



MEMORANDUM

Date: July 15, 2019

To: The Honorable Chairman and Members
Pima County Board of Supervisors

From: C.H. Huckelberry 
County Administrator

Re: **Economic Development Plan 2019-2021 Executive Summary**

Since 2012, when the County first adopted an Economic Development Plan, our region had finally fully recovered from the losses of the Great Recession. Our population is growing, new housing starts are climbing, household income has grown by nearly 20 percent and, with unemployment below five percent, we are statistically at full employment.

However, there is still a lot more we need to accomplish. We need to continue to diversify our economy by growing new sectors such as logistics, manufacturing and space, and we need to continue to support and foster our existing employers and industrial sectors, such as aerospace, defense and mining. We need to greatly improve how we are educating and training our workforce so that we are meeting the needs of current employers and able to meet the employment needs of new and expanding businesses in the future.

Despite the statistical full employment status, there are still large numbers of underemployed county residents and too many of our key employers are having to recruit from outside the area to fill high-wage skilled jobs such as electrical and software engineers.

While the 2019 update of the Economic Development Plan continues to focus on maintaining or growing what is already strong in our local economy, and making the investments needed to attract new employers to build new employment sectors, it also focuses heavily on developing our local workforce to meet our region's current and future employment needs. Attached is the Economic Development Plan Executive Summary for your review. The full plan can be viewed on the county website, www.pima.gov/economicdevelopment. Copies of the Economic Development Plan 2019-2021 will be delivered to your office when printing is completed.

To gauge the effectiveness of the Economic Development Plan over the last three years, the full cash value of the tax base increased from \$79,538,156,234 in 2015 to what is projected to be \$95,239,695,887 in 2019. This represents more than a \$15.7 billion increase in the full cash value of the tax base in three years. According to the US Bureau of Labor Statistics, employment increased from 441,671 in 2015 to 473,491 in May of 2019 adding 31,821 Pima County residents to the workforce. And Sun Corridor, Inc., with the help of Pima County and others, facilitated job expansions and relocations that resulted in the creation of 17,121 direct jobs in that three-year period.

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This economic momentum in Pima County is expected to continue through the remainder of 2019. As of this month, Sun Corridor, Inc. has 55 companies it is currently engaged with that have the prospect of adding 7,956 new jobs and \$1.3 billion in capital investment to our regional economy.

CHH/anc

Attachment

c: Dr. John Moffatt, Director, Economic Development Office
Patrick Cavanaugh, Deputy Director, Economic Development Office



PIMA COUNTY

Economic Development Plan 2019-2021

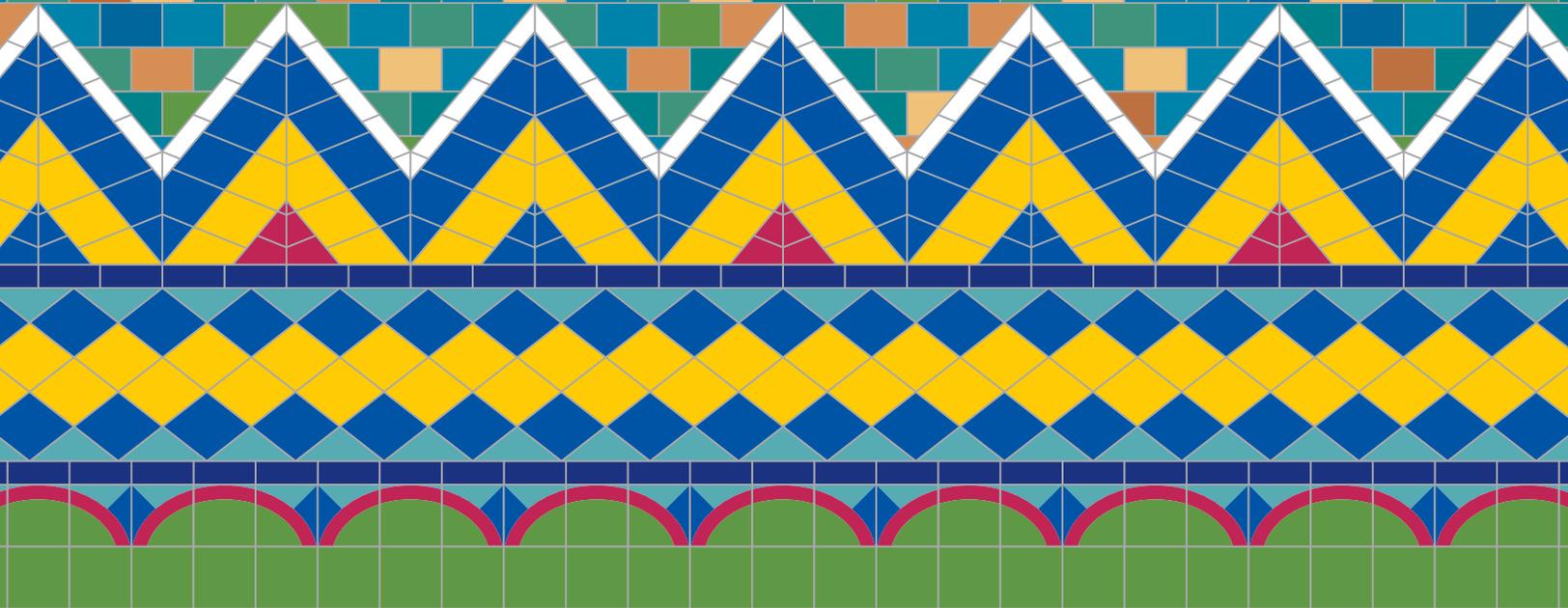
Executive Summary



pima.gov/economicdevelopmentplan



PIMA COUNTY





Pima County Economic Development Plan 2019-2021

Executive Summary

To read the full plan, go to
www.pima.gov/EconomicDevelopment

CHAPTER 1

Introduction

A. Purpose and Goals

Pima County's Economic Development Plan, first published in 2012 and updated in 2015 and 2017, has enumerated the County's economic goals and focused efforts to promote economic development, job growth, higher wages and increased disposable income. The County has completed a number of plan objectives and many of the implementation activities have contributed directly to the economic rebound in the region. Other initiatives identified were longer range and are still in progress.

The objective of this Economic Development Plan Update 2019-2021 is to plan specific initiatives to retain our local expertise and attract new job opportunities; increase our competitiveness through expansion of our skilled workforce; and identify infrastructure investment critical to expansion of economic growth. These objectives are strengthened through regional collaboration with our economic development partners and the private sector.

There are widely diversified assets in our region. Individually, they will attract companies and jobs with specific needs. By working together, we are much stronger as an economic region. This plan update has been restructured to emphasize our strengths and emphasize the investment in workforce, innovation, infrastructure and collaboration necessary to continue improvement in the region's competitiveness. This plan incorporates Pima County's commitment to actions that support our goals for the next three years but also provides the opportunity for each of our partners to identify their objectives, specific goals, and implementation activities to accomplish their goals.

As the largest County in the region, second largest in the state, and the second largest jurisdiction in the state by population, our goal is to provide the stimulus for collaboration with all of our partners, including our neighboring counties. While each of our partners will have their own priorities included in this plan, common

initiatives include expanding the available workforce through multiple paths, as well as working to improve supporting infrastructure, and increasing awareness of our region's significant competitive advantages. Our partners include most of the public sector entities in the region as well as utilities and a wide range of private sector groups or authorities.

Infrastructure is the second highest priority in improving the region's competitiveness. Collaborative support of transportation projects such as I-11 and the Sonoran Corridor as well as new electric, sewer, communications, and natural gas lines all add up to a more competitive region.

B. Fundamental Goals

Those goals for this plan are:

1. Identify ways to overcome limitations that affected successes.
2. Diversify the economy.
3. Increase the number of jobs.
4. Increase disposable income.
5. Identify multiple paths to enhance the regional workforce.
6. Develop new local development funding sources.
7. Creation of a regional identity.

C. Role of Pima County

Pima County's economic development goals are regional, as is our execution. Including our partners in this plan provides a one-stop opportunity for site selectors as well as expanding or relocating employers to better understand the assets throughout the region and places Southern Arizona in a stronger position to compete on a national scale.

Pima County's priorities for the Economic Development Plan 2019 -2021 update will be strategically increasing workforce development programs and increasing our focus on innovation and the successes of start-up companies across multiple industries. The availability of a qualified workforce is becoming a limiting factor in attracting new sources of employment

to the region, which hinders business expansion. Counties are major partners with the State and Federal governments to implement programs that prepare workers for opportunities to maximize their employment opportunities.

Pima County has acquired various land assets through the years and is bringing selected properties to market for development. Development of these properties will spur economic development activity, create jobs and return these underutilized lands to the tax base.

D. Trends and priorities

1. Workforce

Developers are seeing increasing labor costs and shortages that impact project schedules and costs, which can affect the viability of some projects. The building trades also are important to existing facilities and companies for facility maintenance. Our region is struggling with shortages in college graduates in many of the high technology professions. Increased funding to our education system is critical to keep the workforce pipeline full. We must make workforce expansion the number one priority for Pima County.

2. Trade

More than 6 percent of Arizona's Gross Domestic Product is a result of international trade – primarily with Mexico. Export trade brings outside dollars into our economy. Large companies and logistics are important drivers to diversify our economy but it is small businesses that have more agility to fill the gaps in the supply chain. Facilitating diversity in export trade and taking advantage of our location on two major trade routes must be a high priority.

3. Border Issues

Nearshoring provides supply chain opportunities for Southern Arizona. Improved flow of produce, parts and final product across the border through cooperative programs on both sides of the border have made a significant impact in the cost of doing business when product crosses

the border. The 30 percent shortage of federal customs agents continues to be a limiting factor on the tourism, produce and maquila industries. The region's proximity to the border with Mexico and the impacts on tourism, trade, and culture throughout the region requires almost constant attention given the actions of the Federal Government on immigration, infrastructure and tariffs.

4. Retail

The Internet shopping revolution, commonly known as e-commerce, has had a major effect on the retail industry. The positive impact is that any size company can become a world-wide supplier with a far-reaching customer base. Online order processing and payment systems make it possible for any retailer to reach a national and even international consumer base. Retailers that were late to automate their marketing are no longer competitive and are seeing declines in sales, closing stores, and reducing staff resulting in vacant stores and a large number of displaced workers without highly transferable skills. Closing major retail stores creates a need to repurpose retail real estate and retrain the displaced workforce. Entrepreneurial opportunities have enabled expansion of home occupations. Expansion of logistics companies such as DHL, UPS, and FedEx plus local entrepreneurs working with Amazon will continue to experience rapid growth. Creative reuses of closed large retail outlets need to be encouraged so they don't sit empty and give an appearance of blight.

5. Aerospace/Space

Space exploration continues to be one of the areas receiving large investment. New, disruptive technologies like those being deployed by World View in stratospheric exploration with steerable balloons and Vector, which is developing low cost orbital launch rockets for small satellites at a small fraction of the cost of larger rockets, have entered the Pima County market. These innovative companies are bringing access to space and near-space to university research programs and small company research and development projects that previously couldn't afford the cost. With Pima County being properly positioned with facilities and workforce, it is important to attract more employers in

this high-technology, high-wage industry. The climate in Southern Arizona is ideal for the Aerospace industry. The region could become a major commercial pilot training center given appropriate prioritization of efforts and preparation of the needed facilities. Priorities in meeting workforce training needs as well as encouraging increased supply chain presence locally will benefit the economic base as these are high paying jobs with significant disposable income.

6. Defense

Southern Arizona historically has had a dependence on defense spending. Demand for increased defense technology and capabilities continues to increase. While unsettling in some ways, this can be beneficial to our region. Foreign countries are expanding their defense technology purchases and send pilots to be trained in our superior training climate. Increased focus on cutting edge technology drives the demand for high-paying engineering jobs that help our economy. If our priority is to increase the number of jobs and the average wage in the region, we need to understand what drives this industry and provide appropriate support. The region must prioritize developing or improving its defense-related workforce. Separating and retired military and their families are an excellent source of employees. We must prioritize capturing this source of reliable and capable workers for all of our industries, not just defense.

7. Other Regional Markets

a. Southern California

Southern California's economy continues to grow at a rapid rate while experiencing regulatory and economic strains for companies and workers alike. The region is an excellent source for business attraction activities for Arizona, but particularly southern Arizona as our industry focus, other than mining, is very similar. Workers are willing to come to Arizona as there are multiple employment opportunities within the targeted industries. Housing is much more affordable, and overall cost of living is much less. Pima County will continue to focus on attracting companies from Southern California.

b. Phoenix

Just as we believe all success in the region is beneficial to all of us in southern Arizona, the boom in the Phoenix area is also good for the state and our region. With roughly a third of the population, more opportunities should be sent to southern Arizona from the ACA. We must continue to develop our local workforce, but also create the branding needed to make the area attractive to importing workforce that is relocating from other parts of the country.

CHAPTER 2

Business Attraction and Retention

A. Supporting existing employers

1. Military installations

Pima County is fortunate to have several military installations that provide quality jobs. A 2017 economic analysis by the Maguire Company noted that of the \$11 billion in economic impact military spending has on Arizona, 53% occurs in or within 50 miles of the Pima County border. Insuring the retention and expansion of these military facilities and their missions is a primary objective of the County.

Davis-Monthan Air Force Base is the largest military employer in the County and the fourth-largest employer overall. Davis-Monthan contributes \$2.6 billion to our local economy. Pima County will be supporting several initiatives to make the base more viable operationally.

The 162d Wing of the Arizona Air National Guard is adding to its mission of training American and foreign F-16 fighter pilots, and has transitioned its 214th Reconnaissance functions to new equipment. The 162d Wing contributes over \$383 million to the local economy and is a major employer of part-time Air National Guard members with wide-ranging skills, including in the aviation industry. Pima County and other agencies have identified 55 acres for a new munition storage area compatible with Raytheon that will improve Wing operations. The County supports relocation of the main entrance to Park Avenue south of Valencia for safety and other reasons.

Ft. Huachuca in Cochise County contributes \$2.9 billion in economic impact annually. Ft. Huachuca attracts to the region many defense contractors with high-wage employment and a wide range of technical skills. Many of the Fort's workers live and shop in Pima County.

The Silverbell Army Heliport which includes the Western Army Aviation Training Site (WAATS) located just north of the Pinal County

line at the Pinal Airpark contributes \$147 million to the local economy. The Arizona Army National Guard (AZARNG) has two armories and over 480 soldiers in Pima County, and more than 2,100 Army guardsmen in southern Arizona. Pima County will support the development of a new, \$24.1 million consolidated armory.

2. University of Arizona

The University of Arizona (UA) with almost 12,000 employees and over 35,000 undergraduate students is the second largest employer in Pima County. The UA has an annual economic impact of more than \$8.3 billion. The UA is an economic engine partly driven by the continued growth of the UA Tech Park. The Park has nearly 7,000 employees and is a leader in attracting companies and foreign technology through its well-orchestrated Global Advantage program. It has been successful in attracting companies from Mexico and Israel and continues to attract interest from several countries around the world. Tech Parks Arizona is the umbrella organization that includes the UA Tech Park and The Bridges, which at 66 acres is located 3 miles south of the main campus, is one of the most attractive, shovel ready, development locations in the region. Tech Parks Arizona is expanding the UA Tech Park to increase available space for new employers as well as develop the amenities needed to insure employees find the location attractive. Tech Parks focuses on innovation and supporting technology transfer into operating companies.

3. Raytheon

Raytheon continues to be the region's largest private sector employer with over 12,000 employees. Since the 2017 announcement of \$500 million in capital investment and hiring over 2,000 new employees as the first step of continued expansion in Pima County, Raytheon's investment numbers have grown to well over \$800 million and hiring has also incrementally increased. A 2017 analysis by Arizona State University estimated Raytheon's annual economic impact at more than \$2 billion. Pima County has partnered with other agencies in master planning the safety buffer zones created by the development of the Aerospace Parkway. These buffer zones are critical for Raytheon to have appropriate space and

buffers to build new integration and test facilities in Tucson. The County and regional partners are facilitating the construction of a South Entry Control Facility for Raytheon.

4. Aviation Services

There are nearly 200 aviation and aerospace related companies in Pima County. While our region is fortunate to have prestigious companies and the corresponding high wage jobs in the aviation and aerospace industries, supporting these employers is critical to their maintaining a competitive cost structure and their ability to hire workers with appropriate skills. Pima County is collaborating with the University of Arizona's Office of Strategic Business Initiatives to explore the development of additional research and test facilities to focus on the space industry. Pima County will continue to explore career development programs with Pima College and other education providers to expand our aviation and aerospace career training opportunities to meet the increasing demands of this industry in Pima County.

5. Mining

Mining's impact has historically cycled through highs and lows of production and employment; but the forecasted mineral deposits in Pima County, combined with anticipated demand for base metals in an increasingly technology-dependent society, ensures mining will continue to be a significant contributor to Pima County's economy. Overall, the industry provides approximately 14,000 direct and indirect jobs within the County. The presence of 24 large- and small-scale mining operations in Pima County has fostered a large and diverse sector of companies providing logistical support that also contributes to our employment base. Several of the world's leading mining technology companies operate in Pima County. An estimated 60 percent of the nation's copper comes from Southern Arizona, and the average wage paid by the large-scale mining operations is well above the median wage in Pima County.

Pima County opposes incompatible mining operations in sensitive environmental areas, such as the proposed Rosemont Mine in the Santa Rita Mountains, where the County has spent years thoroughly documenting the ad-

verse impacts the operation would bring to the human and natural environment. Those mining activities that agree to meet the natural resource and conservation requirements of the County's environment rules and guidelines will generally be supported by the County.

Mining companies and individuals have laid claim to thousands of acres of subsurface mineral rights throughout Pima County. While not all of the patents will be developed, those that are, will eventually require reclamation. The County will continue to support all mining entities that choose to acquire buffer lands, whether they are private or State Trust lands, to provide a natural resource buffer between other land use activities and active or abandoned mining operations. It is important these natural resource buffers be maintained in perpetuity and become part of the protection and conservation strategy for the Sonoran Desert ecosystem.

6. Construction

Pima County was slower to recover from the recession than other areas but its economy is now moving forward rapidly. Both vertical (homes and industrial buildings) and horizontal (roads and other infrastructure) construction are seeing increased demand though the traditional workforce that used to be readily available has dwindled. Demographic changes, mostly driven by Millennials, have affected design and construction requirements. It is imperative that jurisdictions consider these new trends and allow the cost-effective modification of previously submitted subdivision plats to not constrain the industry's ability to meet these changing demands. Technology is making the plan review and building inspection much more efficient and Pima County is leading the way with electronic plan review and Skype interactive inspections to minimize costly delays.

B. Supporting Major industries and employment sector growth and diversification

1. Tourism

Pima County supports Visit Tucson's proposal to create a voluntary tourism improvement

district. Revenue would be used primarily for air-service revenue guarantees and marketing Tucson and Pima County in cities where non-stop flights to Tucson are established.

2. Mining and Mining Technology

Pima County is forecasted to see an expansion of high-paying jobs in the mining sector as prices for copper, molybdenum and other southern Arizona minerals continue to increase in value. Pima County could also see long-closed mines containing significant reserves brought back in to operation. It is incumbent upon Pima County and other regional agencies to meet with Pima County mine operators to assess their forecast for growth and perceived effects of federal trade policy; understand their expansion-related workforce and infrastructure needs; executive air travel needs, and evaluate their supply chain gaps.

Pima County will work with the industry and others to formulate strategies for the use of renewable water supplies in mining operations. The County also will support activities for the direct reuse of Central Arizona Project (CAP) water, in lieu of groundwater, for mining operations.

The County should work directly with the Arizona Technology Council and related organizations to support and expand the mining technology cluster in Pima County. The UA Department of Mining and Geological Engineering is recognized as one of the leading mining education institutions in the nation. County staff will begin seeking partnerships with the relevant departments and programs of the UA and other entities to explore opportunities that support advanced mining technology and sustainability and promote resource extraction with minimum impact while accelerating economic development and job creation in Pima County.

3. Aerospace and Defense

The County will support more state university funding for engineering programs to improve the education and training programs needed to support the workforce needs of the local aerospace and defense industry. Supporting the restoration of full funding to these critical programs is an important action that will sig-

nificantly benefit this most important industry across the state. There is a large amount of research locally that is funded by the Defense Advanced Research Projects Agency. The County has held discussions with several entities about developing a DARPA-compliant, secure, collaborative research center that will minimize the extensive costs for companies to build the secure environment required to attract DARPA contracts. Such a facility would not only serve local companies but companies in other states.

Pima County's weather allows for over 340 days of flight training per year, which makes us the most cost-effective training area in the country. Jobs in this industry typically have the greatest amount of disposable income. It is imperative to support the development of new products and retention and expansion of military missions, but also leverage the workforce and space ecology of the region to attract even more employers into this sector.

4. Healthcare

People from across the United States and abroad visit Tucson for its health, medical and wellness centers and the unique services and care they offer. Medical tourism is a growing tourism initiative and in 2016, Visit Tucson, Pima County and the City of Tucson developed a partnership and community plan to attract visitors to Pima County who are specifically seeking medical services. Visit Tucson will lead these efforts to introduce domestic and international tourism patients about the medical services available in Pima County through the Tucson Health Association initiative.

5. Retail

Pima County has been a major participant in the Internet retail boom through the location of distribution centers in our community. Amazon's development of an 855,000-square-foot fulfillment center at the Port of Tucson is confirmation that our community is well-placed geographically, and has the work force to attract even more of this new derivative of the changing retail scene. The Pima County Small Business Commission focuses on independent retail and service industry companies and works to create an environ-

ment where these specialty retailers can thrive in this changing environment. We must also take advantage of Amazon's local business advocacy program to foster the supply chain opportunities for local suppliers to become a part of the supply chain. The same will be true as we see other fulfillment centers come to the area.

It will be necessary to provide retraining for a substantial number of dislocated retail employees to prepare them for other industries. There must be some planning and zoning creativity in repurposing closed retail sites. It is Pima County's responsibility to understand and enable the rapid changes in this industry in ways that cause the least disruption to the industry and to the workforce.

6. Logistics

The Logistics and Distribution Center sector growth in the corridor connecting Rita Road and I-10 to the Old Nogales Highway, I-19 and the Sonoran Corridor has accelerated. Major online retailer distribution centers now total more than 3 million square feet. To support these distributions centers, ground transportation companies will grow their capacity in the corridor. This sector will need logistics managers, material handlers, schedulers, inventory control, truck drivers and freight forwarders.

7. Manufacturing

The Manufacturing sector in Pima County has experienced an increase in business and it is projected that employment will grow by an additional 1,463 positions by 2019, an increase of 6.1%. There is a current shortage of skilled manufacturing workforce in Pima County and the projected retirement of 2,500 by 2024 is being addressed by the Southern Arizona Manufacturing Partners (SAMP), Pima Community College (PCC), the Pima Joint Technical Education District (JTED) and the Pima County One-Stop.

8. Technical Support

Arizona continues to be a center for Technical Support and Advanced Business Services. This rapidly growing sector is transitioning into more in-house, product and company-focused service

centers that pay higher wages and benefits, which is consistent with Pima County's objectives. The Advanced Business Services sector in Pima County includes general office, data centers, regional and corporate headquarters operations. Employers in this cluster include customer contact centers, data processing centers, financial institutions, insurance companies, and real estate firms. Pima County continues to attract the expansion of Advanced Business Services operations. The Advanced Business Services sector is comprised of the Business and Financial Operations Occupations in Pima County and is estimated to employ 17,000 in 2019. As this sector continues to grow and requires a higher skilled workforce, there is a need to collaborate with Pima Community College and the University of Arizona to develop appropriate training and degrees that meet the needs of these diverse companies.

9. Film production

Pima County will continue to partner with the Arizona Commerce Authority Department of Film and Digital Media, along with Film Tucson, to market Tucson and Southern Arizona as a production location for feature films, TV series and episodes, print and television commercial advertising and other filmed content that generates economic impact for the region. Since Arizona does not offer a film incentive, the County needs to proactively target commercial advertising, unscripted projects and low-budget independent features produced for cable, specialty and reality projects. Pima County created an online film permit process that will speed approval for location shoots and highlight our unique region.

10. Emerging industries, startups and Incubators

Entrepreneur-driven startup companies as well as single-employee enterprises have grown impressively since the end of the recession – both in terms of capital development and employment expansion. Our region has all the needed components to be recognized as an international center of innovation. Many of its technology sectors, such as aerospace, optics, mining tech and biotechnology have achieved that distinction within their respective sectors. However, the capacity for rapid development of new firms has not fully developed

to its true potential due to a lack of resources, facilities, capital and coordination. The key to encouraging growth in both emerging industries and startup companies is to harness the power of our existing technology sectors and the University of Arizona (UA) while providing a support system of expanded access to capital, knowledge and facilities to grow new companies, technology, and jobs.

For the region to capitalize on its resources of both the UA and existing/emerging tech sectors, additional resources and better coordination must be developed. The County is well positioned to work with technology companies and advocacy organizations to conduct analysis of facility needs, such as incubators and testing facilities. Development of such “innovation infrastructure” is an appropriate and economically beneficial role for the County.

11. Small Business Support

Promoting and supporting the development, stability and expansion of small business is a priority for Pima County. Small businesses serve an outsized role in job creation, expansion of the tax base and overall economic prosperity in the County. Pima County has relied on providing assistance to small business rather than financial incentives. To assist small business in Pima County, the County should emphasize: Workforce Development; Small Business Enterprise (SBE) Participation Program; The Small Business Commission (SBC), the Pima County Public Library, and Pima County Development Services.

Pima County will develop an online Business Resource One-Stop service, in which a single contact will link companies throughout Pima County to a multiagency collaborative working to match them with resources and solutions.

C. Enhancing and Creating New Major Employment Centers

1. Davis-Monthan, 162nd Wing, and other local military installations

Pima County has partnered with DMAFB in the Department of Defense’s Readiness and Environmental Integration grant program to miti-

gate encroachment on the base and its approach/ departure corridor. The DMAFB Departure Corridor has been threatened with urban encroachment; a key criterion when assessing installation operational effectiveness, training and mission capability, which also include operations that expand beyond its boundaries. The County has already spent \$10 million to purchase lands within the Approach/Departure Corridor for encroachment prevention and DMAFB partnered with the County for another \$6.5 million in Readiness and Environmental Protection Interpretation grant funds, which provides funding to installations to mitigate or prevent incompatible land uses that restrict training, testing and operations, and which can improve opportunities for mission growth. REPI is typically a 5-year program with incremental funding. Annual re-evaluation of market conditions and acquisition targets will be discussed with the Air Force for continuation in subsequent years.

2. Tucson International Airport and Ryan Field

The Tucson Airport Authority controls over 7,000 acres in the developing Sonoran Corridor logistics area. The airport has a significant amount of “shovel ready” air cargo capability and is focusing on opportunities to expand usage for airfreight, which is important to many companies in southern Arizona and Sonora. Additionally, four “shovel ready” airside (access to the runway) sites designated for Maintenance, Repair, and Overhaul (MRO) activities are available for attraction of new employers needing runway access. The airport’s Environmental Impact Study, which was intended to enhance runway safety and add a second parallel runway, now transitions into the design and execution phase. Pima County will continue to support the advancement of this important capability and work with Sun Corridor, Inc. to maximize development of airport-held land to attract quality employers to expand employment opportunities. Additionally, Ryan Field, which the Tucson Airport Authority operates 15 miles southwest of Tucson, presents opportunities for economic development, in particular pilot training, and Pima County should work with the Tucson Airport Authority to coordinate sites, land use and infrastructure needed for company relocations and expansion of the airfield capabilities.

3. Port of Tucson

Pima County will continue to make prospective employers aware of the many assets available at the Port of Tucson and will work to ensure expansion opportunities with new employers are fully supported and informed given proximity to the Davis-Monthan Approach Departure Corridor.

4. Sonoran Corridor Logistics Hub

Pima County is fortunate to be located at a major trade crossroads. The only rail line between Arizona and Mexico runs from Tucson south to Nogales through Pima and Santa Cruz counties. Interstate 19 that runs from Tucson to the border, connects with Mexico's Federal Highway 15 at the Nogales Port of Entry and terminates south of Mexico City. These highways are the southern terminus of the Canamex Corridor, a trade corridor that stretches from Mexico north through Tucson and northward across the western United States to the Canadian province of Alberta. The Sonoran Corridor is ideally located for distribution of finished goods throughout the region, including into northwest Mexico. Pima County initiated, and is leading the way in the development of the Sonoran Corridor, which includes collaboration with regional governments and utilities and the logistics industry.

5. Aerospace Research Campus

Located south of Raytheon, Pima County's 500-acre aerospace and technology-focused campus has all major utilities in place with redundant power capabilities coming with a new regional Tucson Electric Power substation nearby. Rail siding capability has been designed. Large and small parcels are available and the Aerospace Parkway connection to locations to the east is in place. This County owned-property is the primary employment focus area for attraction of new space and technology focused employers.

6. Southeast Employment and Logistics Center

The Southeast Employment and Logistics Center (SELC) is part of a 3,000-acre parcel of County-owned property. The site includes the

640-acre Pima County Fairgrounds operated by the Southwest Fair Commission, as well as several other sub-leased recreational and entertainment properties. The remaining 1,900 acres of developable land surrounding the fairgrounds is now slated for economic development uses for lease or sale to new export-based employers. A preliminary master plan has been completed to determine the opportunities and constraints to developing the property, including the construction of drainage detention basins on state land to provide recreational benefit, as well as removing a significant portion of the County and the State's property from the regulatory floodplain. Additional infrastructure investment is underway to widen Houghton Road with spot improvements at key areas. Design is underway to extend the County wastewater line to the fairgrounds for its needs, but will offer additional capacity for future employers. Alternative sources of water service for the SELC are being explored for those tenants.

7. South Tucson Redevelopment Zone

Pima County is actively involved in exploring, tracking, and assisting with new and/or re-development options in a corridor along Interstate 10 and Benson Highway starting at the I-10 and Interstate 19 Interchange and extending southeast to at least Country Club Road, and eventually to points beyond. There are three areas of particular near-term active interest and emphasis: The Bridges; Fourth Avenue/I-10 Area; and Kino Sports Complex. There are four principal jurisdictions involved in the redevelopment zone corridor: Pima County; City of Tucson; City of South Tucson; and the University of Arizona. The County is primarily interested in increased value development in the entire area that would strengthen the tax base for all involved jurisdictions. Relatedly, the County desired to both enhance the region's tourism attraction and improve employment opportunities, public services, and the quality of life for area residents. Over time, it is expected that the active area will extend even further southeast, to at least the Swan and Valencia area, thereby connecting to the Sonoran Corridor. Recently, a very large swath along I-10 was designated by the State of Arizona and U.S. Department of Commerce as a capital gains tax-break qualifying Opportunity Zone.

a. The Bridges

The 350-acre Bridges site is entirely within the City of Tucson and was conceived and master-planned in 2008 to become a mixed-use community, with a development program designed to create lasting positive impacts for the surrounding neighborhoods, Tucson, and the entire Southern Arizona region. Pima County is working with and assisting the City of Tucson, University of Arizona, and private landowners/developers with basic infrastructure issues (including parks, trails, open space, transportation and utilities) and coordinated planning/design.

b. Fourth Avenue/I-10 Area

There is an approximately 63-acre area in the southern portion of South Tucson (along and/or straddling Fourth Avenue immediately north of the I-10 Frontage Road) that is contemplated for potential new or redevelopment over time. Over half of the 63-acre redevelopment area has already been designated as GPLET eligible by South Tucson as part of its Central Business District. South Tucson is evaluating whether the CBD can be expanded. Pima County will assist South Tucson with identifying/evaluating specific opportunities, facilitating related discussions with parties of interest, and helping with both GPLET and infrastructure issues (such as transportation and utility system capacities).

c. Kino Sports Complex

Kino Sports Complex is the largest venue in Pima County for youth, amateur and professional sports, concerts, and community events. Pima County is constructing additional long fields and pickleball courts on 167 acres just south of the existing complex on the other side of Interstate 10. Land for commercial development – retail, dining and lodging – has also been set aside and the County is pursuing developers for this area. County staff is exploring the possibility of utilizing PPPs to complete additional facilities at the complex - such as an outdoor stadium, an indoor sports facility, and/or an indoor arena or ice rink.

8. Sunset Innovation Campus

The 100-acre site is adjacent to interstate

10 and the recently completed Sunset Road between Silverbell and I-10. The Arizona Department of transportation has plans for an interchange at Sunset and Interstate 10 which will allow a future connection to River Road; the region's most rapid east/west arterial roadway. Since the County's acquisition in 2011, the Campus has been targeted as a primary employment site for new high-wage industries. Ongoing discussions with the private sector as to how to best position this excellent location will result in a focused development concept as this plan is rolled out over the next two years.

9. Downtown

The County is aggressively working on finding creative uses in collaboration with private and public partners for County owned buildings that will increase employment and attract quality economic development projects to the region. The County has several properties available for lease, in part or in total, or for sale. For more details on each, see the full text of the plan or go to pima.gov/economicdevelopment

- 97 E. Congress Street.
- 33 N. Stone Avenue.
- The Historic Pima County Courthouse.
- Roy Place Building, 44 North Stone.
- 332 South Freeway at Cushing Street.

10. UA Tech Parks

The economic development purposes of Tech Parks Arizona and Pima County are very similar. Both entities work jointly on a wide range of projects. Joint regional planning with the County's Southeast Employment and Logistics Center and potential Tech Park Arizona expansion at Rita Road is an important component of our coordinated efforts to advance the region's economy. To establish a community atmosphere at the Tech Park, a partnership has been established with the Bourn Companies to conceptualize, plan and build complimentary development called The Village based on smart city environmental design. The Village will include retail, commercial, residential, and hotel space and connection to recreation amenities like the Chuck Huckelberry Loop.

11. Pinal Air Park

Pima County owns nearly 300 acres in Pima County along the southern border of the Airpark (which is in Pinal County) that can easily be connected to one of two taxiways. Pima County joined with Pinal County and the Arizona State Land Department to develop a Request for Information to identify parties interested in developing certain portions of the Park as well as the land surrounding the Park. Pinal County is rezoning the Airpark and State Land between the Airpark and Interstate 10 for industrial and commercial use in anticipation of new interest and potential development. Pima County's property is already zoned for industrial use. Infrastructure for the airpark needs repair and expansion. Agreement has been reached with Global Water Services to extend water service from Red Rock, 3 miles to the north as well as revamp existing water infrastructure that no longer meets service requirements. Pima County, in cooperation with Pinal County, is leading an analysis of the Airpark for alternative air operations usage in conjunction with the Governor's Office and various other agencies, including the Marana Regional Airport eight miles to the south. Increased utilization of the Airpark will help justify incremental FAA funding. Pima County is supporting an FAA study regarding the development of a Joint Control Tower that increases safety and positive airspace control for both Marana Regional Airport and Pinal Airpark.

12. Strategy to repurpose retail

The County needs to find ways to help the landlords, developers, businesses and tenants adapt to this new environment of repurposing retail property and centers. Facilitating the need to repurpose retail can include improved traffic flow and infrastructure to make access easier. Recognizing the impact of self-driving cars, ride-sharing, rapid transit, reduced use of automobiles and the impact of these trends on travel, parking, and drop off – pickup locations on a master plan and zoning requirements is important. Where previously prohibited, light manufacturing, non-disruptive distribution uses, and the ability to include schools should also be considered. The other major impact these retail closures have on the community is on the workforce. Providing appropriate re-training to these displaced workers to ensure their ability

to find competitive jobs at comparable or better wages must be a priority if Pima County is to be a catalyst in repurposing retail.

D. Enhancing relationships with foreign economic partners

1. Foreign Direct Investment and Trade

At its most basic, FDI is investment by a firm or individual from another nation. It ranges from an investor establishing foreign business operations here or acquiring assets in Pima County, such as acquiring ownership of an existing company or investing in a local company. FDI can also extend to investing foreign capital in infrastructure or facilities in expectation of a financial return. A solid FDI strategy is sector specific. Understanding our sector strengths, including the combined foreign trade and foreign business establishments/employment in Pima County, provides opportunities to identify which high-wage sectors in Pima County to expand. The County seeks to build on existing foreign corporate relationships to attract other companies from the same nations (and potentially their supply chains) to Pima County.

2. Mexico

Pima County will continue to seek supply chain and Pima County expansion opportunities related to businesses from Mexico. Pima County Economic Development staff will continue to work with key partners such as the Arizona-Mexico Commission, the INDEX Nogales/Association of Maquiladoras in Sonora (AMS), the Greater Nogales Santa Cruz County Port Authority, the Pima Association of Governments, the Maricopa Association of Governments, the U.S. Consulate in Nogales, Sonora, the Consulate of Mexico among others to lead efforts to help facilitate the process of business expansion and establishment for Mexican businesses in our region. To help the federal government recruit and retain border and port workers, Pima County will continue to educate, advocate and market the region as a safe and family-friendly region for federal employees and their families to locate. To further support cross-border economic development, Pima County has worked with three other border counties to create the Arizona Border Counties Coalition (ABCC).

3. Canada

Canada remains one of Pima County's and Arizona's most important trade partners, second only to Mexico in terms of foreign exports. Assuming eventual normalization of current U.S. and Canadian trade disputes under the Trump administration, Pima County is strategically positioned to capitalize on the commerce between the U.S., Mexico and Canada as the Interstate 11 concept continues to develop between Canada and Mexico. Canadian investment in real estate is expected to continue along the proposed corridor that is planned through Pima County. Pima County is well-suited to serve as a logistic hub for Canadian companies in the same manner as many Pima County companies provide support to U.S. firms now operating in Mexico. Pima County is uniquely situated to be further involved in the mining supply chain for Canadian companies in Mexico, particularly in the areas of manufacturing, equipment provision, and engineering and consultation services. Pima County will continue to work directly with Visit Tucson and the Tucson Airport Authority to develop direct airline connections as well as charter tourism flights to Pima County.

4. East Asia

Pima County has experienced increased direct Asian investment, the development of more Asian business establishments and a growing relationship with multiple major container shipping companies that have enabled the Port of Tucson to operate as a true inland port. Pima County has identified several sector alignments and numerous existing relationships that present unique opportunities to connect our economy with markets of South Korea. Pima County should work with partners in Sonora and with the State of Arizona to identify private investment and other stimulus to aid Mexico in completing the expansion of the deep-water port at Guaymas, which is an important component of the Arizona, Mexico and Asian trade network. Just as we did with Tu Simple, Pima County must facilitate opportunities with the private sector to create direct trade links with the economies of Asia and develop the region as a logistics hub for our interdependent economies.

5. Israel

Israel's impressive startup and entrepreneurial movement should be engaged by Pima County's recently resurgent startup community. The University of Arizona, and more specifically, Tech Parks Arizona, has recognized this economic potential and has been at the forefront in developing business and technology partnerships with Israel and Israeli companies through the Global Advantage program. Pima County will increase its efforts to work collaboratively with the Arizona-Israel Technology Alliance, the Arizona Trade Office in Israel, Global Advantage and Tech Parks Arizona to broaden the region's reach to Israel and ensure that if an Israeli company does not relocate to one of the UA tech parks, the candidate company has potential opportunities elsewhere in Southern Arizona. To further its connections to Israel and Israeli business opportunities, Pima County has also begun preliminary discussions with the Arizona Israel Technology Council (AITC.).

6. Europe

Although Canada and Mexico together provide the largest number of foreign business establishments operating in Pima County, the European countries with the highest number of business establishments combined is almost equivalent with Canada and Mexico. European companies are substantial employers in Pima County. Pima County will begin proactively contacting major European companies operating in our key industrial sectors in order to establish relationships, provide assistance and seek opportunities for additional business and trade opportunities – as we have done with Canada and Mexico. Many consular representatives of the nations associated with Pima County's major European employers are affiliated with the Consular Corps of Arizona in Phoenix. Pima County staff will begin engaging and educating these representatives as part of its strategy to enhance Pima County's economic relationship with Europe and European companies operating in the County. Additionally, Pima County should work with the U.S. Commercial Service, the Arizona District Export Council and other relevant organizations to further build foreign relationships related to exports.

E. Economic Development Tools and Partnerships

State law limits the incentives assistance counties can offer businesses for purposes of expansion and attraction. But that doesn't mean the toolbox is empty. The County has proved a nimble enabler of economic growth through its regulatory processes, partnerships with regional and state economic development agencies, enterprising use of public-private partnerships, and agreements with regional governments.

1. Pima County Industrial Development Authority/Municipal Property Corporation

The IDA has completed more than 400 bond issuances since its formation in 1972, providing financing to numerous non-profit and for-profit organizations. It remains a critically important financing mechanism for Pima County's affordable housing programs. In addition to the IDA, the Pima County, Arizona Municipal Property Corporation (MPC) also exists as a separate non-profit corporation charged with the economic development and financing capital improvements. It does so through municipal property corporation bonds, and similar to IDAs, MPCs are common throughout the state and play an important role in financing public facilities.

2. Community Facilities District

Community Facility Districts (CFDs) are an alternative financing mechanism that allows developers to fund their public infrastructure through government bonds. CFDs can issue three types of bonds: general obligation bonds repaid by collections on secondary property tax bills; revenue bonds, repaid by revenue streams; and, special assessment bonds repaid by special assessments mailed to the property owners. By offering the use of CFDs, Pima County is providing a mechanism to advance construction of large-scale developments that support the region's economic development goals

3. Section 10 Permit

With completion of the Multi-Species Conservation Plan (MSCP) authorized by the U.S. Fish & Wildlife Service in 2016, the County is able to

ensure that private development and capital improvement projects constructed over the next 30 years will comply with the Endangered Species Act. These projects can be planned, constructed, and completed without concern for delays or budget stressors related to federal endangered species rules. Pima County provides all the mitigation necessary to offset project impacts, including acquisition of open space land. Projects can arrive at 'shovel ready' sooner with fewer complications because of the MSCP investments the County has made to remove a significant hurdle impacting the time it takes to get both public infrastructure and private development projects constructed.

4. Identify cooperative development projects with private sector

Economic development is a partnership between Pima County and the private sector. The private sector needs to provide strong advocacy to the Legislature, all levels of public education, and non-profits with a focus on increased financial support for job and career training programs. In addition to government, utilities, and land/building developers, other segments of the business community that benefit indirectly from increased jobs and higher wages can also participate through their member organizations like Chambers of Commerce, Automobile Dealer Associations, Realtor Associations, etc. to provide program funding, supplies and teachers for trades and career-oriented training programs, internships, work-study programs and many other opportunities.

5. Role of Arizona Commerce Authority and Sun Corridor Inc. in attraction

The Arizona Commerce Authority must do more to assist Southern Arizona in its economic growth. The ACA distributes some of the leads it receives to Southern Arizona and other parts of the state, but roughly 90% of the leads focus on Maricopa County, according to ACA statistics. Southern Arizona and Pima County must take the initiative to educate ACA staff on the assets and benefits of the region. The Pima County Economic Development office will work more closely with the southern Arizona ACA staff to pursue increased opportunities. Sun Corridor Inc. (SCI) is a regional economic development organization supported by a number of private industry mem-

bers while Pima County is the largest government funder by far and provides just under one-third of SCI's annual funding. SCI combines local incentives with any available state incentives to best position sites, workforce, and lifestyle to attract these prospects. SCI also works with the ACA to increase the number of opportunities for companies to have exposure to Southern Arizona assets. As a part of the funding provided to SCI, they also have a responsibility to assist in the marketing efforts of Pima County properties that are appropriate for specific clients. SCI also manages the Foreign Trade Zone (FTZ) opportunity in Pima County.

F. Planning, Budget and Taxation Policy Incentives to Increase Competitiveness

Long-term County planning documents guide a number of actions of the County. The first overarching guide is the County Comprehensive Plan or Pima Prospers. In addition, the County is developing an Integrated Infrastructure Plan that will guide the general infrastructure implementation of Pima Prospers. These documents plus the County Sustainable Action Plan, our annual budget and appropriation process as well as the Economic Development Plan are integrated together to place the County in the best position to successfully attract and retain high-wage business and industries. These plans all combine to promote a healthy community; healthy people, healthy economy and healthy environment. Improving the County's competitive position involves a number of interrelated factors that when combined can improve the overall competitiveness of this region compared to others throughout the West.

1. Integrated Infrastructure Plan

The investment in physical infrastructure is a core function of County government and essential for a healthy community. Sustained investment in infrastructure is needed to support growth and the Integrated Infrastructure Plan not only addresses current infrastructure needs but also responds to projected growth within this mega region.

2. Debt Reduction

The County has taken a position to accelerate

debt retirement and to provide capital infrastructure on a pay-as-you-go basis going forward. This position allows the County to reserve our Constitutional debt capacity for major community consensus investments that may be necessary to take advantage of long-term strategic objectives that may arise through economic development opportunities.

3. Pay-as-you-go-capital financing a transition strategy

Funding capital improvements through annual tax revenues is simply known as Pay-As-You-Go (PAYGO) Capital Financing. The process of transitioning our Capital Improvement Program financing from bond or debt supported to PAYGO funding has begun this year. This transition will be fully complete within the next five years.

4. Transportation Investment

The best option available to Pima County is through the Regional Transportation Authority (RTA). In 2019, the Legislature authorized legislation that would double the transportation investment through a reauthorized RTA revenue source of a one-cent excise tax, essentially doubling our transportation investments. The next 20-year RTA Plan funding will be submitted for voter approval at a General Election in November, 2021.

There are two key state and federal system improvements that are now planned that can significantly increase our economic competitiveness. The first is the Sonoran Corridor, a designated high priority auxiliary interstate highway approved by federal legislation in Arizona. The second involves Interstate 11 with a trade corridor connecting Canada to Mexico. It is likely that Interstate 11 improvements will take decades, but is important for the direct trade route connecting to Mexico and to relieve existing interstate highways of through truck traffic.

Finally, the County due to the lack of state-wide transportation funding, has been and will continue to dedicate significant portions of the County General Fund, financed by property taxes, to transportation. An increasing investment of \$5 million per year starting in Fiscal

Year 2019/20 is now planned through the annual budget approval process. In four years, this investment will reach \$25 million per year. If transportation investment is increased at the State level or the local level, by passing a one-cent RTA excise tax, this property tax support for transportation can be eliminated.

5. Property Tax Rate Equivalency with Maricopa County

The County primary property tax rate as well as our overall primary and secondary tax rate is often cited as being significantly larger than that of Maricopa County; hence, the belief our property tax rates and levies place us in a less competitive position than Maricopa County when competing for jobs and economic growth. When simply comparing the rates, it would appear this claim is valid; however, property tax policies and available tax revenues from other sources make this comparison complex and tedious. If all of the below were considered, Pima County's adjusted primary property tax rate would decline to \$1.7547 versus Maricopa's \$1.4009. Additional analysis would likely reduce it further.

- **Jail Excise Tax** – If Pima County sought legislative and voter approval for a half-cent (0.50 percent) jail sales tax, the amount available to most Arizona counties, our primary property tax rate could be reduced by \$0.86.
- **Special Healthcare District** – The Maricopa Special Healthcare District, funded through a separate secondary property tax levied by a separate governing board, is used to pay for the that county's hospital and health system. If Pima County was able to similarly shift our \$15 million annual support for the County-owned Banner-University of Arizona Medical Center South Campus hospital to a special district, our primary property tax rate would be reduced by \$0.18.
- **Entrance Fees for Mountain Parks and Conservation Areas** – Maricopa County provides only nature-based recreation through regional mountain parks and conservation areas and does not own and operate ball fields, playgrounds, community centers and swimming pools. Maricopa County charges entrance fees to access the County's mountain parks and conservation areas, pay-

able daily or via an annual pass. Both of these differences result in Maricopa County providing just \$915,887 in general fund support for parks and recreation, compared to Pima County providing over \$17 million in general fund support. These differences impact our primary property tax rate by \$0.19.

- **Taxable Net Assessed Value** – Maricopa County's tax base generates higher revenues per capita than Pima County's. Maricopa County's per capita primary net assessed value is 17 percent higher than Pima County's. This means Pima County has to levy an additional \$0.59 per \$100 of Taxable Net Assessed Value in order to collect the same amount of revenue per capita.
- **State-Shared Revenues** – The State's methodology for sharing state sales tax revenues and shared (non-transportation) vehicle license tax revenue, favors Maricopa County. Adjusting for both of these would reduce our primary property tax rate by \$0.29.
- **Unincorporated Population** – In Pima County, 362,047 people live outside of an incorporated city or town, compared to 306,580 people in Maricopa County. This means Pima County is providing services such as law enforcement, to an unincorporated population that is 18 percent larger than Maricopa's. Adjusting for this difference in unincorporated population size, for just the portion of the Sheriff's budget spent on law enforcement, would reduce our primary property tax rate by \$0.21.

6. Lowering County Property Taxes

Sustained economic growth and tax base expansion is the quickest way to reduce the County's property taxes, hence the importance of economic development and job creation. Sustained near Constitutional limited annual tax base expansion of five percent will allow the County's property tax rates to decline by more than 15 cents per year on average. The shift from capital facility debt financing to pay-as-you-go financing will allow the County a secondary property tax rate of 69 cents to essentially go to zero. Reauthorization of the RTA would likely cause the elimination of General Fund support to road repair, lowering the tax rate by \$0.30.

CHAPTER 3

Workforce Development

The County's workforce efforts are led by its One-Stop Career Center System, which is part of the ARIZONA@WORK statewide workforce network. While One-Stop serves all job seekers, under the guidance of the Pima County Workforce Investment Board, an advisory committee to the Pima County Board of Supervisors, it has focused on the County's targeted Economic Development industries (Aerospace, Construction, Health, Logistics, Business, and Manufacturing). Pima County's goal is to increase the talent and number of workers and job seekers (both new labor-market entrants, incumbent workers, and dislocated workers) completing industry-validated post-secondary training in science, technology, engineering and math related fields and other demand occupations by:

- Strengthening the link between high school, adult education providers, technical training and work;
- Providing clarity to the career pathways and lattices available to those entering, re-entering, and moving up in, the workforce; and
- Identifying methods for mature workers to continue to earn while they transfer knowledge to younger generations.

A. Talent is (still) the key: higher skills, increased earning power, increased competitiveness, retain/create/ attract high-wage jobs

A growing proportion of jobs require post-secondary education/training and STEM skills. A significant share of those jobs requires less than a four-year degree. Short-term labor market projections prepared by the Arizona Office of Economic Opportunity point to a data-driven strategy focused on good jobs that require at least some post-secondary education and training. As of 2017, more than 60 percent of jobs in Pima County required a high school diploma or less. Education and training for

lower-skill workers to attain post-secondary technical credentials is clearly a key opportunity for Pima County to increase earning levels and address the workforce needs of our leading industries. Over the next two years Pima County will pursue this strategy through four major action areas:

1. Increasing talent supply (Youth Services)
2. Promote worker upskilling and advancement by developing individual career plans (Core- Adult Services)
3. Increasing labor-force participation (Engaging Vulnerable Population)
4. Expanding short-term, work-based training options (Business Services)

The 2012 development of the Pima County Economic Development Plan, along with initiatives from other economic entities in our region, have largely succeeded in attracting new industrial sectors, strengthening existing pillars of the economy, creating new export-based employment and attracting high-wage employers. Yet despite these aggregate economic gains, Pima County's poverty rate and a lack of opportunity for many of its citizens remain stubbornly rooted in the vestiges of the Sun Belt economy. The County's criminal justice functions and reforms, Health Department Initiatives and Ending Poverty Now strategy can be strengthened in its relation to economic development, affordable housing, neighborhood reinvestment and other programming. Additionally, new external programs such as the federal Opportunity Zones that attract investment to economically stressed census tracts, will be leveraged to provide inflows of capital to traditionally underserved communities.

Existing programs, such as the Southern Arizona Manufacturing Partnership (SAMP) should be replicated in industrial sectors besides manufacturing and should collaborate with schools in identified economically disadvantaged areas. Pima County will explore new initiatives with Pima Community College, JTED, JobPath, and other non-profit partners to support programming that furthers both workforce development and upward economic mobility goals. The Industrial Development Authorities of both Pima County and the City of Tucson should be involved in

funding and programing activities to assist in this effort. Pima County should ensure that its business attraction activities that occur in socio-economic stress areas result in employment and economic advancement opportunity in surrounding neighborhoods. The County Community Services, Employment and Training Department is involved and participating with initial planning and development of Pima Community College Centers of Excellence. CSET will continue to explore shared space and workforce development staff in meeting the needs of industry in our community.

B. Increase talent supply:

1. Direct Youth Services

Youth ready to take well-paying, stable jobs is the best strategy for breaking the cycle of poverty. Pima County's Youth Employment One-Stop Center facilitates matching young job seekers with employers.

2. K-12 Pipeline

The County has operated the Las Artes program for more than 25 years to help young adults lacking a diploma attain a High School Equivalency degree through the GED high-stakes exams. Pima Vocational High school helps young adults who need intensive credit recovery to obtain a High School Diploma. Both programs recently partnered with Microsoft and the University of Arizona STEM Learning Center to provide instruction in computer coding, introducing them to tech career opportunities and skill sets.

3. Joint Technical Education District

JTED plays a key role in Southern Arizona's economic development. Approximately 17,000 public, private, charter and home-schooled students who are high school age participate in the district's 61 tuition-free career and technical education programs. In collaboration with Pima Community College, most of its programs offer some form of tuition-free dual college credit. Two programs, Engineering and BioScience, offer dual credit with the University of Arizona, available with paid reduced tuition.

4. Career Pathway Partnership

The Center for the Future of Arizona, a state-wide organization, convened a Pathways to Prosperity Tucson regional planning group. Pathways to Prosperity is a systemic approach to creating college and career pathways with local representation from JTED, PCC, Pima County and industry sector partners. Career pathways widen the traditional K-12 pipeline of talent by providing opportunities for working people to move up. Career pathways offer the following components:

- Close partnerships with employers who define required competencies;
 - Stackable credentials and wrap-around support that facilitate participants leaving and re-entering the pathway to work;
 - Work-based learning opportunities;
 - Opportunities to attain basic, secondary-level skills and diplomas; and
 - Good job prospects in the local area.
- Guided pathways in post-secondary education complement these approaches by:
- Consolidating basic credentials that support multiple specialties;
 - Aligning basic credentials so they stack to advanced credentials;
 - Providing opportunities to earn credit through prior learning.

C. Mature Workers

For the last decade the One-Stop has offered two workshops a month for job seekers over the age of 50. Pima Community College has a "Back to Work 50+" program that includes information about retraining options. Both programs receive referrals from Pima Council on Aging, and both connect job seekers, age 50 and older, with the information, training, support and employer access to get back into the workforce.

D. Military Workforce

Pima County One-Stop opened the Kino Veterans' Workforce Center (KVWC) in 2012 to help military veterans find jobs and get training, benefits and support services and to help employers hire veterans. Pima County has a potential

pipeline of skilled, reliable workers through Davis-Monthan Air Force Base (DMAFB) and Fort Huachuca in nearby Cochise County as several hundred highly skilled men and women separate from the military each year.

E. Adults with Chronic Barriers

According to the 2016 American Community Survey more than 90,000 Pima County adults between the ages of 25 and 60 are not in the labor force. Some of these individuals may aspire to work but may be prevented from doing so by barriers to employment.

1. Inmates and Ex-offenders

Pima County's commitment to promote employment readiness to those prior to jail release include the following strategies:

- Continue partnership with the Pima County Adult Detention Complex to provide employment preparation activities pre-release.
- Provide post-release job search support and access to training at the Jackson Sullivan Employment Center and other employment one-stop sites.
- Provide access to shelter and rapid rehousing for adults who are unsheltered upon release from jail.
- Work with courts to help criminal justice system involved employees continue child support obligations.
- Provide basic information about business start-ups to individuals interested in self-employment options.
- Connect job seekers to court opportunities to resolve outstanding warrants and set up payments plans as a condition of reinstating drivers' licenses.
- Partnership with health insurance providers to assure that an individual's health coverage remains active during his/her stay in jail and is available upon release.

2. Individuals Experiencing Homelessness

Pima County's Sullivan Jackson Employment Center for the Homeless matches homeless households with publicly financed housing and

then those that are capable begin an intensive work search. The new Center for Opportunity provides a centralized approach with:

- Behavioral health services
- Veteran's services
- Employment and skills training assistance
- Medical and dental care
- Enrollment in government assistance programs
- Child care

3. Transitioning from Public Assistance, including Refugees

Pima County will expand its cross-system partnerships to ensure a successful exits and follow-up services for people transitioning off public assistance:

- Vocational rehabilitation services to accommodate and overcome disabilities;
- Child care for young children and care for adult dependents;
- Literacy, adult education and English classes to raise skills to the level needed to be employable and to be able to benefit from post-secondary education and training;
- Assistance to resolve warrants, child support obligations, restitution, debts, fines, and other financial obligations, and to repair credit;
- Re-entry services, as described above, to rehabilitate and reintegrate ex-offenders;
- Transportation assistance to be able to travel to work, appointments and other required locations;
- Housing assistance to keep families in their homes whenever possible and rehouse individuals and families experiencing homelessness;
- Behavioral health services and treatment to address substance use disorders, mental illnesses, and general mental health issues;
- Refugee resettlement services to house new arrivals and teach them survival skills followed by rapid placement into unsubsidized employment and subsequent engagement in career-pathway/ upskilling opportunities as described above.

4. Partnering for Adult Basic Education

Pima County gives priority to career services for adults and youth who need to increase their

basic skills, and partners with multiple organizations, including Pima Community College ABECC, Pima County Adult Probation, SER Jobs for Progress, and Literacy Connects to connect job seekers with resources they need to build basic skills, including English proficiency. Pima County also operates Pima Vocational Charter High School and Las Artes GED program for youth aged 16 to 22.

F. Business Services

Pima County partners with private sector and Pima Community College to create more short-term, work-based training options. Pima County collaborates with key public, private and nonprofit partners to develop the workforce required for the aerospace and defense, manufacturing, logistics, bioscience, engineering, healthcare and many other sectors vital to our economy. When funding is available, Pima County partners with employers, Pima Community College, and other training providers to offer short-term training to address unmet industry needs.

G. Role of Economic Development in Ending Poverty

1. Ending Poverty Now

Pima County's Ending Poverty Now initiative suggests that allowing poverty to persist is a course we cannot afford. The initiative provides a framework for cross sector effort with the following components and action steps:

- Champion employment retention and career advancement through County-business partnerships
- Engage businesses as partners by establishing Employer Resource Networks (ERN) that promote employee retention and advancement.
- Become an "Employer of Choice" by engaging County departments in Employer Resource Networks and offering services for entry-level employees of Pima County.
- Develop an objective and fact-based analysis of poverty and fiscal impact to the County.

2. Financial Literacy

Engage and empower under-resourced people by:

- Engage people who are living in poverty, and more community-based organizations, in efforts to bring about economic sustainability, through Pima County's homegrown Ending Poverty Now model.
- Coordinate and bundle resources in support of people moving out of poverty
- Strengthen interdisciplinary approaches between County departments and other partners that bundle services such as affordable housing, food security, transportation, education/training, parenting and childcare, healthcare and health equity.
- Continue to educate employees about Ending Poverty Now through the County's Employee Combined Appeal Campaign.
- Continue to support faith-based partnerships as a means to fill gaps in providing essential services for low-income families and individuals.

3. Non-profits

A sophisticated and well-established non-profit community exists in Pima County with the capacity and expertise to assist with any public or private initiative. Pima County supports these non-governmental organizations to provide trusted community linkages; in addition to, effective provision of human services; education and employment training; affordable housing; and, other value-added opportunities. The County makes available tens of millions of dollars in resources to non-profit agencies per year. Pima County also provides direct technical assistance to agencies and their governing boards in developing quantifiable metrics and objective evaluation processes to further increase and enhance capacity.

4. Faith-Based Partnerships

The Office of Faith-Based and Community Initiatives facilitates linkages to County resources. The program coordinates small-dollar grants that foster innovative social ventures, such as computer equipment recycling and restorative justice training for volunteers who want to mentor court-involved youth.

CHAPTER 4

Investing for Economic Growth

Pima County directly, or in partnership with various jurisdictions and private sector entities invests and encourages investment in infrastructure and facilities that impact a wide range of activities that result in economic value to the region.

A. Transportation/Logistics Infrastructure

Efficient and effective transportation systems are key drivers of economic development. Products, goods and services all have a transportation cost component embedded in their final cost. Transportation systems that promote efficiency and the rapid movement of goods and services will produce positive economic expansion both locally and regionally.

1. Transportation funding

The Arizona Legislature has failed to address the issue of transportation financing for the last 28 years, during which time inflation has cut the purchasing power of the 1991 transportation tax revenues in half. A 40-percent increase in fuel economy has further reduced the purchasing power of 1991 transportation tax revenues. The Arizona Legislature must address this issue, and it should do so on a statewide basis.

a. Capacity

A focus on logistics and growing presence of companies and research in advanced vehicle technology makes investment in transportation infrastructure a critical component of the Economic Development Plan. The County will advocate for additional transportation revenues to be enacted by the Arizona Legislature. We will also request legislative authorization to address the inequitable distribution of Highway User Revenue Funds (HURF) to Pima County.

b. Maintenance

The region’s existing roadways require major maintenance investments due to a lack of funding. The County continues to seek new or increased State or local funding to raise and subsequently maintain pavement condition in fair to excellent condition. Operational efficiencies within the Transportation Department has identified an additional \$15 million toward this effort in Fiscal Year 2020.

2. Highways and Major Routes

a. Sonoran Corridor

A rapid surface interstate connection between Interstate 19 (I-19) and Interstate 10 (I-10) south of the metropolitan Tucson area would facilitate trade with Mexico, particularly trucking that desires an eastern terminus beyond Arizona’s border, and serve as a high-speed surface transportation facility within the metropolitan area; linking existing and developing employment and residential centers to include air and rail facilities. This Auxiliary Interstate Highway is perhaps the most important economic development surface transportation improvement in the region. A request has been made to the State Transportation Board to fund the next round of required impact studies in the next Five-Year Transportation Facilities Construction Program.

b. Interstate 11

Arizona has four east/west interstate highways and no interstate that is a continuous north/south route that penetrates the southern or northern borders of Arizona. The development of Interstate 11 (I-11) as a trade corridor is underway. This corridor must pass through metropolitan or eastern Pima County and connect to the Mariposa Port of Entry (POE) at Nogales, where the federal government has already spent more than \$250 million to improve its efficiency as a border crossing facility. Pima County is in an ideal location to benefit from this trade as this corridor matures.

c. Interstate 19

ADOT continues to upgrade I-19 interchanges within the Tucson metropolitan area but im-

provements are still needed to enhance trade mobility between State Route 189 and the future Sonoran Corridor terminus. To this end, the County continues to work with ADOT and Federal Highway Administration in tracking these needs within the Sonoran Corridor study effort.

d. Mariposa Port of Entry

Perhaps the weakest link in our trade corridor with Mexico is State Route (SR) 189. Pima County has long advocated to the State Transportation Board that SR 189's improvement is essential to maximize the efficient use of the Mariposa POE. Construction is underway.

e. Heavyweight Corridors to enhance trade Aerospace Parkway

It is expected that Aerospace Parkway will eventually connect to the planned Sonoran Corridor Auxiliary Highway. The proposed Southeast Employment and Logistics Center will require additional access connections to the eastern terminus of the Sonoran Corridor and I-10. This could include the southern extension of Rita Road as well as enhancement of Houghton and Harrison Roads to accommodate the projected large manufacturing facilities targeted for the SELC. The Corridor must include the Port of Tucson.

f. Sunset Road I-10 Interchange

Pima County and its regional partners are working with the Arizona Department of Transportation to reconstruct the Sunset Road interchange at Interstate 10 to include a connection east to River Road. The connection will greatly benefit the planned Sunset Innovation Park, described elsewhere in this plan, and provide a key commuter connection to the Interstate for the Northwest Tucson area, easing congestion and reducing commute times for workers.

g. State Route 210 Connection to Interstate 10

This interchange is part of a larger reconfiguration of Interstate 10 east from Interstate 19. It will provide a faster connection to midtown and downtown employers from the southeast side of Tucson. It will also provide for a connection to

the Aerospace Parkway and the Sonoran Corridor auxiliary highway and to an eventual south entrance to Tucson International Airport. The interchange will aid in attracting to the Sonoran Corridor logistics and manufacturing companies with high volume shipping needs.

3. Rail

a. Freight

Increased international trade and industrial activity in Sonora will increase cross-border trade and offer increased opportunity for Arizona exports. Developing appropriate sidings and other rail infrastructure to encourage efficient rail activity must be a priority to remain competitive. It should be noted the Nogales line of Union Pacific Railroad is only one of six rail POEs in the US and the only one in Arizona. Pima County has proposed that the Nogales Line be rerouted adjacent to the Sonoran Corridor, potentially along the Old Vail Connection Road alignment; which would allow the line to connect more efficiently with the Sunset Line, with a southern spur to the Southeast Employment and Logistics Center along the Rita Road alignment. The County and other jurisdictions continue to plan this relocation with Union Pacific Railroad.

b. Passenger

Proposed rerouting of freight from the Nogales Line adjacent to the Sonoran Corridor to the Sunset Line would allow the existing Nogales Line from the south Boundary of the Aerospace Research Campus to the downtown Toole Avenue connection to be available for use in the future for passenger rail development. The County will continue efforts to facilitate the planning necessary to move the freight line which would enable the opportunity for both Statewide and local passenger rail traffic between downtown and the airport area.

4. Airports and Air Service

a. Tucson International Airport

The Tucson Airport Authority has large parcels of land that are ideal for economic development. TAA has already invested in shovel ready parcels

adjacent to the runway in the air freight area. Additional parcels exist on the west side of the main runway near Raytheon and Bombardier and large parcels exist on both sides of the southern end of Runway 11-29. Those parcels are designated for MRO (Maintenance, Repair and Overhaul) type operations in the TAA Master Plan Update.

Pima County is assisting with the airport's development by completing the extension of a sewer interceptor along Old Vail Connection. Pima County has allocated additional Right-of-Way across the Aerospace Research Campus to enable installation of additional sewer and new water lines from the City of Tucson Water Treatment plant on Eisenhower Road to serve TAA properties south of the Aerospace Parkway and further east. In order to attract potential tenants, this utility infrastructure needs to be extended across the TAA controlled property to enable development in the timeframe required by build-to-suit tenants. With the addition of a second, full-service runway, major taxiway restructuring, and other major renovation and construction plans, this is the ideal time for TAA to ensure that appropriate infrastructure to support adjacent, inside and outside the fence development is included in its development plans.

Non-stop continental United States and one-stop international flight connections are extremely important to many of the relocation prospects brought to our region by assorted positive factors, only to have them reduce our ranking based on air service. A major goal of the Pima County Economic Development Plan update is to continue to seek new ways to define traveler's needs and support new routes to fill those needs. Pima County will continue to support travel attraction efforts by Visit Tucson and Fly Tucson and utilize our relationships in Sonora as well as Canada to assist in increasing both passenger and freight business at Tucson International Airport.

b. Regional Airports

i. Ryan Airfield

There is sufficient available land on or near Ryan Airfield to host multiple aviation training schools. Only minor infrastructure improvements

(such as increased water and sewer capacity) would be required to accommodate this increased activity. Tucson Airport Authority also owns significant amounts of land around the airport that can be developed for future airport expansion.

ii. Marana Regional Airport

Marana airport has sought funding from the Federal Aviation Administration to construct a control tower. This would enhance safety on the field and (more importantly) with the neighboring Pinal Air Park. Pima County submitted a letter of support to the FAA for a "joint tower" to be shared by both airfields.

iii. Eric Marcus Municipal (Ajo) Airport

With proper advertising, Ajo Airport could experience increased traffic by general aviation pilots touring Mexico who are not comfortable flying their aircraft across the international border. The remoteness of the Ajo Airport is attractive to the burgeoning commercial space industry. Initial planning has begun to restore or upgrade the infrastructure at Eric Marcus Airport. Pima County is currently executing an Aviation Capital Improvement Program to construct a perimeter fence. That project will be completed by 2020. Well water from the nearby golf course will be brought onto the field as non-potable water for cleaning and sewer uses. A sewer system will be constructed for central restroom facilities as well. Additional T-Hangars will be constructed to accommodate an existing waiting list and anticipated increased interest. By making these minor improvements the Ajo Airport will be more secure, and more appealing to general aviation pilots around the nation. The County will explore the possibility of the airport serving the air support needs of federal border enforcement agencies.

iv. Military Operations

Pima County acknowledges the significant economic impact and social benefit for the local community from both military operations at Davis Monthan Air Force Base and Tucson International Airport. The County's role is to support the bases' missions by strategically approaching land use, zoning, and noise abatement.

v. Pinal Airpark

Pinal Airpark requires a control tower to support an increase in operations. It would also benefit the airpark to extend the runway to at least 10,000 feet in length. Lastly, installing precision instrument approaches on the runway would significantly increase the utility of the field.

B. Site Infrastructure (Utilities)

Pima County continues to take steps to enhance the community's economic development opportunities through the collaborative planning and development of our infrastructure systems. The County has invited utilities to help continue these efforts by identifying employment centers that are underserved and engaging in strategic planning initiatives to provide the necessary infrastructure to these growing job centers. The County recommends a collaborative approach that includes local utilities, the private sector, and local governments to efficiently deploy capital investments in a coordinated way that benefits the community. The joint trench approach for the installation of dry utilities (electrical, communications, gas) is an efficient way to combine multiple utilities into a single trench.

Extending public wastewater infrastructure is a key component of job expansion for this area, helping to make the area shovel ready. The City of Tucson, through Tucson Water, is extending the water utility system to provide water service to these new employment centers through the construction of its new water treatment and reservoir facility at the end of Eisenhower Road. Other utilities, including Tucson Electric Power Company and the Western Area Power Authority, as well as Union Pacific, have cooperated in the master planning of this corridor to ensure appropriate separation and availability for all utilities throughout this region while still allowing for major road infrastructure. In conjunction with the recent Aerospace Parkway widening project, Southwest Gas has installed high capacity natural gas infrastructure within the ARC to connect Vector, a manufacturer of small orbital rockets, as well as

providing capacity for other future tenants of the ARC. This provides access to all utilities not only for the ARC but 600+ acres to the east being developed by the Tucson Airport Authority. Cox Communications has installed a highspeed fiber optic line serving existing and future customers within the ARC with a dedicated, and secure communications network. Century Link has high speed internet infrastructure located in the ARC and within easy access to the remainder of the Old Vail Corridor, but is not actively serving any non-residential customers in the area. Provisions have been made to include space for communications operators within the Old Vail Corridor, and conduits were placed within the Aerospace Parkway and Raytheon Parkway expansions for the use of dry utilities, including communications.

C. Visitor Amenities

1. Southern Arizona Heritage and Regional Visitor Center

The Pima County Attractions and Tourism Department along with Visit Tucson and The University of Arizona Mineral Museum will be tenants of the Historic Pima County Courthouse, which was constructed in 1929 and has been renovated through adaptive re-use as a Visitor Center, office complex and downtown attraction. The facility will create a consolidated gateway for all of the region's unique resources and promote a story of Tucson and the region that displays its uniqueness and diversity. Visit Tucson has already moved in. The Visitor Center is expected to open in 2020 and the Mineral Museum in 2021. The Tucson January 8th Permanent Memorial adjacent to the Visitor Center is scheduled to be completed in 2020.

2. Kino Sports and Entertainment Complex

The Kino Sports Complex is the largest venue in Pima County for youth, amateur and professional sports; concerts, special and community events. It is undergoing a major expansion, nearly doubling in size. These additional facilities will enhance the variety of opportunities available for large scale sporting and entertainment events.

3. County-leased property attractions

Pima County has a number of assets that have been developed as attractions for local visitors as well as tourists. These assets contribute to the quality of life in our community and act as important tourism magnets. The attractions detailed below are major contributors to the region's economy and the County will continue to support their operations and assist when appropriate with infrastructure upgrades:

- Pima Air and Space Museum
- Titan Missile Museum
- Arizona-Sonora Desert Museum
- Old Tucson
- Colossal Cave Mountain Park
- Pima County Fairgrounds

4. The Loop

Following the massive river flooding of 1983, Pima County began building soil-cement bank protection along the Rillito and Santa Cruz rivers. These river park improvements have become The Chuck Huckelberry Loop, a system of paved, shared-use paths and short segments of buffered bike lanes connecting the Rillito, Santa Cruz, and Pantano River Parks with the Julian Wash and Harrison Road Greenways. More than 130 miles of paved pathways and bike lanes are complete with more to follow as part of the Master Plan for further development of The Loop including the following:

- Through Catalina State Park, then north, generally along the Cañada de Oro Wash on Flood Control-owned property to the Pima County line or Miraval Arizona Resort and Spa
- Along the Tanque Verde Wash north bank from Craycroft Road to Tanque Verde Road with access to Sabino Canyon National Recreation Area
- Along the Pantano Wash from the present end of the Loop to the Cienega Creek Natural Preserve
- Along the Santa Cruz River south of Valencia Road. The master plan also will address tributary washes to the major river system, including Arroyo Chico, Arcadia, Alamo, Rosehill, Ventana, Pontatoc, Finger Rock, Pima and others.

The benefits of The Loop need to become a part of the branding effort for the region, not only for tourism but for workforce attraction.

5. Focus on increased Charter Flights

Non-stop direct flights to and from Tucson from the East Coast, particularly New York City are a top priority. With an increasing number of local companies under foreign ownership or participating in the global economy, the region's efforts to secure a major east coast connection must continue. Charter flights are popular with Canadians and the region should do more to encourage charter flights from Canada to Tucson.

6. Utilizing lifestyle assets to attract workforce

Lifestyle plays a large part in attracting and retaining educated workers and their families. The region's lifestyle assets and the desirable environment developed in downtown Tucson over the past few years are all components of that lifestyle that is so critical in attracting and retaining workers, which in turn attract and retain the employers we desire. The region must continue to work through Visit Tucson to continue to leverage their wide-ranging marketing campaign to not only attract tourism but make southern Arizona a destination where workers want to live.

CHAPTER 5**Regional Public
and Private Partners**

The County asked the region's public and private sector partners to submit summaries of their Economic Development plans or initiatives for inclusion in this Economic Development Plan Update. To read the summaries and find web links to the full plans and other information, see the full version of the Economic Development Plan, or go to pima.gov/economicdevelopment

Below are the economic development agencies that contributed summaries:

A. Public Sector

1. Arizona Commerce Authority
2. Rio Nuevo
3. University of Arizona Partnerships
4. Pima Community College
5. Pima Association of Governments
6. City of Tucson
7. Town of Sahuarita
8. Town of Oro Valley
9. Town of Marana
10. Pinal County
11. Pinal Air Park
12. Santa Cruz County
13. Cochise County
14. Arizona Border Counties Coalition

B. Private Sector

1. Utilities
 - a. Tucson Electric Power
 - c. Tucson Water
2. Sun Corridor Inc.
3. Visit Tucson
4. Workforce Investment Board
5. Small Business Commission
6. Start Up Tucson
7. Tucson Airport Authority

APPENDIX A

Status of 99 Action Items from 2017-2018 Plan Update (See the full printed plan or go to pima.gov/economicdevelopment)



Board of Supervisors

Richard Elías, *Chairman*, District 5

Ally Miller, District 1

Ramón Valadez, District 2

Sharon Bronson, District 3

Steven W. Christy, District 4

Pima County Administrator

Chuck Huckelberry



PIMA COUNTY

