

# CITY OF TUCSON

## Office of Economic Initiatives



# 2023

## Annual Report



CITY OF  
**TUCSON**

**CONNECT  
TUCSON**

CITY OF TUCSON  
OFFICE OF ECONOMIC INITIATIVES

# KEY INDICATORS

Business Attraction & Expansion

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**\$2.1 B**

Capital Investment

**1,500**

Quality Jobs

Small Business Assistance

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**722**

Businesses Assisted

**\$1.2 M**

Capital Accessed

# MESSAGE FROM THE DIRECTOR



In 2023 we celebrated growth, partnerships, and new opportunities! I hope you enjoy reviewing the highlights of our year in this edition of the Office of Economic Initiatives Annual Report. In these pages you will find that we are most proud of the work we do with others – supporting small business owners, collaborating with regional partners to attract jobs and investment, and creating pathways for success for both new and existing businesses in Tucson!

The City of Tucson Mayor & Council adopted a Comprehensive Economic Development Strategy in 2022, setting the vision and goals for our work. The CEDS provides a framework for Tucson's economic development, and by implementing these strategies, the Office of Economic Initiatives aims to build a resilient, equitable, and thriving economy. Join in our vision of Tucson as a city that inspires creativity, ignites discovery, and fosters enduring economic vitality. ¡Tucson, adelante!

A handwritten signature in gold ink that reads "Barbra Coffee". The signature is fluid and cursive.

Barbra Coffee, CEcD, EDFP

# City of Tucson

# Comprehensive Economic Development Strategy

## VISION

Tucson's bold, inviting, and distinctive culture inspires creativity, ignites discovery, and fosters enduring economic vitality.

## GUIDING PRINCIPLES

### EXISTING BUSINESSES FIRST

Supporting Tucson's major employers and clusters is where our strategy begins, and we must bolster small businesses, too.

### DEVELOPMENT THAT IS SUSTAINABLE

Tucson must advance initiatives that synthesize economic success with sustainability and livability.

### SUPPORT ENTREPRENEURSHIP

Tucson must foster and support small business and start-up ecosystems across a variety of sectors to capitalize on emerging economic opportunities.

### PARTNER ENGAGEMENT

Tucson must collaborate with new and existing partners to achieve our economic development goals.

### EQUITABLE APPROACH

Tucson must ensure that all economic development efforts promote equity.

### CLUSTER DRIVEN

Industry clustering drives the competitiveness and innovation that lead to economic growth.

## GOAL #1

# GROW EXISTING & SMALL BUSINESSES

The City's Business Retention & Expansion Program is focused on major employers in our target industries. We seek to support industry clusters in Aerospace & Defense, Photonics & Optics, Bioscience, and Renewable Energy & Natural Resources. Tucson's business ecosystem is healthy and growing.

Existing small and local businesses benefit from the support of our dedicated Small Business Program, which launched in 2022.

Business owners can reach our support team through a dedicated phone line, via an online form, or by directly booking a meeting with a team member to receive personalized technical assistance in multiple languages.

Services provided include support to source and apply for financing, design and implement digital marketing, gain insights into market conditions and data, select sites for expansion, hone financial skills, and much more.

# BUSINESS RETENTION AND EXPANSION PROGRAM



VISITED 25 MAJOR EMPLOYERS IN ALL CITY WARDS

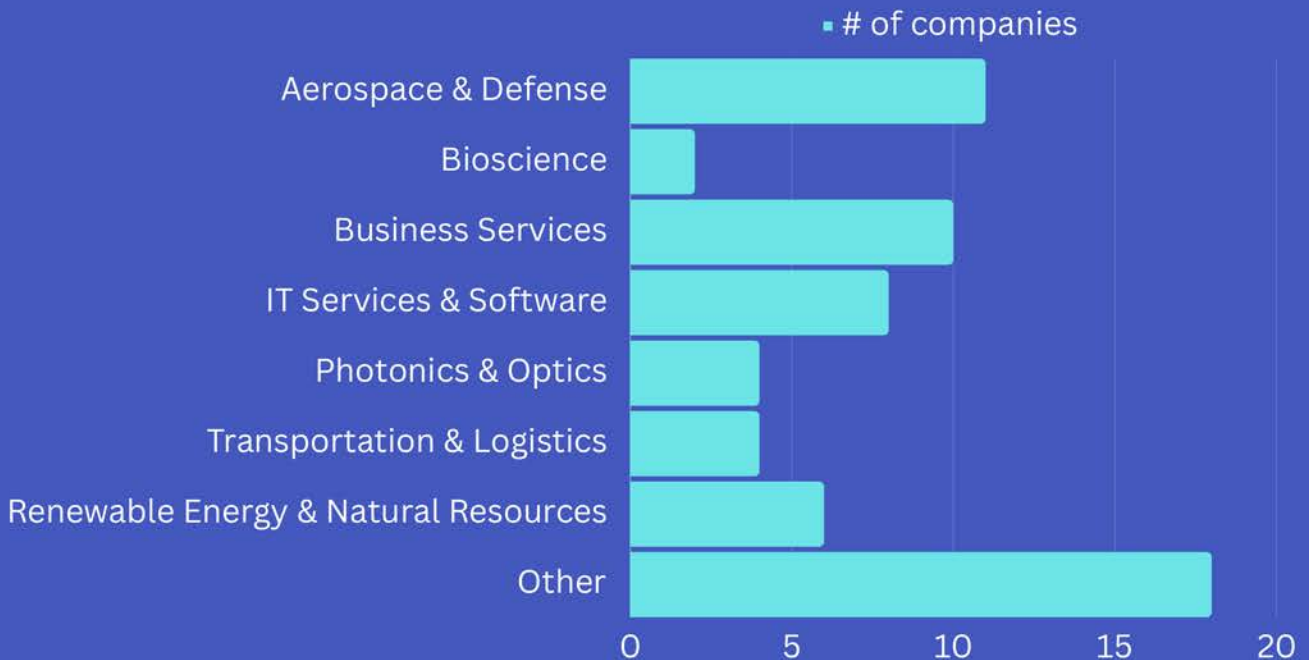


60+ INTERACTIONS WITH MAJOR EMPLOYERS IN TUCSON



HOSTED 3 CEO ROUNDTABLE EVENTS

## INDUSTRIES ENGAGED



# SMALL BUSINESS PROGRAM

The Office of Economic Initiatives provides support and assistance to small business owners and entrepreneurs, focused on underserved segments of the population.



150+ BUSINESSES VISITED IN ALL CITY WARDS



722 BUSINESS OWNERS AND ENTREPRENEURS ASSISTED



1400+ HOURS OF TRAINING FOR SMALL BUSINESS OWNERS



24 REGISTERED LEGACY BUSINESS



\$1.5 M INCREASE IN GROSS SALES FOR BUSINESSES ASSISTED



\$1.2 M IN CAPITAL ACCESSED BY BUSINESSES ASSISTED



41 NEW BUSINESSES CREATED

# BUSINESS NAVIGATORS

The Business Navigator team creates and facilitates workshops and training programs that directly address the needs of small business owners. Each course includes one-on-one follow up opportunities to further tailor support and instruction. Examples of programs conducted in 2023 include:



EL PUEBLO BUSINESS EXPO:  
CITY OF TUCSON SUPPLIER  
DIVERSITY INITIATIVE



Image courtesy Intercubo Marketing

SAZON EMPRESARIAL:  
SPANISH-LANGUAGE FOOD  
BUSINESS ACCELERATOR



PLANEANDO PARA TU  
NEGOCIO: SPANISH-LANGUAGE  
FINANCIAL EDUCATION  
TRAINING



ACADEMIA DE MARKETING  
DIGITAL: MARKETING SKILLS  
FOR BUSINESS OWNERS



# SMALL BUSINESS PROGRAM EQUITY IN ACTION



61% OF BUSINESSES ASSISTED  
WERE MINORITY-OWNED



72% OF SMALL BUSINESS  
TRAINING SESSIONS  
CONDUCTED IN SPANISH



52% OF LOAN PROGRAM  
ASSISTANCE WENT TO MINORITY  
ENTREPRENEURS



MAYOR ROMERO PROCLAIMED  
APRIL 30TH-MAY 6TH AS SMALL  
BUSINESS WEEK

# SMALL BUSINESS PROGRAM IMPACT



Mexico Lindo Food Market, LLC is a business owned by the Barnett family for 22 years. The Barnetts first connected with the City of Tucson small business navigators during a business roundtable at the Ward 5 office. They participated in the “Profit Soup” program and using the financial information learned, they were able to submit a loan application to the Avanza fund for \$80k which was approved.

Sonoran Ocotillo is a family-owned and operated business that was created in 2017. The business owners participated in “Planeando para tu negocio” a class where they got a better understanding of their business financials. As a result of this, Sonoran Ocotillo decided to apply for the Avanza loan which was approved for \$75k.



El Minuto Cafe LLC is a family business that has been in the community since 1936. El Minuto Cafe was awarded as a legacy business with the assistance of the navigator team. The navigators continued working with the business and assisted them with their Avanza loan application. El Minuto Cafe was approved for a \$180k loan.

## GOAL #2

# ATTRACT INVESTMENT



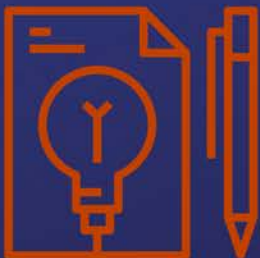
PROJECT PIPELINE TOTALING 36,565 JOBS AND \$41 BILLION IN CAPITAL INVESTMENT



HOSTED THREE CORPORATE SITE VISITS



“H2K” PLANNED AREA DEVELOPMENT DESIGNATED UNDER SITE SELECTORS GUILD SITE READINESS PROGRAM



DEVELOPMENT AGREEMENTS WITH AMERICAN BATTERY FACTORY, SION POWER, MICROSTAR LOGISTICS, HOME DEPOT, & BASS PRO SHOPS

# BUSINESS ATTRACTION INCENTIVES

Bass Pro Shops  
\$36 Million Investment  
128 New Jobs



Image courtesy Great Outdoors Group, LLC



MicroStar Logistics  
\$70.5 Million Investment  
243 New Jobs

Image courtesy MicroStar Logistics

Home Depot  
Houghton Town Center  
\$37 Million Investment  
110 New Jobs



Image courtesy Home Depot Product Authority, LLC

# INTERNATIONAL TRADE PROGRAM

The Office of Economic Initiatives participates in international trade shows to market our region and attract foreign direct investment to Tucson.



SelectUSA Investment Summit in Washington, DC

Image courtesy Arizona Commerce Authority



Mexico Supply Chain Nearshore Summit in El Paso, Texas

Image courtesy MEXICONOW



Foro Mundial de Energia Solar in Hermosillo, Sonora

# INTERNATIONAL DELEGATIONS

The Office of Economic Initiatives promotes trade and investment by developing relationships with foreign firms and government representatives. In coordination with state and regional partners, we receive foreign delegations in Tucson and participate in trips abroad.



MEXICO



SWEDEN



TAIWAN



GERMANY



S. KOREA



# SOFT LANDING RESOURCES ACADEMY FOR INTERNATIONAL TRADE

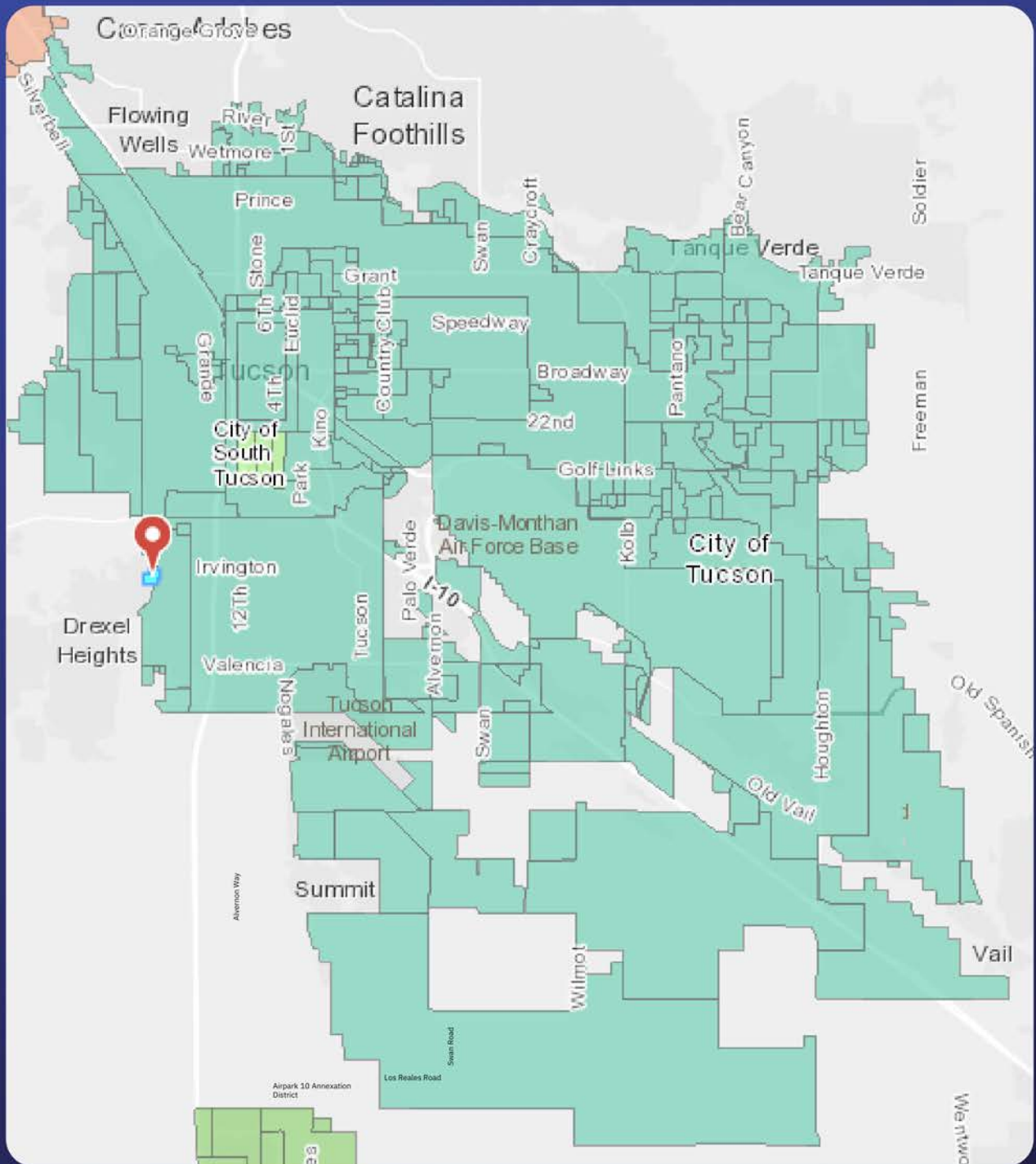


The Office of Economic Initiatives has developed “soft landing” resources for foreign firms looking to enter the U.S. market. With partners from the Universidad Binacional in Nogales, Sonora, and financial support from the U.S. Department of State, we launched the first-ever Academy for International Trade in 2023. This eight-week program involved 35 business owners and executives from Sonora and Sinaloa, from a range of industries, including renewable energy, business services, retail & professional services. Participants learned about the cultural, legal, and logistical aspects of conducting business in the U.S. from subject matter experts, and the Academy concluded with a celebratory event in Tucson. Our team will continue to work with these businesses as they implement their plans to expand to the U.S.



# ANNEXATION

The Mission Village District was adopted May 5, 2023, bringing vacant land for commercial and residential development into the City of Tucson.





# GOAL #3

## ENTREPRENEURSHIP



### **Southern Arizona Coalition for Climate Adaptation and Resilience**

SACCAR envisions a future where both our community and economy have the skills and resources needed to meet the challenges of climate change.

SACCAR works to strengthen our regional innovation ecosystem, working in the areas of economy, social impact, environment, and climate. The Coalition supported projects and proposals ranging from Colorado River- Lower Basin multi-state alignment to capital for underserved entrepreneurs and early-stage tech startups in Southern Arizona.

This range of project support reflects the multifaceted ways in which the Coalition addresses environmental, social, and economic development. With a diversity of membership including local and county governments, community-based organizations, institutions of higher education, and alternative financing and business startup organizations, SACCAR is well positioned to support efforts that build a strong, more sustainable, and more inclusive economy in Tucson and Southern Arizona.

#### Notable Achievements:

- Successful completion of all EDA Build Back Better Regional Challenge commitments
- Creation and execution of an Intergovernmental Agreement, between members, formalizing the Coalition
- Supported grant funding applications to EDA, NSF, and SBA

# SACCAR COALITION MEMBERS



SANTA CRUZ VALLEY  
NATIONAL HERITAGE AREA



THE UNIVERSITY  
OF ARIZONA



# GOAL #4

# ECONOMIC MOBILITY

## THRIVE IN THE '05

A collaboration of innovations in Community-Based Crime Reduction, Choice Neighborhoods, and Workforce & Economic Development in the 85705 zip code.

## 2023 HIGHLIGHTS

In July, the City of Tucson was selected to receive a \$50 million Choice Neighborhoods Implementation (CNI) grant from the U.S. Department of Housing and Urban Development (HUD).

As part of this award, the Office of Economic Initiatives will contribute to several critical community improvements, including a commercial storefront renovation program, and development of a new commercial kitchen/food incubator space and community kitchen to provide training and increase food access.



# VISUAL IMPROVEMENT PROGRAM

The Office of Economic Initiatives, in partnership with Housing & Community Development, completed the Visual Improvement Program Action Activity in 2023. This HUD-funded matching grant program helped small businesses and commercial property owners make exterior improvements to their properties in the Thrive in the '05 area. Selected projects are highlighted below.



Terrazas Video - 2549 N Oracle



Sleek Salon - 240 W Drachman



Spreading Threads - 2945 N Flowing Wells



Circus Academy - 400 W Speedway



Moldavite Mining - 210 W Drachman



Melvin Dixon, DDS - 151 W Speedway

# WORKFORCE GRANTS

The Office of Economic Initiatives manages the Economic & Workforce Development grant program, which is intended to increase the availability of skilled labor for local employers, and enhance individual economic mobility.

Annual grant funding supports 1) local organizations that provide resources to small and medium-sized companies and start-ups; and 2) job training and educational programs for at-risk youths and adults.

Grant awards are recommended by the Economic and Workforce Development Selection Committee and approved by Mayor and Council.

## Fiscal Year 2022-2023:



- \$100,000 Adult Workforce Development
- \$120,000 Youth Workforce Development
- \$235,000 Long-term Workforce Development
- \$155,000 Small Business Assistance

## Fiscal Year 2023-2024:

- \$100,000 Adult Workforce Development
- \$120,000 Youth Workforce Development
- \$235,000 Long-term Workforce Development
- \$155,000 Small Business Assistance

# WORKFORCE DEVELOPMENT PROGRAMS

## SHETECH EXPLORER DAY 2023



This day-long event included hands-on workshops in science, technology, engineering, and math. Over 270 students participated. Students also talked to industry partners in Tucson to learn more about future job opportunities.

## MANUFACTURING DAY 2023



20 high school students from Flowing Wells High School participated in Manufacturing Day, which included tours of Industrial Tool Die & Engineering and Pima Community College. Students also engaged with Howmet Aerospace, Pima OneStop, and learned about job opportunities in Tucson.

Image courtesy Pima County Economic Development

# GOAL #5

# ENHANCE TUCSON'S BRAND

## SPECIAL EVENTS GRANTS

The Office of Economic Initiatives manages the Special Events grant program to increase the capacity and reach of special events that generate economic activity, build community, and enrich our quality of life.

Grant awards are recommended by the Economic and Workforce Development Selection Committee and approved by Mayor and Council.

**\$140,000**

FY 2023 Awarded

**13**

Events Funded

**\$140,000**

FY 2024 Awarded

**13**

Events Funded

# 2023 SPECIAL EVENTS HIGHLIGHTS



Lights Up Festival  
Nov 2022 - Jan 2023  
Attendees: 20,500

Image courtesy Tucson Botanical Garden



Tucson Meet Yourself  
October 2023  
Attendees: 130,000+

Image courtesy Visit Tucson



Tucson Folk Festival  
March 2023  
Attendees: 20,000

Image courtesy Visit Tucson



# MARKETING



Followers: 2,319 (+821 gain)  
Reach: 5,380



Followers: 1,120 (+386 gain)  
Page Views: 882 (+227)  
Unique visitors: 380 (+71)



Followers: 630 (+104 gain)  
Top tweet earned 6,527  
impressions



Followers: 544 (+393 gain)  
Page reach: 51,162 (up 15.4%)  
New FB page likes: 275 (up 125.4%)



Connect Tucson, Google, and Facebook ads  
Impressions: 179,591 (+99,236 gain)  
Clicks: 1,608 (+671)



Website monthly users: 1,300  
Bi-monthly newsletter:  
3,692 contacts; 38% open rate

# ECONOMIC INITIATIVES TEAM



BARBRA COFFEE  
DIRECTOR



KEVIN BURKE  
DEPUTY DIRECTOR



MIKE CZECHOWSKI  
SENIOR PROJECT  
MANAGER



IRENE MESSINA  
EXECUTIVE  
ASSISTANT



JACQUELYNE VEGA  
PROJECT MANAGER



ALMA PERALTA  
INTERNATIONAL  
TRADE SPEC.



CHRIS MAZZARELLA  
PROJECT  
MANAGER



FRANCISCA VILLEGAS  
SMALL BUSINESS  
PROGRAM MANAGER



NARDA FLORES  
BUSINESS  
NAVIGATOR



GISSELLE CORONADO  
BUSINESS  
NAVIGATOR

# AWARDS & ACCOLADES

INTERNATIONAL ECONOMIC DEVELOPMENT COUNCIL  
SILVER WINNER EXCELLENCE IN ECONOMIC  
DEVELOPMENT AWARDS FOR SMALL BUSINESS  
NAVIGATOR PROGRAM

ARIZONA ASSOCIATION FOR ECONOMIC DEVELOPMENT  
GOLDEN PROSPECTOR AWARD OF MERIT FOR ARIZONA  
STITCH LAB

BUSINESS FACILITIES MAGAZINE  
2022 DEAL OF THE YEAR IMPACT AWARD FOR AMERICAN  
BATTERY FACTORY



Left to right: Narda Flores, Chris Mazarella, Barbra Coffee, Jacquelyne Vega, Mike Czechowski, Alma Peralta, Gisselle Coronado, Francisca Villegas, Irene Messina, Kevin Burke

