



MEMORANDUM

TO: Mayor and Council
City Manager Mike Letcher

DATE: November 9, 2010
FROM: Regina Romero
Council Member, Ward 1

SUBJECT: Five Year Economic Recovery Plan for Tucson's Future

I would like to share with you some concepts to build a better Tucson, create jobs and improve the quality of life in our city. As part of its overall mission, the City of Tucson is committed to pursuing economic development policies that enhance local prosperity. The City of Tucson must act swiftly to create jobs, expand business opportunities and accelerate economic recovery.

I would like to request a study session for Tuesday, November 16 on this topic.

Principles of Success

Economic Development Partnerships

- The University of Arizona Science and Technology Park contributes \$3 billion to our local economy. It is a hub where education and industry combine to develop new technology and commercialize intellectual property in response to market demands and needs. I recommend the City of Tucson incentivize and provide additional support for firms at the early stages of commercializing emerging technology. We must be able to retain start-ups as well as the trained workforce graduating from the UA and other higher education institutions in our region. One of the first steps is to expand communication with the University of Arizona and Pima Community College to strengthen our work.
- Support Small Business to Create Jobs - The U.S. Small Business Administration, the City's Procurement Department and our local Micro-business Advancement Center partners can assist in the creation of "Small Business Town Halls" where we can present current programs available for expansion loans and face-to-face opportunities with lenders. This will ensure that the voices of local small businesses are heard regarding challenges, ideas and solutions to doing business in Tucson. A natural partner to expand this concept is our Small, Minority and Women Business Commission.

Financial Resources Development

- The City of Tucson should strive to maintain healthy existing businesses and work to promote new business start-ups that can employ a vibrant and educated workforce. Business investment in Tucson results in an improved tax base, career opportunities,

economic diversity, new ideas, business exports, and new money in the local economy. **The City of Tucson should create an incentive policy that supports emerging technology sectors that include but are not limited to clean energy, biotechnology and technology commercialization.** Tucson's incentive policy could incorporate an evaluation criteria created by city staff and TREO with help from UA and other partners. The process must ensure quality city investment into projects that create long-term, high wage jobs. The City should collaborate with private firms and organizations to attract financial investment from the state and federal governments, not-for-profits, and private sources, such as venture funding, angel investments, and grants, including federal Community Development Block Grant float loans.

Other Important Steps:

Heritage-based Economic Development

- Tucson embodies the beauty and authenticity of the real Southwest. Our strategic location just 60 miles north of the international border with Mexico offers tremendous opportunity. The sister cities of Nogales, Arizona and Nogales, Sonora are strong partners in Tucson's economy, with more than 30 percent of Tucson's tax revenues attributed to Mexican tourism. I have long supported the Santa Cruz Valley National Heritage Area and encourage Mayor and Council to again direct the City Manager and our lobbying firm to encourage our U.S. Senators to support this worthy federal designation. Studies show heritage travelers spend more money and stay longer than traditional travelers and with Tucson's world class museums, history, and cultural festivals we can expand our status as a year-round destination. Maintaining our partnership with the Metropolitan Tucson Convention and Visitor's Bureau is critical to strengthening this fast-growing industry.

Small Business Procurement with the City of Tucson

- Even in these tight economic times, the City of Tucson will spend millions of dollars in federal and local funds this year on construction, goods and services and architects and engineers. The Small Business Enterprise (SBE) program (approved by Tucson Mayor and Council in February 2009) offers incentives to locally-owned businesses with headquarters in Pima County and owner(s) net worth less than \$750,000. Additionally, the program allows the Director of Procurement to reserve up to \$50,000 in contracts in goods, materials and services to local, certified SBEs. We need to work with our Small, Minority and Women's Business Commission to double the number of businesses certified in this program (currently at about 170), so we have more small firms doing business with the City of Tucson.

Make the 10 Percent Shift to Buy Local to Support City Services

- I would like to invite the public and my colleagues to join Councilor Uhlich and myself in supporting Local First's Shift Arizona Campaign to invest a minimum of 10 percent of all spending in the local economy. I pledged to purchase my Ward 1 office supplies at locally-owned Gibsons Office Supplies. The Arizona Shift campaign highlights that when \$100 is spent on a locally-owned business, \$45 is invested in the local community, compared to \$13 for a national chain. It's easy to make the 10 percent shift from internet spending and national chains when you know your dollars are going to firefighters, police officers and other important city services.

Building on Previous Accomplishments

Tucson's Mayor and Council have worked to expand and maintain a supportive business environment in the City. In the past two years alone, we have made the following improvements:

- Simplified the process to get a Certificate of Occupancy;
- Approved using our federal CDBG funds for HUD 108 business loans;
- Created a business portal and website that offers customers information in an easy to use format - <http://cms3.tucsonaz.gov/business>;
- Created a program to defer impact fees;
- Created the Small Business Enterprise (SBE) program
- Streamlined sign-code permits; and
- Lastly, I helped shepherd a program for Protected Development Rights, saving hundreds of thousands of dollars for business people investing in Tucson.

The economic vitality of our region is tied to the success and financial health of the City of Tucson and we must use creative strategies to give our economy a jump start.

Cc Small, Minority and Women Business Commission
Tucson Regional Economic Opportunities Board of Directors and Staff