



A vibrant and creative city, Tucson offers increasing economic opportunities to sustain and enhance residents' quality of life.



THE ECONOMIC ENVIRONMENT



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

Introduction

Economic development is a major contributor to a community's standard of living and quality of life. "Standard of living" is typically measured by a series of indicators that include, but are not limited to, educational achievement, housing and neighborhood conditions, general health and safety, household income, employment opportunities, and wages. The City's ability to retain and attract businesses that employ the local workforce and raise the standard of living is essential to successful economic development.

Exhibit EE-1 presents a picture of Tucson market trends in recent years. The data presented on population, income, annual unemployment, cost of living, existing home sales, and new residential and commercial 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

EXHIBIT EE-1 Tucson Market Trends 2000–2012

Market Trends	2000	2002	2004	2006	2008	2010	2012
City Population ¹	486,699	503,973	516,748	529,608	541,811	520,116	524,295
% Increase or Decrease ¹	n/a	2.99	2.53	2.49	2.30	-4.0	.80
Median Household Income ¹	30,819	n/a	n/a	36,095	36,640	36,428	n/a
Annual Unemployment ²	n/a	5.7%	4.6%	3.9%	5.6%	9.4%	7.3%
Cost of Living Compared to U.S. ²	+2.5%	+2.6%	+2.1%	+4.1%	+2.3%	0%	+3.6%
# of Residential Sales ³	10,988	13,135	16,557	15,726	10,578	11,802	n/a
Average home sales price ³	\$156,373	\$169,963	\$206,996	\$270,080	\$242,066	\$189,352	n/a
Building Permits ⁴	163	189	168	190	84	74	33
• Commercial	2,910	2,523	2,376	2,369	593	348	479
• Residential							

Sources: ¹U.S. Census and American Community Survey data; ²U.S. Bureau of Labor Statistics; ³Tucson Association of Realtors; and ⁴City of Tucson Planning and Development Services Department/ Information Technology



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, interpreting, amending, and revising 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, 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 EE-2*).

This focus area presents the overarching goals that pertain most specifically to Economic Development, followed by four elements that are interrelated and necessary to sustain a healthy economy and the quality of life in Tucson. Each of these elements provides background text succeeded by policies intended to further the element’s function.

The Arizona State Statute requirements for general plans that are addressed in this focus area include land use, circulation, open space, growth area, environmental planning, cost of development, recreation, public services and facilities, public buildings, housing, safety, bicycling, energy, and neighborhood preservation and revitalization.

EXHIBIT EE-2 “The Power of Five”



GOALS

The City strives for

- 9** 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.
- 10** 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.
- 11** 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.
- 12** 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.
- 13** A community whose vibrant economy and quality of life benefits residents and attracts visitors.





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 \$50,502 median household income reported for Arizona and the United States. This could be remedied by providing support for current and future businesses and employers with potential capacity to employ more residents and by attracting businesses with more high-wage jobs.

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



The University of Arizona, which receives almost a half billion dollars in research grants each year, 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.



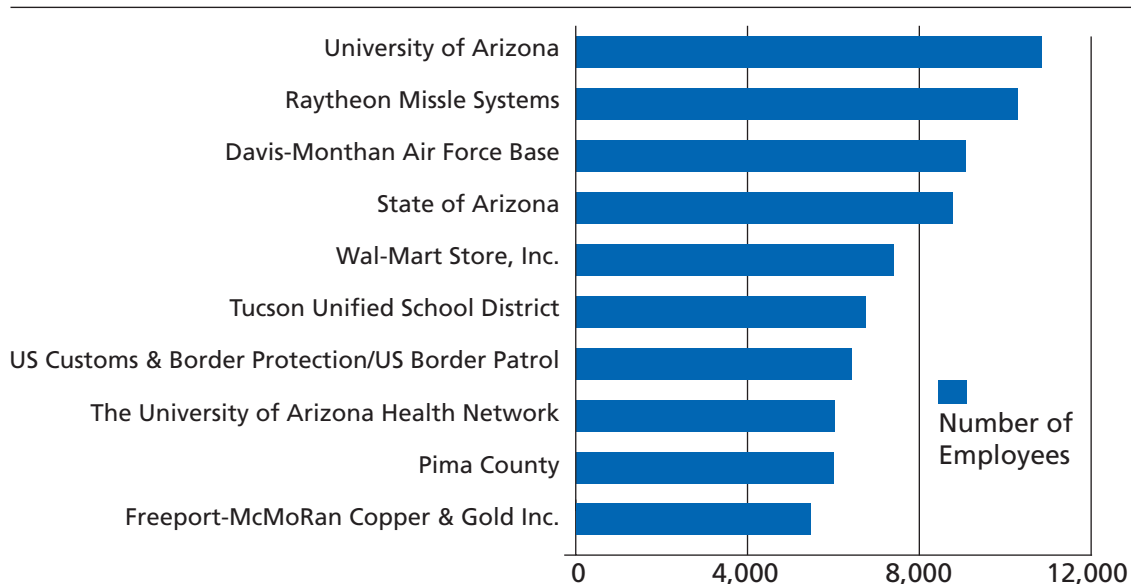
A study published by the Metropolitan Policy Program at the Brookings Institution showed that in 2011 Tucson workers in STEM fields (science, technology, engineering and math) represented 20.3% of the workforce. “Job growth, employment rates, patenting, wages and exports are all higher in STEM-based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

increase regional prosperity by focusing resources on growing industrial sectors with high-paying jobs while developing a world-class workforce.”¹ 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 proactively pursuing opportunities to expand the private sector base to create a more diversified, stronger economy that includes a broader spectrum of job opportunities and wages.

EXHIBIT JW-1 Top 10 Employers in Tucson



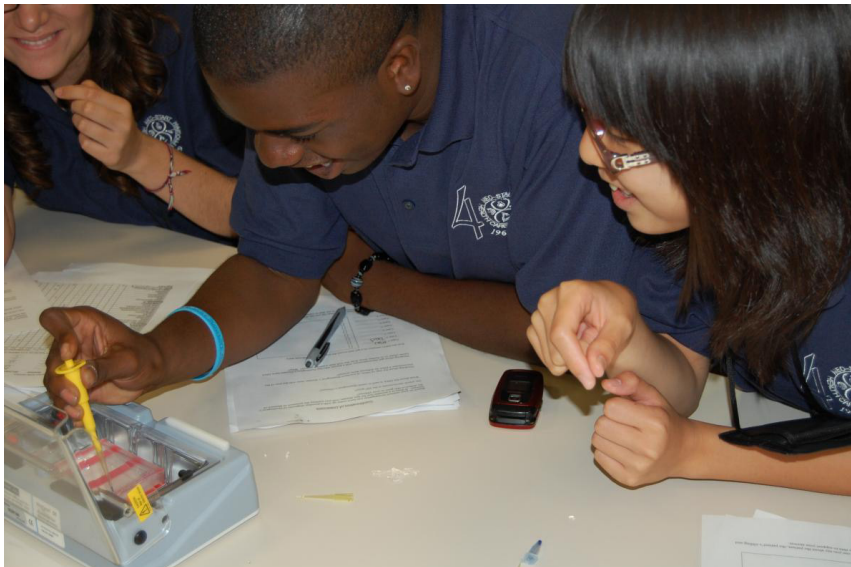
Source: Star 200, Arizona Daily Star; 2012 data

¹Tucson Economic Blueprint – Strategic Analysis Report, KMK Consulting Team / Tucson Regional Economic Opportunities (TREO), December 27, 2006

**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



Jr. BIOTECH, operated by the UA's BIO5 Institute, provides classroom visits for modeling hands-on biotechnology activities.

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 directly related to a household's income and quality of life.

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.² 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.³ *Exhibit JW-3* shows this comparison of Tucson to other cities with a strong creative class. Tucson's

“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

²The Rise of the Creative Class, Richard Florida, Basic books, 2002

³The Creative Class Revisited, Richard Florida, Basic Books, 2012



Pima Community College (PCC) West Campus is one of six PCC campuses in the greater Tucson area; five 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.

potential to fully capitalize on its status as a creative class city lies in the increase of not only STEM-related jobs, but jobs that incorporate the arts—Science, Technology, Engineering, Arts and Math (STEAM). The Tucson-Pima Arts Council 2013 report, *Creating Prosperity: How the Arts Improve Our*

Economy and Our Community Value, shows that creative industries make up 5.08% of the region’s economy.

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 20 Creative Cities

City & 2012 Ranking Out of 20	Median Household Income (metro)*	Cost of Living*	Unemployment*	Household Poverty Rate*
Tucson, AZ (20)	\$44,112	96.5	8.5%	20.2%
Austin, TX (16)	\$56,783	95.5	6.1%	14.6%
Boston, MA (3)	\$69,455	132.5	7.8%	17.8%
Boulder, CO (1)	\$68,637	N/A	4.8%	7.6%
Minneapolis, MN (18)	\$63,352	111	7.1%	16.4%
Portland, OR (13)	\$56,530	111.3	6.8%	14.1%
San Diego, CA (15)	\$59,477	132.3	6.7%	11.2%
San Jose, CA (12)	\$84,102	156.1	7.2%	8.3%
Seattle, WA (4)	\$64,085	121.4	5.2%	7.8%

*Based on US Census Data: 2011 American Community Survey



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, and optics to increase high-quality, high-paying job opportunities.
- JW3** Increase and promote environmentally sensitive businesses, industries, and technologies, including desert adapted technologies and goods and services tailored to the special needs of Tucson as a desert community.
- 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 #
Housing	H10	3.11
Public Safety	PS1	3.15
Parks & Recreation	PR9	3.20
Arts & Culture	AC9	3.27
Public Health	PH7	3.31
Urban Agriculture	AG4	3.35
Education	E1, E3- E7	3.40
Governance & Participation	G8, G11	3.46
Jobs & Workforce Development		3.56
Business Climate	B1- B9	3.66
Regional & Global Positioning	RG1, RG4–RG6	3.70
Tourism & Quality of Life	TQ1, TQ6, TQ7	3.76
Energy & Climate Readiness	EC5	3.86
Water Resources	WR1	3.91
Green Infrastructure	GI4	3.97
Environmental Quality	EQ6	3.103
Historic Preservation	—	3.113
Public Infrastructure, Facilities, & Cost of Development	PI5	3.121
Redevelopment & Revitalization	RR1	3.128
Land Use, Transportation, & Urban Design	LT3, LT9, LT12–LT15, LT17, LT22, LT27	3.148



Business 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, pg. 3.58*, shows Tucson’s commercial land use distribution 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 examples of factors that businesses may consider in making future decisions about location or expansion in an area. TREO’s Chief Executive Officer 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.”

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.

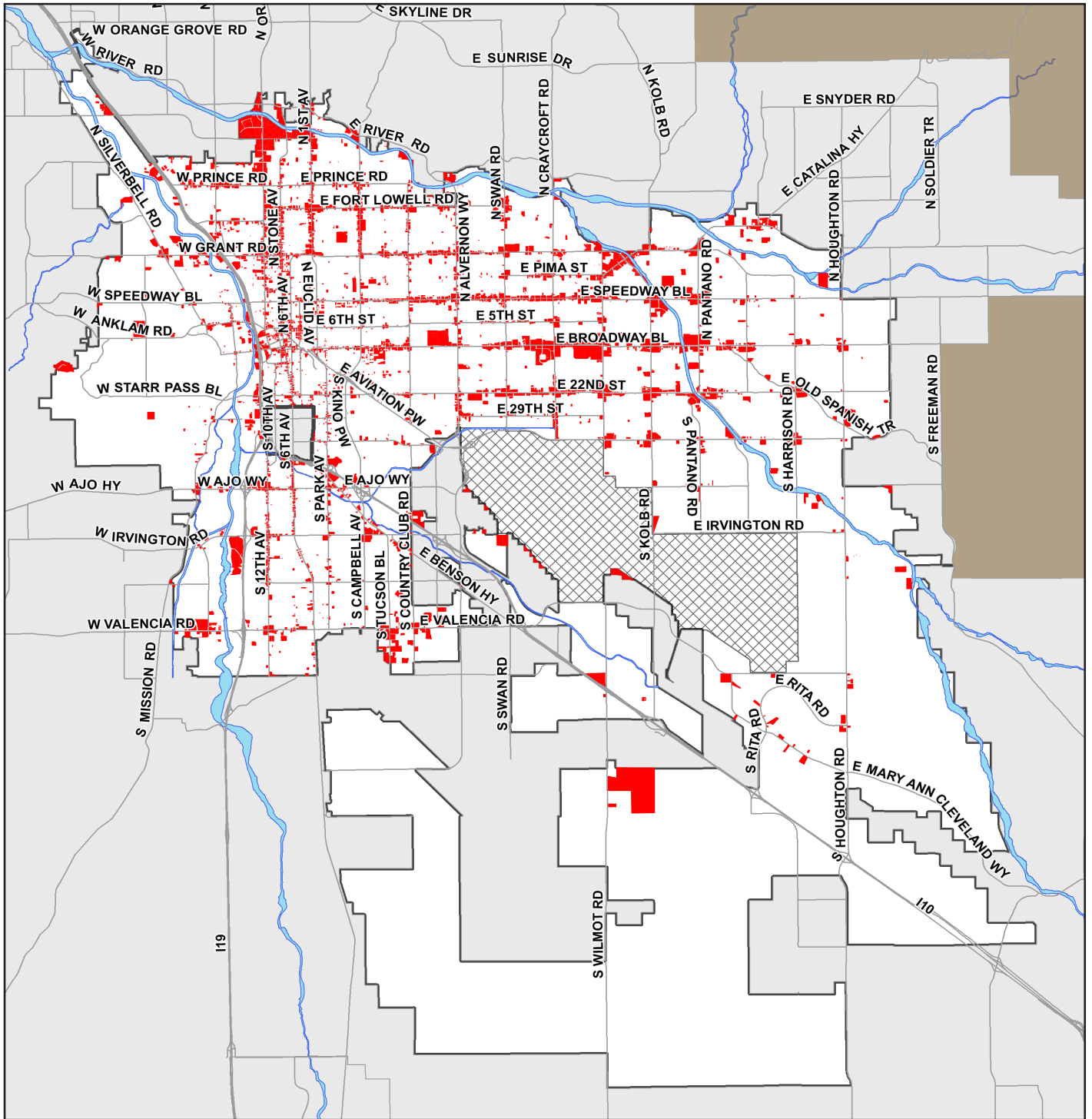
EXHIBIT BC-2 Examples of Business Attraction Factors

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*



EXHIBIT BC-1 Distribution of Commercial Land Uses in Tucson



Source: City of Tucson IT-GIS Section
Map as of 06/09/2013



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



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 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-3*, 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.

Also in alignment with federal and state policies, the City began building on redevelopment 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

EXHIBIT BC-3 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.



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



Tucson's modern streetcar, known as Sun Link, is scheduled for completion in 2014. This rendering depicts a multi-modal opportunity in which Sun Link riders transfer to the University of Arizona's shuttle, the Cat Tran, and Cat Tran riders board Sun Link to head Downtown.

in the 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 re-purposing of obsolete properties and plans for new development on vacant infill parcels accelerated in 2006 as the housing market reached its peak.

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.

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-4*. The Redevelopment Area will establish mechanisms to create significant economic development activity as a catalyst for other development with

"The City should 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



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.

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-5* shows areas of economic activity as of March 2013. This map, which provides base information, 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 that offer local businesses opportunities to learn about business assistance and to dialogue with elected officials about important community issues. *Exhibit BC-6* provides an annotated list of agencies that the City partners with to provide a variety of assistance to small and local business.

The City will continue to collaborate

EXHIBIT BC-6 Partner Agencies for Small & Local Business Assistance, 2013

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.

Arizona Small Business Association (SBA), with a membership of almost 5,000 members representing over 300,000 employees, 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) provides 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.

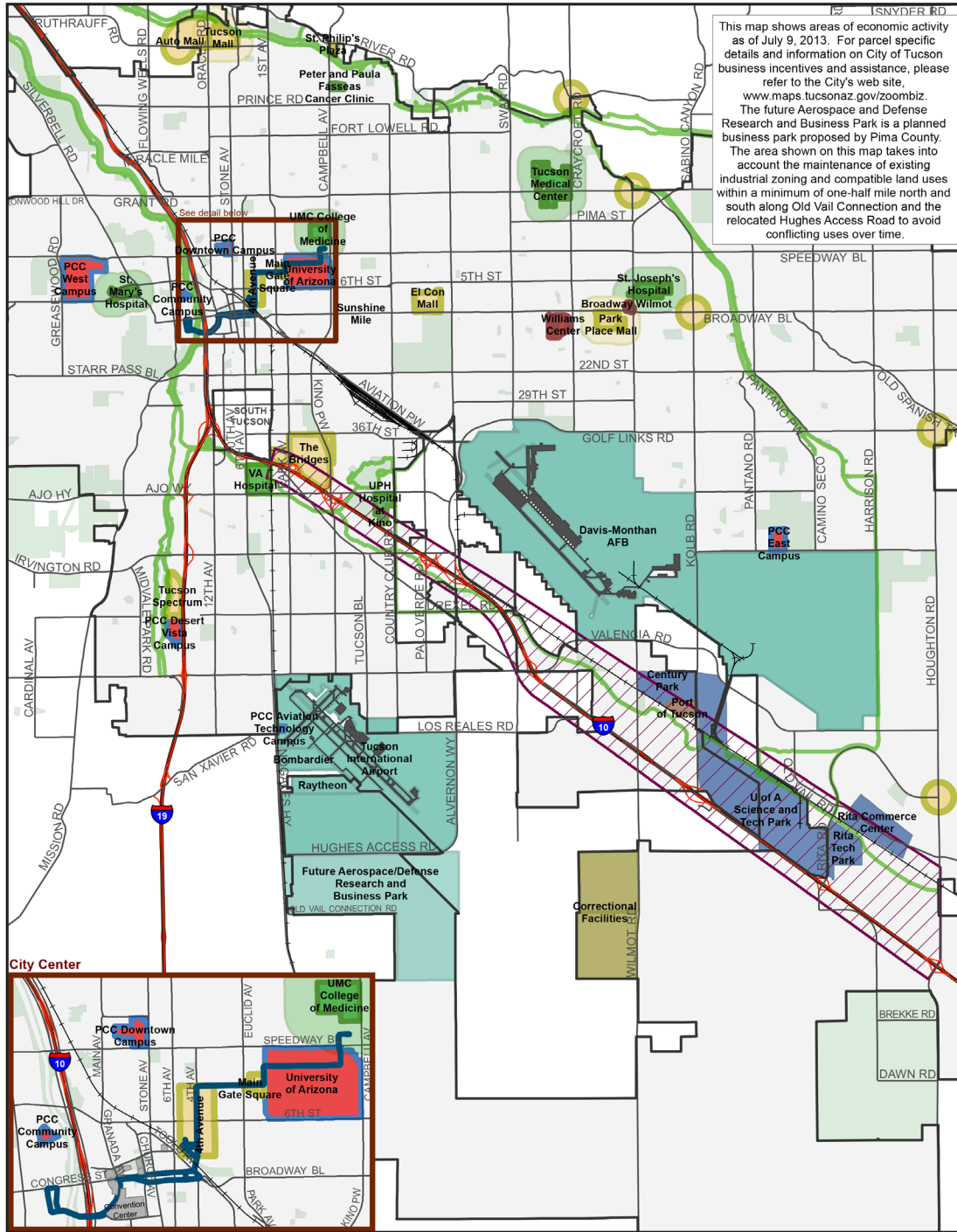
SCORE Tucson is the local chapter of a national nonprofit association dedicated to entrepreneur education and the formation, growth and success of the nation's small businesses. Also visit their online resources at e-Business Now for free online workshops, guides and business templates.

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.

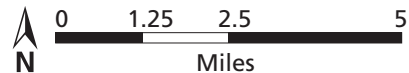
Tucson—Local First Arizona (LFA) is a non-profit organization working to strengthen communities and local economies through supporting, maintaining, and celebrating locally owned businesses throughout the state of Arizona.



EXHIBIT BC-5 Economic Activity Areas



Source: City of Tucson IT-GIS Section
Map as of 06/09/2013



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



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-7* shows a sampling of the City's partnerships in economic development as of 2013.

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

EXHIBIT BC-7 City of Tucson Economic Development Partnerships

The City of Tucson is actively engaged in forming partnerships on a regular basis. The following is a sampling of organizations with which the City seeks to partner.

Alliance of Construction Trades (ACT) is a non-profit trade association that represents specialty trade contractors and material suppliers in the construction industry, focusing exclusively on the business issues affecting all subcontractors and material suppliers.

Arizona Builders' Alliance (ABA) with offices in Phoenix and Tucson represents contractors, suppliers, and professional service firms serving the needs of the commercial construction industry through management education, craft training programs, and government relations.

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

Arizona Commerce Authority (ACA) is the State of Arizona's economic development organization based on a public-private partnership. The ACA works with cities and towns in Arizona to recruit out-of-state companies to expand their operations in Arizona; works with existing companies to grow their business in Arizona and beyond; and partners with entrepreneurs and companies large and small to create new jobs and businesses in targeted industries.

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

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.

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

Industrial Development Authority (IDA) 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 Housing & Urban Development Section 108 Loan Program.

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

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 (PAG) 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.



EXHIBIT BC-7 **City of Tucson Economic Development Partnerships** continued

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.

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.

Southern Arizona Green Chamber of Commerce (SAGCC) focuses on the success of green business and enterprise in Southern Arizona under the premise of sustainable business.

Southern Arizona Home Builders Association (SAHBA) advocates for public policies and develops activities and services that further the home construction industry.

Southern Arizona Leadership Council (SALC) works with other organizations in an effort to bring collaborative leadership to improving the Tucson region.

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 Association of REALTORS® (TAR) represents the interests of professionals in the real estate industry and maintains the Multiple Listing Service (TAR/MLS), a cooperative real estate database of listing and sales information in Southern Arizona.

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 Hispanic Chamber of Commerce (THCC) promotes the general welfare and prosperity of the Tucson area and raises funds for Hispanic students seeking higher education.

Tucson Metro Chamber is a membership-based business advocacy and networking organization that represents more than 1,400 businesses, employing more than 110,000 people in Tucson and Pima County.

Tucson-Southern Arizona Black Chamber of Commerce (TSABCC) develops in collaboration with other partners programs and initiatives for the educational, social, mental, physical, spiritual, political, and economic development and empowerment of black citizens in Southern Arizona.

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

Tucson Utility Contractors Association (TUCA) represents both residential and commercial general contractors, subcontractors, material suppliers, architects, engineers, and construction industry service providers in maintaining a close working relationship with elected officials in support of legislation that brings dollars to the construction industry.

University of Arizona has a number of business initiatives and programs to expand and educate the local workforce and provide benefits 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, investment, and joint ventures on both sides of the border.

Visit Tucson (formerly the 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.



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.
- BC3** Promote and support local, minority-owned, independent, and small businesses involved in the sale and purchase of locally produced goods and services.
- BC4** Provide assistance and incentives to encourage entrepreneurial efforts and technological innovations that lead to local business development and expansion.
- BC5** Foster the success of commercial areas, including downtown; major corridors; and arts, entertainment, and business districts through targeted investment, incentives, and other revitalization strategies.
- BC6** 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.
- BC7** 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.
- BC8** 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.
- BC9** Encourage a mix of residential development and promote homeownership 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 #
Housing	H10	3.11
Public Safety	PS1	3.15
Parks & Recreation	PR9	3.20
Arts & Culture	AC9	3.27
Public Health	PH7	3.31
Urban Agriculture	AG4	3.35
Education	E1, E3-E7	3.40
Governance & Participation	G8, G11	3.46
Jobs & Workforce Development	JW1- JW7	3.56
Business Climate		3.66
Regional & Global Positioning	RG1, RG4-RG6	3.70
Tourism & Quality of Life	TQ1, TQ6, TQ7	3.76
Energy & Climate Readiness	EC5	3.86
Water Resources	WR1	3.91
Green Infrastructure	GI4	3.97
Environmental Quality	EQ6	3.103
Historic Preservation	HP2, HP4, HP5	3.113
Public Infrastructure, Facilities, & Cost of Development	PI5	3.121
Redevelopment & Revitalization	RR1	3.128
Land Use, Transportation, & Urban Design	LT3, LT9, LT12-LT15, LT17, LT22, LT27	3.148



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



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, and strategic infrastructure investment.

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, and strategies for their sustenance.

Tucson’s international port and logistics hub conveniently connects people and products in the regional and global marketplace. Southern Arizona’s geography near the Mexico border and near deep water ports, as well as a strong transportation infrastructure, provides excellent access for trade.

EXHIBIT RG-1 Top Industry Clusters in Tucson Region

Industry Cluster	Strategy
Technology-Driven Manufacturing	
<i>Established Clusters:</i>	Major retention and expansion assistance and recruitment
<ul style="list-style-type: none"> • Aerospace and Defense • Analytical Instruments/Optics • Medical Devices 	
<i>Emerging Clusters:</i>	Major attention to entrepreneurial development and recruitment
<ul style="list-style-type: none"> • Bio-Industry • Environmental Technology 	
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



Exhibit RG-2 shows Tucson's proximity to some regional and global destinations.

In 2013, at the direction of the Mayor and Council, the City's Office of Economic Initiatives added an international trade specialist to its staff. Mexico is Tucson's most important trading partner. Establishing suppliers in Tucson for Mexico's manufacturing operations, having firms that do business in Mexico establish locations in Tucson, and helping Tucson firms expand into Mexico are all examples of trade opportunities the City of Tucson is seeking. The City also is exploring opportunities with other countries. Specific action items for the City's international trade effort include:

- Working to attract foreign direct investment
- Leading trade missions in Mexico to establish a relationship with firms doing business in Mexico
- Researching trade opportunities and developing strategic priorities
- Welcoming international dignitaries to Tucson
- Attending trade shows and conferences to develop contacts to promote Tucson
- Working to publicize that Tucson is highly interested in international trade opportunities.

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

EXHIBIT RG-2 Distances from Tucson

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

The 2013 expansion of 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.



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.

“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



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 existing and potential commercial, industrial, and other land use activity in and around Davis-Monthan Air Force Base (DMAFB) and Tucson International Airport (TIA) 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 public benefit in regard to employment and revenues generated; and does not diminish existing neighborhood viability or negatively impact the health, safety, and welfare of existing residents, their homes, and their neighborhoods.
- RG5** Encourage the development of research, high tech, and other operations and facilities at Davis-Monthan Air Force Base and Tucson International Airport that contribute to the expansion of Tucson's economic base while preserving the health, safety, and welfare of residents, their homes, and their neighborhoods.
- RG6** 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 #
Housing	H1, H4	3.11
Public Safety	PS1, PS7	3.15
Parks & Recreation	PR9, PR10	3.20
Arts & Culture	AC1, AC2, AC4, AC6-AC9	3.27
Public Health	PH7	3.31
Urban Agriculture	AG4	3.35
Education	E1, E2, E4, E7	3.40
Governance & Participation	G3, G5, G7, G8, G11	3.46
Jobs & Workforce Development	JW1-JW4, JW6, JW7	3.56
Business Climate	BC1, BC2, BC4-BC9	3.66
Regional & Global Positioning		3.70
Tourism & Quality of Life	TQ1-TQ9	3.76
Energy & Climate Readiness	EC1- EC9	3.86
Water Resources	WR1- WR11	3.91
Green Infrastructure	G11- GI16	3.97
Environmental Quality	EQ1- EQ6	3.103
Historic Preservation	HP2, HP4, HP8	3.113
Public Infrastructure, Facilities, & Cost of Development	PI1, PI3-PI5, PI7	3.121
Redevelopment & Revitalization	RR1, RR3, RR4, RR5	3.128
Land Use, Transportation, & Urban Design	LT1, LT3, LT4, LT7- LT10, LT12 -LT14, LT19, LT22, LT24, LT25, LT27	3.148



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

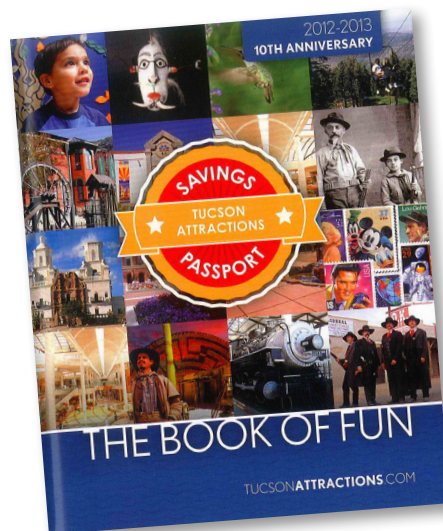
environment, physical and mental health, education, recreation and leisure time, and social belonging. A community that has a high quality of life for its residents is also an attractive destination for visitors and tourists and can provide a competitive edge economically.

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, provides a range of services and venues,

The Tucson Passport of Attractions provides a map, discounts and information on local attractions.



“By generating thousands of jobs, millions of dollars in earnings, and billions 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



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).

Recognizing the competitiveness of tourism, in 2013 “the Metropolitan Tucson Convention & Visitors Bureau

(MTVCB) hired a firm to re-brand Tucson and Southern Arizona as a prime visitor destination and enhance the region’s place in the global tourism market. This rebranding included renaming the bureau “Visit Tucson.” Visit Tucson’s mission is “to drive and enhance the economic prosperity of Tucson and Southern Arizona through tourism by promoting, selling, and marketing the region for leisure, meetings, conventions, amateur sports, and film production.” *Exhibit TQ-1* presents Visit Tucson’s categories of things to do in Tucson, while *Exhibit TQ-2* shows the economic benefits of non-profit arts and cultural events.

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, website: <http://www.visittucson.org>



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.

**EXHIBIT TQ-2 Economic Benefits of Arts & Culture**

In Tucson and Pima County, nonprofit arts and cultural events alone draw over 1.9 million annual visitors, generating:

- \$45 million in revenue beyond the cost of admission
- 1,332 events-related jobs (such as production staff, ticket takers, concession stand workers, security, marketing and so on)
- \$26 million in resident household income, most of which is spent locally

Most arts and culture tourists travel to Tucson for a specific event. On average, they spend 81% more per person than local attendees and make up 11% of all arts and culture audiences. Generating \$8.2 million annually, these tourists benefit the local economy, including hotels, restaurants, shops and transportation services.

Source: 2013 Tucson-Pima Arts Council report, *Creating Prosperity: How the Arts Improve Our Economy and Our Community Value*

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-3*). 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.

EXHIBIT TQ-3 Top Ten Spring Break Destinations

Top 10 Spring Break Destinations for Families, 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

Source: Livability.com, 2013



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.



JW Marriott Star Pass Resort & Spa is one of the many Tucson hotels that markets Tucson’s 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



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 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



POLICIES

Tourism & Quality of Life (TQ)

- 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, performance, 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.
- TQ10** Support and strengthen the emerging independent music and performing arts community.



Other Related Policies

ELEMENT	POLICY #	PAGE #
Housing	H1, H4	3.11
Public Safety	PS1, PS4, PS5, PS10	3.15
Parks & Recreation	PR1-PR12	3.20
Arts & Culture	AC1-AC9	3.27
Public Health	PH1, PH5, PH8	3.31
Urban Agriculture	AG1- AG4	3.35
Education	E1- E7	3.40
Governance & Participation	G1, G2, G7, G8, G10-G12	3.46
Jobs & Workforce Development	JW1-JW7	3.56
Business Climate	BC1-BC9	3.66
Regional & Global Positioning	RG1- RG6	3.70
Tourism & Quality of Life		3.76
Energy & Climate Readiness	EC2-EC5, EC7-EC9	3.86
Water Resources	WR1- WR11	3.91
Green Infrastructure	GI1-GI6	3.97
Environmental Quality	EQ1-E-6	3.103
Historic Preservation	HP2, HP4, HP8	3.113
Public Infrastructure, Facilities, & Cost of Development	PI1, PI3-PI5, PI7	3.121
Redevelopment & Revitalization	RR1, RR3, RR4	3.128
Land Use, Transportation, & Urban Design	LT1, LT3, LT4, LT7-LT10, LT12-LT14, LT19, LT22, LT24, LT25, LT27	3.148



Tucson's cultural events are enjoyed by residents and visitors. Local tradition hails St. John the Baptist as the one who brings the rains, kicking off the monsoon season in the Old Pueblo. Annually the Día De San Juan Fiesta features a procession; live music and dance; food and arts and crafts vendors; and games and activities for children.