parks
Clean water	Local symphony orchestra	Near places of worship
Close to big airport	Low housing prices	New business potential
Close to college/universities	Low property taxes	Plentiful doctors
Close to relatives	Low income taxes	Proximity to major league sports
Close to skiing area	Low risk of natural disasters	Proximity to minor league sports
Diversity of local firms	Low risk of tax increase	Recent job growth
Far from nuclear reactors	Low sales tax	Short commutes
Good public transportation	Low unemployment	Strong state government
Good schools	Many hospitals	Sunny weather
High civic involvement	Museum nearby	Zoos or aquariums
High marks from ecologists	Near a big city	

Source: *Economic Development Toolbox, Arizona Planning Association, 2008*

City government plays an important role in determining a community’s business climate with its responsibility for such functions as regulation and public infrastructure and services. The City’s Planning and Development Services Department (PDSD) is the lead agency responsible for regulating the location, development, and maintenance of businesses community wide. PDSD oversees land use and permitting processes and has legal authority to enforce health and safety standards. This department creates, revises, and enhances local building codes related to structural integrity, design, energy efficiency and conservation, and use of materials.

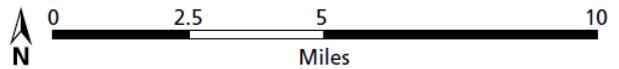
The City’s Finance Department issues and renews business licenses, and oversees tax revenues. The City’s ability to provide and maintain public infrastructure, facilities

EXHIBIT BC-1 Distribution of Commercial Land Use in Tucson



Source: City of Tucson IT-GIS Section

- Federal Lands
- Major Washes
- Davis-Monthan AFB
- City of Tucson
- Other Jurisdictions
- Zoning Commercial



and services is dependent on the City's General Fund, 40% of which is funded from sales tax revenues. Funding levels, therefore, are contingent on the health of the local economy. Fluctuations in tax revenues can impact the City's budget related to:

- transportation infrastructure
- water infrastructure
- public safety
- sanitation services and the city's overall cleanliness
- parks, recreational opportunities, and open space

In the aftermath of the 2007-2009 recession, the federal government passed the 2009 American Recovery and Reinvestment Act (ARRA). To guide local economic recovery and growth, the City Manager created the Office of Economic Initiatives. An early effort of the Office was the consolidation and enhancement of 21 City initiatives that are designed to attract, support, and retain businesses with the ultimate goal of increasing jobs. In October 2012, the Office released a brochure, pictured in Exhibit BC-2, highlighting financial incentives, loan programs, business assistance, development service programs, and incentive districts available throughout the City.

The Office of Economic Initiatives focuses its efforts on the following Economic Development Strategic Priorities, adopted by the Mayor and Council in early 2013: (1) Business Recruitment, Retention and Expansion, (2) International Trade, (3) Entrepreneurship, (4) Investment in Key Commercial Areas, and (5) Annexation.

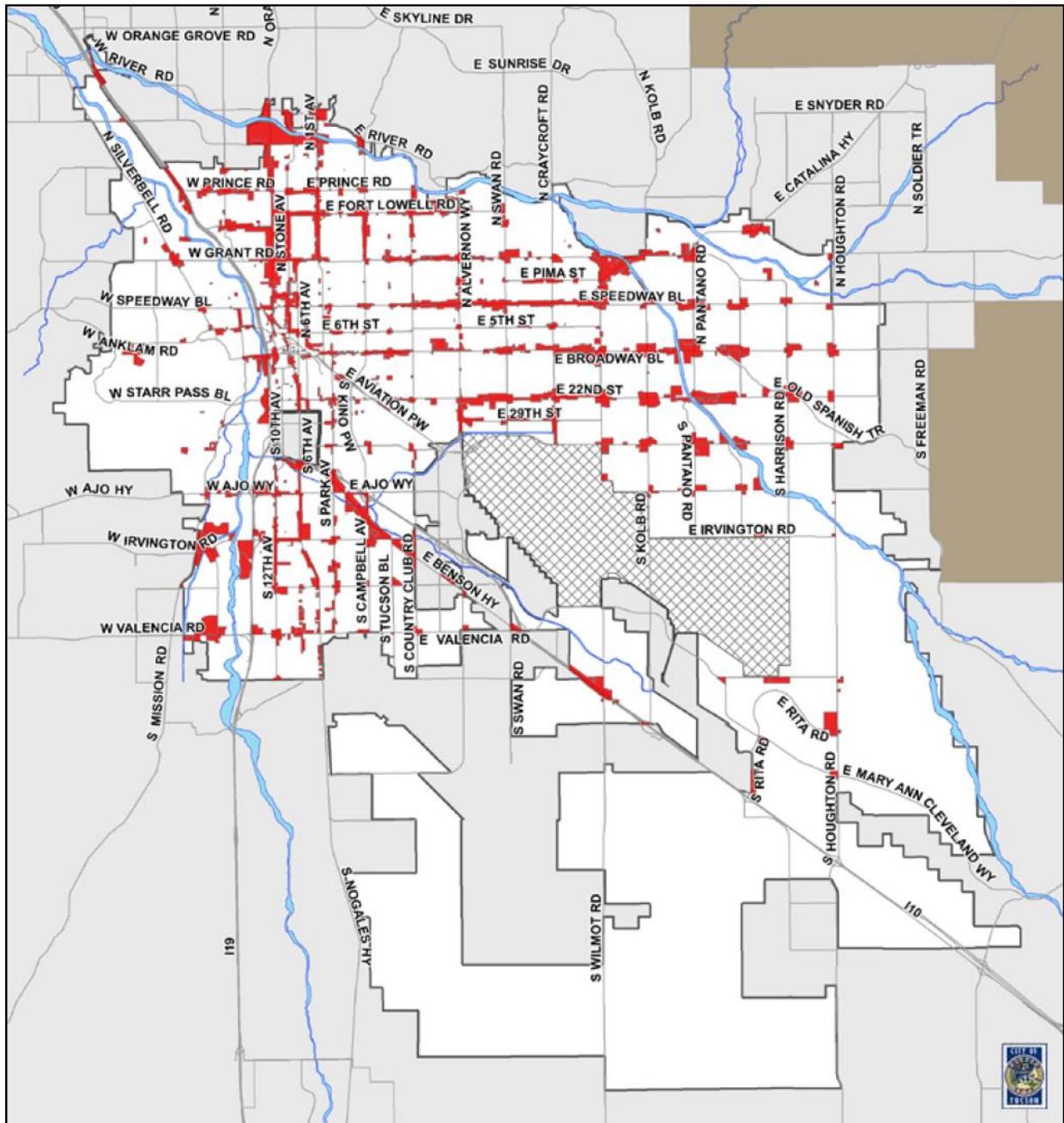
EXHIBIT BC-2 City Business Incentives & Assistance Brochure



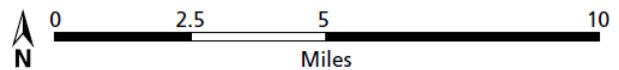
This 2012 brochure (above) provides information on incentives and assistance available to businesses through the City of Tucson. A companion website offers an interactive listing that allows a user to identify incentives and assistance based on a specific address.

Also in alignment with federal and state policies, the City began building on redevelopment and opportunities. For decades prior, similar to many other cities, Tucson's development and concentration of economic activity shifted away from a thriving central business district to malls and suburban shopping centers. A sustained lack of investment in the urban core significantly impacted the built environment, resulting in pockets of poverty and urban decay. Over time these conditions made Tucson less attractive to prospective businesses and industries relocating in the

EXHIBIT BC-1 Distribution of Commercial Land Use in Tucson



Source: City of Tucson IT-GIS Section



Southwest. To reverse this cycle and build on local assets, the City implemented specific economic development efforts to strengthen its urban core, combining downtown revitalization with infill strategies and an emphasis on its relationship with the University of Arizona. The repurposing of obsolete properties and plans for new development on vacant infill parcels accelerated in 2006 as the housing market reached its peak.



UniSource Energy’s new 11,000 headquarters at 88 E. Broadway in Downtown Tucson became fully occupied in November 2011. The nine-story building provides 170,000 square feet of office space for more than 500 employees working for Tucson Electric Power, UniSource Energy’s principle subsidiary.

Catalyzed by the announcement of construction of the Modern Streetcar line, as well as other public investment, the private sector responded with development of new residential units, restaurants, and office and retail space. The Streetcar route extends from University Medical Center through the University of Arizona campus, the Main Gate Shopping District, the Fourth Avenue District, and Tucson’s downtown, connecting to West side neighborhoods. Numerous other private sector developments are being planned and built along the Modern Streetcar route. The City will continue to pursue economic benefits related to downtown revitalization and the University of Arizona, including development along the Modern Streetcar line.



A rendering of Tucson’s Modern Streetcar, scheduled for completion in 2014. This illustration depicts a multi-modal opportunity in which Modern Streetcar riders transfer to the University of Arizona’s shuttle, the Cat Tran, and Cat Tran riders board the Modern Streetcar to head Downtown.

“Encourage infill development within

employment centers and along existing transit corridors through incentives, planning strategies and land use policies and encourage public-private improvements in the urban and mid-town areas and other targeted redevelopment areas. Southern Arizona Home Builders Association

In April 2012 the Mayor and Council passed a resolution to adopt the Downtown Gateway Redevelopment Area and “central business district,” whose boundaries are shown in *Exhibit BC-3*. The Redevelopment Area will establish mechanisms to create significant economic development activity as a catalyst for other development with a focus on underutilized and vacant property. Specifically, the Redevelopment Area allows the City to activate the Government Property Lease Excise Tax (GPLET) program.

The map in *Exhibit BC-4* shows areas of economic activity as of March 2013. This map provides as base information as of this date and will be used to show new economic development activity over the 10-year planning period.

The City offers ongoing support for small and local businesses throughout the community. The City regularly sponsors community-wide forums offer local businesses opportunities to learn about business assistance and to dialogue with elected officials about important community issues. *Exhibit BC-5* provides an annotated list of agencies that the City partners with to provide a variety of assistance to small and local business.

The City of Tucson Small Business Enterprise (SBE) Program is a certification program that offers yet another opportunity for small businesses in the Tucson Metropolitan Area to potentially do business with the City of Tucson. It is a program that fosters economic growth and serves to enhance business opportunities for local firms. City of Tucson website, 2013.

The City will continue to collaborate with its economic development partners to implement a broad range of activities related to business support, such as community messaging, business incentives and financing tools, real estate development, business training and technical assistance, additional infrastructure improvements and transportation enhancements, and planning and research. *Exhibit BC-6* shows many of Tucson’s active partners as of 2013.

CareerBliss, a job search website with more than three million available jobs, released data on the best and worst cities to find a job, ranking the cities on employee happiness, unemployment trends and job availability. Tucson checked in at No. 2 on the list, with only Los Angeles beating it out. Phoenix Business Journal, January 9, 2013

The policies that follow provide general guidance regarding the City’s support for businesses in the coming years.

EXHIBIT BC-3 City of Tucson Downtown Gateway Redevelopment Area, 2013

Note: The Redevelopment Area was divided into 5 subareas for planning purposes.

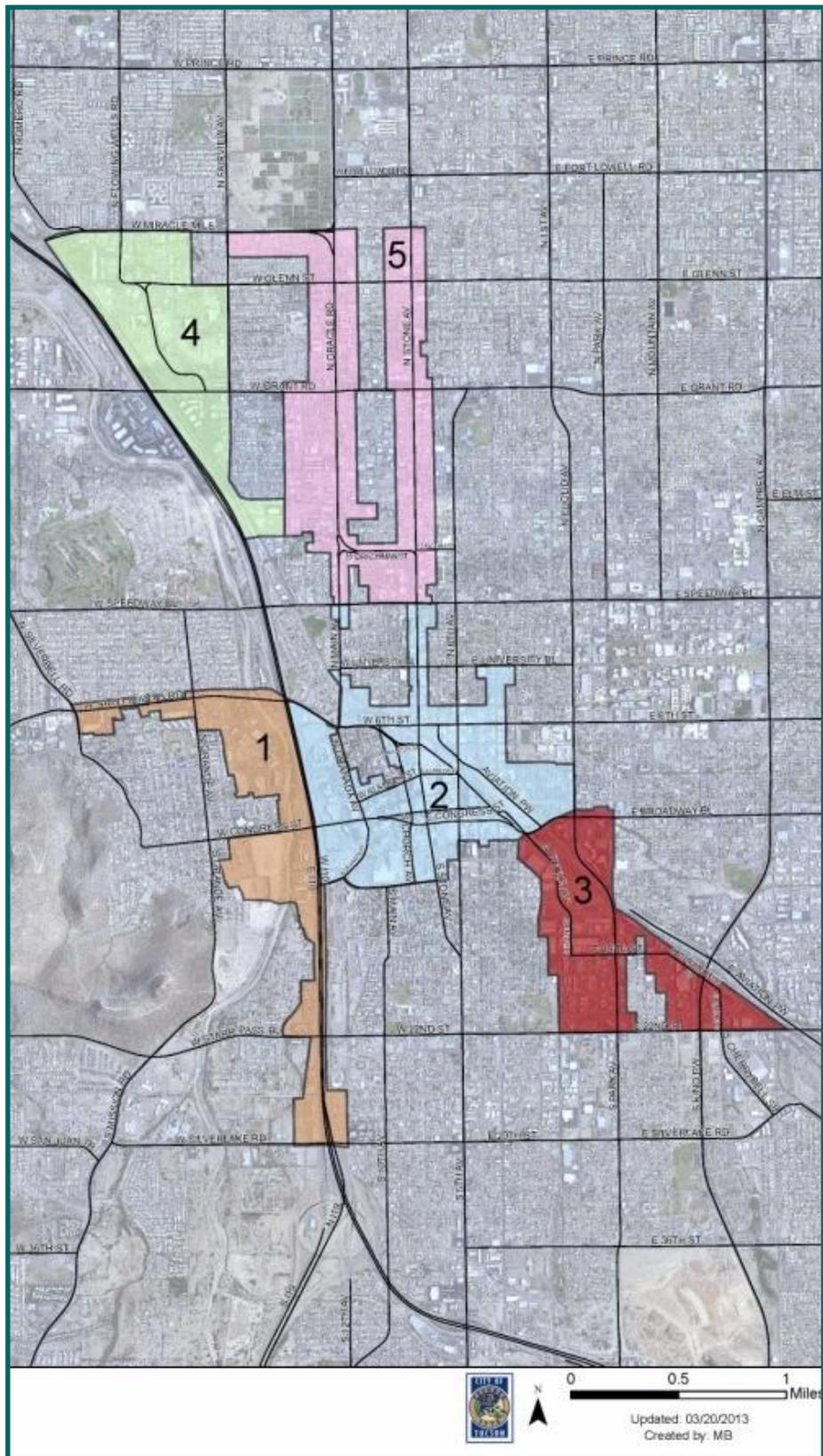
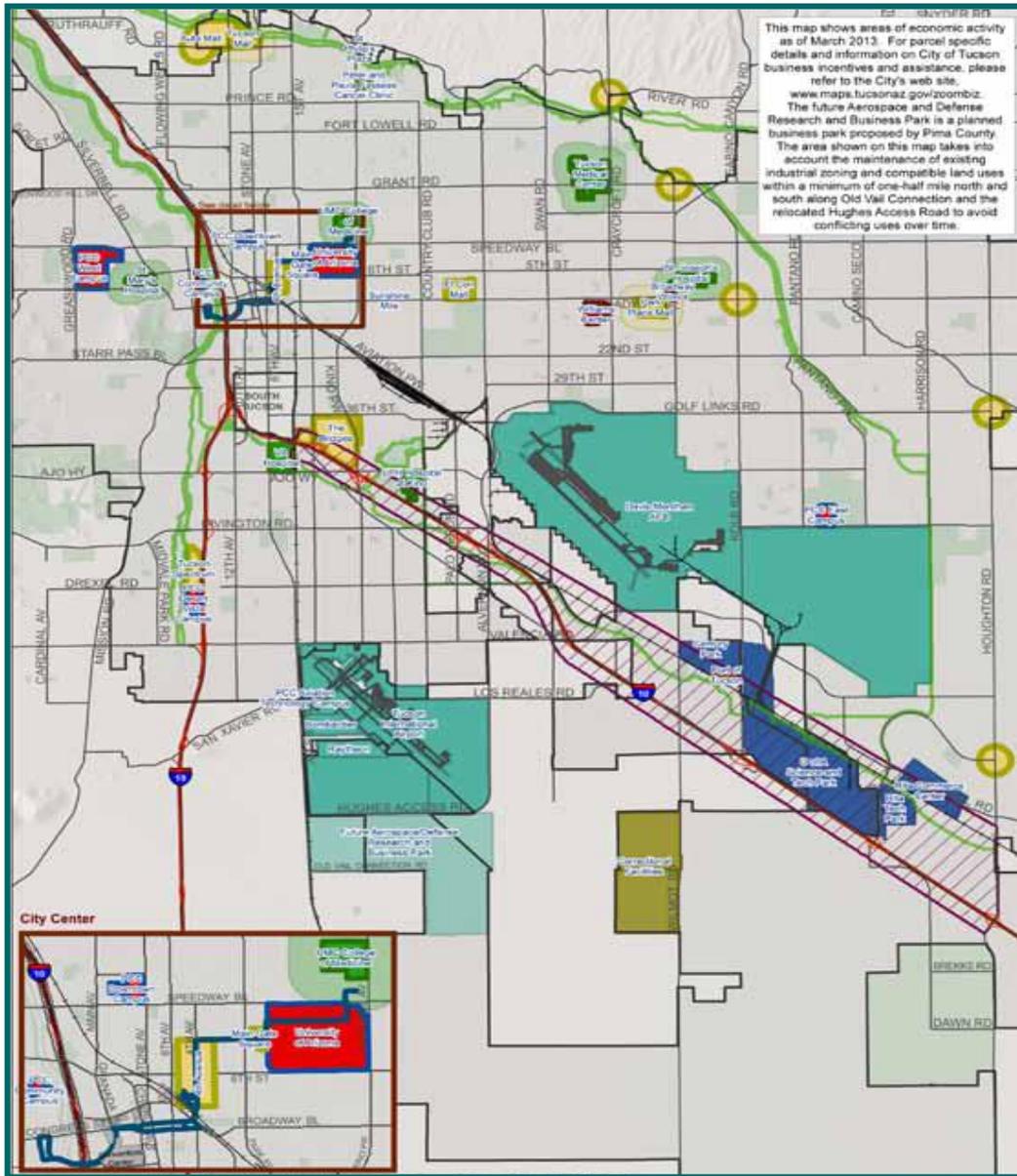


EXHIBIT BC-4 Economic Activity Areas



Economic Development Areas

- Correctional Facilities
- Educational Institutions
- Financial Centers
- Medical Centers
- Technology Parks
- Transport Logistics Center
- Retail Centers
- Aerospace and Military Operations
- Future Aerospace/Defense Research Business Park Proposed by Pima County

Sunlink Street Car

- I-10 Technology Corridor
- The Loop
- Parks and Open Space

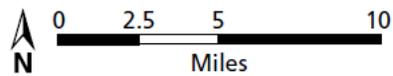


EXHIBIT BC-5 Partner Agencies for Small and Local Business Assistance

- **Microbusiness Advancement Center (MAC)** is a non-profit organization that helps with the growth and development of small businesses by providing quality business consulting, training and finance. MAC assists clients throughout Southern Arizona with programs that include: business planning and development; financial management and resources; and technical assistance for loans.
- With a membership of almost 5,000 members, representing over 300,000 employees, the Arizona **Small Business Association (SBA)** is the second largest trade association in the state and the only statewide association dedicated to serving small businesses
- **National Business Incubation Association (NBIA)** is the world's leading organization advancing business incubation and entrepreneurship. Each year, it provides thousands of professionals with information, education, advocacy and networking resources to bring excellence to the process of assisting early-stage companies.
- **National Small Business Association (NSBA)** The National Small Business Association, Inc. (NSBA) was established for the purpose of providing small business owners, their employees and retirees access to innovative services, programs, information and benefits that would help their businesses to succeed and improve the quality of their lives.
- Pima County **Small Business Development Center** provides high-impact consulting and training to companies with one to 200 employees in any type of business.
- **SCORE Tucson** is the local chapter of a national nonprofit association dedicated to entrepreneur education and the formation, growth and success of the nation's small businesses. Also visit their online resources at **e-Business Now** for free online workshops, guides and business templates
- **Small Business School** is a weekly, half-hour television show and interactive, searchable web site with resources and information for the 25 million small business owners (USA), their employees and customers, and for all those who aspire to be a business owner.
- **Tucson - Local First Arizona (LFA)** is a non-profit organization working to strengthen communities and local economies through supporting, maintaining, and celebrating locally owned businesses throughout the state of Arizona. Business Owners can register on the directory of Tucson businesses and be sure to consider other local businesses for your purchases as well.

EXHIBIT BC-5 City of Tucson Economic Development Partnerships

Arizona Commerce Authority works with the City to provide an integrated, solutions-based approach to business development.

Arizona Center for Innovation is a high tech incubator associated with the University of Arizona.

Business Development Finance Corporation is a private, non-profit corporation dedicated to economic development by providing affordable financing for Arizona businesses.

Critical Path Institute brings scientists from the Federal Drug Administration, industry, and academia together to improve the path for innovative new drugs, diagnostic tests, and devices to reach patients in need.

Downtown Tucson Partnership provides services to downtown businesses through the Business Improvement District and special projects to revitalize downtown and the urban core.

Drachman Institute is a research and public service unit of The College of Architecture and Landscape Architecture at The University of Arizona dedicated to the environmentally sensitive and resource-conscious development of neighborhoods and communities.

Industrial Development Authority of the City of Tucson was created to provide financing of community development projects where traditional sources of funding may be unavailable. The Industrial Development Authority has established a Small Business Loan program and also manages the City's application process for the HUD Section 108 Loan Program.

Metropolitan Pima Alliance MPA facilitates dialogue between members of the development community and the public sector. MPA's advocates for balanced land use policies that stimulate economic development and reasonably preserves the natural environment.

Metropolitan Tucson Convention & Visitors Bureau promotes Tucson to leisure and business travelers, and provides local business access to the \$3 billion+ that tourism brings to the local economy annually.

Microbusiness Advancement Center (MAC) is a non-profit organization that helps individuals start, fund, and grow their businesses by providing quality business education and access to capital. Programs and courses are often provided in Spanish.

Pima Association of Governments was established in 1972 as a 501(c)4 nonprofit association with programs focusing on cross-jurisdictional planning issues, such as air quality, water quality, transportation and population growth.

Regional Transportation Authority (RTA) manages the 20-year RTA plan approved by Pima County voters on May 16, 2006. RTA also funds the **Main Street** small business assistance program to help businesses affected by road improvement projects in the RTA plan.

Southern Arizona Chamber of Commerce Alliance (SACCA) is an alliance of eight chambers of commerce in Southern Arizona formed to coordinate and advance the common business interests of Southern Arizona.

Arizona Technology Council produces over 100 events each year that drive networking, promote continued education, and offer opportunities for new business growth.

Entrepreneurial Development Center (EDC) offers online training, tools and templates to help businesses get started and grow.

Solar One Stop is a multi-agency, collaborative effort led by Pima County and the City of Tucson to spread the news about affordable, quality, and efficient solar technologies for homes and businesses.

Technology Commercialization Resource Directory, located at the University of Arizona's Office of Economic and Policy Analysis, lists organizations in Southern Arizona that assist in technology innovation and commercialization.

Tucson Film Office attracts film, video, and photo shoots to Southeastern Arizona and facilitates tax incentives for the State of Arizona.

Tucson-Pima Public Library has a Business Information Center providing services and resources that promote the development of successful businesses.

Tucson Regional Economic Opportunities, Inc. (TREO) was formed in 2005 to serve as the lead economic development agency for the greater Tucson area and its surrounding community partners.

University of Arizona has a number of business initiatives and programs to expand and educate the local workforce and provide benefit to the local economy.

Pima County's One-Stop Career Center provides easy access to a range of private, public, and nonprofit partners who have expertise regarding employment services.

Pima Community College provides Training and Workforce & Business Development services.

United States-Mexico Chamber of Commerce (USMCOC) is a unique non-profit corporation operating 10 offices in Mexico and 10 offices in the United States to promote trade and investment and joint ventures on both sides of the border.

POLICIES

Business Climate (BC)

- BC1** Recognize that government plays an instrumental role in creating a business supportive climate through investment in public infrastructure and services, through its regulations and policies, and in building public-private partnerships.
- BC2** Continue to develop and implement local strategies, services, and incentives to enhance Tucson's business climate.
- BC2** Promote and support local, minority-owned, independent, and small businesses involved in the sale and purchase of locally produced goods and services.
- BC3** Provide assistance and incentives to encourage entrepreneurial efforts and technological innovations that lead to local business development and expansion.
- BC4** Foster the success of key commercial areas, including downtown; major corridors; and arts, entertainment, and business districts through targeted investment, incentives, and other revitalization strategies.
- BC5** Enhance the community attributes that are mutually beneficial to the business climate and quality of life for residents, including a safe environment, recreational opportunities, multi-modal transportation, a vibrant downtown, distinctive neighborhoods, excellent education, primary and secondary employment opportunities, and arts and entertainment venues.
- BC6** Brand and market Tucson's business climate by promoting local assets such as the downtown and University of Arizona, the modern streetcar line, Tucson's cultural heritage, diversity, and events; and the outdoor life style and scenic beauty of the Sonoran Desert.
- BC7** Support a safe, distinctive, well-maintained, and attractive community with neighborhoods made up of residences and businesses that contribute to Tucson's quality of life and economic success.
- BC8** Promote and encourage a mix of residential development throughout the city as both an economic driver and a quality of life issue to meet the diverse needs of a growing workforce.

Other Related Policies

ELEMENT	POLICY #	PAGE#
Jobs & Workforce Development		
Business Climate		
Regional & Global Positioning		
Tourism & Quality of Life		
Housing		
Public Safety		
Parks & Recreation		
Public Health		
Urban Agriculture		
Education		
Arts & Culture		
Governance & Participation		
Energy & Climate Change		
Water Resources		
Green Infrastructure		
Environmental Quality		
Historic Preservation		
Public Infrastructure, Facilities & Cost of Development		
Redevelopment & Revitalization		
Land Use, Transportation & Land Use		

Regional & Global Positioning

Shifts in the regional and global economy influence Tucson’s local economy. As noted in the Introduction to this Economic Environment Focus Area the emphasis in the foreseeable future is on technology, innovation, and entrepreneurial development. Tucson has many competitive advantages in this new global economy, including its location as an international port and logistics hub, with over 150 transportation and logistics providers; its leadership role in technology, education, and research in large part due to the presence of the University of Arizona; and its attraction as a major tourist destination, described in the last element in this focus area. *Exhibit RG-1* identifies key industrial sectors in the Tucson region.

EXHIBIT RG-1 Top Industry Clusters in Tucson Region

Industry Cluster	Strategy
Technology-Driven Manufacturing	
<i>Established Clusters:</i>	
<ul style="list-style-type: none"> Aerospace and Defense Analytical Instruments/Optics Medical Devices 	Major retention and expansion assistance and recruitment
<i>Emerging Clusters:</i>	
<ul style="list-style-type: none"> Bio-Industry Environmental Technology 	Major attention to entrepreneurial development and recruitment
Advanced Services	
<ul style="list-style-type: none"> Institutional/Private R&D 	Major attention to entrepreneurial development and recruitment
<ul style="list-style-type: none"> Information Technology 	Major attention to retention, entrepreneurial development and recruitment
<ul style="list-style-type: none"> Business Services Financial Services Transportation and Logistics 	Moderate retention assistance and minor recruitment attention

Source: TREO Publication, “Securing Our Future Now” An Economic Blueprint for the Tucson Region

Tucson’s international port and logistics hub conveniently connects people and products in the regional and global marketplace. Southern Arizona’s unique geography near the Mexico border and near deep water ports, as well as a strong transportation infrastructure, provides excellent access for trade. *Exhibit RG-2* shows Tucson’s proximity to regional and global destinations.

In 2013, the City’s Office of Economic Initiatives added an international trade specialist to its staff. An example of a specific effort international effort underway is the Tucson-Mexico Sister Cities Program to promote and expand cultural, educational, social and economic development for mutual

Nogales.....	64 miles
Phoenix.....	113 miles
Yuma.....	238 miles
Hermosillo, Mexico....	245 miles
Flagstaff.....	257 miles
El Paso.....	318 miles
Guaymas, Mexico.....	324 miles
Las Vegas.....	407 miles
San Diego.....	413 miles
Albuquerque.....	450 miles
Long Beach.....	498 miles

EXHIBIT RG-2 Distances from Tucson

benefit with the citizens of Tucson, Arizona, Puerto Peñasco, Ciudad Obregon Sonora, Mazatlan Sinaloa, and Guadalajara Jalisco by fostering and encouraging friendship and understanding. Some primary objectives include:

- developing long-term lines of communication between Tucson, Puerto Peñasco, Ciudad Obregon, Mazatlan and Guadalajara, promoting cooperation on an international level
- providing opportunities for individual citizens to experience a wide range of cultural and social activities within their own communities and through international exchanges
- collaborating with organizations working on similar projects in order to enhance community visibility and strengthen program effectiveness
- enhancing friendship and community relations through participation in charitable programs

"Here, right along the Mexico-U.S. border, we've got access to key suppliers, an urban infrastructure and communications network, friendly people, and a gateway to the markets we serve both to the east and to the west." *Santiago Castro, Director General of Conservas La Costeña and CEO of Arizona Canning, upon announcing a new U.S. Headquarters in Tucson*



Davis-Monthan Air Force Base is not only a major employer for the Tucson region and an economic driver, but also brings people from all over the world, is a training and technology center for the United States, is integral to Southern Arizona's emergency services, and supports and participates in community activities.



Tucson International Airport (TIA) is a major economic driver in Southern Arizona and an important business attraction. The 8,200-acre TIA campus is largely undeveloped, and planning is underway to leverage previous and current planning efforts related to conservation, multimodal transportation, growth corridors,



The 2013 expansion to the multi-modal shipping facility on Tucson's southeast side known as the "Port of Tucson" increased capacity to receive and ship international containers. Additional miles of track will facilitate the loading and unloading of trains pulling more than 100 freight cars.

Over the next decade it the City will work with businesses and institutions to continue to strengthen the Tucson's position in the regional and global market. The policies that follow provide general guidance in this area.

Policies

Regional & Global Positioning (RG)

- RG1** Increase international partnerships and trade opportunities, with particular focus on Tucson’s strong economic, cultural, and geographic ties to Mexico.
- RG2** Capitalize on Tucson’s strategic location by maintaining and enhancing Tucson as an international port and center for commerce and logistics.
- RG3** Support the expansion of passenger and freight multi-modal transportation services to better connect Tucson to regional and international markets and destinations.
- RG4** Support in and around Davis-Monthan Air Force Base (DMAFB) and Tucson International Airport (TIA) existing and potential commercial, industrial, and other land use activity that
- is compatible with military and aviation operations
 - contributes to the long-term viability of DMAFB and TIA
 - is enhanced by proximity to air service
 - produces a significant public benefit in regard to employment and revenues generated
 - does not impair the habitability of or displace existing residences, or negatively impact the health, safety, and welfare of existing residents, their homes, and their neighborhoods
- RG5** Promote Tucson as an internationally recognized center for innovation and creativity in the areas of science, technology, and the arts.

Other Related Policies

ELEMENT	POLICY #	PAGE#
Jobs & Workforce Development		
Business Climate		
Regional & Global Positioning		
Tourism & Quality of Life		
Housing		
Public Safety		
Parks & Recreation		
Public Health		
Urban Agriculture		
Education		
Arts & Culture		
Governance & Participation		
Energy & Climate Change		
Water Resources		
Green Infrastructure		
Environmental Quality		
Historic Preservation		
Public Infrastructure, Facilities & Cost of Development		
Redevelopment & Revitalization		
Land Use, Transportation & Land Use		

Tourism & Quality of Life

Tourism is a major industry for the Tucson area, providing jobs for residents and generating revenues for businesses and government. The Tucson area's attraction as a tourist destination is directly related to the community's quality of life. Quality of life is different from standard of living in that the indicators go beyond employment and income to include the built and natural environment, physical and mental health, education, recreation and leisure time, and social belonging. A community that has a high quality of life for its residents is also an attractive destination for visitors and tourists and can provide a competitive edge economically.

One of the goals in the TREO Economic Blueprint Strategies, the Power of Five, is to “build on the unique assets and attributes of the Tucson region in order to be globally recognized and valued for livability.” This goal encompasses the attractiveness of the physical landscape, the availability and efficiency of transportation networks (mobility), support for business and cultural centers, and recognition of the contribution made by local architecture, heritage and cultural diversity to Tucson's image. Throughout Plan Tucson are elements and policies directly related to preserving and protecting these assets and attributes for which a variety of City agencies have responsibilities. For instance, the City's Office of Conservation, Sustainability and development coordinates with City departments, businesses, neighborhoods, and other organizations to protect and enhance the integrity of our unique Sonoran Desert ecosystem and improve the environmental quality and livability of the urban environment. The City's Historic Preservation Office assists in the identification and preservation of historic and cultural resources, while the Department of Transportation addresses the transportation networks, which includes the design of bicycle and pedestrian facilities, as well as streetscapes that contribute to the initial impression of a community.

The tourism industry, often referenced as the travel and tourism industry, includes a range of services and venues, including but not limited to convention and travel arrangements; resorts and hotels; museums, historical sites, and artistic and cultural resources; recreation; sports, and natural wonder attractions. In its 2012 Fact Sheet, the Arizona Office of Tourism data on the economic impact of travel and tourism by county showed Pima County was second, after Maricopa County, in direct travel spending (\$2.4 billion), jobs generated (21,280), earnings generated (\$537 million), and taxes generated (\$135.7 million).

By generating thousands of jobs, millions of dollars in earnings, and billion of dollars in tax revenues, tourism is vital to Arizona's economic vitality. Tourism is a driving force in establish the “quality of life” message and amenities that are necessary to make Arizona an attractive place to live, work, and visit. Arizona Office of Tourism, Travel and Tourism Works for Arizona, August 2012

Recognizing the competitiveness of tourism, in 2013 “the Metropolitan Tucson Convention & Visitors Bureau (MTVCB) retained a firm to re-brand Tucson and Southern Arizona as a prime visitor destination and enhance the regional' presence within the global tourism market.” MTVCB's mission is “to drive and enhance the economic prosperity of Tucson and Southern Arizona through tourism by promoting, selling, and marketing the regional for leisure, meetings,

conventions, amateur sports, and film production.” *Exhibit TQ-1* presents MTVCB’s categories of things to do in Tucson.

EXHIBIT TQ-1 Wide Range of Tourist Attractions

☀ Restaurants	☀ Biking	☀ Family Fun
☀ Attractions	☀ Horseback Riding	☀ Gaming
☀ The Arts	☀ Rock Climbing	☀ Shopping
☀ Golf	☀ Plants & Animals	☀ Science & Tech
☀ Outdoor Adventure	☀ Bird Watching	☀ Gems & Minerals
☀ Hiking	☀ Tours & Day Trips	☀ Winter Training

Source 100 Things to Do – Categories from Metropolitan Tucson Convention and Visitors Bureau Site



JW Marriott Star Pass Resort & Spa is one of the many Tucson hotels that markets Tucson natural beauty and outdoor recreational opportunities as a major selling point.

According to the Metropolitan Pima Alliance Wild Ride Report, The Impact of Hospitality, Sports, and Tourism in Pima County, 2013:

- Annual economic impact of tourism is valued at nearly \$2.4 billion
- Total Hotel Room revenues generated were \$292,786,358
- Total economic impacts of Mexican visitors to Pima County in 2007 - 08 was \$1.8 billion
- Canadian travelers spend over \$800 million annually and account for more than half of all international spending in Arizona

Exhibit TQ-2

While tourism is fiercely competitive globally, Tucson has and continues to be recognized for many attributes. For example, the March 1, 2013, on-line edition of the Tucson Citizen reported that Tucson was named one of the Top 10 Spring Break Destinations for Families by Livability.com, a national website that highlights more than 500 of America's best places to live and visit (*Exhibit TQ-2*). The list is the second installment of an annual listing of America's top spring break destinations and features communities that offer families a budget-conscious, amenities-rich vacation that can be enjoyed over the course of a few days. To narrow down the list, Livability.com editors looked at cities with plenty of parks, green spaces and outdoor recreation opportunities as well as family-friendly attractions, such as zoos, aquariums, amusement parks and museums. Tucson was chosen because it offers families a host of activities for all age groups – both indoors and out – as well as a number of other travel amenities for families, such as hotels with pools, vacation deals and kid-friendly restaurants.

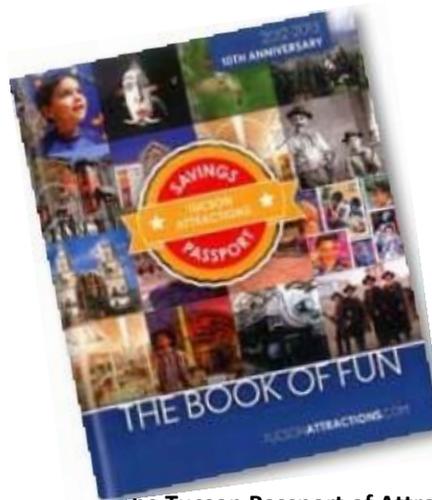
Top 10 Spring Break Destinations for Families, 2013 (*Livability.com, 2013*)

1. Santa Cruz, CA
2. **Tucson, AZ**
3. Portland, OR
4. Omaha, NE
5. Indianapolis, IN
6. Birmingham, AL
7. Charlotte, NC
8. Tulsa, OK
9. Boise, ID
10. Cincinnati, OH

The San Francisco Chronicle in a May 2013 travel piece compared Tucson's hipness factor to that of Portland, Oregon. "This smallish southwestern town, better known as a jumping-off point for the Saguaro National Park, has turned into a surprisingly hip little burg. A kind of Portland without the rain. A Mission District without the attitude (and without the long lines for restaurants)." As reported in the Tucson Citizen, May 17, 2013



El Charro Café, founded in 1922, is one of Tucson's many restaurants serving Mexican food, which is a draw for tourists, visitors, and locals alike and reinforces Tucsonans' value of the city's cultural heritage.



The Tucson Passport of Attractions provides a map, discounts, and information on local venues, events, and activities that can be enjoyed by tourists, visitors, and residents alike.



The Arizona Sonoran Desert Museum is not only one of Tucson’s most popular tourist attractions, attracting more than 500,000 visitors annually, but it also provides education on the importance of the area’s natural environment, which over the years has been repeatedly expressed as an important value by Tucsonans.

As reported in Tucson Velo on May 15, 2013, the WalkScore.com ten most bikeable cities list ranks Tucson number eight tying with Seattle. Walkscore wrote about the Old Pueblo, “Tucson is the sleeper on this list but not to be left out. This desert oasis has more bicycle infrastructure than any other city in the US, boasting more than 700 miles of designated bikeways. You can ride year-round without bundling up, and the mountain bike trails outside of town, as in the Santa Catalina Mountains, are top-notch — just don’t crash into a cactus!”

The policies that follow provide general guidance regarding Tourism & Quality of Life as an economic driver in the coming years.

POLICIES

Tourism & Quality of Life

- TQ1** Support and promote tourism in Southern Arizona as a major economic driver that benefits a variety of business sectors throughout the community.
- TQ2** Preserve and celebrate the beauty of Tucson’s natural landscape and the wonder of the Sonoran Desert.
- TQ3** Recognize the importance of well-maintained and attractive roadways and gateways in establishing an initial impression for visitors and generating pride among residents.
- TQ4** Promote and preserve Tucson’s cultural heritage and historic resources, including archaeology, architecture, art, landmarks, and events.
- TQ5** Promote Tucson as a premier healthy lifestyle, outdoor, and recreational destination for cycling, hiking, bird watching, astronomy, nature, desert ecology, golf, spas, wellness, and healthcare.
- TQ6** Invest in the maintenance and expansion of sports and recreational facilities, venues, and events to serve local demand and promote sports tourism.
- TQ7** Promote Tucson as a destination for epicurean adventure capitalizing on the diversity of locally-owned restaurants, authentic Mexican food, local wineries and breweries, farmers markets, and culinary expertise and events.
- TQ8** Retain, enhance and expand the annual Gem, Mineral and Fossil Show and make Tucson a year-round gem and mineral destination.
- TQ9** Enhance civic and convention facilities, outdoor spaces, and venues making them reflective of Tucson’s cultural heritage and desert environment, in order to draw visitors to the area and serve the local community with year-round indoor and outdoor arts, culture, and sports programming.

Other Related Policies

ELEMENT	POLICY #	PAGE#
Jobs & Workforce Development		
Business Climate		
Regional & Global Positioning		
Tourism & Community Image		
Housing		
Public Safety		
Parks & Recreation		
Public Health		
Urban Agriculture		
Education		
Arts & Culture		
Governance & Participation		
Energy & Climate Change		
Water Resources		
Green Infrastructure		
Environmental Quality		
Historic Preservation		
Public Infrastructure, Facilities & Cost of Development		
Redevelopment & Revitalization		
Land Use, Transportation & Land Use		