



PIMA COUNTY

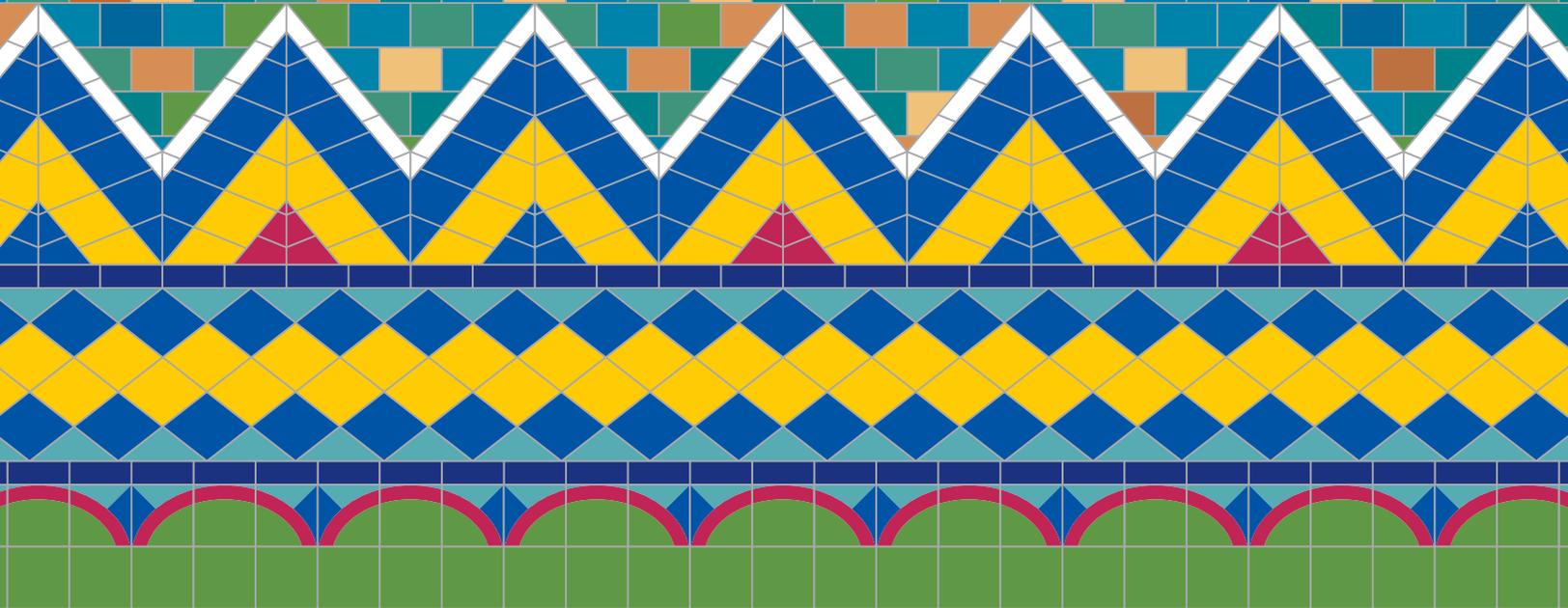
Economic Development Plan 2019-2021



pima.gov/economicdevelopmentplan



PIMA COUNTY





Chapter 1

Introduction

Chapter

1

A. Purpose and Goals

Pima County's Economic Development Plan, first published in 2012 and updated in 2015 and 2019, 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. Economic development in a silo can be successful, but to paraphrase an old cliché— regionally collaborative economic development efforts provide a better tide to raise all boats. 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. It is important to ensure the region's ability to compete for a wide range of companies and jobs as well as increased disposable income they bring for our workforce. This plan incorporates Pima County's commitment to actions that support our goals for the next two 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. Visit Tucson, is an excellent example of a partner that leverages all of our strengths to increase tourism, but they have also turned their efforts to the attraction of new workforce in their major advertising campaigns. All regional partners agree that expanding and enhancing our workforce is the highest priority and a number of efforts in the private and public sector are under way to achieve that goal. For those efforts to succeed there must be full and focused participation by the public and private education partners and increased engagement by the private sector to assist with facilities, equipment, supplies, and instructors. They must also market the effort to attract young workers into the various specialties of the workforce. Community organizations must focus on identifying the population and understanding the reasons behind unemployed or under-employed workers in order to bring them into the labor force. Active participation by all of the sectors is a must!

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. Coordinated improvement of infrastructure at Tucson International Airport, Ryan Field, Marana Regional Airport, and Pinal Airpark is important not only for increased airside opportunities but also to ensure coordinated priorities with the many military installations in the region with flying missions. Weather is one of our major assets. The region needs to focus on maximizing the benefits of our climate to grow employment.

B. Fundamental Goals

One of the benefits of updating a plan is the opportunity to assess the current situation, understand reasons for past successes and review

limitations that may have caused failure to win more competitions. The next step is to identify what changes are needed to continue to improve the success rate in attracting or retaining companies with high quality jobs and improving the overall economy of the region, followed by identifying fundamental goals to be the guidelines for the new plan. Those goals for this plan are:

1. Identify ways to overcome limitations that affected successes.

This ranges from infrastructure to workforce to lack of financial opportunities for construction and incentives. One key factor identified by a team of premier site selectors was the lack of available office, manufacturing, and logistics speculative space for quick location decisions.

2. Diversify the economy.

The region has been successful in increasing the number of manufacturing and logistics jobs. Positioning the region as a space manufacturing center and increasing national and foreign capital investment as well as development of speculative facilities improves the opportunity for additional diversification.

ACTION ITEM: 1.B.2 – Encourage development of infrastructure and speculative building to accommodate a wide range of manufacturing, logistics, and technology development.

3. Increase number of jobs.

While the focus is to increase the number of higher income jobs for the residents of the region, there is a need for jobs at all levels that pay a livable wage. The decision to locate an Amazon Distribution Center brings increased focus to the strategic location of the region and increased logistics jobs. Raytheon's continued success as well as the rapid growth of Vector-Launch and World View brings higher paying jobs. Davis-Monthan continues to gain favor with the Department of Defense with additional jobs coming to Tucson. Southern Pinal County has several large employment opportunities that will be dependent on employees from Pima County. There are many more opportunities to grow in various sectors, so as these sectors expand, demand for

workers is outstripping available skilled workers which is addressed later in this plan.

ACTION ITEM: 1.B.3 – Increase recruitment of employers throughout the region focused on quality jobs that diversify the economy and provide increased disposable income.

4. Increase disposable income.

As the number of jobs with disposable income increases, more employees will have money to spend in the community, creating a multiplier effect for other service and retail businesses. Pima County's focus on higher paying jobs is directly related to this multiplier concept where increased employment impacts many other sectors of our economy.

5. Identify multiple paths to enhance workforce.

The region's workforce needs to have increased skill levels and there needs to be an increased emphasis on career technical education by the region's school districts. The private sector needs to take an increased role in developing workforce and assisting with the funding and other resources of the nonprofit organizations that have successful training programs. Attracting workers from other regions is just as important as attracting employers. All of these factors are important in expanding and improving the workforce.

ACTION ITEM: 1.B.5 – Collaborate with our regional educational institutions, non-profit organizations, and industry partners to enhance workforce development with skills that address shortages identified by various industries.

6. Develop new local development funding sources.

The lack of available built-out space is a major disadvantage for the region. While there is increasing interest in the region by national investors and developers, there needs to be greater access to speculative development funding or competitive local funding sources for successful-ly landed projects such as through the City and County Industrial Development Authorities.



Downtown's bustling nightlife and numerous dining options has proved a significant draw for new employers as well as expanding existing employers.

ACTION ITEM: 1.B.6 – Work with widely recognized, local funding sources such as the Desert Angels and UAdventure Capital to encourage increased entrepreneurial success through investment in local companies.

7. Creation of a regional identity.

If we are to attract new employers and workforce, there must be a branding effort that can be utilized to make site selectors, corporations, and potential workers aware of the region's lifestyle, safety and other positive assets. Branding is also important to attracting tourists who comprise a major part of our economy. Coordinated media efforts from across the region will be critical to create a positive regional identity to offset the negative impact of adverse publicity and general lack of understanding of life in the Sonoran Desert.

ACTION ITEM: 1.B.7 – Work with our regional partners, especially Visit Tucson, to utilize their promotional "reach" to create materials for use to educate key market areas about the benefits of southern Arizona to assist with attraction of tourism, employers, as well as qualified workers to expand our workforce.

C. Role of Pima County

Pima County, as the most populous County in Southern Arizona, has multiple roles in the realm of regional economic and workforce development. Heightened 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 regional economy continues to improve and expand while the availability of 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 works with our partners in neighboring counties, cities tribal governments and regional educational institutions address regional workforce issues and retrain and locate jobs for displaced workers.

Pima County is successful if our municipal and tribal government partners are successful. We also need to maximize employment opportunities

and advocate for the unincorporated population, which comprises 36 percent of the county's total population, which now exceeds one million residents. To ensure sharing of information and mutual success, Pima County hosts a quarterly Economic Development Forum where all of our regional partners, including all of the surrounding Counties, tribes and many cities outside of Pima County come together to learn about a variety of applicable topics, collaborate and share information. Other important economic development partners, including Tucson Electric Power, Tech Parks Arizona, Sun Corridor, Inc. and the Arizona Commerce Authority, also participate.

Southern Arizona's communities have always been aligned culturally, historically and economically, and its regional governments and other partners work together to try to ensure one another's success. From Pinal County south to the border with Mexico, Southern Arizona entities consistently work together to improve trade and other business opportunities with the vitally important economic region of Northern Mexico. A coordinated focus on Interstate 11 and the Sonoran Corridor as a region has increased the awareness of regional, state and federal leaders of Southern Arizona's needs and as the gateway of the state for international trade. The southern counties also work together through the Arizona Border Counties Coalition to address issues that significantly affect international commerce, our economy, and the impact of the Federal government passing through significant immigration enforcement costs to counties.

Additionally, 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. An example is the creation of the Aerospace Research Campus located south of Raytheon Missile Systems. Additionally, Pima County is master planning County land located near the Pima County Fairgrounds for employers needing several hundred acres of property. This area is projected to become an employment center for large residential developments in Sahuarita, Vail, and in northwestern Cochise County. Another example is 75 E. Broadway where Pima County partnered with Rio Nuevo to identify

a developer for the first speculative mixed-use (office, retail, entertainment, and parking) high-rise building built in downtown Tucson in 40 years.

In summary, 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.

ACTION ITEM: 1.C – Utilize Pima County's assets and regional scope to act as the catalyst for coordination of recruitment, retention, education, and workforce development activities among the various jurisdictions and private sector partners.

D. Trends and priorities

1. Workforce

During the Great Recession and the long recovery from it, many of our region's construction trade workers moved to where they could find work and have stayed there. Additionally, construction trade workers who stayed in the region are aging and the younger replacement workers seem to have little interest in these jobs even though earnings are comparable to many professional jobs and usually do not require repayment of expensive college loans. 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 also is struggling with shortages in college graduates in many of the high technology professions. Rapidly growing companies like Raytheon, Paragon, World View and Vector-Launch could hire the entire graduating classes from the University of Arizona in certain disciplines. While all of these companies have been successful in attracting new employees, increased funding to our education system is critical to keep the pipeline full. In order to fully stamp out the effects of the Great Recession we must make workforce expansion the number one priority for Pima County.



Pima County will continue to advocate for more federal border staffing at the Mariposa Port of Entry to improve the flow of good into the U.S.

2. Trade

Tucson and Pima County are at the crossroads of international and transcontinental trade routes. The Port of Tucson is a true inland port for International and domestic trade. An estimated 6.740 percent of Arizona's Gross Domestic Product is a result of international trade – primarily with Mexico. Export trade brings outside dollars into our economy. With Mexico's growing middle class having more disposable income, the decade beginning in 2010 saw an increasing amount of consumer level trade but the devaluation of the Peso and increased availability of consumer products in Mexico has resulted in a decline in demand throughout Arizona.

While tourism and the service industry are still important trade areas, leveraging the innovation and technology coming from the University of Arizona and other startups has provided a new high technology trade focus. 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

Border issues are almost a direct function of how far people live from the international border. Those living near the border have few worries while the news stories and political rhetoric causes serious concern for those without direct exposure to the vibrant economy and the cultural bond that exists between Southern Arizona and Northwest Mexico. Partly due to improved prosperity in Mexico, less Mexican migrant activity is detected at the border.

On the positive side, nearshoring continues as more companies move their manufacturing activities to Mexico resulting in a shortage of workers in many regions, including Sonora. This has a direct impact on the number of people wanting to migrate to the United States for work. But it also 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. With over 400,000 trucks and 18,146,485 million cars inbound across the Arizona/Sonora border, the 30 percent shortage of customs agents continues to be a limiting factor on the tourism, produce and maquila industries. Multiple year efforts by Pima County and several entities including Santa Cruz County and the Arizona Department of Transportation have resulted in \$134 million to improve State Route 189 from the border to Interstate 19 to improve trade and tourism.

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. Another major effect is the conversion of traditional marketing from print advertising, yellow pages, newspaper print ads, radio and television ads to interactive marketing with powerful abilities to convey a retailer's marketing message and make inventory available through search engines. Online order processing and payment systems make it possible for any retailer to reach a national and even international consumer base.

This revolution has major impacts that are both positive and negative. Negative impacts are primarily centered on retailers that were late to automate their marketing, are no longer competitive, 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. Retail giants like Sears and Toys R Us closed local stores during this past year and Macy's repurposed a local store to connect more with e-commerce. Closing major retail stores creates a need to repurpose retail real estate and retrain the displaced workforce.

Another negative is even companies that were aggressive in developing Internet marketing are losing market share to major retailers that have strong buying power, can implement the economies of scale in reducing costs, and use volume discounts to drive down shipping costs, the so-called "Amazon effect."

The Internet has enabled small businesses to have a much greater reach in their marketing efforts. Entrepreneurial opportunities have enabled expansion of home occupations. Small and large retailers can expand their market penetration. Availability of products in rural areas is becoming similar to urban areas due to online shopping and an expanded, robust logistics system that continues to evolve with new technology and highly automated distribution centers. The logistics industry is seeing major disruption as expectations for quicker, on-time delivery grow. Expansion of logistics companies such as DHL, UPS, and FedEx plus local entrepreneurs will continue to experience rapid growth.

All of these changes create opportunities and demands on the support systems for workforce. As retail locations close, entertainment and other industries that need similar facilities such as large, open areas; easy access to public transportation; and extensive parking are attracting different industries. Creative uses for these building need to be encouraged so they don't sit empty and give an appearance of blight. Workforce retraining and deployment for retail workers is important to provide new, higher paying job opportunities. Online retail expansion also creates opportunities for distribution and fulfillment centers. Target, MTD, Chamberlain, and the new Amazon facility are all fulfillment centers in Pima County. The local HomeGoods' distribution center is more related to supplying their retail stores than online fulfillment.

Our priorities need to focus on ensuring the retail workforce has an opportunity for retraining when retail stores close. With unemployment low and demand for workers at a peak, refocusing retail workers quickly should be a priority. Repurposing abandoned retail locations should also be a priority for Pima County. With many site selectors looking for quick turnaround sites for non-manufacturing clients, focus should be placed on reuse



There is money in space and a growing number of Pima County companies are in the race to get it, including Vector Space, a manufacturer of launch vehicles for small to medium-sized satellites.

of those facilities as they typically have excellent parking, utilities and flexible floorplans.

5. Aerospace/Space

One of the most dynamic industry groups can be found in Aerospace. Space exploration continues to be one of the areas receiving large investment. Historically, space development was a function of the federal government due to extreme costs. Now, NASA still funds many research projects, but the space industry is largely private-sector centric. New, disruptive technologies like those being deployed by World View in stratospheric exploration with steerable balloons and Vector-Launch, 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. Lowering the entry cost encourages expansion in the industry. That expansion typically yields new

product development and increased innovation. With Pima County being properly positioned with facilities and workforce, it is important to attract more employers in this high-technology, high-wage industry. Many technology-oriented regions are focusing on attracting employers in the space industry, creating robust competition. SpacePort Tucson, the Aerospace Research Campus, and their tenants have attracted the attention of major developers and investors and are perfectly aligned to attract more employers in this industry.

Aerospace has a broad definition in our region. Aircraft-oriented companies such as Bombardier, Ascent, and Aerovation all compete for workers with FAA certification to work on aircraft. This is a mature industry that boomed in the 1960s and 1970s and many of the experienced workers are reaching retirement age, creating even more demand for new certified workers. But it is also an industry that continues to have new technological developments in commercial and private aircraft as well as the systems that are integral to aircraft operation. Boeing predicts the need for



Pima County and other regional governments have helped the U.S. Air Force, the Air National Guard, and Raytheon, improve the entry gates to their facilities.

375,000 aviation technicians over the next ten years. Pilots also are reaching the mandatory retirement age of 65 years of age. This trend is projected to create a shortage of over 100,000 pilots worldwide; thus, pilot training schools also are a significant part of this industry and many are appearing on the horizon. The climate in Southern Arizona is ideal for the Aerospace industry. The U.S. Air Force, Army, and Marines all have major pilot training facilities in Southern Arizona. The region could become a major commercial pilot training center given appropriate prioritization of efforts and preparation of the needed facilities. Inquiries from international pilot training companies are increasing.

This industry has an increasing availability of good paying jobs. 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

Since Howard Hughes brought Hughes Aircraft Company to Tucson in the 1950s, the local economy has greatly benefited from national de-

fense spending. Over time, Southern Arizona has had an increasing dependence on defense spending as Davis-Monthan Air Force Base increased its missions, Raytheon Missile Systems acquired Hughes Aircraft, and Ft. Huachuca blossomed into a technology center for the Army. As world tensions increase, and military operations in multiple regions of the world expand, demand for increased defense technology and capabilities continues to increase. While unsettling in many 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. New demands encourage extensive research at the university and in the private sector, some of which create new products and supply chains that expand the number of technology-oriented companies and jobs in the region. 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.

Workforce shortage is a national discussion. As the demand for quality workers increases, the region must prioritize tapping all sources of

potential workers. Separating and retired military and their families are an excellent source of employees. The training and discipline required in the defense industry is in high demand across all sectors. 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. With heavy presence of technology, bio-medical, and aerospace industrial presence, many of the industries targeted for attraction to Arizona are in our neighbor state, California. Regulatory trends and taxation policies cause businesses to look elsewhere. Inventory shifts to the borders of Arizona and Nevada focus on avoiding high taxes yet being within same day delivery zones. Companies dependent on Asian container distribution wait days for product to be delivered by truck while the same container can be offloaded from the ship to a train and be in Tucson the next day. Workers struggle to be able to afford the cost of living with many unable to afford housing and the high cost of fuel for their vehicles.

All of these factors make Southern California 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. Companies can still be one day, or less, away from the Southern California market, find inexpensive land, lower construction costs, lower labor costs, shorter commute times for their workers, in a right-to-work state.

The Arizona Commerce Authority (ACA) has offices in southern and northern California with staff members actively searching targeted industries for prospects. Pima County is working through the ACA and Sun Corridor, Inc. to take advantage of these recruiting resources and will continue to focus on attracting companies in our target indus-

tries to an improved, lower cost operating environment as well as a similar, yet far less expensive community environment for their workers.

ACTION ITEM: 1.D.7.a – Clarify the value proposition brought to the market by Pima County and our region to compete with the increasingly difficult and expensive cost of doing business in California by our target industries.

b. Phoenix

Phoenix is one of the fastest growing metropolitan areas in the country and the major economic center for Arizona having rebounded from the recent recession with growth in a number of industries including technology and aerospace. Arizona State University under the leadership of President Michael Crowe has been the intellectual energy source behind growth in a number of industries. At Phoenix-area airports, air freight increased 4.4 percent and passenger traffic grew 2.2 percent between 2017 and 2018. Phoenix-Mesa Gateway Airport and the surrounding communities have very successfully coordinated an aggressive approach to provide incentives and expand the types of business around that airport. Over ninety percent of the new business generated by the Arizona Commerce Authority lands in the Phoenix market with the reason given for not including southern Arizona being “The Phoenix area is where companies want to be.”

Just as we feel 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. Expanding the number of opportunities referred to southern Arizona by the ACA is a continuing effort from the region; however, due to this lack of focus by the ACA on southern Arizona, many of the private sector developers, real estate firms, jurisdictions and Sun Corridor, Inc. are resorting to self-sourcing prospects in order to expand the number of opportunities for this region.

As business in the Phoenix area grows, workforce demands are beginning to cause “churn” where employees successfully shop around for better jobs creating unhealthy turnover. More

than one successful company acquisition for our region have sited the more stable workforce in southern Arizona as their reason for selecting southern Arizona over Phoenix. 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. It was reported that Phoenix area population grew by 77,000 in 2017. Other than Pima County, that is more people than live in southern Arizona. Land prices, are escalating in the Phoenix area, providing opportunity for our region to compete with large parcels of land close to population centers available at reasonable prices. Lucid and Nikola Motors are examples where large, relatively inexpensive land was available and they can draw from both Pima and Pinal County for workforce. Understanding the supply chain needs of the rapidly growing industries in Phoenix can benefit companies in southern Arizona and should be explored. It is important to also understand what unique service and manufacturing capabilities have been added to the Phoenix area to supply companies in southern Arizona and the Maquila operations in northern Mexico. Leveraging the overall business and industrial growth in the Phoenix can be a benefit to the southern Arizona region if there is a strategic approach to understanding and meeting that need.

ACTION ITEM: 1.D.7.b – Rather than attempt to compete with the momentum of the economic growth in Maricopa County, find ways to differentiate the value of doing business in our region to attract unique industries and supply chain that benefit by being close to Maricopa County and California.

ADDITIONAL ACTION ITEMS

ACTION ITEM: 1.D (1) – Engage the Arizona Commerce Authority team more aggressively to make them more aware of the assets, lifestyle, and benefits found in southern Arizona.

ACTION ITEM: 1.D (2) – Coordinate “southern Arizona educational visits” for all ACA staff, especially new staff members coming on board to make them fully aware of opportunities and benefits found in southern Arizona.

ACTION ITEM: 1.D (3) – Expand upon the branding strategy of Visit Tucson to make corporate America more aware of the assets and lifestyle benefits in southern Arizona. Leverage on the high-profile companies in the region to attract more workforce and increase awareness of companies that want to be in Arizona, but have interest in other locations in the state.



Chapter 2

Business Retention, Expansion and Attraction

Chapter

2

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, over half occurs 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. Pima County, in cooperation with DM50, Ft. Huachuca 50, Air Guardians, Southern Arizona Defense Alliance, our surrounding counties, the State of Arizona, and our Congressional delegation will continue to advocate that these installations take advantage of our geography, year-round flying weather to maintain and expand their missions.

Davis-Monthan Air Force Base is the largest military employer in the county and the fourth-largest employer overall, which, with appropriate community support, stands to gain additional missions and more personnel. As the three-time

winner of the Commander-in-Chief Award for the outstanding base in the Air Force, Davis-Monthan contributes \$2.6 billion to our local economy. Pima County is proud to be one of the principal participants in the Community Partnership and the Military Spouse Initiative programs that were critical elements in Davis-Monthan winning this award. Davis-Monthan is an important contributor to our economy and Pima County will be supporting several initiatives to make the base more viable operationally. Sustaining all operational missions at Davis-Monthan is critical.

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 who support aspects of the local aeronautics industry. Pima County has coordinated with Raytheon, the U.S. Air Force, the city of Tucson and Tucson Airport Authority to identify space for a new munitions storage area that is compatible with the Ray-



Supporting the numerous military installations in Southern Arizona is high priority for Pima County.

theon safety buffers north of the new Aerospace Parkway. This 65 acre space will be available to insure improved safety and flexibility on the main 96-acre base. Additionally, the County, City and other community organizations are supportive of the relocation of the main entrance to Park Avenue south of Valencia, which will increase base security, improve traffic flow on Valencia and provide more flexibility for new activities.

Another regional employer that contributes \$2.9 billion in economic impact annually is Ft. Huachuca in Cochise County. As the technology headquarters for the U.S. Army, Ft. Huachuca attracts to the region many defense contractors with high-wage employment and a wide range of technical skills. While it is the largest employer in Cochise County by far, many of the workers live and shop in Pima County, which provides a collateral benefit for our local economy. Working with Cochise County to insure viability of the two major missions at Ft. Huachuca is a critical component of Pima County’s commitment to support our existing employers.

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 is another major economic contributor for our region. With over \$147 million in economic impact, mostly benefitting Pima County but certainly this region, this facility has had a reduction in the overall operations due to decisions at Army headquarters to relocate the Apache operations. Coordinated efforts with Pinal County, the Southern Arizona Defense Alliance, the Arizona Department of Emergency and Military Affairs and our Congressional team are critical to preserving this asset and insuring that new missions are destined for this outstanding training facility.

Another major component is the Arizona Army National Guard (AZARNG) with two armories and over 480 soldiers in Pima County, and more than 2,100 Army guardsmen in southern Arizona. Pima County will assist the AZARNG with issues like flood control around armory sites and supporting the development of a new, \$24.1 million consolidated armory. This new armory will improve operating efficiency and will have direct benefit to the Pima County economy.

These military facilities are not only important to our nation’s defense, but they help develop career skills that are in demand in Southern Arizona. All of the soldiers and airmen are an integral part of our community and our commitment is to provide support for all missions assigned to this region by the state and the Pentagon.

ACTION ITEM: 2.A.1 – Continue to participate with the regional military installations to advocate for increased community partnership and interaction as well as provide advocacy at the state and national levels to ensure mission continuity and expansion in all of the southern Arizona military installations.

2. The University of Arizona

Increased involvement in economic development is number three of the five major pillars of University President Robbin’s 10 year Strategic Plan as he describes “The Arizona Advantage: Driving Social, Cultural and Economic Impact.” As shown below, The University of Arizona is a major catalyst in the growth of all of Arizona, but particularly Pima County and southern Arizona. Recognizing the importance of The University’s role in economic growth is a major step forward for our region.

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 affects our region in many ways. It educates our critical future workforce with a wide range of skill sets. Its research and commercialization of the resulting intellectual property brings tremendous value to our community. These activities create and attract new businesses, expand our economy and expose our region to numerous potential employers. An example of the UA’s impact is a smart vehicle concept project led by Dr. Larry Head. It combines science from the departments or colleges of Optical Science, Computer Science, and Systems Engineering to develop smart highways and car-to-car communication.

The UA is an economic engine partly driven by the continued growth of the UA Tech Park. The



Tech Park Arizona is a significant economic engine and a major source of innovation and startups.

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. Creation of Foreign Direct Investment (FDI) is a major objective of the Pima County Economic Development Plan and we are proud to work with the UA Tech Park in attracting companies that have compelling products that raise the level of technology in the region. Global Advantage is an exceptional program that continues to put our region on the worldwide technology map.

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. The Bridges has seen explosive development in the commercial sector with major retail and entertainment venues generating thousands of jobs. The location of a major GEICO headquarters with a projected 2,100 jobs (expanding to 2,800 jobs) and the development of a University lead conference center and research facility will energize this area as a major employment center.

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. Collaboration with Tech Parks Arizona on infrastructure issues such as improvements to I-10, the development of an intelligent vehicle capable Sonoran Corridor, rerouting of the Union Pacific's Nogales Rail line, and enhancement of Science Park Drive as a test bed to further Smart Vehicle technologies are all issues we will work together to complete.

ACTION ITEM: 2.A.2 – Collaborate with The University of Arizona in implementation of their economic development strategies as identified in “Pillar Three” of “The Arizona Advantage: Driving Social, Cultural, and Economic Impact.” Emphasize the growth of intellectual property developed at The University into employment centers based in Pima County.

3. Raytheon

Raytheon continues to be the region's largest private sector employer with over 12,000 employees. Raytheon Missile Systems' former President Taylor Lawrence has indicated that the Pima County-led relocation of Hughes Access Road (now called the Aerospace Parkway) was a critical element in Raytheon's decision to expand in Tuc-

son. 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. As Raytheon hires new engineers and support staff to meet its expanding engineering and production needs, the incremental economic impact of this \$800 million expansion will significantly increase Raytheon's role in the regional economy by bringing even more high-wage employment and supply chain companies to Pima County. Raytheon has been a major supporter of education and is a powerful voice in retaining Arizona graduates in the community.

Pima County has partnered with City of Tucson, Raytheon, the U.S. Air Force, and Tucson Airport Authority 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 any new integration and test facilities in Tucson, which was not possible when the Standard Missile 3 product integration site was located in Huntsville, Alabama in 2010. Pima County will continue to work with the rest of the team members to ensure the successful completion of this master plan.

In 2012, Pima County purchased what is now called the Aerospace Research Campus just south of Raytheon. The purpose behind this acquisition was to prevent encroachment of residential development south of Raytheon and be the home to Raytheon's future supply chain companies. In addition to preventing residential encroachment, the County has focused development of this area to include aerospace and technology employers that are compatible with Raytheon and Air Force Plant 44 mission requirements. A portion of the land purchased is the site of a soon-to-be completed South Entry Control Facility for Raytheon adjacent to Spaceport Tucson and World View, which were the first tenants in the Aerospace Research Campus. The region, through Pima Association of Governments funding, has also supported the

expansion of the Aerospace Parkway to accommodate the increased traffic resulting from expansion at Raytheon and planned additional tenants in the Aerospace Research Campus. Joint utility planning and installation have also provided ready access to utilities for future Raytheon expansion and for their suppliers.

ACTION ITEM: 2.A.3 – Expand emphasis on Aerospace and Space opportunities by leveraging existing industrial focus, workforce and geographical and climate benefits.

4. Aviation Services

Pima County has a rich and important history in aviation. These milestones begin in 1910, when Charles K. Hamilton became the first to fly a plane in Tucson for a crowd at Elysian Grove south of what is now the Tucson Convention Center. For more than a century, Pima County has embraced civilian and military aviation and it has long been a vital component of our economy. Davis-Monthan Air Force Base is often considered the reason that Tucson grew so rapidly following World War II and the Korean War, as many of the veterans who served at DM returned to enjoy the desert lifestyle.

These traditions continue today with a broad range of aviation facilities that provide good jobs and above-average salaries to the citizens of Pima County. Montreal-based Bombardier Aerospace's presence dates back to 1976 when Gates Learjet launched its operations in Tucson. Located at the Tucson International Airport, Bombardier operates in more than 1 million square feet of hanger space and employs nearly 1,000 employees at two separate maintenance operations – one for commercial aircraft and another for business jets.

Another successful aircraft maintenance, repair and overhaul (MRO) operation with Tucson roots is Ascent Aviation, which is an outgrowth of Hamilton Aviation that began operations in 1947 modifying and upgrading aircraft. Ascent continues that tradition today, storing, modifying and repairing narrow body airliners at Tucson International Airport and wide body aircraft at Pinal Airpark. Other innovative companies in southern Arizona with a worldwide client base include Universal Avionics, which builds flight



Pima County has long been a supporter of mining and mining technology research and development.

data recorders and flight management systems, and Aerovation, which does a wide range of aircraft modifications and other MRO activities.

Regional aviation industry strength, combined with the University of Arizona's expertise in optics, computer science, systems and aerospace engineering, have created a wide range of space-oriented companies like Paragon Space Development Corporation, which has an internationally-recognized reputation for innovation. More recent companies operating in Pima County, such as World View Enterprises, Inc. which uses balloon launched high-tech Strattolite systems, and Vector-Launch, which has developed launch systems for microsattellites and virtual satellites that can be shared by various users for a wide range of activities, are gaining world-wide attention as innovation leaders in the field of privatized space flight. These are just a few of the 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. Just

as Spaceport Tucson provides a low-cost test and launch facility for several companies, 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

Pima County has a long history of mineral extraction, particularly copper mining; and the industry remains an important component of our region's economy. 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. Recognizing the importance of mining to the nation and our region, the County has worked collaboratively with mining interests in the past, including Freeport McMoRan, ASARCO and the Oracle Ridge Mine in the Santa Catalina Mountains, which was approved unanimously by the Pima County Board of Supervisors in 2012. For example, Pima County partnered with The University of Arizona and ASARCO to research the use of biosolids from Pima County wastewater plants to restore and vegetate mine tailings. This research benefited the mining industry, as well as the air quality for Pima County residents.

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 adverse impacts the operation would bring to the human and natural environment.

With the majority acquisition of Augusta Resources by Hudbay Minerals, we have been encouraged that a more thoughtful and analytical approach to mining activities in the Santa Rita Mountains is being undertaken. We are hopeful new approaches and/or refinements will be made to the present Mine Plan of Operations to lessen direct impacts and minimize adverse impacts on natural resources within Pima County.

In our regulatory role, Pima County has sought corrective action and monetary fines from companies such as ASARCO when mine tailing dust has negatively affected the unincorporated community of Green Valley and risked the health of its residents. The impact of water-intensive mining in a desert environment and the effect of the industry on air and water quality, drainage and the land also are areas of concern for the County and our residents.

The County has adopted natural resource conservation mitigation guidelines for activities that destroy or adversely impact natural ecosystems in the Sonoran Desert. These guidelines are known as the Maeveen Marie Behan Conservation Lands System (CLS) of the Sonoran Desert Conservation Plan (SDCP). These guidelines are designed to offset the adverse impacts of habitat or ecosystem losses.

Mining activities, by nature, are extractive activities that remove resources; in this case mineral resources, for economic value. During this extractive operation, natural resources are adversely impacted, ecosystem values are degraded and adverse impacts occur to water and air resources. Those mining activities that agree to meet the natural resource and conservation requirements of the SDCP will generally be supported by the County. These CLS set asides should also be cognizant of, and offset any impacts to, cultural, historic and water resources.

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. Arizona currently has more abandoned mines than any other state and its reclamation liabilities remain significant. The County has in the past attempted to work with the Arizona State Land Department to condition reclamation as part of mineral leases. The County has also sought revision of the federal 1872 Mining Law.

While Pima County should continue to press for increased state and federal regulation and enforcement of mining reclamation requirements, in certain circumstances, concrete steps can also be taken by the County to return mining operations to productive economic and environmental uses.

In 2012, the County purchased 615 acres from CalPortland Cement Company located near Interstate 10 (I-10) and the confluences of the Santa Cruz River, Rillito River and the Canada del Oro Wash. Much of this land requires reclamation due to extensive sand and gravel extraction operations. A significant portion of this property will be dedicated to the El Corazón de los Tres Ríos environmental restoration project, and a portion of

the land will be developed as a primary employment center to further economic development.

Pima County will proceed with the development of the primary employment center and attempt to identify other reclamation projects that will result in environmental restoration and economic benefit while ensuring the taxpayers are not subsidizing or abetting negligent mining companies.

Mining companies are significant landholders in Pima County, and responsible companies are cognizant of the intensive environmental impacts their activities and byproducts bring. In addition to utilizing sustainable and technologically advanced mining techniques to mitigate their impacts, responsible mining operations seek to offset these impacts by engaging in natural resource conservation.

Pima County's efforts related to the SDCP should be reviewed for opportunities to collaborate with responsible mining companies to increase natural resource conservation. The Sonoran Desert and our unique lifestyle are important but often understated components of business attraction and retention.

Pima County fully cooperated with Freeport McMoRan in the purchase of 8,300 acres of State Trust land to allow for the remediation of their existing mine tailings disposal facility, as well as to buffer their operations from other encroachment; whether it be urban development or other activities that would potentially be adverse to continued mining activity. 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.

ACTION ITEM: 2.A.5(1) – Continue to monitor and comment through the federal regulatory process on mining activities proposed or ongoing within Pima County with the goal of minimizing long-term adverse impacts of those operations and

having any required mitigation provided within the area of actual impact.

ACTION ITEM: 2.A.5(2) – Support mining activities that generally provide mitigation offsets in accordance with the established County conservation guidelines.

ACTION ITEM: 2.A.5(3) – Continue to encourage advanced mining and resource extraction technology evolution to maximize recoverable economic minerals and minimize impacts to air, water and ecosystem resources of the County.

ACTION ITEM: 2.A.5(4) – Continue to pursue reclamation efforts related to past mining activities and encourage relocation, stabilization and reforming of mine disposal sites and/or tailings disposals.

6. Construction

Since the post-war population boom of the last century, the construction industry has been one of the major drivers of the economy in Pima County – primarily home building. Prior to the Great Recession that began in 2008, the construction industry in Pima County was struggling to retain skilled trades in the light of even greater demand for their skills in Phoenix and Las Vegas. Once the downturn occurred and home sales slumped, the construction industry saw even more skilled workers leave the area or move to other industries. After the economy recovered, many of those skilled trades workers were no longer in the region and many of those that had seniority and stayed are now aging out of the industry and preparing for retirement.

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 and the traditional workforce that used to be readily available has dwindled. Demographic changes during that same period have also affected design and construction requirements. The homebuyers of the millennial generation have differing demands than were previously addressed in the subdivision plats, and even parking requirements

established over a decade ago. As the construction industry adapts to these new demands, it is imperative that jurisdictions consider these new trends and allow the cost-effective modification of previously submitted subdivision plats to not constrain the construction industry in their quest to meet these changing demands. Additionally, with demand heating up, the time to review plans and begin construction must be compressed, which results in increased efficiency and lower costs for the construction industry. 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.

One of the roles of Pima County is assisting workers to be better prepared to find jobs. Workforce development will be addressed in another segment of this Plan. Cooperation between the County and various segments of the construction industry is underway, and is critical to improving the pipeline of available workers in the construction industry.

ACTION ITEM: 2.A.6 – Support development of all construction skills including increased funding for Career Technical Education programs.

B. Supporting Major industries and employment sector growth and diversification

1. Tourism

Arizona’s warm weather and magnificent natural beauty make tourism one of the state’s top export industries. According to the Arizona Office of Tourism, 43 million people visited Arizona in 2016 and collectively spent \$21.2 billion in the state. The travel industry generated \$83 million in local tax receipts, \$114 million in State taxes and \$692 million in travel industry revenue. Over 24,700 jobs are generated by tourism in our region and the total number of domestic overnight visitors to Tucson and the Southern Region topped 6 million. (Dean Runyan Associates, Arizona Travel Impacts, Pima County June 2017).

The strong U.S. economy has bolstered consumer confidence and domestic travel. Top

domestic markets for leisure spending are: 1) New York; 2) Los Angeles; 3) San Francisco; 4) Chicago; and 5) Phoenix. While meeting business continues to grow in metro Tucson with new downtown hotels helping drive these opportunities, leisure travel continues to grow in the outlying areas of Pima County as visitors seek unique travel experiences in the outdoors.

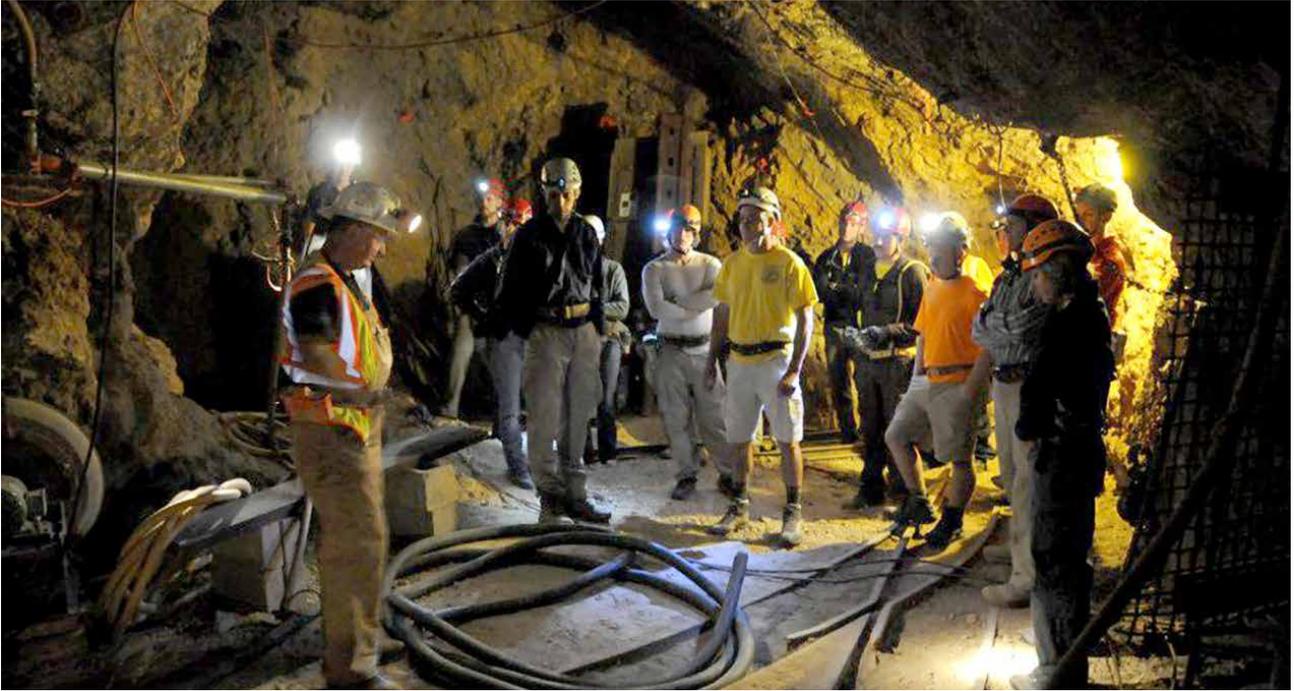
International travel, including day travel from Mexico, will likely continue to experience some reduction due to:

- More restrictive U.S. immigration policies and enforcement
- Strident border control rhetoric from the federal government including continued talk of a border wall between the U.S. and Mexico
- A strong U.S. dollar in comparison to many international currencies making it expensive to vacation or meet here.

Pima County hotel occupancy continues moderate growth. The largest challenge in 2018 forward will be accurate bed-tax collection amounts for Tucson and Pima County. The Arizona Department of Revenue (ADOR) took over Pima County’s collections along with the collection for all Arizona municipalities in 2017. Collections have been consistently down 7 percent to 10 percent year over year while the widely used Smith Travel Research Reports indicate that collections should be up by that amount. Pima County and Visit Tucson continue to resolve collections issues and tie them to local occupancy and RevPAR, (revenue per available room) numbers.

Other potential revenue sources in Pima County include:

- **Short-Term Vacation Rentals:** Based on a new state law, short-term vacation rental companies/owners throughout Arizona are responsible for charging, collecting and remitting to ADOR all components of the checkout taxes (state, county and local) within their applicable jurisdictions.
- **Voluntary Tourism Improvement District:** Visit Tucson is proposing to create a voluntary tourism improvement district in 2018-2019. Revenue would be used primarily for



The University of Arizona's Department of Mining and Geological Engineering is recognized as one of the leading mining education institutions in the nation.

air-service revenue guarantees or marketing Tucson and Pima County in cities where non-stop flights to Tucson are established.

Tourism marketing campaigns will continue to target visitors to Pima County and strive to extend their stay in the county with advertising and public relations out-reach which highlights culinary, sports, outdoor and natural resources. Pima County will continue to educate and inform new and long-time residents to County amenities including leased properties, Kino Sports Complex, The Loop and the many parks, biking and hiking trails throughout the County.

ACTION ITEM: 2.B.1(1) – Continue efforts to increase tourism through expanded attractions and completion of the Kino Sports and Entertainment Complex.

ACTION ITEM: 2.B.1(2) – Support Visit Tucson's tourism and programs to attract visitors and workers to the region.

2. Mining and Mining Technology

Pima County must strike a prudent balance between promoting the economic wellbeing of

our residents and adhering to the County's primary mission of protecting the health, safety and welfare of our citizens. Pima County will continue to oppose harmful and incompatible mining projects, but we should also encourage responsible operations that utilize modern technology and sustainable practices to mitigate the human and environmental impacts of this important industry.

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. Existing mining operations, such as Freeport-McMoRan's Sierrita Mine site located near Green Valley, was seeing significant staffing reductions as recently as 2016 when the site operated with 740 employees - and the mine was rumored for closure just a year before. In the third quarter of 2018, the company was expected to be operating at well over 1,000 employees. Assuming current positive trends in mining commodity prices, and assuming federal trade policies do not disrupt exports of southern Arizona mining product, Pima County could also see long-closed mines containing significant reserves brought back in to operation. Freeport-McMoRan recently publicly alluded to the possibility of reopening its

Ajo Mine and other suspended operations as well as extending the Sierrita District. Expansions and re-openings of existing mine sites in Pima County will require additional economic development, workforce development and development services support from the County.

Additionally, mining supply chain requirements could lead to new business attraction and expansion opportunities. A 2015 Arizona State University Study estimated that Arizona's existing mines purchase \$2.77 billion from Arizona-based suppliers. It is incumbent upon Pima County Economic Development, Sun Corridor, Inc. and the Arizona Commerce Authority 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; and evaluate their supply chain gaps.

In expectation of mining expansion, it is important to note that mining is a water-intensive industry. Pima County faces diminishing water supplies due to naturally arid conditions inherent to the Sonoran Desert, as well as prolonged drought and climate change. Our Regional Wastewater Reclamation Department is the largest producer of renewable water in our region and is recognized for its expertise in quality effluent production and water conservation. In order to assist the mining industry in maximizing its use of renewable water, promote the conservation of a vital resource and sustain the economic benefits of mining operations, Pima County will work with the industry, the City of Tucson and other water providers 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. Currently, several legal and institutional constraints hamper mining industry access to renewable CAP water supplies. The County will support increased and improved access to these supplies for mining interests that choose to use renewable CAP water in lieu of groundwater for their mining operations.

While mining has been an important aspect of

our economy since Pima County was established in 1864, the County has seen the expansion of a significant and equally important industry cluster in the area of Mining Technology. Caterpillar, which Pima County assisted in relocating its Surface Mining and Technology Division to Tucson in 2017, is at the forefront of autonomous mining vehicle development and other cutting-edge technology. Hexagon Mining, which Pima County assisted in expanding its corporate headquarters in downtown Tucson, is an industry leader in mining-related software for mine planning, operations and safety. Guardvant, Modular and CAID are just a few of the other mining technology companies headquartered in Pima County. The County should work directly with the Arizona Technology Council and related organizations to support and expand the mining cluster in Pima County. Additionally, a shared characteristic of these companies is frequent staff travel to corporate branches or mine sites in London, Denver, Mexico, South Africa and South America. The lack of airline direct flights to major international hubs such as New York City has been raised as a concern repeatedly by companies in the mining technology cluster. Pima County will work directly with companies within the sector and the Tucson Airport Authority to better understand and address these air connectivity needs.

In addition to creating a significant mining industry, the abundant mineral resources that exist in Pima County have resulted in advanced research that seeks to mitigate some of the most harmful effects of hard rock mining. The UA Department of Mining and Geological Engineering is recognized as one of the leading mining education institutions in the nation. The Department conducts interdisciplinary research in efficient and sustainable mining and has been successful in transferring its technological achievements to the private sector.

The UA is a leader in environmental research and sustainability, particularly in the areas of water research and arid land studies that clearly have relevancy in the mining industry. The Lowell Institute for Mineral Resources (IMR) is at the forefront of mining research and has educational themes that include technology and environmental and social responsibility. The Lowell IMR has more than 100 university researchers collaborat-

ing across 23 disciplines to advance sustainable development of mineral resources. Research projects by the IMR, in partnership with Science Foundation Arizona and the mining industry, include the Center for Environmentally Sustainable Mining, solar energy, mine health and safety, groundwater, economic geology and community and environmental health. The University also is home to the Superfund Research Program, which has been continually funded by the National Institute of Environmental Health Sciences since 1989. The program seeks to address the health effects of contaminants in the Southwestern United States and the Mexico border region and includes focuses on environmental issues related to hazardous substances.

As part of our economic development priorities, County staff from Community and Economic Development, Strategic Planning and Public Works 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.

ACTION ITEM: 2.B.2(1) – Convene Pima County, Sun Corridor, Inc. and the Arizona Commerce Authority with existing mine operators in Pima County to determine expansion, reopening, supply chain, export and support needs and provide direct assistance.

ACTION ITEM: 2.B.2(2) – Analyze workforce expansion needs of mining and mining technology companies in Pima County and provide assistance through the Pima County One-Stop and its educational partners such as Pima Community College and the University of Arizona.

ACTION ITEM: 2.B.2(3) – Partner with the Arizona Technology Council, Sun Corridor, Inc. and other relevant supporting organizations to formulate strategies for strengthening and expanding the mining and mining technology industries in Pima County.

ACTION ITEM: 2.B.2(4) – Work with companies within Pima County’s expanding mining technology cluster to analyze travel connection

needs and work with the Tucson Airport Authority, Tucson Metro Chamber and other relevant organizations to increase air connectivity

ACTION ITEM: 2.B.2(5) – Promote use of renewable water supplies for all mining activities within Pima County.

ACTION ITEM: 2.B.2(6) – Partner with University of Arizona College of Engineering – Mining and Geological Engineering Department, as well as UA Tech Parks and other relevant UA entities to bring sustainable mining technology and cluster expansion opportunities to the mining industry in Pima County.

3. Aerospace and Defense

Aerospace and Defense is one of the top two highest paying industries in the region. In addition to the regular names like Davis-Monthan Air Force Base, Raytheon, Honeywell, Paragon Systems, and Sargent Controls, there are numerous supply chain companies that comprise the region’s nearly 200 aerospace and defense companies. The region’s world leading University of Arizona College of Optical Sciences and Lunar Planetary Laboratory have generated major breakthroughs in optics and photonics that have spawned a number of successful companies, such as Breault Research. These companies are integral to the constantly improving capabilities of satellites and telescopes all over the world, and have worldwide military applications. Many of these discoveries are found in applications we use daily such as Google maps, weather forecasting, banking, air-traffic control, communications, and GPS. Additionally, the University of Arizona Defense and Security Research Institute includes participants from the College of Optical Sciences, two UA engineering schools and CyVerse, the super-computing portal housed at the Bio5 Research Institute. With the increasing focus on cybersecurity, these programs keep the university and Pima County on the leading edge of rapidly developing technologies, not only for our defense industry but also for the general population. These programs have attracted leading scientists from NASA, the U.S. Air Force, and leading aerospace and technology research entities. These programs have enabled the creation of a number of companies that continue to grow in the aerospace industry.



Pima County is a strong advocate for developing more medical tourism opportunities in the region.

New local entrants to the industry such as World View and Vector-Launch are reducing the expense of exploration of the stratosphere and space with game-changing technologies. These companies as well as Raytheon and many of the other aerospace and defense-oriented companies hire a majority of their engineering and research staff from the University of Arizona and Arizona State University. Recent legislative budget reductions pose an ongoing threat to the state's universities and the programs critical to the industry. Supporting the restoration of full funding to these critical programs is an important action that will significantly benefit this most important industry across the state.

While often not publicly disclosed, 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.

The "Defense" portion of this industry in-

cludes all six of the military installations in Southern Arizona that contribute over \$7.99 billion to the region's economy, as well as the suppliers that provide the technology and equipment used by our military, and others. These suppliers, as well as the 162nd Wing of the Arizona Air National Guard, export product and services to capture a large amount of foreign revenue, bringing in "fresh" money into the local economy.

Another major factor favoring both stratospheric exploration and military and private pilot training is our location. Southern Arizona has minimal transcontinental aircraft traffic, the terrain is very similar to forward operating theatres in conflict areas around the world, and the weather allows for over 340 days of 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, which has a significant multiplier effect for the region. 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.

ACTION ITEM: 2.B.3 – Work with existing companies to recruit and expand opportunities for Aerospace and Defense related employers.

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. That resulted in launching the Tucson Health Association (THA) in 2017 to lead the efforts of a medical tourism initiative.

Medical tourism describes people who live in one region traveling to another region to receive medical, dental and surgical care equal to or greater than the care they would receive in their own region or country. Most people seeking medical tourism do so for reasons of affordability, better access to care or a higher level of quality care.

The health initiative received the financial support of Banner University Medical Center, St. Joseph's Hospital – Carondelet Health Network, Northwest Healthcare and The Tucson Medical Center. Visit Tucson hired a full-time person to lead these efforts, oversee, and provide concierge-like services to the Mexican tourists seeking medical services in Pima County.

A THA website in Spanish was also launched for the Mexico market. The website lists all the partners and their specialties and the direct contact to the THA staff overseeing these efforts. Staff can immediately respond to questions and connect potential patients to the right information with the option of "live chat." In addition, the website provides information about hotels and resorts and attractions in Pima County. The Spanish THA website is at <https://tucson-healthassociation.org/>

As our Destination Marketing Organization, Visit Tucson will lead these efforts of outreach to continue to introduce domestic and international tourism patients about the medical services available in Pima County through the THA initiative.

5. Retail

Retail is all about having the right product in the right place at the right time at the right cost to meet a consumer's needs. How retail companies achieve those four parameters is undergoing substantial change. Store closures, employee retraining, facility repurposing, are all occurring on a national scale, some of which also affect the economy in Pima County. On the other hand, Pima County has been a major participant in the Internet retail boom through the location of distribution centers in our community for Target.Com, Chamberlain garage door manufacturing, and MTD, which makes millions of small power garden tools in Nogales under the names of Toro, Craftsman, Black & Decker, Ryobi, Kobalt and others. Those products made by MTD are then shipped to a distribution fulfillment center at the Port of Tucson where online orders to the Sears, Home Depot, Lowe's, Walmart and other retail websites result in product shipments from fulfillment centers directly to the customer. Amazon's development of an 855,000-square-foot fulfillment center at the Port of Tucson is even more 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. In addition to regional distribution, the Amazon site also allows direct customer pickup for certain items to address the "need it now" consumer that typically would go to a local retail store.

The underlying foundation of retail in southern Arizona has always been the small specialty retailer. The Pima County Small Business Commission focuses on these independent retail and service industry companies and works to create an environment where these specialty retailers can thrive in this changing environment. The nature of the specialties in many small businesses helps insulate them from Internet competition; but as mentioned elsewhere in this plan, the Internet has become a huge marketplace for small businesses to expand their marketplace on a worldwide scale. So not only are some of the big box stores consolidating due to the Internet, small businesses can thrive and have expansion opportunities that were never thought possible in the past. We must also take advantage of Amazon's local business advocacy program to foster the supply chain opportunities for local suppliers



The Port of Tucson, Arizona's only inland port, was a key factor in Amazon's decision to build a massive fulfillment center in Tucson.

to become a part of the Amazon supply chain. The same will be true as we see other fulfillment centers come to the area.

As changes to the retail industry continue over time, it will be necessary to provide retraining for a substantial number of dislocated retail employees to prepare them for other industries. These are skilled employees with excellent logistics and customer interaction skills that can be extremely productive in a range of other industries. The County must work to identify those industries and expand the workforce development programs to enable this transition over time.

Brick and mortar stores are not doomed as many customers still want to have immediate access and reach out to touch products in which they are interested. Good locations will continue to thrive. For those locations that are closed, there must be some planning and zoning creativity in repurposing those sites. Understanding the needs of the younger generation of consumers will have impacts on parking, general circulation, and mass transit plans. Current standards need to be revisited to ensure that retail estab-

lishments can develop without unnecessary infrastructure and costly requirements that no longer meet the needs, and more importantly, the preferences of the retail consumer.

The future of retailers is dependent on their agility and ability to adapt to not only the changing consumer purchasing habits but the habits of the younger workforce in general. Diversification will be important. Service industries will flourish. Millennials prefer to eat out more, providing excellent opportunities in the food service industry. Understanding and planning for competitive delivery methodologies such as self-driving vehicles, not necessarily cars, and drones is needed within the two-year span of this plan. Entrepreneurs will find ways to address consumer demand and retailer needs to meet those demands. 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.

ACTION ITEM: 2.B.5 – Recognize the factors impacting eCommerce, logistics, and the real estate industry and ensure policies that maximize the opportunities in all aspects of the industry.

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. The 1-million-square-foot Target Fulfillment Center and the 800,000-square-foot HomeGoods distribution facility anchor the corridor. The recognition that this area has a strategic advantage as a logistics center led to HomeGoods committing to doubling its square footage, to 1,600,000 square feet. Chamberlin Group has constructed a 300,000 square foot distribution facility and Amazon has built a 855,000 square foot fulfillment center and a 45,000 square foot delivery center in Tucson. These centers will employ 3,000 residents combined. To support these distributions centers, ground transportation companies will grow their capacity in the corridor.

Hiring a qualified, experienced and trained workforce is critical in supporting the growth of the Logistics and Distribution sector. This sector will need logistics managers, material handlers, schedulers, inventory control, truck drivers and freight forwarders.

ACTION ITEM: 2.B.6(1) – Support the Expansion of the Pima Community College Logistics and Supply Chain Program.

ACTION ITEM: 2.B.6(2) – Support the expansion of the Truck Driver Training Program at Pima Community College and other truck driving training programs listed on the State of Arizona’s Eligible Training Provider list.

ACTION ITEM: 2.B.6(3) – Engage with the local chapter of APICS, the association for supply chain management, to develop credentialed supply chain talent.

ACTION ITEM: 2.B.6(4) – Support the Southern Arizona Logistics Education Organization (SALEO) to advance global and regional Supply Chain Management.

7. Manufacturing

The Manufacturing sector in Pima County has experienced an increase in business and it is pro-

jected that employment will grow by an additional 1,463 positions by 2019, an increase of 6.1% (Arizona Office of Economic Opportunity). Raytheon’s announcement that it will increase its workforce by 2,000, of which 500 will be in the skilled trades, and Arconic Fastening Systems immediate hiring of 40 assemblers are part of a trend of increased manufacturing activity in Pima County.

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. SAMP, an industry training and degree programs that meet industry needs, based on nationally recognized credentials. The initiative consists of a combination of hands-on training, internships and national credentials. The occupations include, machining, mechatronics, aviation maintenance, welding and quality inspection.

The Pima JTED and local high schools have invested in manufacturing equipment and training room space in order to continue the expansion of their manufacturing programs. Pima Community College is developing the Applied Technology Center of Excellence, which will focus on Manufacturing/Advanced Manufacturing, Transportation Technology, and Infrastructure.

ACTION ITEM: 2.B.7(1) – Support the Southern Arizona Manufacturing Partners and other training programs in recruiting additional companies to the initiative.

ACTION ITEM: 2.B.7(2) – Develop internship opportunities for trainees in the manufacturing industry.

ACTION ITEM: 2.B.7(3) – Collaborate with and support local companies in the development of relevant skilled trades training.

ACTION ITEM: 2.B.7(4) – Support the development of Pima Community College’s Applied Technology Center of Excellence.

ACTION ITEM: 2.B.7(5) – Support Pima JTED and local high schools in the development and sustainability of industrial technology programs.

ACTION ITEM: 2.B.7(6) – Support local workforce development intermediaries in the development of nationally credentialed skilled training programs.

8. Technical Support

As exemplified by some of the companies described below and rapid growth of the financial service industries in Pima and Maricopa counties, Arizona continues to be a center for Technical Support and Advanced Business Services. Where earlier employment was in low wage call centers without benefits, minimum wage laws have impacted employment opportunities. This rapidly growing sector is transitioning into more in-house, product and company focused service centers that pay higher wages with many jobs include 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. As mentioned earlier, GEICO, a leading insurance company employer in Tucson for 15 years with 2,100 employees, announced that it is expanding into a new space at The Bridges and would be adding 700 jobs over time. Shared Services Center Tucson, a provider of business office support services and an affiliate of Northwest Medical Center and Oro Valley Hospital, expanded into 60,405-square-foot facility and projected to increase their jobs from 85 to 300. Comcast opened a 100,000 square foot Center of Excellence Customer Support Center and hired 1,125 customer service representatives and managers. Ernst & Young LLP opened a national executive support center in Tucson, Arizona. The new center will create more than 125 jobs in the area with a focus on executive administrative support and creative graphics and digital services.

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. (Arizona Office

of Economic Opportunity). 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.

ACTION ITEM: 2.B.8(1) – Continue to advocate for higher wages and full benefits for workers in this industry.

ACTION ITEM: 2.B.8(2) – Work with Pima Community College and the University of Arizona to expand training and recruitment opportunities for Advanced Business Services.

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. Through Film Tucson, a division of Visit Tucson, Pima County works closely with producers, directors, location managers and other film industry decision-makers to support and simplify the on-location production process in the areas of scouting, liaison services, and production resources.

The Tucson region has a proud and storied history of film and television production. In recent years, global competition for studio productions has intensified and the state and countries with lucrative motion picture tax incentives have driven business decisions. 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.

Southern Arizona production spending between January and April, 2018 drove \$23.4 million in direct spending distributed among the following activity types:

- 27% Commercial
- 26% TV Series
- 17% Episodic



The UA's intellectual capacity and science professionals, especially at Tech Parks Arizona, can serve as key partners in expanding our economy.

- 14% Feature Films
- 9% Print
- 4% Music Video
- 3% Other

Commercial production dominated all film categories with national brands choosing Tucson for their campaigns including Jeep, Subaru, Imas, Philosophy and Kind Snack Bars. Tucson was also the U.S. production base for Run Coyote Run, a FOX/FX Spanish language television series made for the Mexico Market. Forty-eight unscripted TV series chose Tucson as a location for individual episodes including six from the TRAVEL CHANNEL, four from the FOOD NETWORK, four from TLC, two from the COOKING CHANNEL and two from HBO's Vice News. Tucson's global reach is evident by two dozen productions that filmed here from around the world: seven from France, six from the UK, three from Mexico and Canada, two from New Zealand, and one each from Australia, Denmark and Italy. Newly planned film festivals attract regional and niche-market visitors to our diverse region.

Pima County will work closely with Film Tucson and the Arizona Office of Tourism Film and

Digital Media to increase local production by uploading Pima County shooting locations and creating 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. Existing innovative sectors, startups and emerging technological industries are well-positioned for further expansion. Pima County is home to a major research university with a robust technology transfer program, an existing high-tech industrial sector, a revitalized startup community led by Startup Tucson and an active network of angel investors. In addition, Tucson's dynamic downtown and Pima County's quality of life appeal to younger workers. Attraction and retention of a young, innovative and well-educated workforce will be necessary to expand this innovation ecosystem. Pima County is uniquely positioned to assist and encourage

this critically important aspect of the economy to further develop.

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.

The UA alone receives more than \$620 million annually in research and development funding and partners with businesses to help ensure innovative ideas become reality and produce business opportunities in the new world market. The UA is also a research leader in many of the technology-oriented sectors operating in Pima County – optics, biological sciences, space exploration, and intelligent vehicles to name a few.

In addition to continuing Pima County’s work with the UA in areas such as physician training, medical diagnostics and biosciences, the University’s intellectual capacity and science professionals can serve as key partners in expanding our aerospace industry, as well as growing new products and services for markets such as engineering, water resources, solar and alternative energy development and new concepts in urban form and development. Our largest area employer, Raytheon, recruits more of its engineers from the UA than from any other institution. As highlighted in The University of Arizona Strategic Plan, the region needs to focus on providing the environment to attract a larger percentage of graduates.

The UA created Tech Launch Arizona (TLA) to advance University research into marketable intellectual property, inventions and technology. TLA will move knowledge and inventions developed by students and faculty into the market, with the primary goal of unifying UA researchers and the business community to significantly

enhance the impact of University research, technological innovation and tech park assets.

These three areas appear to have great promise for transferring university innovation and technology into new employment within the Tucson metropolitan region, primarily due to existing job centers in these specialty areas.

Given the presence of Raytheon and its emphasis on defense, aerospace and technology, the region has a unique opportunity to develop more defense-related job centers; particularly if a relationship is developed with the Defense Advanced Research Projects Agency, or DARPA. Such a secure defense and industrial research and testing facility in the Aerospace Research Campus adjacent to Raytheon would strategically position the region to expand private sector industrial research projects and programs in this area.

Bioscience and emerging bioscience technology has proven to be an important high-wage, high-tech job stimulator in Pima County. Sanofi and Ventana Medical Systems are examples of global organizations that are leaders in bioscience and life science technology. Accelerate Diagnostics, which relocated from Colorado to Pima County’s Abrams Public Health Center, is an excellent example of startup technologies growing into high-wage employment opportunities. Other smaller bioscience laboratories and companies are also in the community and several have formed a collaboration group called BIOSA.

Mining technology should also receive more attention, primarily because of the mining activities prevalent in eastern Pima County and the presence of industry leaders, such as Caterpillar, Modular Mining, and Hexagon Mining. Mining technology, extractive resource optimization, reuse and mitigation of mine tailings, reclamation and clean mining technology are all viable areas for research and job growth in the mining sector.

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. Startup Tucson is operating under new leadership and is exploring partnerships with Rio Nuevo, City of Tucson and Pima County to develop an “innovation district” downtown.



The MSA Annex downtown is low-cost option for small businesses and restaurants wanting to capitalize on downtown's boom.

The Founder Institute which originated in Silicon Valley now has a Tucson Chapter as well which demonstrates the interest in this area. Pima County should also be exploring greater partnerships with industry advocacy organizations such as The Arizona Technology Council and sector-specific advocacy organizations that correspond to sectors that promise the best opportunity for incubating new companies - such as the BioIndustry Organization of Southern Arizona (BIOSA), and the Pima County-supported Oro Valley Innovation Laboratory (OVIL). Within emerging technological industries where no coordinating or advocacy organizations exist (such as southern Arizona's growing collection of autonomous vehicle companies) Pima County should seek to facilitate coordination and assistance. 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. Pima County is also uniquely positioned to work in partnership with the private sector to seek additional inflow of venture capital to our region and to facilitate grant funding from the U.S. Economic Development Administration and other sources.

ACTION ITEM: 2.B.10 – Emphasize the importance of emerging industries, startups, and incubators as organic contributors to innovation and job growth within the region.

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. Unfortunately, counties in Arizona are extremely limited by state law in providing direct financial assistance to businesses without a corresponding return to the taxpayer. Whereas larger corporations can be offered financial incentives that offer a return to the taxpayer by way of a large number of high-salary jobs and large capital investment, small businesses, by nature of their scale, are rarely able to provide a similar return that meets Arizona's legal threshold. Accordingly, Pima County has relied on providing assistance to small business rather than financial incentives to this large and important segment of our economy. In light of the increased economic activity in Pima County that has led to greater need for assis-

tance, the Pima County programs that should be reinforced and expanded in the 2019-2021 Pima County Economic Development Plan Update are:

- **Workforce Development:** Small businesses often lack the capabilities of larger firms to conduct in-house training. Pima County’s One-Stop system has created numerous partnerships to provide workforce services and tailored training programs that have enabled small firms throughout the County to expand and prosper. A direct benefit is that employers can post their open positions and work with the County’s job training programs to match specific job skills required for their business. The County can often target its job training programs to create the qualified workforce employers require.
- **Pima County’s Small Business Enterprise (SBE) Participation Program:** SBE Participation fosters economic growth for small businesses by offering opportunities for companies to do business with Pima County and offers incentives for small local companies interested in contracts administered by the County’s Procurement Department. Opportunities for participation should include education about the program and marketing within the small business community.
- **The Pima County Small Business Commission (SBC):** The Commission is an 11-member advisory body to the Board of Supervisors charged with advising the County on issues and policies specific to small businesses. All of the commissioners are small business owners or managers. The SBC has been proactive in identifying policy improvements and offering direct assistance to small businesses. Examples include the Commission proposing and drafting a change in Pima County’s Procurement Code to give preference to local professional service firms and reviewing county departments that have a direct impact on small business and recommending reforms and improvements to Pima County regulations and procedures. The SBC will continue to work closely with the Pima County JTED to ensure the continuation of career and technical training programs vital to providing a well-trained workforce for small business-

es. The SBC works directly with the Board of Supervisors and County Administration to advocate for the Legislature to restore and improve funding to Arizona JTEDs and ensure these important workforce programs are fully funded for the betterment of Pima County’s workforce and businesses. The Commission has also identified access to capital issues as a priority in the small business community and will work with lenders and partner agencies to identify gaps, roadblocks and new sources of lending capital for small businesses.

- **The Pima County Public Library:** The Library system has a longstanding presence in support of small business; serving new and existing companies, startups and nonprofits each year through the provision of important resources, workshops and one-on-one assistance. The Library is a place for people with no knowledge of business startup processes or who have limited support networks to take an idea and make it a viable, successful business. Programming through Idea + Space at the Joel D. Valdez Main Library downtown includes business planning, lean startup workshops, social media marketing, financial management and professional meet-ups. An extensive collection of small business-related data should be expanded and marketed.
- **Pima County Development Services:** In terms of regulatory certainty, Pima County has demonstrated its commitment to improving the business climate by streamlining our regulatory processes, creating new efficiencies in permitting and increasing its communication and collaboration with local business. The regulatory review should continue and include the input of the Pima County Small Business Commission.

An important next step in strengthening our partnership with small business is to make the numerous services and functions provided by Pima County more accessible and make our business services more comprehensive, thereby promoting regional prosperity.

Pima County will develop an online Business Resource One-Stop service, in which a single contact will link companies throughout Pima



The County is working with schools and the regional community college to foster and expand skilled trade training.

County to a multiagency collaborative working to match them with resources and solutions. Any Pima County business or entrepreneur needing assistance will be able to utilize the Business Resource One-Stop Service. Customers will be offered a menu of services that includes assistance accessing information about business assistance and financing; assistance with permits, zoning, regulatory compliance and infrastructure; and technical assistance, workforce development and business/entrepreneurial education. It would also coordinate business information requests with Pima County departments such as Development Services, Health Department and others.

Access to capital is a critical need for small and emerging businesses and understanding where these resources are in the community is a major issue. In the absence of financial resources to develop or fund a bricks-and-mortar facility, Pima County will maintain its commitment to help identify funding sources and streamline access to services, by identifying points of contact to an inter-agency team that addresses a wide range of needs. In addition to providing centralized business assistance to the region, the team approach will allow expansion of existing partnerships with private sector organizations, such as the Chambers of Commerce, Small Business

Development Center, YWCA Women's Business Center, Local First Arizona and Startup Tucson, all of which play vital roles in developing and strengthening small businesses and ultimately improving the employment base in Pima County.

National, and in some cases international, funding sources have become more aware of the technological development strengths in Pima County as demonstrated by the ability of the two startups locating in the Aerospace Research Campus, World View and Vector-Launch to raise over \$100 million each in venture capital investment from some of the world's leading venture capital firms. The County is seeing increased interest from non-local, large developers in developing speculative buildings and initiating new development.

Despite Pima County's proximity to the market of Mexico and California shipping ports, many local small businesses remain reluctant to enter foreign markets or to extend their product or service export beyond Pima County or Arizona. The Pima County Business Resource One-Stop Service will work closely with the United States Commercial Service, Arizona Commerce Authority and other export assistance organizations to promote and expand small businesses access to export opportunities.

In addition, the Business Resource One-Stop Service will include an emphasis on aiding rural businesses and woman- and minority-owned businesses to ensure these often-underserved contributors to the Pima County economy have access to resources necessary for success.

ACTION ITEM: 2.B.11(1) – Expand Pima County outreach, education and marketing of Pima County services and departments that provide direct assistance to small businesses in order to accommodate increased demand.

ACTION ITEM: 2.B.11(2) – Work with the Pima County Workforce Investment Board and One-Stop to develop, in conjunction with targeted industry sectors and educational institutions, career pathways that allow local workers to gain skills and certifications valued by small business employers.

ACTION ITEM: 2.B.11(3) – Include support for full funding of JTED in the Pima County Legislative Agenda and advocate for full funding of JTED programs to support Pima County businesses.

ACTION ITEM: 2.B.11(4) – The Pima County Small Business Commission will convene lenders to conduct a county-wide access to capital analysis to improve lending opportunities for Pima County small businesses.

ACTION ITEM: 2.B.11(5) – Develop a comprehensive online Pima County Business Resource One-Stop to provide direct assistance and information to the small business community.

ACTION ITEM: 2.B.11(6) – Pima County Economic Development and the Pima County Small Business Commission will identify partnerships with Chambers of Commerce, Southern Arizona Small Business Development Center, YWCA of Southern Arizona Women’s Business Center, Local First Arizona, Startup Tucson and other non-governmental business assistance organizations for collaboration to benefit the community and develop the Pima County Business Resource One-Stop.

ACTION ITEM: 2.B.11(7) – Identify regional sources of capital for small and emerging businesses and create a referral list available through the Business Resource One-Stop Service.

C. Enhancing and Creating New Major Employment Centers

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

In Fiscal Year 2017, Davis Monthan Air Force Base (DMAFB) provided an economic benefit to the community of nearly \$2.6 billion; employing 10,000, 3,700 of which are civilians, and creating 3,100 indirect additional jobs in Pima County. Over 5,000 military retirees linked to our southern Arizona military installations in the region account for about \$137.1 million of this impact.

Communities with military installations always struggle with the concern of national base closure decisions. Pima County is no exception. Our Economic Development Plan has identified the need for stronger community-level support to ensure that DMAFB remains and grows here. Pima County remains a strong advocate and partners with DMAFB, surrounding jurisdictions and various organizations, such as the DM-50 and Southern Arizona Defense Alliance (SADA), to support their continued operations, training and missions and to position the base for future mission growth.

Pima County and DMAFB Partnerships

The USAF initiated the Community Partnership Program to find ways to reduce military installation operating costs, which can affect base closure decisions. As of the last update to the Economic Development Plan, the DMAFB Community Partnership Program has proven to be successful, with the County being a significant participant.

Some successful partnership efforts include the Pima County One-Stop program assisting in the Military Families Employment Initiative to help families of those stationed here to find area jobs by connecting them to area businesses needing to fill hiring gaps. In the first three months of the program, eight of the nine family members that participated found jobs, with one being transferred overseas. The County successfully advocated that Pima Association of Governments prioritize the funding for the

improvement of south Wilmot from Valencia to an expanded entry control facility paid for with DMAFB funds. This is part of a critical security driven decision to relocate the Swan entrance gate to Wilmot. This project will not only move ingress and egress operations for commercial traffic away from sensitive operations centers on the base, but also will greatly improve community traffic flow and safety along Golf Links Road. Construction of the south Wilmot improvements are estimated to be completed by summer 2020. The Pima County Office of Emergency Management at the Pima Emergency Communications and Operations Center (PECOC) integrated DMAFB into the regional and statewide emergency management and Pima County Wireless Integrated Network first responder radio systems, which allows for more comprehensive coordination of operations, testing, exercises, and reaction to real world events. Pima County has also partnered with DMAFB in the Department of Defense's Readiness and Environmental Integration grant program to mitigate encroachment on the base and its approach/departure corridor.

Aside from the County and the City, partners also include the University of Arizona, Pima Community College, YMCA, Banner University Medical Center, Tucson Medical Center and Tucson Electric Power. Collectively, all of these agencies and organizations share their expertise and leverage resources to reduce costs by finding shared value that benefit both the installation and the community.

Preserving Flight Corridors and Training Sites

While the community supports DMAFB, some people have expressed concerns about adverse noise impacts. In addition, 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. Base personnel utilize flight corridors and training sites to conduct a wide variety of missions.

In 2004, voters approved a Pima County bond that allocated \$10 million to purchase lands within the Approach/Departure Corridor

for encroachment prevention. In 2016, DMAFB partnered with the County and applied for a grant under the REPI program, 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. The higher priority acquisition areas identified by the base are in the vicinity of the base and the Approach/Departure Corridor. Other priority areas identified are located further from the Base, southeast and southwest of Tucson, but necessary corridors within flight Military Training Routes to the Barry M. Goldwater Range (BMGR).

With the County using its past \$10 million investment as a match, DMAFB was awarded a total of \$3.5 million REPI grant for FY17, with the ability to apply for an additional five years. As a major partner, Pima County entered into an encroachment management agreement with the Air Force and DMAFB as part of its recently awarded Readiness and Environmental Protection Interpretation (REPI) grant. A subsequent REPI application for FY18 gave DMAFB an additional \$3 million. Through the management agreement, the County is assisting in acquiring development easements using REPI funds on lands within the acquisition priority areas identified by DMAFB. 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.

Private Leased Land Acquisition

There are 99 acres of private property inside the boundary of DMAFB that are leased on an annual basis to the USAF at high cost. Understanding that high operating costs are detrimental to base operating efficiencies, the County worked with the Governor's Office and the Arizona Department of Emergency and Military Affairs (DEMA) and applied for a Military Installation Fund (MIF) grant in 2017, and was awarded \$250,000 to purchase some of those priority private properties located within the Base. That same year, the County was able to purchase with those funds two of the properties located within the Quantity Safety Distance Arcs from DMAFB's Munitions Storage Area

and lease them back to the base for the nominal annual rate of \$10.

The Military Installation Fund has not been allocated funds by the State even though the purpose of this fund is to address negative impact items for our military bases that contribute billions of dollars to our economy. The County supports the funding of MIF by the Governor and Legislature for continuing efforts to protect and assist our military installations. In addition to advocating for full funding of the MIF, Pima County will continue to explore other funding opportunities as well as ensure that property valuations are comparable to local market values. One option to acquire these parcels is to request the application of REPI funds which are currently unavailable for this type of mitigation. Another is to modify the base boundaries, thereby removing some of the private parcels from the base and eliminating the lease payments.

ACTION ITEM: 2.C.1 – Provide direct and indirect support to ensure that our regional military institutions continue to maintain and enhance their premier status within the military establishment and continue to region’s major employers.

2. Tucson International Airport and Ryan Field

In every community, airports are nearly always major employment centers and generally serve as a primary logistics hub. Tucson is no different with Raytheon, Bombardier, the 162nd Wing of the Arizona Air National Guard, Home-Goods, CAID, Universal Avionics, Aerovation and others all clustered around the airport. 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 air-freight, 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.

ACTION ITEM: 2.C.2 – Encourage expanded involvement in economic development activities by the Tucson Airport Authority at Tucson International Airport and Ryan Field.

3. Port of Tucson

The Port of Tucson is a privately held, 700-acre multimodal (rail - truck) facility that is the perfect example of creating a “shovel ready” facility that was successful in attracting the Amazon distribution facility which will employ 1,500 regular employees plus all of the company’s ancillary supply chain organizations. With over 2 million square feet under roof and several hundred acres available for expansion and/or attraction, the Port of Tucson is the crown jewel of the region’s rapidly growing logistics industry. With over seven miles of internal rail, their own locomotives, daily rail service from Union Pacific Railroad, and on-site customs capability, this multimodal facility enables regional companies to have expedited container delivery and international export shipments at extraordinarily low freight costs. Not only is the Port becoming a major employment center but their unique infrastructure investment to be completely shovel ready is a major attraction for other companies considering 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. An example of this type of supportive effort is the utilization of the Pima County Develop-



A confluence of rail, highway and air transportation systems is driving a rapid expansion of logistics-related companies in Pima County.

ment Services rapid, electronic plan review process to complete the approval of the plans for the 855,000 square foot Amazon Distribution Center in less than one week. The combination of the Port of Tucson’s shovel ready investment and the speed with which the County plan review process occurs makes a strong case for companies seeking a rapid development cycle.

ACTION ITEM: 2.C.3 – Recognize the “Shovel Ready” investment at the Port of Tucson and continue to promote this asset as one of premier cornerstones of the expanding logistics industry in the region.

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. Major commerce centers along this major trade route in western Mexico include Nogales, Hermosillo, Mazatlán, the Port of Guaymas, Ciudad Obre-

gon, Los Mochis, Culiacan, Morelia, and 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.

Fifty miles to the south, the maquila industry in Nogales Sonora includes 110 companies and employs nearly 40,000 workers. While still focused on manufacturing, the availability of several universities locally has helped expand the design and engineering capabilities found in the area as well. The “nearshoring” trend that began during the era of high fuel costs continues with a number of companies opening facilities in Nogales, Sonora, due to Mexico’s labor rates still being competitive when considering shipping costs and in-route delays in getting product to market. Additionally, engineering staff, which tend to still be in the United States, have access to address production issues in a day or two compared to typically losing a week when travelling to East Asia. Since the majority of the products produced in Nogales and Hermosillo are shipped to the United States, the Sonoran Corridor becomes an even more important trade

route. The Offshore Group, Sonora’s largest employer, which is headquartered in Pima County sends 20 to 30 trucks per day across the border moving supplies and southward and finished product north. Javid, another of the “shelter companies” in Nogales, sends 200 trucks per week across the border for the same purpose. MTD and Chamberlain are two of the larger maquila operations in Nogales, but each have distribution centers in the Sonoran Corridor logistics region and Chamberlain has just completed a new 301,000 square foot distribution center within the Corridor. Additionally, the U.S. imported \$3 billion worth of fresh produce from Mexico via the Arizona ports of entry. On average, over 35,000 trucks cross the border monthly at the Nogales Port of Entry.

The only all-weather east-west interstate (I-10) and rail line (Union Pacific Sunset Route) run through Tucson. Pima County is where these key commerce corridors from Mexico and the continental United States intersect, creating an ideal logistics hub. Within a five-mile radius, there are two Interstate Highways, two rail lines, a fully certified international intermodal port with customs capability, The Port of Tucson, and Tucson International Airport, which has air freight service with significant capacity to expand. As demonstrated by major investment by Chamberlain, HomeGoods, Target, and Amazon, the Sonoran Corridor is clearly 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 the City of Tucson, the Town of Sahuarita and the Arizona State Land Department, Pima Association of Governments, Tohono O’odham Nation, San Xavier District, Tucson Electric Power, Arizona Department of Transportation, Federal Highway Administration, Union Pacific Railroad and many others. Together, we are master planning not only land use but the transportation and utility infrastructure to insure a coordinated and successful master-planned region where industrial and residential use conflicts are avoided, development costs are minimized, and travel between residential and employment centers is optimized. The new proposed Sonoran Corridor Auxiliary Interstate will save on com-

mute times as well as save at least 12 miles and a projected 30 minutes for commercial traffic headed eastbound from Nogales on Interstate 10. Beyond the distance savings is an even larger time saving due to increasing congestion on I-19 and I-10 as vehicles get closer to downtown Tucson. Optimizing access to Interstates and workforce from the two most rapidly residential developing areas, Vail and Sahuarita, is one of the major objectives behind the proposal for this highway. Development of new logistics and manufacturing capabilities in this region is expected to drive the Sonoran Corridor Logistics Hub will be the primary area for job growth in the region. It is important for the region’s future growth for this Auxiliary Interstate to move forward on a timely schedule as this will provide new access to more than 16 sections of what is currently unused land. With this transportation infrastructure and the utility infrastructure being planned along Old Vail Connection, this region has the potential to double the Gross Domestic Product of the Tucson Region at full buildout. Time is important! With an increasing number of major corporations locating in the area, progress in completing this supporting infrastructure is critical.

ACTION ITEM: 2.C.4 – Collaborate with our regional partners, State of Arizona, and Union Pacific Railroad to enhance the infrastructure and development of the Sonoran Corridor as a major logistics hub.

5. Aerospace Research Campus

Located near Raytheon, Pima County’s 500-acre aerospace and technology-focused campus is the home to World View Enterprises and Vector-Launch, rapidly growing near-space transportation and research companies as well as SpacePort Tucson, a 700-foot diameter commercial space and research balloon launch facility. This is one of the new employment centers that provide a range of locations and capabilities for companies relocating to the region. Near two Interstate highways, the developing Sonoran Corridor, Tucson International Airport, 50 miles from Mexico, and adjacent to the only rail line between northern Mexico and Arizona, the Aerospace Research Campus will continue to be focused on high technology employment. All major utilities are in place with redundant



World View, a near-space technology company, is the anchor tenant of the County's 500-acre Aerospace Research Campus.

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.

ACTION ITEM: 2.C.5 – Work with existing and new employers to continue the growth of the Aerospace Research Campus as the home of Aerospace, Space, and Technology 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. These include the Tucson Speedway, a NASCAR circle track, Tucson Dragway (a National Hot Rod Association sanctioned quarter-mile track), a model airplane park and a go-kart track. Additional attractions within the

Southeast Regional Park include a shooting and archery sports park, off-highway vehicle motor-sports, a professional road course raceway, and with private sector potential for an autonomous vehicle test track.

The remaining 1,800 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 was completed to determine the opportunities and constraints to developing the property. The Arizona State Land Department (ASLD) participated in the process. This collaboration is allowing the construction of drainage detention basins on ASLD-owned property to provide recreational benefit, as well as removing a significant portion of the County and the State's property from the regulatory floodplain.

The area provides large parcels for development that could meet the demand for campus-like development and major manufacturers such as auto makers that typically look for sites of 500 acres and larger. The SELC also is near the UA Tech Park, which offers opportunities for joint planning and coordination of development activities in this portion of the community.



Planning shows this area could hold as much as 21 million square feet of industrial space and 420,000 square feet of commercial. By comparison, the UA Tech Park at Rita Road has 2 million square feet of office and laboratory space.

Additional infrastructure investment is underway along Houghton Road with spot improvements at key areas including a new traffic interchange at Houghton Road and I-10 and widening Houghton Road to four lanes from I-10 to Andrada Polytechnic High School. 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 that may prefer to not be annexed into the City as a prerequisite to receive water service. These improvements, along with the proposed detention basins developed in collaboration with the Arizona State Land Department, bring this property into play

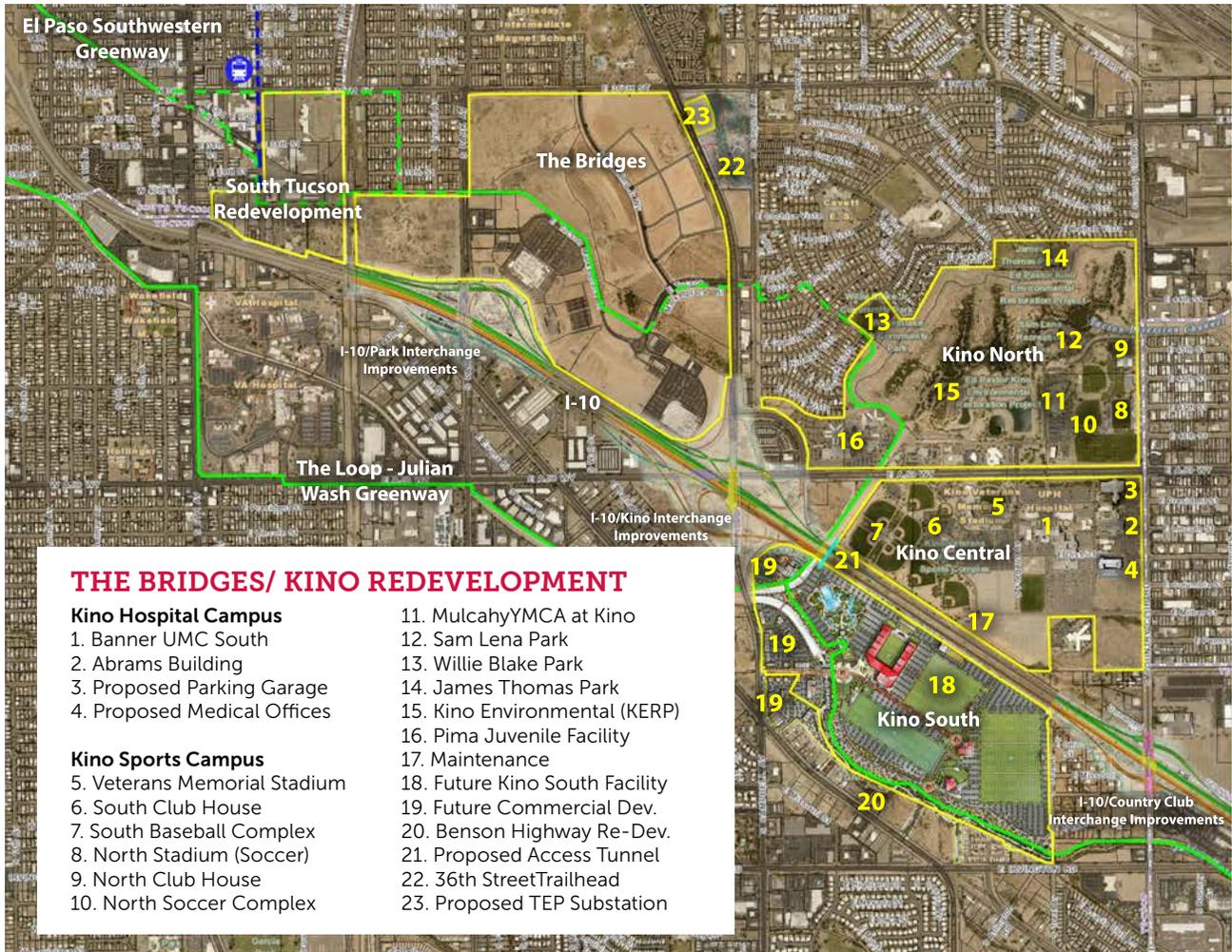
for both large-scale manufacturing and logistics employers.

ACTION ITEM: 2.C.6 (1) – Continue the development of infrastructure and enhance awareness of the benefits of the Southeast Employment and Logistics Center for employers needing large parcels of land.

ACTION ITEM: 2.C.6 (2) – Collaborate with the Arizona State Land Department to minimize the flow of water through the Southeast Employment and Logistics Center to maximize usable land in the SELC as well as State Land parcels downstream.

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 In-



terstate 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:

- a. The Bridges
- b. Fourth Avenue/I-10 Area
- c. 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 the Treasury as an ‘Opportunity Zone’, pursuant to authorization provided by the 2017 Federal Tax Bill (‘Tax Cuts and Jobs Act’). The goal of establishing these zones is to attract long term investment in disadvantaged areas by deferring, reducing, and (in some cases) even eliminating Federal income taxes on capital gains associated with such investments.

a. The Bridges

The 350-acre Bridges site is entirely within the City of Tucson and was conceived and master-planned by a Planned Area Development (PAD) 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. At its inception, it was the largest single parcel of undeveloped land and the most significant in-fill effort in the City of Tucson—truly a gateway, as well as a destination.

The Bridges PAD includes 25 acres of parks and open space connected to Pima County’s regional trail network. Adjacent to the Bridges is a regional park, a community center and a branch of the Pima County Library.

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. This is especially vital, given the presence of the Kino Sports Complex and an associated County plan to build substantial additional sports facilities south of I-10.

Presently, there are 3 active areas within the Bridges: (1) Commercial/Retail along I-10 (from Park Avenue to Kino Boulevard) – Tucson Marketplace; (2) Bourn Properties – GEICO and Others (including Residential); and (3) University of Arizona – Tech Park (along Kino Boulevard)

Pima County continues to work with all three development partners to maintain the development momentum in this area and ensure that the Kino Stadium District development is complimentary to the Bridges. Additionally, Pima County has finalized plans with Tucson Electric Power to sell the southeast corner of 36th and Kino Boulevard to create a park and new sub-station that will provide the electricity needed for the full buildout of The Bridges as well as improved power reliability for the entire Kino Sports Complex, Banner South hospital and additional County property.

b. Fourth Avenue/I-10 Area

There is an approximately 63-acre area in the southern portion of South Tucson (along and/or straddling 4th Avenue immediately north of the I-10 Frontage Road) which is contemplated for potential new or redevelopment over time.

Pima County has been assisting the City of South Tucson and area property owners in the identification and exploration of possible opportunities in this area. Pima County facilitated a ‘Design Charrette’ with interested stakeholders to discuss context, goals, constraints and opportunities for that area.

One of the tools potentially available to help incentivize private investment in the area is the Government Property Lease Excise Tax (GPLET) mechanism. Over half of the 63-acre redevelopment area has already been designated as GPLET eligible by virtue of a 2015 action by South Tucson to designate it as the Central Business District (CBD) for the City. South Tucson is evaluating whether the CBD can be expanded.

An additional opportunity to incentivize investment in South Tucson is now in place as a part of the Federal Opportunity Zone designation. Pima County successfully coordinated with the cities of Tucson and South Tucson to submit South Tucson and The Bridges for inclusion of both areas as federally recognized Opportunity Zones. *(See map at left)*

It is clear that there is substantial potential for the area. The Charrette identified key issues and follow-up actions and a plan to pursue those is being developed in consultation with South Tucson. 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

In 1991, the Board of Supervisors created the Pima County Stadium District (PCSD) to manage Kino Sports Complex (KSC). The District is a tax-levying, public improvement district and political taxing subdivision of the state of Arizona. PCSD, in conjunction with Pima County government, maintains the fiscal resources of the entire complex including facilities, grounds, personnel and the various services provided at the venue.

Kino Sports Complex is the largest venue in Pima County for youth, amateur and profession-



Kino Sports Complex is undergoing an expansion that will double its size and make one of largest multi-use sports and entertainment facilities in the nation.



What was once a jilted Major League Baseball Spring Training complex is now a vibrant, heavily used, sports and entertainment complex with roughly 500,000 visitors in 2018.

al sports, concerts, and community events. The fields of this 162-acre natural grass complex can be adjusted for various sports and uses including baseball, soccer, football, and lacrosse. The south baseball complex includes the 11,000-seat Kino Veterans Memorial Stadium, seven full-size fields, three clubhouses and parking. The north soccer complex includes the 2,900-seat North Stadium, a 1,000-seat North Grandstand field, four addi-

tional fields, and a clubhouse with parking.

Today the Complex attracts dozens of large-scale events and tournaments. The site can transition from event space to diamonds to long fields to accommodate varied users. Kino Sports Complex's revenues now exceed those of the original baseball spring training era for which the complex was originally developed in the 1990s.



KINO SOUTH PROPOSAL AREAS

Kino Sports Complex – South Addition

In 2014, Pima County purchased 167 acres of vacant land just south of the existing complex on the other side of Interstate 10. The site is adjacent to (across the Interstate 10 Freeway from) the existing Kino Sports Complex and lies between the Benson Highway and Interstate 10 at Kino Boulevard.

Despite the flexibility provided at the existing Kino Sports Complex (North and Central), there are inadequate facilities to host regional long-field tournaments. The Board of Supervisors purchased the 167-acre site south of the existing Kino Sports Complex to develop these facilities with supporting commercial and retail development. The new facilities will be physically linked to the existing KSC through an

underpass beneath I-10. A revised ‘Planned Area Development’ (PAD) to permit this anticipated development has been developed in cooperation with the City of Tucson. (Refer to ‘Kino South’, areas 18 and 19, on the map/overview below, which also provides a regional context for what is planned at this location).

The centralization of long-field sports in the Kino Sports South Complex will allow additional expansion opportunities for baseball and softball in the northern complex.

The County is proceeding with “Phase 1” improvements for Kino South - the design and construction of 12 soccer fields, 20 pickleball courts, and related facilities. Construction is anticipated to be complete by the fall of 2019 and initial bookings will be available in 2020.

In addition to constructing the Phase 1 improvements, County staff is exploring the possibility of utilizing PPP(s) to complete additional facilities at the complex - such as an outdoor stadium, an indoor sports facility, and/or an indoor arena or aquatic center – under a design, build, operate, and maintain (DBOM) scenario (reference parcels ‘D’ and ‘E’ on map above). A solicitation of interest and statement of qualifications will be released to engage the private sector for joint development of County owned parcels along Kino Blvd for parcels ‘D’ and ‘E’ as well as supporting/complementary commercial and retail development (reference parcels ‘A’, ‘B’, and ‘C’ on map above).

Estimated Community Economic Impact

In 2015, a sports facilities consultant hired by the county determined the cost of the entire Kino Tournament facility at just under \$55 million, if publicly financed. The pro forma prepared by SFA also projected a minimum 1.85:1 return on investment. The estimated annual economic impact based on the pro forma was \$26.2 million. Additional visitor days are estimated at more than 239,000 annually and booked hotel rooms at more than 52,000. This is in addition to the annual visits to the existing north Kino Sports Complex. The Kino Sports Complex will be one of the major economic drivers of the next decade.

ACTION ITEM: 2.C.7(1) – Collaborate with the City of Tucson, Town of South Tucson, the developers of The Bridges, and Tech Parks Arizona to take advantage of the area being designated by the Commerce Department as an Opportunity Zone to increase investment in the area along I-10 between south 6th and Country Club.

ACTION ITEM: 2.C.7(2) – Continue the development of the Kino Sports Complex – South Edition by coordinating with private sector to maximize the attractiveness of this complex for regional and national sports competition activities.

8. Sunset Innovation Campus

The Sunset Innovation Campus (Campus) is located in the metropolitan area surrounded

by the communities of Tucson, Oro Valley, and Marana. The site lies near the regional population center and is close to essential services. The Campus is 10 minutes from downtown Tucson and the University of Arizona, 20 minutes from the Tucson International Airport and 90 minutes from Phoenix Sky Harbor Airport.

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 funded 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. With the proximity to I-10, future connection to River Road and near high value housing in the Tucson Mountain area, this parcel will be an excellent future asset for a major corporate campus. 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. Cultural mitigation for the site is programmed for completion in 2019 and all utilities are nearby.

ACTION ITEM: 2.C.8 – Follow the advice received from private sector development experts in positioning the Sunset Innovation Campus for the development of primary employment center.

9. Downtown

Pima County is downtown Tucson’s largest employer. Pima County currently owns and operates in 1.65 million square feet of building space in the downtown area, employing over roughly 4,000 full- or part-time employees. A vibrant, successful downtown enhances the work experience for employees and leads to economic expansion. The recent successes of the Rio Nuevo Multipurpose Facilities District and the completion of the Modern Streetcar by the City of Tucson have contributed to a vibrant, attractive environment necessary to compete with other locations in attracting today’s modern workforce. New housing, dining, and hospitality destinations increase the vitality and activity in the area, which is reflected by millenni-



Pima County has completely renovated the 90-year-old Historic Courthouse. A portion of the building is available for lease to tourism-related companies.

al-focused companies such as Caterpillar, Hexagon and Ernst & Young selecting office locations in the downtown area and the decision by national developer JE Dunn to construct nearly 200,000 square feet of new, class A office and retail space right in the heart of downtown on County owned property in partnership with Rio Nuevo.

County Buildings:

Pima County owns 15 separate buildings in the downtown area, including six parking structures containing 2,924 parking spaces.

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.

- **97 E. Congress Street** was leased to Caterpillar's Surface Mining and Technology

Division as a transition headquarters building. Caterpillar moved into its new building in 2019 and this 44,000 square foot, totally remodeled, modern office building is available for the next interim office space need or for sale to a new corporate employer that wants to be downtown.

- **33 N. Stone Avenue** is a 22 story, mixed use office building, also right in the heart of downtown. While this building houses some County staff and operations, there is space available for private sector employers. With each floor having 11,365 square feet of usable space, and robust infrastructure, there is room for a wide variety of employer uses. There are unlimited views through floor to ceiling outer glass walls.
- **The Historic Pima County Courthouse** is the new home for Visit Tucson and will be The University of Arizona Mineral Museum.

The Historic Courthouse is centrally located in the downtown area and has sufficient parking capacity in the adjacent El Presidio Parking garage. The county invested approximately \$18.5 million to repair, stabilize and modernize the Historic Courthouse structure, dome, roof and electrical and mechanical systems. Appropriate long-term leases are available for parties willing to relocate to portions of the facility. The primary emphasis is on long-term leases with nonprofit organizations that will ensure the building's use is beneficial in improving tourism, and economic development activity that benefits the region.

- **44 North Stone** - Pima County is currently working with the University of Arizona to activate the county owned building at 44 N. Stone Avenue with a new formed partnership with The University of Arizona and Startup Tucson for an incubator. The space will act as a hub for entrepreneurs, startups, university students, faculty, and corporate partners. The building will also feature a project space on the ground floor of the building open to the community.

As any downtown area grows, especially vertically, the demand for parking is directly related to the success of the area. Pima County's anticipation of these needs has been an essential component to the rapid growth downtown. With over 2,924 parking spaces under County control, the County has been able to assure new employers in the downtown area of adequate parking for their employees.

Available County Property:

- **75 East Broadway:** Pima County also owns vacant land in the downtown area that can be used to construct new employment centers. Through a partnership with Rio Nuevo, a half city block between Scott and 6th Avenues on Broadway (75 East Broadway) is being developed by JE Dunn. This site will include at least 150,000 square feet of Class A office space and around 40,000 square feet of retail on the first two floors as well as 350 parking spaces on site. Each office floor plate has 30,000 square feet that

is fully divisible. The building will feature "The Alley" which is a joint retail pedestrian environment being developed with Peach Properties who own the buildings to the north facing Congress Street. This is the first Class A office building constructed in downtown in over 30 years and is expected to be a major draw for new employers that are attracted to the vibrant downtown environment.

- **332 South Freeway:** The property at Cushing Street and Interstate 10 is capable of supporting a structure six stories in height with 200,000 square feet of office space and 350 spaces in an on-site parking garage. The land size is 2.0 acres. The property is zoned C3 Commercial/Mixed Use up to midrise. It does have two frontages and a north side portion is not usable as it is Riparian and a waterway from under the other side of the Interstate 10. The east side is the Freeway frontage road for quick freeway access. The south side has the "Modern Streetcar" for easy commuting and connection to the University of Arizona and the rest of Downtown. To the west is the new Caterpillar Surface Mining headquarters, "The Loop," shopping, dining, and new apartments. This is an ideal location for a self-contained major office user.

The County will continue to partner with the City of Tucson and Rio Nuevo to ensure the vitality and momentum downtown continues to attract office use for high wage employers and vital lifestyle opportunities for their employees as residents. Most recently, the Arizona legislature approved a 10-year extension of the Rio Nuevo special taxing district through 2035. Rio Nuevo has invested \$32.5 million of their Rio Nuevo Multipurpose Facilities District sales tax revenue returned by the state to launch 20 projects valued at nearly \$366 million. For every dollar that the state has invited in Rio Nuevo, we have gotten \$10 in private capital investment.

ACTION ITEM: 2.C.9 (1) – Encourage new and expanded primary employment in the downtown by making available for such County owned properties

ACTION ITEM: 2.C.9 (2) – Complete the renovation of the Historic Pima County Courthouse with a focus on tourism and collaboration with Visit Tucson, The University of Arizona, the January 8th Memorial Foundation and other tenants that provide a reflection on the assets and history of our region.

ACTION ITEM: 2.C.9 (3) – Continue to work with The University of Arizona to develop the County owned property at 44 N. Stone to increase The University’s downtown presence with entrepreneurs and corporate partners.

ACTION ITEM: 2.C.9 (4) – Continue to collaborate with Rio Nuevo to expand and grow downtown’s infrastructure and amenities to attract more primary employers.

10. UA Tech Parks

Tech Parks Arizona is a major contributor to the region’s economic development and since 1994, has operated one of the region’s largest employment centers at the former IBM facility on Rita Road. Fully integrated into the University of Arizona culture, the parks have served major employers as well as startups and those faculty, researchers, and community entrepreneurs hoping to leverage ideas, intellectual property, and future products through the Arizona Centers for Innovation (AzCI). AzCI provides access to facilities, services and business development training to assist in the commercialization of their next big success. 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 connecting paths and trails to the surrounding neighborhoods and regional connectivity such

as The Chuck Huckelberry Loop. Located in the western portion of the Tech Park near Kolb Road, the development will provide amenities for employees and create a commercial center that will serve the nearby Port of Tucson and Amazon and nearby neighborhoods. The Village will include retail, commercial, residential, and hotel space.

The Global Advantage program has succeeded in attracting Foreign Direct Investment and technology-sector employers to our region that might not have chosen Pima County otherwise. This far reaching program is complimentary to Pima County’s focus on attracting Foreign Direct Investment and attracting new companies from Mexico, Canada, the Far East and Israel. Pro Automation, Inc., a Hermosillo, Sonora-based engineering services firm that develops industrial automation solutions, is an excellent example of our collaborative recruiting efforts. With the national economic and foreign trade picture in turmoil, continued efforts at the grass roots level is imperative to assure our foreign trade partners of the sincerity of southern Arizona in mutually working together to keep commerce moving.

While continuing to plan expansion of the Rita Road facility, Tech Parks Arizona is in the process of executing the initial plan to develop the Tech Park at the Bridges. Collaborating with Pima County and Tucson Electric Power to develop a regional electrical substation and a neighborhood park is just the first step in the potential development (See Bridges description previously discussed).

Continuing our collaborative efforts on smart vehicles, intelligent transportation infrastructure, increased foreign direct investment, and innovation are high priorities in Pima County’s economic development plans for the next three years. The strengths of The University of Arizona’s plans and Tech Parks Arizona’s broad competencies in developing and expanding these two critical employment centers deserve the County’s full support.

ACTION ITEM: 2.C.10 – Leverage the entrepreneurship, innovation, and global reach of Tech Parks Arizona as a force in developing

new companies and attracting foreign industrial investment and partnerships.

11. Pinal Air Park

Pinal Airpark, which is just across the Pima-Pinal County line, was developed in 1942 as a pilot training base during World War II and named Marana Army Airfield. The Airpark has been operated by Pinal County since 1948 and has had a wide range of uses. The original infrastructure needs refurbishing and Pinal County is addressing some of the issues in small increments. The airpark covers 1,500 acres.

Pima County owns nearly 300 acres in Pima County along the southern border of the Airpark that can easily be connected to one of two taxiways. Recently, 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. The RFI has generated a wide range of interest from several groups with substantial funding. Discussions continue with Pinal County, Pima County, the Arizona State Land Department as to the highest and best use, but significant progress is anticipated during the span of this plan.

While located in Pinal County, the closest workforce to Pinal Airpark is actually in Marana and unincorporated Pima County. Following a colorful history during the Vietnam era, over the past 20 years, the primary use for the Airpark has been aircraft storage and demolition as well as wide-body aircraft maintenance, repair and overhaul now under the control of Ascent Aviation Services, which does similar work on narrow-body aircraft at Tucson International Airport. Jet Yard does primarily demolition and scrapping work and the Western Army National Guard Aviation Training Site (WAATS) is located immediately north of the airpark. The US Special Operations Command Parachute Training and Testing Facility is located immediately west of the airpark. The 6,850-foot asphalt runway and two taxiways are adequate for limited operations of the large aircraft that are serviced here, but are more than adequate for the other civilian aircraft operations, though they must be extend-

ed to attract other industrial and military uses. The runway was recently resurfaced through a FAA and State DOT Grant program. Taxiways still need major maintenance but are adequate for aircraft under tow. One major limitation for increased air operations is the lack of an air traffic control tower.

Located thirty minutes north of Tucson, this facility has a wide range of opportunities. The park's isolation makes it interesting for uses that require isolation from public and residential use. 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 being zoned for industrial use. The original living quarters are being gradually rehabilitated and the restaurant/bar continues to be open and popular for local patrons and 400+ workers from the site.

Pima County is partnering with Pinal County to expand operations at Pinal Airpark to create an even larger employment center by making easily developable land available for industrial and/or airside operations. With the projected major shortage of commercial pilots, a flight school would make sense but 300 acres can also accommodate a large manufacturing facility that is within an hour of Phoenix and one-half hour of Tucson with rapidly growing Marana less than 10 miles to the south. Commercial airfreight opportunities are limited by the rapid expansion of the airfreight capabilities at Phoenix-Mesa Gateway airport less than 70 miles to the northwest. Long-term plans by the Union Pacific for a rail classification yard east of I-10 could facilitate intermodal operations.

Infrastructure for the airpark needs repair and expansion. Power is not a major issue with the Arizona Public Service Saguardo Power Generating Station and 1 megawatt Saguardo Solar Power Station within three miles but the substation located at the airpark appears to have limited capability. 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. Multiple broadband communications carriers are avail-

able along I-10 and the Union Pacific Railroad Sunset Line 2 miles to the east.

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. A critical consideration is a control tower or even a shared control tower with the Marana Regional Airport that will manage the traffic of these relatively nearby airports. 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. Development of enhanced infrastructure will require significant investment, but expanding the use of the Airpark can potentially generate revenues of capital investment by tenants to minimize the capital investment by Pima or Pinal County.

Collaborative action items with Pinal County will initiate a managed expansion of the facilities. With increased evidence of interest in airside type operations, Pinal Airpark, and Pima County are potentially well-positioned to expand this employment center with high-paying jobs. Our collaborative efforts in responding to inquiries through the Arizona Commerce Authority will have an increasing potential for success as the master planning resulting from the RFI progresses.

ACTION ITEM: 2.C.11 – Continue to partner with Pinal County in land use planning focused on expansion and development of additional primary employment centers focused on aviation, defense and technology.

12. Strategy to repurpose retail

Earlier in this plan discussions related to the impact of eCommerce on retail was discussed. Retail is all about location, having the right product, and having an appealing environment. eCommerce and the omnipresence of smart phones have essentially made everywhere a good location. Smart retailers have leveraged the

smart phone technology to send reminders and even determine that a consumer is near a store and sent them information on something they searched on last time, reminding the consumer that the item is available just a few hundred feet away, taking advantage of the fact that the consumer still wants a personal experience in some cases.

Despite the fact that a record 7,000 stores closed in 2017, nearly 3,500 new stores were also opened. Retailers with good locations typically are not impacted by eCommerce as much; but when they are and the store closes, those good locations often attract replacement retailers. These locations are good for multiple reasons: similar merchants nearby like found in a mall or the auto mall concept; excellent parking, high traffic counts, neighborhood demographics, etc. But those same factors are important to other types of businesses.

As landlords across the country endeavor to maintain a vibrant environment and revenue streams required by banks, they are beginning to focus on a wide range of uses and issues. Pop up stores are popular, generate short term interest, and bring in new traffic. Urgent care centers, health clubs, and entertainment are widely employed repurposing of retail sites. This is also true where some locations are transitioning from food being a convenience for shoppers to where high traffic restaurants are strategically located to not only draw patrons to the restaurant but also to the surrounding stores.

A perfect example of how Pima County can enable this trend is the Foothills Mall, a retail mall on the northwest side that offered an opportunity for redevelopment. The developer, Bourn Companies from Tucson, is planning to repurpose the large parcel of land for office complexes, apartments, retail, entertainment, restaurants, hotels and outdoor entertainment venues on a once shuttered mall. The roof will be removed and some of the mall demolished. By allowing multiple uses on the property without traditional setbacks etc. it is becoming a community center for the northwest and will offer pedestrian experiences between buildings. Building height was key to attracting new uses so the proposal



Foothills Mall, once full, now mostly vacant, is a sign of the retail times, as is its impending complete makeover. The new complex will have a mix of retail, dining, commercial office, hotel and entertainment.

contains new height limits and internal circulation patterns. Credits will be given for the infrastructure and fees already paid or in place. This will serve as a model for future redevelopment of retail sites and reflects how the County can proactively encourage this type of redevelopment.

Research has shown that eCommerce vendors with a brick and mortar presence in a geographic region increase sales to that region. This works two ways for established retailers as well as those eCommerce companies without a widespread physical presence as a focus on places to return eCommerce items is helpful while other eCommerce companies are opening small, no inventory, stores that facilitate the buying experience as well as locations where eCommerce customers can pick up or return merchandise. This is true of the rapidly growing Amazon Distribution Centers including the one in Tucson. Amazon has set the bar high on one day home delivery spurring other major retailers to compete for the online market with convenient distribution centers. Home Depot, Home Goods, and Nordstrom along with Target and Walmart all have major distribution centers.

One other “in-place” use is the development of shared office space for small companies and startups. The most drastic modifications include total or partial demolition and redevelopment of these large geographic sites with mixed-use development including retail, housing, office space and restaurants. Some cities are even creating mini-downtown environments where millennials prefer to have things close by for a total city-like experience.

Another major factor that does have a direct impact on Pima County and other jurisdictions is property values. Deteriorating or empty buildings are negative impacts on the community visually, but also have a negative impact on property valuations not only for that property but also for the surrounding neighborhood. Additionally, jobs are lost, incomes impacted, and the ability to own a home are all affected when a business closes.

What this means to Pima County, and our objective to facilitate repurposing retail space, is that the County needs to find ways to help the landlords, developers, businesses and tenants

adapt to this new environment. Government cannot make their business model work, but there are a number of things we can do. 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, less 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. Mixed use developments often have different peak usage hours of their parking which should be taken into consideration in addressing parking and access standards. 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. Recognizing the trends described above and 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.

ACTION ITEM: 2.C.12 – As the face of retail changes, work with the real estate and development sectors to identify creative reuse strategies, and investigate how to revise zoning and land use code to facilitate optimum repurposing of traditional retail locations.

ADDITIONAL ACTION ITEMS

ACTION ITEM: 2.C. – Recognize and support the expansion of existing employers by identifying the key factors such as infrastructure, permitting, and workforce needs that enhance their competitive status within their industry. Once identified, include those employers in development of solutions that Pima County can augment.

D. Enhancing relationships with foreign economic partners

1. Foreign Direct Investment and Trade

In previous iterations of the Pima County Economic Development Plan, the County concen-

trated its foreign business development, capital attraction and trade efforts on three particular nations and regions: Mexico, Canada and South Korea/East Asia. These areas had established business relationships, statistical trade relationships, existing foreign investment in Pima County, and the importance of major Pima County-based employers operating under foreign ownership. Much of this strategy was derived from Pima County’s general experience and knowledge of its employment base, as the County had access to only broad state and federal trade statistics and no ability to analyze detailed data that looked at foreign business presence and job numbers in Pima County at a company level.

In late 2016, the County obtained a more precise calculation of foreign companies operating in Pima County and the number of Pima County residents they employed. The estimated \$2.5 billion in annual export trade for Pima County (2017) has been well understood from state and federal data, with Mexico, Canada, East Asia and the European Union being primary export destinations. However, the foreign company and associated employment data compiled in 2016 expanded our knowledge to underscore the importance of Canada as by far the largest foreign employer in Pima County. Additionally, and viewed as entire regional markets, Europe and broader areas of Asia have a significant number of business establishments employing Pima County residents as well.

Utilizing this data as a starting point, Pima County began looking beyond foreign trade and business establishments to aspects of foreign direct investment (FDI) and further diversification of the local economy. At its most basic, FDI is investment made into Pima County 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.



Canadian-owned Unisource, owner of the regional power supplier, is an example of how foreign direct investment can be a major contributor to the local economy.

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.

As previously noted, FDI comes in many forms and has many benefits. Foreign countries that directly invest in new companies in Pima County spur job growth, enhance innovation and open Pima County to new markets. Merger and Acquisition FDI, as when Canada-based Fortis, Inc. acquired UNS Energy/Tucson Electric Power, directs new capital in to the local economy – and often results in employment expansion and new facilities that provide a secondary economic impact. The 2018 acquisition of CAID Industries by Toronto based Samuel, Son & Co. will also provide capital for expansion while also enhancing the technical base of the company and it's demand for employees with strong technical and creative careers.

Direct FDI can be sources of capital for infrastructure development. Pima County and the Canada Arizona Business Council continue to analyze specific private and public sector infra-

structure projects that could be matched to large Canadian pension funds that are actively looking for investment opportunities. A large foreign business presence in Pima County also results in greater overseas tourism arrivals.

The housing crash of 2007 and resulting decade-long recession have permanently altered Pima County's economy. The growth-dependent sectors of homebuilding, land development, retail and hospitality jobs remain important industries, but the development or expansion of other industrial sectors have allowed for diversification and strengthening of the Pima County economy. Foreign-owned multinational corporations have played a critical role in the re-stabilization of Pima County's economy. Employers like Canada's Bombardier have strengthened our aerospace sector and Ventana Medical Systems/Roche Tissue Diagnostics of Switzerland has solidified Pima County's Biotechnology sector – with both companies also providing high-wage jobs.

Pima County will seek to broaden its relationship with foreign economic partners to include Mexico, Canada, Asia and Europe. Additionally,

Israel, which recently entered the local market through Elbit's acquisition of Universal Avionics, has been added to the Pima County Economic Development Plan. This is based on analysis by Tech Parks Arizona and its Global Advantage initiative that has identified significant cultural, educational and potential economic ties in its sector strengths (which include defense, security, arid land and water technology, and sustainable mining technology) that are well-matched for Pima County's economy.

Finally, it is important to acknowledge the extreme uncertainty in U.S. trade and foreign policy that exist under President Trump's administration at the time of this Economic Development Plan update. The current administration's posture towards the United States-Mexico-Canada Agreement (USMCA), other economic treaties, and import tariffs will have great bearing on Pima County's economy and its business relationships with other nations and foreign companies. Pima County will continue to demonstrate at every opportunity that it is open to trade, FDI, company attraction and strong business relationships with Mexico, Canada, Europe, Asia and Israel and aggressively pursue the action items delineated for those countries and regions in the sections that follow.

2. Mexico

Pima County and Mexico share a longstanding relationship and deep cultural ties within a shared geographic region. The Mexican state of Sonora and Pima County also share major industries such as aerospace, manufacturing, mining and tourism. Pima County has continued taking the appropriate steps to engage and collaborate with our neighbors south of the border. With increased collaboration, we can improve our region's economic growth and resulting employment growth.

Mexico is a key trading partner for the United States and Arizona's top export destination. In the past 10 years, Arizona has seen a 28 percent increase in exports to Mexico and by 2050, Mexico's economy is expected to move from the 15th largest to the seventh largest. Arizona's two-way trade with Mexico was \$15.4 billion in 2017 consisting of nearly \$7.5 billion in exports and \$7.9 billion in imports.

One aspect that regional economists believe bodes well for cross-border trade between Arizona and Mexico is the economic changes occurring in China. China's labor and shipping cost have risen and its production quality is declining. Mexico offers high-skill, low-cost manufacturing and many United States manufacturers are relocating to Mexico from Asia. The Maquiladora industry in Nogales, Sonora includes approximately 110+ assembly for export plants that employ nearly 40,000 people - many of whom have visas to cross in to the United States for tourism and shopping or actually live in southern Arizona.

One example of this cross-border economic benefit is Javid Shelter Services & Contract manufacturing, which (has over 3,000 employees and more than 27 corporate customers, in 10 different industrial parks located throughout the city of Nogales, Sonora. Over the past year, Javid has seen a high increase of clients looking for manufacturing services and many of these clients' products will cross the international border several times in the assembly process before being finished for export.

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 Consulate of Mexico among others to lead efforts to help facilitate the process of business expansion and establishment for Mexican businesses in our region.

One critical issue affecting Pima County and regional trade issues is that all of the Arizona Ports of Entry continue to be understaffed. U.S. Customs and Border Protection (CBP) continues to struggle to fill over 1,000 vacant positions nationwide and more than 200 positions in the six ports of entry in Arizona. This is not only a security concern but also a trade and tourism concern. According to the most recent U.S. Census data, more than 25 million people enter Arizona



There are more than 100 maquilas in Sonora, Mex., employing more than 33,000 people, most in Nogales, Son.

through Arizona ports of entry annually, contributing substantially to Arizona's economy through spending at hotels, restaurants, shopping centers and other locations. Visitors from Mexico contribute between 60 and 70% of sales tax revenue in some Arizona border communities. To deal with staffing shortages, CBP has brought in officers from other ports for assignment to the Arizona ports of entry. However, that is only a temporary solution. To assist with addressing this shortage, Pima County, along with the other Arizona border counties, developed information about housing, education and job opportunities for officers and spouses of CBP recruits. Pima County will continue to educate, advocate and market the region as the safe and family-friendly region that it is for CPB officers and their families to locate.

Although Arizona ports of entry remain understaffed, Pima County has been supportive of an innovative program that was launched in 2016 at the Mariposa Port of Entry in Nogales, which is commonly referred to as the Unified Inspection Processing (UCP) program. Under the UCP, Mexican customs officers are now working at Arizona ports with their U.S. counterparts to inspect thousands of northbound and southbound trucks loaded with produce and indus-

trial goods. In the past the average wait time for certain trucks to be inspected was 3 1/2 hours and after the UCP was implemented it is down to 20-30 minutes. It has been a successful program and its now being implemented at several U.S. – Mexico ports of entry.

Arizona's expanded ports of entry are driving investment in Arizona infrastructure. Nearly \$60 million of private investment has resulted from improvement to border infrastructure in Nogales, AZ for warehouses and distribution centers to support international commerce. Together, Arizona and Mexico are leaders in the automotive industry, importing \$968 million and \$761 million in auto parts in 2016 – net trade of nearly \$1.7 billion annually. The automotive industry in Arizona and Sonora produces 1,488 vehicles daily, supporting more than 50,600 employees. This automotive sector is expected to grow as both Lucid and Nikola factories are under way in Pinal County. Both companies have asked Pinal and Pima County to assist in establishing supply chain in Mexico.

U.S. Customs and Border Protection offers Trusted Traveler Programs that allow members to use expedited lanes at the U.S. ports of en-

try. Their program Secure Electronic Network for Travelers Rapid Inspection better known as “SENTRI” allows expedited entry to the U.S. from Canada and Mexico at land ports of entry. However, due to the lack of infrastructure on the Mexican side on several of the Arizona ports of entry these designated lanes are not available to the members at ports of entry such as Lukeville. The U.S. has the capability to make these lanes available just by the touch of a button but if the Mexican side of the ports of entry do not allow for the additional lanes required to open the SENTRI lanes. Pima County will continue to advocate to the Mexican federal government for the infrastructure improvements needed to move traffic at these ports of entry more efficiently.

For example may be the cruise ship that will start in Rocky Point in December: First cruise ship will set sail from Rocky Point in December, reservations already open

U.S. visitors traveling on these cruises may see way longer waits at the Lukeville Ports of Entry lanes and this could cause decline in the success of the cruises.

To further support cross-border economic development, Pima County has worked with three other border counties to create the Arizona Border Counties Coalition (ABCC). The ABCC consists of one representative from each participating County selected by the Boards of Supervisors of Cochise, Pima, Santa Cruz and Yuma Counties. The primary purpose of this coalition is to create a unified voice to advocate for legislation and actions related to economic development and other shared topics along the Arizona/Mexico border including federal cost shifts to the counties. The ABCC supports local, state and federal legislation and regulations that serve economic development opportunities to southern Arizona. They also have a focus on policies and issues that affect the quality of life and economy along the border.

After more than a year of negotiations, the United States-Mexico-Canada Agreement (USMCA) (also known as “NAFTA 2.0”) is a pending agreement. It was formally agreed to the terms on September 20, 2018, and formally on October 1. The USMCA was signed on November 30,

2018 by all three leaders of the countries – U.S. President Donald J. Trump, former Mexican President Enrique Peña Nieto, and Canadian Prime Minister Justin Trudeau during the G20 summit in Argentina. However, the new deal will not go into effect right away. Most of the key provisions do not start until 2020 because Congress and the legislatures in Canada and Mexico have to approve it, which could take months. To view the full text of the agreements visit: <https://ustr.gov/trade-agreements/free-trade-agreements/united-states-mexico-canada-agreement>

The U.S. Chamber of Commerce estimates that over 2.6 million U.S. jobs could be at risk based solely on the impact of the Section 232 steel and aluminum tariffs. Pima County cannot quantify the economic impact of the retaliatory tariffs on the U.S., Arizona or Pima County businesses, but it is becoming clear the construction, aerospace, defense and agribusiness industries are at great risk. Additionally costs for products and/or services are rising in price for Pima County citizens under the current and proposed tariffs.

Pima County will continue to welcome business from our neighbors in Mexico and will continue to work with Mexican companies such as ProAutomation Engineering Development, an automotive and robotics solutions company from the state of Sonora. Pima County has also recruited a supplier for Lucid that is waiting for Lucid to begin construction of their site. Pima County, the City of Tucson and Visit Tucson worked together to promote the region as a place that is open for business to all Mexican companies. Our regional team guided and provided ProAutomation with the appropriate contacts and leads to explore their options to open an office in Pima County. Pima County also led the introduction to ProAutomation with the Global Advantage Program at the UA Tech Parks. Since early 2017, ProAutomation has had a sales office at the Tech Parks and their next goal is to have distribution center in the U.S.

ACTION ITEM: 2.D.2(1) – Continue and expand relationships with INDEX Nogales/Association of Maquiladoras in Sonora (AMS)

ACTION ITEM: 2.D.2(2) – Continue active participation and support of the Greater Nogales



Bombardier, one of Pima County's largest aviation industry employers, is a Canadian company.

Santa Cruz County Port Authority in support of enhancing cross border trade low and opportunities.

ACTION ITEM: 2.D.2(3) – Continue advocacy for full staffing levels at all Arizona Ports of entry by CBP Customs Officers.

ACTION ITEM: 2.D.2(4) – Actively participate in and support the Arizona Border Counties Coalition activities to address issues impacting the four border Counties in Arizona

3. Canada

Pima County's ties with Canada have historically been strong and the business, tourism, trade and investment relationship has accelerated under the favorable economic conditions that exist at the time of this 2019 Economic Plan update. A 2016 data analysis found Canada to have the largest foreign business establishment presence in Pima County with 123 Canadian-owned firms employing 4,058 Pima County residents. Those numbers have most certainly increased and promise to expand further as new Canadian investment continues to arrive. In 2018, CAID

Industries' Tucson-based metal fabrication and precision machining operation was acquired by Toronto-based Samuel, Son & Co., combining CAID's sizable markets in Arizona, Mexico and South America with the Canadian metal manufacturer-distributor's massive footprint in North America. In 2017, Celestica, Inc., a Toronto-based company that provides high-tech design, manufacturing and supply-chain services, assumed operation and partial production activities of the Honeywell Aerospace facility located near Oro Valley. Celestica's entry in to southern Arizona aerospace and defense sectors is predicted to significantly expand in the near future.

Pima County has long benefited in both its economy and employment base from Canadian-owned companies such as Bombardier, Stantec and Oracle Mining. Bombardier in particular, has seen steady business and employment growth at its Tucson Airport location and Pima County has worked closely with the Montreal-headquartered company to meet its workforce needs. The shortage of qualified aircraft maintenance, repair and overhaul employees remains an acute need for the company and is a priority action item for Pima County One-Stop and the

Economic Development office. Additionally, Toronto-based Mattamy Homes, one of the largest home builders in Canada and a major component of Pima County's homebuilding industry, will also need Pima County assistance due to the significant shortage of skilled construction workers in Arizona. Over the past decade, Canada has experienced substantial growth in both inward and outward foreign direct investment reflecting in part its strong connection to global supply chains. This type of economic investment is critically important to creating jobs in Pima County and moving outside capital in to our region. The best example of Canadian FDI occurred in late 2014 when one of Pima County's largest employers, Tucson-based Unisource Energy (and its subsidiary Tucson Electric Power) was acquired by Fortis Energy, Canada's largest investor-owned natural gas and electric utility for \$2.5 billion. In addition to new capital flowing in to Pima County, the Canadian investment stabilized a vitally important utility and employer and expanded its infrastructure.

Canada remains one of Pima County's most important trade partners, second only to Mexico in terms of foreign exports. In 2017, Canada accounting for 9.9 percent of Arizona's exports to foreign nations, compared to 36.3 percent for Mexico. 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 Nogales, Arizona. Canadian investment in real estate is expected to continue along the proposed corridor that is planned through Pima County. In Pinal County, the Canadian company Walton International Development and Management has become one of the largest landowners in the county having acquired more than 900 acres along Interstate 10 for commercial and industrial development in anticipation of increased tri-lateral trade along the future I-11 corridor.

Pima County's proximity to Mexico offers the opportunities for headquartering Canadian companies seeking access to Mexican markets. Canadian investment in Mexico is substantial with more than 2,400 Canadian companies now doing business in Mexico. In addition to attracting Canadian

headquarters for Mexican operations, 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. For example, EDC, Canada's export credit agency, has reported that 200 of the 260 foreign mining companies operating in Mexico are Canadian-owned and now account for 78 percent of the total FDI in the Mexican mining sector. Pima County is uniquely situated to be further involved in the mining supply chain for these Canadian companies in Mexico, particularly in the areas of manufacturing, equipment provision, and engineering and consultation services.

In the most recent state-wide tourism analysis, more than 1 million Canadians visited Arizona, producing an economic impact of over \$1 billion.

Unfortunately, Tucson has lagged severely in developing air-connections to Canada compared to the Phoenix region. 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.

Tourism, combined with FDI and trade, results in a more than \$6 billion bilateral footprint for Arizona and Canada.

A key organization in facilitating direct trade, tourism and commerce between Canada and Pima County has been the Canada Arizona Business Council (CABC) based in Phoenix. Pima County formally joined the CABC in 2014 as the first governmental entity from Southern Arizona to be accepted in to the predominately private-sector organization. The southern Arizona membership of the CABC has since grown to include Fortis, Mattamy Homes, Bombardier, BeachFleischman, the Westward Look WYN-dham Grande Resort and Spa, the University of Arizona and in 2018, the City of Tucson. The CABC is sanctioned by both the State of Arizona and the Canadian government and has been an important asset for Pima County in interactions with both the state and Canada. The CABC has facilitated numerous business and investment leads for Pima County in addition to arranging trade and business meetings with Canadian and



Pima County and Jinju, Korea, officials met in 2014 to discuss opportunities for the promotion of trade and tourism in their respective communities.

provincial government representatives. This relationship is an important factor in increasing Canadian investment and tourism in southern Arizona and we plan to continue to leverage our efforts through the CABC.

ACTION ITEM: 2.D.3(1) – Continue to work with the CABC to increase Canadian trade, tourism, FDI and business in Pima County.

ACTION ITEM: 2.D.3(2) – Work through Pima County Economic Development and One-Stop to address workforce shortages in critical Canadian firms operating in Pima County.

ACTION ITEM: 2.D.3(3) – Work with Visit Tucson and the Tucson Airport Authority to improve airline and charter flights between Pima County and Canada.

ACTION ITEM: 2.D.3(4) – Advocate for aerospace related recruiting trips to Montreal and Toronto with Sun Corridor, Inc.

4. East Asia

In the same way Pima County is ideally located to further our economic opportunities to the south with Mexico and to the north with Canada;

we are also geographically positioned to capitalize on increased Asian commerce that transits Pacific Ocean ports and crosses the transportation networks of our region. Increasing Pima County's direct trade and supply chain opportunities with Asian nations such as China, Japan, and The Republic of Korea is important to expanding employment and wage levels in southern Arizona.

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's proximity to Mexico and the influx of Chinese and other Asian companies in the maquiladoras of Sonora, offer possible indirect Asian trade opportunities to offset the uncertainty inherent in USMCA and the current U.S. administration's other trade policies that have left many foreign markets uncertain. Pima County's relationship with La Asociación de Maquiladoras de Sonora A.C., other maquiladora industry organizations and the Tucson-based Offshore Group (which provides shelter services to foreign companies operating in Mexico) should be utilized to inventory possible supply chain and logistic opportunities with Asian companies operating in Mexico.

Asian nations continue to maintain a significant business presence in Pima County and are a major component of some of our most important industry clusters. In the mining sector, the Japanese company Komatsu Ltd. and its Komatsu Proving Grounds located west of Sahuarita, is a major employer in Pima County and an important provider of heavy equipment to the region's mines. In terms of foreign direct investment, Komatsu maintains a controlling interest in Modular Mining Systems, Inc., which was founded in Tucson in 1979 and has been at the forefront of the mining technology and software cluster that is expanding high-wage employment in Pima County. Modular Mining has retained its corporate headquarters in Tucson while operating 10 regional offices in all of the key mining regions of the world. Japan is also a major employer in Pima County through Cal Portland Company (and its Japanese parent corporation, Taiheiyo Cement Company) and several Japanese-owned companies in the business services sector.

China is becoming increasingly important to Pima County's technology sector and its startup community. In 2017, Beijing-based TuSimple opened its second U.S. location in Tucson to develop autonomous/driverless commercial trucking technology. The company is expected to have an \$81.7 million economic impact over the first five years of development and is an attractive addition to Pima County's startup and technology ecosystem. Global Solar Energy, which is expanding its flexible thin-film solar technology as well its employment base in Pima County, is owned by Hanergy, which is headquartered in Beijing. In 2016, Chinese students accounted for 48 percent of the nearly 4,000 foreign students enrolled at the University of Arizona. Additionally, Pima Community College has a significant program to recruit students from China. This large presence of Chinese students provides both cultural and business relationships that would strengthen Pima County's economic development initiatives.

One of the strategies for increasing Asian market export opportunities in Pima County is to identify opportunities based on regionally-identified industry sector clusters and leveraging existing international relationships. 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 staff has met numerous times with former Tucson Mayor Robert Walkup, who now serves as the Honorary Consul of The Republic of Korea in Tucson. In these meetings, Mr. Walkup has identified specific strategies for Pima County to increase bilateral trade, increase Foreign Direct Investment (FDI) in our region, and promote tourism from South Korea to Pima County. In October 2014, Mr. Walkup led a delegation that included the leadership of Visit Tucson and local festival organizers to South Korea in which Pima County tourism was prominently promoted at the Namgang Yudeung Lantern Festival held in Jinju. A Visit Tucson pavilion and several large lanterns promoting our region were constructed at the festival that was attended by approximately 3 million visitors. Later that year, a South Korean delegation, led by the Mayor of the City of Jinju, met with Pima County Supervisor Sharon Bronson and County staff, at which time a Memorandum of Understanding was executed between the City of Jinju and Pima County to work together to develop shared cultural, tourism and economic development opportunities. The Economic Development office needs to pursue this opportunity more fully.

Pima County continues to host South Korean spring training baseball at Kino Veterans Memorial Stadium, providing tourism flow from the Republic of Korea and generating foreign spending in our economy.

A growing concern affecting Asian trade is the delayed expansion of the Port of Guaymas in Sonora. Mexican federal budget reductions and a lack of private investment have significantly slowed development of the port facilities. The port expansion is critical for expanding international trade and providing logistics opportunities to further connect Asia with our region. The doubling of capacity that was planned with the completion of the Guaymas Port expansion, along with improvements to the adjacent trade zone in Empalme, would make the port competitive with the much larger but increasingly crowded ports of California. The Port of Long Beach already derives 90 percent of its shipments to and from East Asia. As the San Pedro Bay ports (Long Beach and Los Angeles) continue to see increased cargo for Asian nations, the Port of Guaymas and its



Universal Avionics is owned by an Israeli parent company and an example of successful foreign direct investment in Pima County.

expanded facilities would be increasingly viewed by manufacturers as an attractive alternative to California ports. Pima County should work with partners in Sonora and with the State of Arizona to identify private investment and other stimulus for this important component of the Arizona, Mexico and Asian trade network.

As a growing multimodal rail facility, the Port of Tucson will continue to play an important role in our region's connection to East Asian trade. Pima County has long supported the growth of this important private sector facility. The Port of Tucson is now servicing international ocean containers via the Los Angeles and Long Beach ports and has drastically reduced freight costs. For example, one of the first local companies to begin exporting directly through the Port of Tucson in ocean containers is Azmira Holistic Pet Care, Azmira reported significant cost savings and efficiencies by utilizing ocean-going containers from the Port of Tucson and is now exporting its products to numerous other countries in Asia, including Hong Kong and Singapore

The nature of Asian trade and Pima County

exports to Asia is changing amid the uncertainties in U.S. trade policies; however, the sheer scale of the Asian market will continue to be an important economic engine for northern Mexico and southern Arizona. 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. In order to mitigate the impact of national trade rhetoric, Pima County must establish strong relationships with Asian governments and trade groups in the same manner that the County has done with Canada and Mexico. In 2018, a delegation from Pima County, Sun Corridor, Inc. and other local organizations traveled to Los Angeles for successful discussions with the Hong Kong Development Council, Japan External Trade Organization and other economic interests based in California. County Economic Development staff had meaningful meetings with economic development trade missions from the Los Angeles based Vietnam and Taiwan Consul offices as well. These direct relationship building efforts and trade missions should be expanded and supported in Pima County.

With the assets and opportunities described above, Pima County has an integral role in increasing Arizona's foreign trade. As Pima County continues to focus on international markets for our companies and Foreign Direct Investment, we must also realize that we are part of an international supply chain. Companies in Pima County export to Asia and other foreign countries, but they also import goods and services from foreign countries. Caterpillar's Surface Mining Division is an example of both. They sell their products internationally, but their supply chain is also international. The recent opening of a mechanical and aerospace engineering office by Bangalore based AXIScades is an example of the benefits Pima County will be pursuing as we focus on supply chain for some of our international companies.

ACTION ITEM: 2.D.4(1) – Continue efforts to increase economic involvement with Asia by supporting the Port of Tucson in its expansion and activities.

ACTION ITEM: 2.D.4(2) – Incorporate promotion of local export opportunities via the Port of Guaymas into our Mexico efforts, and work with the State of Sonora, State of Arizona and other entities to spur investment and expansion in the Port.

ACTION ITEM: 2.D.4(3) – Continue to work with the Honorary Consul of The Republic of Korea in Tucson to increase bilateral trade, increase the presence of South Korean companies and attract FDI as well as expand South Korean tourism, festivals and Spring Training opportunities in our region.

ACTION ITEM: 2.D.4(4) – Work with Mexican maquiladora trade associations and companies to inventory Asian companies operating in Sonora for supply chain, logistics and sector expansion opportunities.

ACTION ITEM: 2.D.4(5) – Work with UA and PCC to attract more students from Asian nations and involve them in economic activities in Pima County.

ACTION ITEM: 2.D.4(6) – Build direct relationships with the governmental and trade representatives in Asian nations similar to our relationships with Canada and Mexico.

5. Israel

Unlike Pima County's economic relations with some other nations or regions, Israeli-owned companies are not major employers in the County - with the exception of one recent acquisition. Until recently, Israel has not provided significant foreign direct investment or export opportunities in Pima County (or Arizona, in which Israel ranked 14th in terms of export destinations.) However, the alignment of industrial sectors, supply chains, shared technology, research goals, similar arid environments, security concerns and strong cultural ties make Israel a natural fit for future technology-oriented business opportunities in Pima County. These shared sectors offer an opportunity to further diversify Pima County's industrial base and Israel's impressive startup and entrepreneurial movement should be engaged by Pima County's recently resurgent startup community.

Raytheon, Honeywell and some of Pima County's other companies in the defense and aerospace sectors have exported to Israel for many years and built solid business relationships that continue to this day, but currently Israel's imports of Pima County goods and services remains a fairly narrow pathway of defense goods. Within that existing trade framework, merger and acquisition-related foreign direct investment is now beginning to emerge. In 2018 Universal Avionics, which has produced avionics and flight management systems in Tucson since 1988, was acquired by Haifa-based Elbit Systems. The more than 225 employees working for Universal Avionics - many in high-wage technician and engineering positions - have now merged into a world class, technology company with 12,000 employees worldwide that generated more than \$3 billion in corporate revenue last year. In addition to the estimated \$120 million acquisition investment, records indicate an additional \$21.3 million infused into Pima County through the purchase of Universal Avionics' 10.7-acre manufacturing campus. Large companies such as Elbit provide opportunities for job growth in Pima County through their presence, their logistics, their greater access to capital, their ability to apply Israeli technology to local products, and their supply chains.

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. The program, which serves as a regional business assistance and business attraction effort for UA Tech Park, UA Tech Park at the Bridges and the Arizona Center for Innovation incubator, has partnered with several private sector organizations and focuses on key industry and technology strengths that include mining tech, intelligent transportation systems, defense and security, health and bioscience, advanced energy and arid lands agriculture and water technology. These existing and developing technology sectors in Pima County also are significant priorities for Israel and Tech Parks Arizona has established important relations with both Israeli public sector and private sector interests through the Global Advantage program. Pima County Economic Development staff have met with several Israel-based technology companies as part of Tech Parks' outreach and recruitment efforts and will continue to work with UA to attract new technology and companies to the region and promote bilateral trade. Pima County will increase its efforts to work collaboratively with 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.) The Phoenix-based AITC prioritizes many of the same sectors at Tech Parks Arizona and places a similar emphasis on technology and entrepreneurship. The Council also leads business missions to Israel and provides business-to-business connections to Israeli company headquarters and incubators. AITC would be beneficial not only in building relationships for bilateral trade and foreign direct investment, but also in reinvigorating startup activity in Pima County. The World Economic Forum and economists in general often refer to Israel as

Startup Nation. Its markedly successful model of quick and innovative startup development is occurring in a relatively small nation with a limited regional market. Many Israeli startup companies require access to overseas markets to conduct product proof-of-concept, obtain capital and simply to grow. Pima County as a region should be aligning its recently resurgent startup and venture capital ecosystem to include outreach to Israeli startups and venture capital firms.

Other organizations in Arizona are also beginning to realize the business potential in Israel. In 2018 the Arizona Chamber of Commerce and Industry signed a memorandum of understanding with the U.S. Chamber of Commerce's U.S-Israel Business Initiative. The focus on the program will include four areas ideally suited to Pima County participation:

- Organize an Arizona-Israel water summit
- Develop new joint R&D programs promoting research exchanges and information sharing between Arizona and Israel
- Secure a memorandum of understanding between Arizona and Israel focused on expanding trade and building new commercial partnerships
- Host conferences, delegations and visits to Arizona that facilitate relationships between government, business and universities

ACTION ITEM: 2.D.5(1) – Expand Pima County support for Tech Parks Arizona's Global Advantage program as it pertains to Israeli business and formulate a regional approach to Israel.

ACTION ITEM: 2.D.5(2) – Explore Pima County's direct participation in the Arizona Israel Technology Council.

ACTION ITEM: 2.D.5(3) – Develop direct connections with Israeli startup companies and organizations that will benefit the existing startup community in Pima County.

ACTION ITEM: 2.D.5(4) – Develop business retention relationships with Israeli companies operating in Pima County and seek opportunities to increase job creation through business expansion and supply chain assistance.

ACTION ITEM: 2.D.5(5) – Participate in initiatives of the Arizona Chamber of Commerce and Industry and other organizations that are seeking to strengthen relationships and commerce with Israel and Israeli companies.

6. Europe

Prior to the 2017-2018 data initiative involving the Maricopa Association of Governments (MAG), Pima Association of Governments (PAG) and Pima County, there was no company-level information showing foreign ownership of companies in Pima County. As the County learned from its experience with Canadian and Mexican business interests, possessing an understanding of foreign business presence in Pima County has great bearing on business retention/expansion, supply chains, exports, foreign direct investment, tourism and company relocations. International employer data can also highlight problems in need of regional solutions, such as Tucson Airport Authority’s lack of progress in securing direct flights to New York and international destinations, which continues to weaken business recruitment efforts of major multinational companies that require these air connections.

Most importantly, the data revealed a surprising presence of European-owned companies employing a significant number of Pima County residents. Although Canada and Mexico together provide the largest number of foreign business establishments operating in Pima County (123 for Canada and 25 for Mexico) the European countries with the highest number of business establishments combined is almost equivalent with Canada and Mexico as indicated from the 2017-2018 data initiative:

1. United Kingdom (England, Scotland, Wales and Northern Ireland): 41 establishments
2. France: 31 business establishments
3. Germany: 30 business establishments
4. Spain: 20 business establishments
5. Switzerland: 13 business establishments

The data that would indicate the total amount of employees working at these business establishments is currently being refined, but early indications are that European companies are

substantial employers in Pima County. When finalized, the employment numbers should be analyzed within the context of industrial sectors to further Pima County’s job creation efforts. In addition to providing opportunities for increasing supply chain and business expansion efforts with major European employers, this data should provide information quantifying the creation of higher-wage foreign export-based jobs by these employers. Total export-based jobs (foreign and domestic product exports) have been steadily increasing in Pima County (rising from 14,100 direct jobs and 25,130 indirect jobs in 2003; to 14,620 direct jobs and 28,500 indirect jobs in 2017) and are a major factor in raising Pima County wage levels.

Increasing Pima County wage levels has been, and remains, one of the primary goals of the Pima County Economic Development Plan since its inception in 2012. European employers, whether through the provision of export-based job or the nature of the industrial sectors these companies work within, play an outsized role in high-wage job creation. The Swiss drug giant Roche, which acquired Ventana Medical Systems, provides more than 1,300 jobs in Oro Valley and is the primary anchor of Pima County’s high-wage biotechnology sector. Swedish-owned Hexagon Mining, which expanded its U.S. headquarters in a new facility in Downtown Tucson, is a vitally important company in Pima County’s mining technology sector with offices and customers in numerous countries around the world. In addition to the 260 high-wage jobs Hexagon is expected to provide in the next five years, the company plans to utilize its new downtown location to also host clients for training, sales presentations and events – exposing the merits of Downtown Tucson to a host of international companies.

One of the industry specific potential sources to recruit companies is the defense sector. Raytheon and some of our other major aerospace and defense employers source materials and components from companies throughout Europe and the rest of the world. Recent Pentagon mandates that critical defense asset supplies must be made within the United States offers an opportunity to leverage these supply chain opportunities to attract these offshore suppliers to our region.

Unlike Mexico, where Pima County has historical and geographic ties to Mexican officials and companies – or Canada, where Pima County has systematically developed relationships through the Canada Arizona Business Council, the Canadian Consulate, provincial trade offices and existing Canadian companies in Pima County – building relationships with select European countries and companies will need to be newly formulated. 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. In terms of building relationships with European governmental and trade officials, Maricopa County has had success operating through many of the official and honorary consuls general residing in the Phoenix area. 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.

ACTION ITEM: 2.D.6(1) – Pima County will work with MAG and PAG to refine the foreign employer data and Pima County staff should then conduct a sector-focused analysis of European company employment strengths and the provision of export-based jobs.

ACTION ITEM: 2.D.6(2) – Pima County will begin meeting and assisting major European companies operating in major Pima County industrial sectors.

ACTION ITEM: 2.D.6(3) – Pima County will establish relationships with officials from the primary European nations affiliated with major Pima County employers through direct consular contacts and through the Consular Corps.

ACTION ITEM: 2.D.6(4) – Pima County will work

with the U.S Commercial Service, Arizona District Export Council and other relevant organizations to further trade opportunities and relationships with European nations.

ACTION ITEM: 2.D.6(5) – Pima County and its regional partners should work with the private sector and the Tucson Airport Authority to strategically increase direct flights to the critically important domestic and foreign destinations needed by foreign employers.

ACTION ITEM: 2.D.6(6) – Pima County will work with our aerospace and other manufacturing partners to identify key suppliers in Europe that offer opportunities to expand our local, high wage employment and guaranty a shorter supply chain less vulnerable to international disruptions.

ADDITIONAL ACTION ITEMS

ACTION ITEM: 2.D – As the industrial, technology, and logistics base in Pima County grows, we will encourage a wider range of engagement with UA Tech Park’ Global Advantage program as well to work with the Canada Arizona Business Council and Arizona Israel Technology Alliance to encourage increased foreign direct investment and trade with an expanded range of foreign countries and markets.

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

Formation of the Industrial Development Authority of the County of Pima (IDA) and the initial appointment of its five directors occurred in September 1972 by an act of the Pima County

Board of Supervisors. The language of the enabling resolution is clearly focused on economic development and states at the beginning:

“Whereas, The Board of Supervisors is vitally interested in promoting, through appropriate means, the economic growth and prosperity of the County.

Whereas, the Arizona State Legislature has authorized the formation of corporations to further such growth...”

The IDA operated as an important economic development tool for the first years of its existence and financed construction in Pima County that included the Brush-Wellman manufacturing plant, a Phelps Dodge mining facility and the Burr-Brown manufacturing facility. The IDA has completed more than 400 bond issuances since its formation 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 the 1980s and 1990s, the Pima County Board of Supervisors shifted the IDA’s direct economic development-oriented financing away from corporate facilities. Much of the IDA’s bonding activity is currently focused on financing the construction of charter school facilities throughout the state of Arizona and the IDA has operated with little in the way of direction from Pima County. Pima County Economic Development Office and Finance Department staff entered in to discussions with the IDA in 2018 to explore ways to focus the IDA more on direct economic development activities while maintaining its role in financing affordable housing and other important community facilities.

Industrial Development Authorities exist in just about every county and major city in Arizona – and the State of Arizona has also chartered an IDA. All of these authorities operate in similar fashion and all operate under the same state and federal law. The authorities, created as non-profit corporations and subdivisions of the state, are organized under Title 35, Chapter 5 of the Arizona Revised Statutes. The statutes set forth the types of projects that can be financed

through the IDA, which act only as a conduit issuer. The issuances of the authorities are also governed by federal law, most significantly, the Internal Revenue Code. The IDA has no taxing power and does not have the power to pledge the general credit or taxing powers of Pima County, the State of Arizona or any other political subdivision. The IDA does not pledge its general credit for the issuance of bonds and does not provide funds directly (or a guaranty) for a project, but works with a bond applicant and their financing team (whether a bank or an underwriter) to structure and close the financing agreement. The federal and state laws for tax-exempt securities must be complied with for the issuance of the bonds. Interest rates charged to finance a project for an applicant are lower than conventional commercial rates because of the tax-exempt status of the interest on the bonds due to the IDA’s conduit nature. The actual structuring of the bonds is done through negotiation between the applicant and the lender or underwriter purchasing the bonds, including the loan/bond amount, interest payment dates and schedule, maturity, collateral and interest rate. In addition to its bonding activity, the IDA has also created three affiliate organizations that have important roles in Pima County: The Southern Arizona Land Trust, which focuses on affordable housing; Family Housing Resources, which also supports affordable housing development; and the Community Investment Corporation (CIC), which was intended to be more focused on economic development.

One possible model for increasing the Pima County IDA’s direct involvement in economic development activities exists in Maricopa County. The Maricopa County IDA had operated very similar to Pima County until 2012. Under an IGA between Maricopa County and the Maricopa County IDA that began that year, the county finance director and additional county support personnel were added to the staff of the Maricopa IDA. Maricopa County staff has informed Pima County Economic Development that this was done to ensure closer coordination between the two entities. An additional difference between the Maricopa County and Pima County IDAs is the board make-up. Maricopa has ten members - two for each supervisory district - opposed to Pima County IDA’s five appointed



Pima County and regional governments have invested more than \$2 billion over the past 15 years in transportation infrastructure.

members. The Maricopa IDA members have a wide range of backgrounds, including bankers, small business owners, attorneys and housing advocates. The Maricopa County IDA, through its single affiliate, operates a community investment program that is geared directly toward community and economic development funding. The Maricopa County IDA's community investment mission statement is:

“The Maricopa County IDA's focus is for the following endeavors that revolve around economic development:

- New business locations or expansion of existing businesses, or job training programs that result in the creation of new, quality jobs that improve or enhance the economic welfare of the State's inhabitants. The business enterprise must be viable and must

demonstrate its long-term commitment to the State's economy.

- For job training programs, the education must be focused toward occupations with a high likelihood of permanent employment and for programs with a strong track record such as those offered by the state's community colleges.
- The Maricopa County IDA also supports affordable housing, veteran's programs and educational programs in identifies areas of need.

Both IDAs collect fees and other revenue from their bonding activity. Pima County's IDA reinvests much of this revenue in to its three affiliates, whereas Maricopa County IDA reinvests much of its revenue into direct economic development programs. Examples of previous economic development investments by the Maricopa County IDA include:

- \$1 million towards a partnership with Arizona State University to fund a manufacturing venture fund.
- \$15,786 for a veterans' employment website
- \$350,000 for general workforce development
- \$300,000 workforce programming for disadvantaged youth
- \$144,000 for an entrepreneurship program

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. For example, the City of Phoenix issued 74 percent of its total debt through MPC bonding in 2017, compared to just 21 percent in general obligation bonds. The MPC has the ability to issue bonds on behalf of Pima County to finance facilities and land acquisitions for economic and community development purposes. The bonds are issued on behalf of Pima County and Pima County must have exclusive beneficial possession of the financed facility.

Like the IDA, the Pima County MPC is a potentially important economic development tool. It remains in place under the same directors as the Pima County IDA, but has not conducted any substantial bonding activity since the late 1990s. Pima County economic development office and finance department staff have begun exploring increased utilization of the MPC for economic and community development purposes.

ACTION ITEM: 2.E.1(1) – Pima County will work collaboratively with the IDA to develop the IDA as a more effective business incentive and an efficient tool for economic development, workforce development, and job creation.

ACTION ITEM: 2.E.1(2) – Continue to study the opportunities to apply Community Facilities Districts as tools to create infrastructure and other required capabilities that are difficult to fund under more traditional means.

ACTION ITEM: 2.E.1(3) – Pima County's Office of Economic Development, Pima County Finance

Department and (Pima County Community Development and Neighborhood Conservation will be directly involved in the operation of the IDA. This can be achieved through an intergovernmental agreement (IGA) between Pima County and the IDA similar to the IGA struck between the Industrial Development Authority of the County of Maricopa and Maricopa County government.

ACTION ITEM: 2.E.1(4) – Pima County economic development staff will work more closely with the IDA to identify project opportunities that fit within the IDA's regulatory landscape.

ACTION ITEM: 2.E.1(5) – Pima County will assist the IDA to become more familiar with the Pima County Economic Development plan and the economic development priorities of the region and to assist the IDA in aligning its activities accordingly.

ACTION ITEM: 2.E.1(6) – Pima County will reactivate the MPC and work collaboratively with its board to utilize the MPC as an economic development tool.

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. The State of Arizona has fewer than 100 CFDs to date compared to 900 in Texas.

The Great Recession significantly impacted the construction industry, as well as new housing development in Pima County. During that time, developers were successful in amending state statutes to allow Arizona counties the opportunity to respond to developer requests for these types of districts. ARS 48, Chapter 4, Article 6, outlines district requirements. Funding from the district can be used for roads, sewers, flood control, open space, and regional parks, to name a few. CFDs also allow for the collection of funds for ongoing operations and maintenance through a maintenance tax levy.

In *Pima Prospers*, the county's long-range plan, Cost of Development goals were adopted to explore and implement development financing alternatives. These goals included identifying all legally available financial mechanisms to recover the cost of public facilities and services required to serve new development and exploring the best methods to fund and finance new public facilities and services, such as bonding, special taxing districts, community facilities districts, development fees, in-lieu fees, facility construction dedications, service privatization, and consolidation of services.

The Pima County Board of Supervisors approved the formation of its first CFD for Rocking K Ranch in January 2017. In developing policies, procedures and guidelines for this and future districts, the Board determined that CFDs would be used primarily to reimburse developer expenses for construction of main arterial improvements for large scale (600 acres or more) master planned communities and substantial commercial or industrial developments for properties in conformance with the County's Comprehensive Plan, *Pima Prospers*. By offering the use of CFDs for this purpose, Pima County is providing a mechanism to advance construction of large-scale developments that support the region's economic development goals.

ACTION ITEM: 2.E.2 – Continue to study the opportunities to apply Community Facilities Districts as tools to create infrastructure and other required capabilities that are difficult to fund under more traditional means.

3. Section 10 Permit

Pima County is one of the few communities nationwide that has comprehensively resolved concerns about development conflicts with endangered species. 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. For private development in unincorporated Pima County, this brings reduced risk that a known or yet-to-be-listed endangered species will jeopardize a project's future, as well as relief from certain federal and County regulatory obligations. More directly, there is no need for species surveys or time-consuming consultations. Regardless of whether the project is residential, commercial, or industrial, the efforts by Pima County to obtain this permit provides an opportunity for significant time and cost saving incentives available to developments in unincorporated Pima County. In addition, capitalizing on these incentives comes at nominal cost - one that is far less than the cost of a single species survey - and is at the discretion of each private development.

The bottom line is there is a development-friendly environment in unincorporated Pima County that does not exist in other areas. 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.

ACTION ITEM: 2.E.3 – Develop a program and methodology to increase awareness of the Section 10 Permit benefits.

4. Identify cooperative development projects with private sector

Economic development is a partnership between Pima County and the private sector. The County's residents and many private sector entities benefit from the community's employment growth and increased disposable income. People buy more cars, houses, furniture, and restaurants see increased business when the community experiences job growth with higher income levels. Pima County residents and businesses also benefit from an increased tax base that allows expanded infrastructure and services provided by Pima County government.

Workforce training programs such as the Southern Arizona Manufacturing Partnership

(SAMP) are a perfect example of how private industry can not only be a part of the solution and also benefit from the increased number of trainees. Workforce training is also key. Working with the Southern Arizona Homebuilders, joint programs to attract, train and retain workers in our local trades workforce can be developed following the Home Builders Institute (HBI) curriculum. The industry that reaps the benefit must be willing to support these kinds of programs.

Utility infrastructure providers such as Tucson Electric Power, Southwest Gas and Tucson Water are already contributing to Pima County’s economic development through advanced planning and implementation of infrastructure that reduces the time from a company’s decision to locate here to move in and initiate production. The same is true where jurisdictions must work with developers and building owners to properly plan and invest in their properties to make them shovel ready or as flexible as possible to minimize decision to production delays. Having a well-qualified workforce and quickly developable or usable property available in the region are the two highest scoring topics on a site selector’s checklist. Collaboration between the public and private sectors to achieve this level of community readiness is invaluable in today’s competitive environment. 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. Particular focus is needed on full legislative funding for JTED and similar secondary school programs as well as contributions to non-profit training groups such as Job Corps, PPEP (Portable Practical Education Preparation, a modified funding formula that enables Community Colleges to be more reactive to rapidly changing job training needs and restoration of full funding for higher education in general.

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 to ensure our students and trainees understand our community assets and possess a good understanding of two things:

1. There ARE opportunities for graduates and career-oriented youth to stay in Tucson with good paying jobs
2. There is a community-wide interest in their success because that success “raises all boats.”

Government can assist in organization and execution but the private sector must actively become part of the solution.

ACTION ITEM: 2.E.4(1) – Collaborate with Pima Community College, the University of Arizona, JTED, and other education and workforce training organizations to work through private sector associations to understand their specific workforce training needs and commit to creating solutions in the short term to address those needs.

ACTION ITEM: 2.E.4(2) – Work with the Pima County Superintendent of Schools to develop a community “Call to Action” program that educates and engages industry leaders to become more involved in making Pima County and southern Arizona more successful in job attraction by getting involved either financially or through in-kind contributions as described in the section.

- a. Clarify that the success of many of these programs will be up to those industry leaders collaborating with the public sector to prioritize critical needs and develop programs to address them.
- b. Clarify the benefit the private sector will receive for their investment of time and/or dollars and materials. Present the activities as a business proposition with analytical points.

ACTION ITEM: 2.E.4(3) – Continue to work with the utilities to ensure collaborative planning for infrastructure that is consistent with projected growth areas.

ACTION ITEM: 2.E.4(4) – Re-initiate the call for more “Shovel Ready” property and speculative industrial and office buildings through cooperative discussions with developers and land owners. Investigate benefits that incentivize

those activities such as deferred taxation on improvements until they are utilized.

ACTION ITEM: 2.E.4(5) – Continue to collaborate with private sector developers to create employment centers and return County owned properties to the tax rolls.

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

The Arizona Commerce Authority is a sub department of the Arizona Office of Economic Opportunity, which reports directly to the Governor's Office.

ACA Mission Statement

The Arizona Commerce Authority (ACA) is the state's leading economic development organization with a streamlined mission to grow and strengthen Arizona's economy. The ACA uses a three-pronged approach to advance the overall economy – recruit, grow, create – recruit out-of-state companies to expand their operations in Arizona; work with existing companies to grow their business in Arizona and beyond; and partner with entrepreneurs and companies large and small to create new jobs and businesses in targeted industries.

Typically, site selectors or companies planning expansion who are seeking state incentives start with the ACA. Which means the ACA should be one of Southern Arizona's and Pima County's strongest economic development partners. But the economic development leadership of Pima County believe that partnership is nowhere close to what it should be. ACA 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. Regions and individual towns and counties develop proposal packages for the ACA, which provides them to the anonymous client. The results of these compilations are never shared with the economic development agencies and jurisdictions and they seldom hear the results of the ACA's effort unless the site selector shows continued interest in a specific

site or proposal. Understanding the rationale for not being selected is an important factor in improving the positioning of local opportunities and Pima County has been working with both Sun Corridor, Inc. and the ACA to obtain that information when it is available.

As mentioned above, the ACA can apply a number of incentive tools to attract to or retain companies in Arizona. These tools far exceed the capabilities of counties and communities and are vital for effectively competing against other communities around the country, or even the state. Typically, these incentives have been reserved for higher profile clients with only a limited number of incentives made available to Southern Arizona compared to the Phoenix metropolitan area according to ACA reports. Southern Arizona and Pima County must take the initiative to educate ACA staff on the assets and benefits of the region. ACA staff attended in a tour of the region, and the increase in the number of leads directed to our area was noticeable. These educational or emersion tours should occur regularly so that any new ACA staff start off well-informed about Pima County. The ACA has a Pima County-based representative who effectively focuses on expansion opportunities while working out of the Sun Corridor office. 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 members while Pima County is the only government funder, providing just under one-third of SCI's annual funding. Leads generated by SCI as well as those coming from the ACA are disseminated to realtors, developers, utilities, and jurisdictions for response to specific requirements. SCI is the regional coordinator of responses to ACA site selector requests discussed above, but is increasingly directing marketing efforts toward site selector relationships that make the site selectors aware of the region's considerable assets, as well as nurture direct inquiries. 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. While many jurisdictions, including Pima County, have their own economic development initiatives, and often propose to site selectors and expansion opportunities directly, SCI provides the critical marketing presence to strategic site selectors necessary to position our region for successful business expansion and attraction. The value of this connection was exemplified by SCI hosting the Site Selector Guild meeting in Tucson in the spring of 2017, which successfully introduced our region to the top site selectors in the world.

SCI also manages the Foreign Trade Zone (FTZ) opportunity in Pima County. While all of Pima County has been designated as a potential FTZ, specific sites have to meet a number of criteria. SCI coordinates the application process with the applicant and the Department of Commerce while working with the taxing jurisdictions to determine the amount of property tax benefit potentially available to the company. This is one of the only incentives available to Pima County, assuming the applicant meets the qualification criteria.

ACTION ITEM: 2.E.5(1) – Expand communication and partnership activities with the Arizona Commerce Authority leadership to encourage more awareness of southern Arizona’s assets and increase the number of leads directed to the region.

ACTION ITEM: 2.E.5(2) – Expand efforts with the Governor’s Office and the Arizona Commerce Authority to increase the amount of incentives that can be made available to projects in southern Arizona.

ACTION ITEM: 2.E.5(3) – Coordinate marketing efforts with Sun Corridor, Inc. to expand availability, attractiveness, and competitiveness of Tucson Airport Authority assets to enhance our region’s position in the Aerospace Industry.

ACTION ITEM: 2.E.5(4) – Continue the collaborative efforts with Sun Corridor Inc. and their

membership to increase involvement by the private sector in addressing workforce needs as well as increasing national and international awareness of the region’s assets.

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, for the first time, Pima County is developing an Integrated Infrastructure Plan that will guide the general infrastructure implementation of Pima Prospers. These documents, 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. Improving competitiveness involves planning and in particular, infrastructure planning such as the integrated infrastructure plan described in item 1 below. Reducing the County debt primarily to allow future debt decisions to be made more easily and reserved for strategic investments improves our ability to compete. The County debt reduction strategy is described in item 2 below. To gain competitive advantage and remain competitive we need to develop an infrastructure financing strategy that allows for significant annual capital investments in County infrastructure. This pay-as-you-go capital financing strategy is described in item 3 below.

Transportation Investment is quite likely one of the more important infrastructure investments to be made that can ensure competitiveness and location desirability. The region will have several key transportation investment

opportunities arising in the very near future, these investment strategies are described in item 4 below.

Our primary statewide competitor is Maricopa County because of different tax structures in governmental organizational design; it is believed that Pima County is at a disadvantage because of our property tax rates when compared to those of Maricopa County. This is primarily a myth and has been largely debunked. This region has not lost any economic expansion in Pima County due to our property taxes. Item 5 below discusses and compares the County tax rates of Pima to that of Maricopa County. It describes the primary reason for the differences.

Finally, lowering taxes will not make the County less competitive but in all likelihood will make us more competitive. A strategy to lower the County property taxes in the future is described in item 6 below.

1. Integrated Infrastructure Plan

The investment in physical infrastructure is a core function of County government and essential for a healthy community. Infrastructure and capital assets allow for the delivery of key public services and the movement of goods across the County, both of which are crucial components in fostering long-term economic growth. Arizona counties, as outlined in the Arizona Constitution, are responsible for providing core services such as human services, criminal justice, public welfare and infrastructure. An integrated infrastructure plan is designed to provide the capital improvements needed to meet the policy objectives of the County.

Pima County plays a critical and strategic role within the State of Arizona both as the largest provider of services in southern Arizona and as a partner of the Sun Corridor, Inc. The geographic Sun Corridor is the central spine that links our International Border with Mexico, north to the Prescott area and includes Maricopa, Pinal and Pima Counties. This mega region will see the greatest share of population, job and economic growth within the state. Sustained investment in infrastruc-

ture is needed to support this 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

Much of Pima County’s public infrastructure has been provided through debt financing, commonly known as bonding. 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.

The subject of Pima County debt has been widely discussed and criticized by some; in fact, it was one of the cornerstone objections for opponents of a recent failed County bond election. The Arizona Department of Administration annually produces an indebtedness report covering all of the taxing jurisdictions in the State. The most recent report is for the fiscal year ending June 30, 2018. The *table below* shows the per capita indebtedness of local jurisdictions in Pima County, including Pima County.

JURISDICTIONAL LONG TERM DEBT IN PIMA COUNTY

Entity	Per Capita Long Term Debt Outstanding
Marana	\$1,922 ¹
Tucson	\$1,676 ¹
South Tucson	\$1,242 ¹
Sahuarita	\$1,203 ¹
Oro Valley	\$877 ¹
Pima County	\$819 ²

¹ Source Arizona Department of Administration FY2018 Report as Bonded Indebtedness

² Running debt balance as of July 2019

More importantly, Pima County’s debt will be rapidly declining in the near future; with-

AGGREGATE PIMA COUNTY DEBT RETIREMENT SCHEDULE AS OF JUNE 30, 2019

Year	GO 1	HURF2	COPs3	Sewer4	Total	Percent reduction
2018	275,990,000	80,330,000	161,260,000	515,484,892	1,033,064,892	
2019	227,335,000	90,510,000	117,325,000	479,727,871	914,897,871	11.4%
2020	174,910,000	76,105,000	94,790,000	418,595,000	764,400,000	26.0%
2021	133,965,000	63,350,000	71,670,000	354,097,315	623,082,315	39.7%
2022	93,615,000	51,155,000	60,585,000	289,558,096	494,913,096	52.1%
2023	64,805,000	43,425,000	52,070,000	231,994,112	392,294,112	62.0%
2024	44,590,000	35,470,000	46,060,000	172,865,000	298,985,000	71.1%
2025	30,960,000	30,315,000	39,765,000	113,230,000	214,270,000	79.3%
2026	16,800,000	24,960,000	33,170,000	83,985,000	158,915,000	84.6%
2027	6,890,000	19,410,000	26,255,000	58,355,000	110,910,000	89.3%
2028	985,000	15,265,000	19,010,000	43,900,000	79,160,000	92.3%
2029	-	12,460,000	11,415,000	33,685,000	57,560,000	94.4%
2030	-	9,540,000	8,575,000	23,040,000	41,155,000	96.0%
2031	-	6,495,000	5,600,000	11,945,000	24,040,000	97.7%
2032	-	3,315,000	3,825,000	5,630,000	12,770,000	98.8%
2033	-	-	1,960,000	-	1,960,000	-
2034	-	-	-	-	-	-

¹ General Obligation Bonds repaid with secondary property tax.

² Highway User Revenue Bonds repaid with HURF and VLT annual funds from State distribution.

³ Certificates of Participation paid by numerous sources and includes short term debt (less than 3-years) to comply with Expenditure Limit requirements. Presently about \$40 million of this debt will be repaid in three years.

⁴ Sewer obligations repaid with sewer user and connection fees.

⁵ Sewer debt represents 52.4 percent of total County debt and Pima County is the only count to provide regional sewer services.

⁶ HURF debt represents 9.9 percent of total debt and Pima County is the only County to issue HURF Revenue Bonds.

⁷ Within 5-years Pima County aggregate debt will drop to \$299 million, a 71.1 percent reduction. The County has no plans to now, or in the future, issue bond debt financing. This debt will drop to 94 percent within the next 10 years.

in the next five years 76 percent of the general obligation debt remaining on July 1, 2019 will be retired. In addition, GO debt will be essentially zero in another three years (see *Table above*.)

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

In 2012, Maricopa County financed their South Court Tower at an approximate cost of \$330 million from their primary property tax revenues. They continue to finance capital improvements in information technology, facilities management and parks, through the General Fund, which is primarily supported by primary property tax revenues. 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.

This transition is complete for the Library and the Regional Flood Control districts. Beginning in the fiscal 2020 budget year, \$0.0400 cents of the Library tax rate is now permanently dedicated for PAYGO capital facilities. The library at the Southeast Regional Park off Houghton Road and Mary Ann Cleveland Way and the new Sahuarita Library will be the first facilities built using this funding strategy. In addition, \$0.0400 of the Regional Flood Control tax rate will also be dedicated to PAYGO capital facilities.

For the General Fund, this process has started using one-time primary levy funds. Increasing reliance on PAYGO Capital Financing will occur in the coming few years using recurring funding. This transition is made possible by the rapidly declining secondary property tax rate and levy

PAY AS YOU GO GENERAL FUND PRIMARY TAX LEVY

	FY18/19	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24
Debt Service Secondary Tax Collection Rate ¹	0.690	0.690	0.520	0.470	0.320	0.220
Secondary Tax Levy Decrease ²			0.170	0.050	0.150	0.100
1/2 of Decrease ³			0.085	0.025	0.075	0.050
Cumulative Decrease			0.085	0.110	0.185	0.235
Primary Tax Levy of 1 cent		\$851,771	\$899,641	\$936,616	\$975,579	\$1,013,237
Primary PAYGO Levy by Fiscal Year			\$7,646,947	\$10,302,777	\$18,048,218	\$23,811,063
Primary Tax Levy NAV Increase ⁴			\$19,953,148	\$15,438,883	\$16,232,546	\$15,691,878
Primary Growth PAYGO 1/2 of NAV Increase			\$9,976,574	\$7,719,442	\$8,116,273	\$7,845,939
Total Available for Pay as you go⁵			\$17,623,521	\$18,022,219	\$26,164,491	\$31,657,002

¹ Secondary property tax rate necessary to pay principal and interest payments for all County outstanding general obligation bond debt.

² Year to year secondary debt service tax rate difference.

³ As the debt service tax rate decreases only one half of the decrease will be used to build the PAYGO general fund in the primary tax levy. The remaining half will be used to decrease the overall County tax rate.

⁴ As the tax base expands or grows one half of the growth per year will be dedicated to the PAYGO fund until the annual recurring revenues in the fund equal \$50,000,000 per year.

⁵ Annual amounts per fiscal year available in the PAYGO fund.

for debt service. The *table above* shows the estimated secondary property tax levy for debt service for the next five fiscal years as well as how the fund grows over the next few fiscal years.

The listed tax rates are necessary to complete the early and rapid repayment of our outstanding bond indebtedness. As the secondary debt service rate decreases, PAYGO funding will increase by transferring approximately half of the reduction to the primary property tax rate, where the amount levied can be segregated into a separate PAYGO Capital account with a goal of raising, over a period of time, the amount generated to \$50 million per year, which should sustain capital expansion and replacement without future debt financing.

While a reduction in the debt service tax rate levy will assist in building a PAYGO Capital Fund, it will also be necessary to reserve a component of the annual tax base growth, as well as allow the primary property tax rate to continue to be reduced over time. The secondary property tax rate for the debt service will eventually be zero. This milestone could easily be reached in the next eight years. At that time County General Obligation Bond debt will have been retired.

Because of expenditure limitation requirements it is also likely that this annual capital financing will have to be financed using short-term three-year limit debt instruments to ensure the County does not exceed the constitutionally imposed expenditure limit. In other words, after all of County debt has been retired, we will continue to see Certificates of Participation issued for debt periods of no longer than three years, which meets the Auditor General's definition of debt and allows an appropriate offset to the annually calculated constitutional expenditure limit.

4. Transportation Investment

The connection between transportation and economic development is undeniable. Good transportation systems lower transportation costs embedded in goods and services; hence, those communities with efficient systems are more competitive than those without. Unfortunately, in Arizona, financing transportation investments have been difficult for the last 30 years. While there has been some recognition at the State level about the need to increase transportation investments, getting it done remains elusive. The best option available to Pima County is through the Regional Transpor-

tation Authority (RTA). In 2006, the voters of Pima County approved the first 20-year RTA Improvement Plan. In 2019, the Legislature authorized legislation that, with voter approval, would double the transportation investment through a reauthorized RTA revenue source of a one-cent excise tax, essentially doubling our transportation investments. In the future, these investments will be necessary to provide regional mobility, reduce travel time, congestion, improve safety, as well as reduce air pollution and the economic chaos that results from being declared an Air Quality Non-Attainment Area, in violation of national Environmental Protection Agency air quality standards.

The next 20-year RTA Plan funding through this one-cent excise tax is in preparation and will be submitted for voter approval at a General Election in November, 2021.

While the RTA is an important regional investor in transportation, 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 axillary interstate highway approved by federal legislation in Arizona. Currently a number of location studies are underway by the Arizona Department of Transportation. The studies should be completed in the near future with the Corridor being segmented for implementation. The most important first phase of actual construction will be to connect the Sonoran Corridor at Rita Road/Interstate 10 to the Aerospace Parkway, generally, along the Old Vail connection alignment with future phases for the southern connection to Interstate 19 would follow.

The second major federal and state transportation initiative involves Interstate 11 with a trade corridor connecting Mexico. The first phase of the location alternatives are being evaluated. The first constructed segment of Interstate 11 has already been completed in Nevada with the Nevada/Phoenix connection likely to follow in the next decade. The final phase being the connecting route through Pima County, connecting to the Mariposa Port of Entry in Nogales, Arizona. It is likely that Interstate 11 improvements will take decades, but is import-

ant for the direct trade route to connect to Mexico and to relieve existing interstate highways of through truck traffic.

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.

A detailed analysis of these rates and why they are substantially closer than they appear at face value is beneficial. In fact, Pima County’s primary property tax rate could be \$1.7547 or lower if Pima County had similar revenue sources available and a similar size unincorporated population.

FISCAL YEAR 2018/19 PRIMARY PROPERTY TAX RATES

County	Primary Property Tax Rate
Maricopa County	1.4009
Pima County	4.0696
Adjusted Pima County	1.7547

Maricopa County has a number of revenue sources that are not used or available to Pima County, these are:

- Jail Excise Tax - Pima County funds its County Jail and Juvenile Detention Facilities through the primary property tax rate. In Maricopa County, a portion of these costs are paid for through a separate dedicated jail sales 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 - For many years,

Maricopa County paid for its hospital from their primary property tax rate. Then Maricopa requested and received special legislation allowing the operation of Maricopa's hospital to be transferred to a newly created special taxing district, the Maricopa Special Healthcare District, funded through a separate secondary property tax levied by a separate governing board. However, from the perspective of a Maricopa property tax payer, they are still paying for the hospital, and in fact they are paying significantly more since voters approved a \$935 million bond issue for related facilities. 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's Parks and Recreation Department differs significantly from Pima County in two ways. First, 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. There are minor exceptions to this, but for the most part these more developed forms of recreation are provided by cities, towns, home owner associations and private operators. Second, Maricopa County charges entrance fees to access the County's mountain parks and conservation areas, payable daily or via an annual pass. Pima County does not charge entrance fees for its mountain parks and conservation areas. 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** - Finally, 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.

In summary, if all of these factors are 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.

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. The overall tax base has continued to expand since the Great Recession. The County Secondary property tax base contracted by 26 percent during the Great Recession of 2007 and only began to turn positive in 2015. Since 2015, through aggressive economic development attraction efforts, and economic development planning, Pima County has seen 58 company expansions and/or relocations with the addition of indirect 23,922 and direct 14,435 jobs, including a capital investment of \$2,099,562,306. 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.

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, equivalent to \$0.30 on the primary property tax rate, which is approximately 10 percent of the total rate. 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, further

reducing Pima County's property tax rate.

Hence, the stated policy goal of the County annual budget adoption process to transition to a pay-as-you-go methodology for capital financing eliminates the secondary debt service tax of \$0.70, continuing to reduce the primary and secondary tax rates by an average of \$0.15 per year through tax base expansion. It also creates the possibility of eliminating \$0.30 or 10 percent of the primary property tax base if transportation revenue alternatives are obtained. These are all achievable goals to significantly reduce the Pima County combined property tax rates.



Chapter 3

Workforce Development

Chapter

3

A quality workforce is critical to Pima County for competing in the global, knowledge and technology-based economy. Full employment and an aging workforce represent a challenge for all businesses in their search for qualified employees.

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:

- Strengthen 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

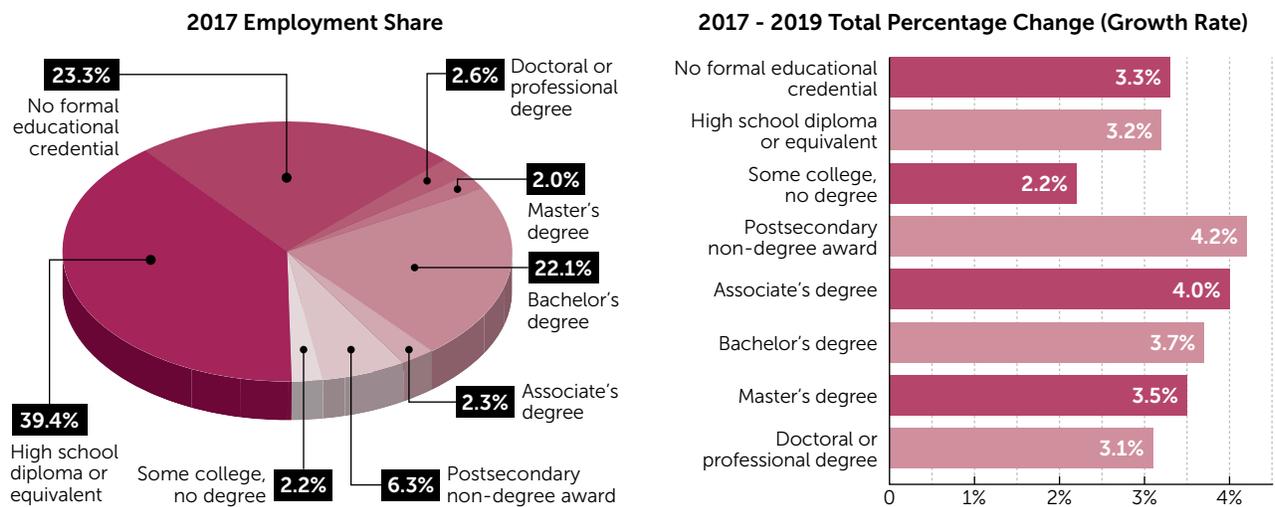
continue to earn while they transfer knowledge to younger generations.

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, STEM skills; a significant share of those jobs require 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. These jobs have relatively low average wages. However, the fastest-growing occupational groups between 2017 and 2019 were jobs requiring an associate’s degree and jobs requiring a post-secondary non-degree award (such as an accredited educational certificate or an industry-recognized certification). Arizona experienced one of the fastest rates of growth of “good jobs that pay without a BA,” both in blue-collar industries and in skilled-services fields, according to a 2017 study by Georgetown University. (See table below)

PIMA COUNTY SHARE OF OCCUPATIONS BY MINIMUM EDUCATION REQUIREMENT



Source: Arizona Office of Economic Opportunity, Tucson Metropolitan Area 2017-2019 Occupational Projections

Most of the available talent is already working, with 20 percent of the current workforce due to retire in 10 years or less.

The economy has been in full employment for the past three years. Pima County’s unemployment is now below 5 percent, a proportion that barely accounts for the normal churn of workers between jobs. Almost 25 percent of the workforce is 55 and older and the supply of youth entering the workforce is not projected to keep up with demand. While the first baby boomers hit age 62 in 2008 and age 65 in 2011, 2018 is the first year that 10,000 persons turn 65 each day in the U.S.—a level that will continue until 2030.

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)

Actions identified in this chapter are recognized as **Service, Effectiveness, and Leadership Actions**. Service actions are proven, respectful, and meaningful service that gets better and grows over time. Effectiveness actions are those steps being taken to ensure effective service delivery with a special note that partnerships significantly improve effectiveness. Leadership actions involve interacting with business and political environments while effectively evaluating and managing resources to ensure sustainability and quality service.

Economic Opportunity

Long dependent upon an undiversified Sun Belt economy, Pima County has historically been subject to economic booms and busts with a

greater number lower household incomes than other counties in the United States. Rapid population increases following World War II led to a growth-dependent economy that rose and fell continuously up to the Great Recession decade of 2008 to 2018. At the height of the recession, Pima County and its regional economic partners worked strategically to diversify the economy beyond its reliance on traditional growth-dependent sectors such as tourism, construction and the service industry.

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 such as Caterpillar as well as expanding existing companies such as Raytheon and Accelerate Diagnostics that provide some of the highest average salaries in Southern Arizona. Economists have documented that the County emerged from the recession in 2018 and has recouped its significant recessionary job losses. 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. Pervasive socioeconomic forces, such as the lack of affordable housing and rising opioid crisis, exist nationwide and are felt especially in our community. Job growth in itself is not a remedy for poverty.

Economic mobility, or the ability of individuals and families to continuously and upwardly improve their economic position, is not distributed equally or sufficiently in Pima County. New economic data tools, such as Harvard University’s Opportunity Atlas, allow for historical analysis at the census tract and neighborhood levels of the primary barriers to upward economic mobility. This type of targeted data allows analysis of childhood outcomes into adulthood utilizing statistical segments that include family and individual income levels, poverty rates, health disparity, educational attainment, incarceration rates and many other socio-economic factors that influence the ability to climb the economic ladder. In Pima County, many of these factors that delay economic mobility, which often occurs over generations, are



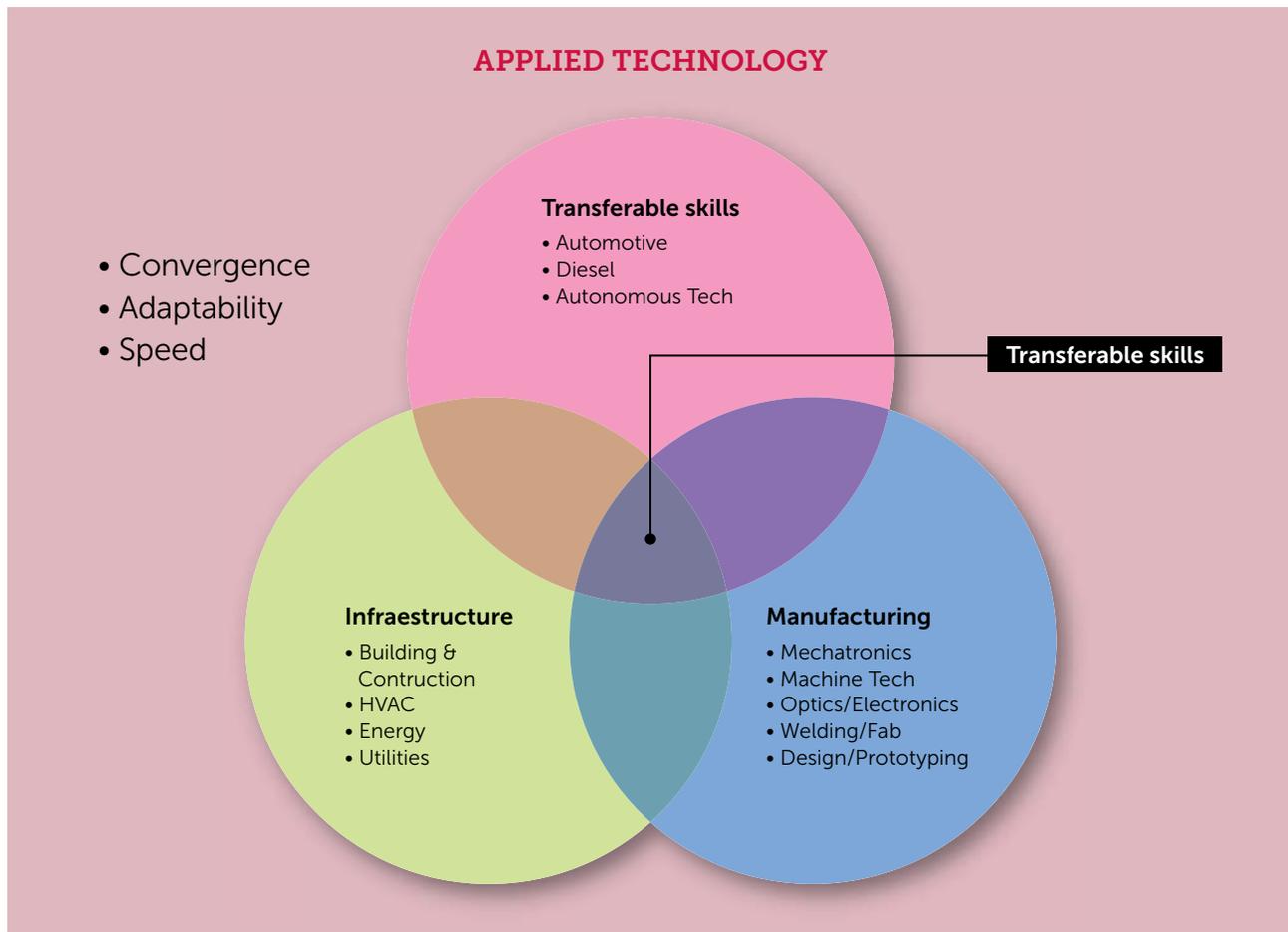
Machinists and other skilled trades workers are in high demand and the County is working with numerous local agencies and the manufacturing industry to provide the training needed to meet demand.

evident in several of the census tracts that Pima County has tried to remedy through traditional outreach, assistance and various other County low income programs. Although often successful in alleviating many of the poverty-related issues in areas where these limited resources have been applied, the County requires a more systemic and comprehensive understanding of the multiple barriers to economic mobility in geographic areas and a coordinated application of assistance and resources to promote upward economic mobility.

As a regional government, Pima County is uniquely positioned to influence some of the socioeconomic disparities that affect economic mobility. For example, Pima County Jail and prisoner reentry programming have mitigated the effects of incarceration to long term and short-term family financial crisis. 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 in-

vestment 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.

Providing pathways to higher education for low income parents has a proven and discernable effect on children's prospects for upward economic mobility. 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 programming activities to assist in this effort. Pima County should ensure that its business attraction activities that occur in socioeconomic stress areas, such as near the Aerospace Research Campus or UA Tech Parks' The Bridges, result in employment and economic advancement opportunity in surrounding neighborhoods.



Beginning with the Pima County Economic Development 2019-2021 Update, Pima County Administration will develop a framework for inter-department coordination and additional collaboration with external partners that seeks to address ingrained and cyclical poverty by removing impediments to upward economic mobility. Community Services, Employment and Training 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.

Envisioned Centers of Excellence

- Applied Technology; Downtown Campus
- Health Professions; West Campus
- Public Safety & Security; East Campus
- Information Technology; East Campus
- Hospitality, Culinary Arts & Travel; Desert Vista
- The Arts; West Campus

1. Core Services

ACTION ITEM: 3.A.1.(1) – Service Action: Effectively deliver career services geared toward up-skilling (increasing: employability, secondary level skills attainment, entry-technical and advanced technical) and re-skilling for Youth, Adults, Adults with Chronic Barriers, and Dislocated Workers (Business Services)-as measured by federal and state metrics

ACTION ITEM: 3.A.1.(2) – Leadership Action: Continue leadership in Workforce Systems of Service within frame-work of the Workforce Innovation and Opportunity Act –as measured by program policy development, implementation, and monitoring to maintain and increase funding while seeking out new opportunities and partnerships

ACTION ITEM: 3.A.1.(3) – Effectiveness Action: Procure and roll-out core database among all partners to ensure program effectiveness, improve efficiencies, and planning for workforce

needs and trends –as measured by improved coordination of services and preparation for shifts in policy such as stricter requirements for those receiving public assistance

ACTION ITEM: 3.A.1.(4) – Effectiveness Action: Given the many service populations and partner agencies, a Career Pathway based resource guide is being developed to aid local career technical education and training providers, case managers, clients, industries, and partners to create individual career, technical, or educational plans-as evidenced by an inaugural Career Pathways Resource Guide

ACTION ITEM: 3.A.1.(5) – Leadership Action: The resource guide is being designed to be updated for relevance and web-accessibility requiring on-going analysis involving training and industry experts evaluating national, state, and local economic conditions- as evidenced by future online iterations

B. Increase talent supply: Youth Services

1. Direct Youth Services

Investing in youth is a smart decision for our community both because they are our future labor force and because getting 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 these young job seekers with employers. Many young adults looking for work lack the soft skills and technical skills sought by employers. The County seeks to address these gaps through technical skill training targeted at high-demand occupations, often targeting disadvantaged, out-of-school youth, as well as providing support for eligible youth to attain secondary and post-secondary education.

The Pima County Board of Supervisors are leaders in supporting youth employment for many years. It continues to sponsor a summer jobs program, where over 1,000 high school youth obtain valuable work and soft skill experience.

ACTION ITEM: 3.B.1.(1) – Service Action: Expand Summer Jobs Program of paid internship/work

experience opportunities for youth aged 14-21 in community businesses and within County businesses-as measured by number and diversity served

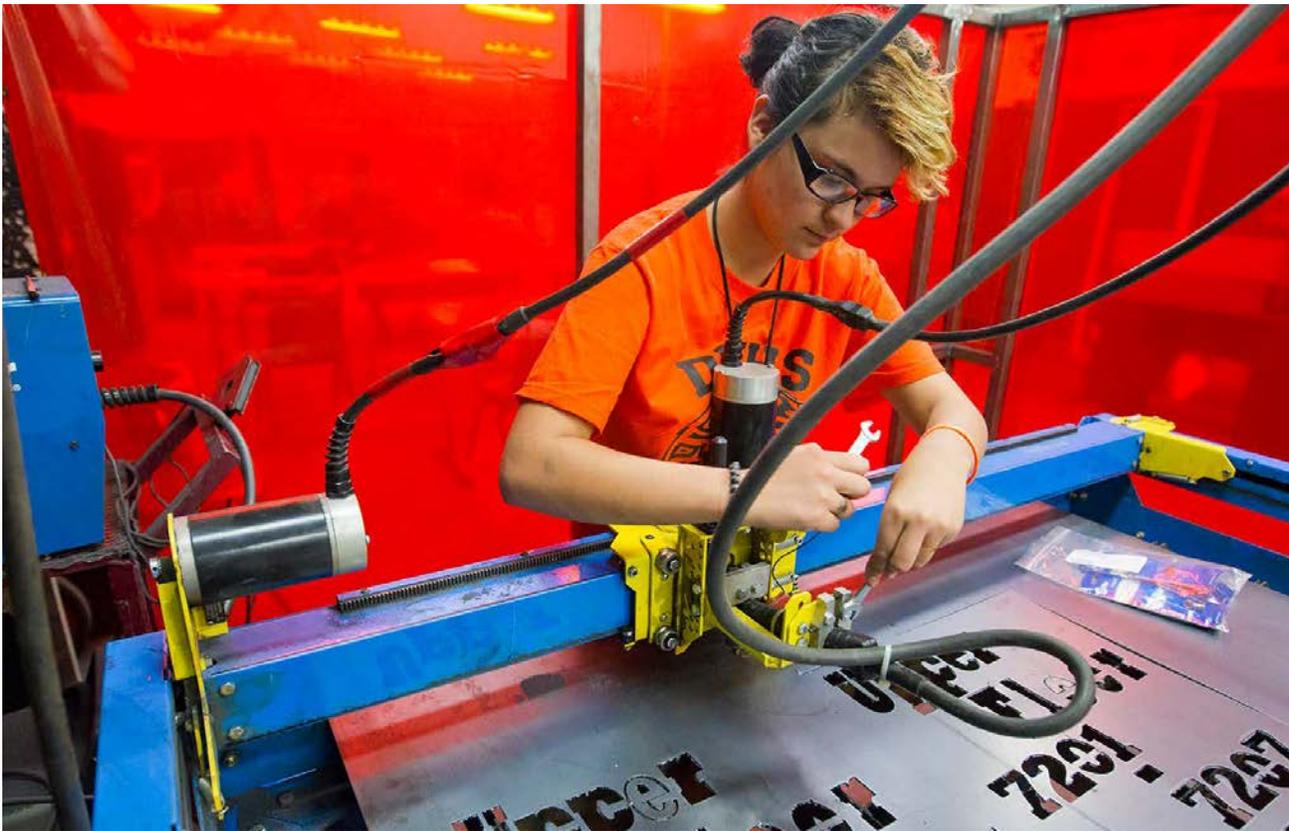
ACTION ITEM: 3.B.1.(2) – Leadership Action: Continue a concerted effort to educate the community about the economic benefits to students, their families and our community about high value, career-oriented education opportunities – as measured by tracking and follow-up of individuals participating in career exploration program

2. K-12 Pipeline

Pima County also has an important role in secondary-level education for youth who are unable to complete a traditional high school education for a variety of reasons. The County has operated the Las Artes program for more than 25 years to help young adults lacking a diploma to attain a High School Equivalency degree through the GED high-stakes exams. The program develops tile art murals as an applied learning and team exercise. Pima Vocational High school helps young adults who need intensive credit recovery to obtain a High School Diploma. Each youth is given up to 90 hours of internship prior to graduation. 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. Also, Getting Ahead in a Just Gettin' By World is a life skills curriculum that has significantly improved retention rates for students at Las Artes, giving them a stronger focus on what happens post-GED and the importance of further training and education.

ACTION ITEM: 3.B.2.(1) – Leadership Action: Las Artes and PVHS will continue integrating exemplary curriculum, such as Getting Ahead, and monitoring its impact on student retention-Pilot, monitoring, and expanding new strategies

ACTION ITEM: 3.B.2.(2) – Leadership Action: Increase the number of STEM programs for dropouts and other disconnected youth that integrate learning with work leading to employment or continued education and training.



JTED plays a key role in Southern Arizona’s economic development. About 17,000 public, private, charter and home-schooled students participate in the district’s career and technical education programs.

ACTION ITEM: 3.B.2.(3) – Service Action:

Oversee and align the success of Las Artes, Pima Vocational High School into One Stop placement-as measured by youth ready for work or continuing education

3. JTED Joint Technical Education District (JTED)

Industry will need to collaborate with One-Stop, the Pima County Joint Technical Education District (JTED), local high school Career Technical Education programs, and Pima Community College to develop industry recognized, stackable, career pathway training programs that will meet their needs and at the same time get the available workforce to work.

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. These premier programs,

which are proven to help students be more successful in completing post-secondary education and enter the workforce, are offered in partnership with 14-member public school districts at 36 high schools and 15 central campuses located throughout the Pima County, San Manuel, Rio Rico and Nogales.

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. All programs operate by building strategic partnerships with local business and industry leaders, and emphasize the earning of industry-recognized credentials as well as the engagement of students in work-based learning such as internships and school-based enterprises.

ACTION ITEM: 3.B.3.(1) – Leadership Action:

Support efforts to streamline and expand the STEM high school to college, career and technical education, or employment pipeline- as

measured by piloting In School Youth programs in specific STEM reliant industries

ACTION ITEM: 3.B.3.(2) – Service Action: One-Stop will offer workshops for entrepreneurs: Self-employment; Business start-up; Youth entrepreneurship-as measured by partnering with industries and professionals to maximize facilities and expertise

ACTION ITEM: 3.B.3.(3) – Effectiveness Action: Develop new JTED/College programs based on local industry needs and projected opportunities for our students- as measured by career pathway guide/systems is a step leading to this goal

ACTION ITEM: 3.B.3.(4) – Service Action: Continue the expansion of dual college credit in our high school programs as well as industry certification opportunities so that our students are ready to meet the needs of industry by filling high-wage, high-demand jobs-iBest model is being expanded to new and additional career fields

4. Career Pathway Partnerships

The Pima County One-Stop, JTED, and Pima Community College (PCC) have established multiple venues for early college models that afford youth opportunities to earn high school credit, college credit, and industry-recognized credentials simultaneously. For example, the partners set up a program for high school students to gain dual credit in the aviation program. More recently, PCC developed a short-term program to help experienced aerospace workers gain Federal Aviation Agency (FAA) certifications.

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 systems approach to creating college and career pathways with local representation from JTED, PCC, Pima County and industry sector partners. The national network-based strategies led to development of more “2+2” pathways reaching grades 9 to 14. Dual-credit opportunities have been added and expanded in manufacturing, bioscience, and health professions as a result of these activities.

Pima Community College offers stackable

career pathway training programs in demand sectors including Applied Technology (Mechanics, Welding, BCT, Aviation, etc.) Allied Health, Nursing, Business, and Public Safety. As part of the Guided Pathways initiative, stackable credentials will be offered in most of CTE/Workforce programs at the College by the fall of 2020.

Arizona’s public universities represent a tremendous potential resource and talent source for local companies. With 45,000 students and more than 300 undergraduate majors and graduate programs, the University of Arizona is cultivating a new generation of knowledge workers, many of whom have specialized expertise that is applicable to local industries. Hundreds more are pursuing higher education through special programs like Arizona State University’s School of Social Work and the Pima2NAU Joint Admissions program at Pima Community College with Northern Arizona University. Matching these students and graduates with internships and job opportunities that lead to satisfying careers would help Pima County retain more of this highly-skilled talent.

Many companies do not know how to navigate the university system to find the right contacts to help them source and cultivate talent. Pima County’s Business Services Team will invite the University of Arizona Student Engagement and Career Development Office to meet and develop a partnership. By exchanging contacts and information about career fairs and the UA’s online job-posting system, Business Services will be equipped to share and promote these resources within its outreach activity. An ongoing line of communication with this entity will support case-by-case handling of specific inquiries and specialized vacancies posted through the County workforce system.

As the charts in the introductory section show, Pima County has a large supply of workers employed in jobs that require a high-school diploma or less, and is seeing rapid growth in occupations that require an Associate’s degree or a non-degree post-secondary certificate. 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; and
- Providing opportunities to earn credit through prior learning.

As a member of the Arizona Achieving the Dream Alliance, PCC offers students guided pathways supported by academic maps and proactive advising. The mission of Complete College America, a national nonprofit, is to leverage the Alliance to eliminate achievement gaps by providing equity of opportunity for all students to complete college degrees and credentials of purpose and value.

ACTION ITEM: 3.B.4.(1) – Service Action: Support career exploration opportunities to improve the appeal of infrastructure type careers to young people—as evidenced by diverse individual employability plans

ACTION ITEM: 3.B.4.(2) – Leadership Action: Expand partnerships with University of Arizona Student Engagement and Career Development Office and Recruit additional companies to participate in UA career days –measure by providing systemic follow-up on a case-by-case referrals and matching for inquiries from local companies

ACTION ITEM: 3.B.4.(3) – Effectiveness Action: Pilot individual training plans aligned with the Career Pathway Framework and support participants in integrated basic education and skill training as modeled through iBest.

ACTION ITEM: 3.B.4.(4) – Leadership Action: Offer the Arizona Career Readiness Credential to assist businesses in identifying qualified candidates who may not possess traditional credentials or work history.

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. These job candidates have a proven work ethic; however, many need to learn how to navigate 21st century cloud-based job seeking.

Traditionally, the One-Stop has been oriented towards connecting and training job seekers for full time jobs with benefits, but some mature workers are interested in part-time work. Employing mature workers in the workforce, even part-time, helps employers transfer institutional knowledge to younger generations. These workers can also mentor younger workers, not only in job-specific skill sets, but also in the critical importance of soft skills, such as punctuality, teamwork and communication.

PCC is currently working on the development of three Centers of Excellence (CoE) located on the Downtown, East, and West campuses and is closest to achieving the center for Applied Technology at Downtown Campus. In concert with employers, the Centers will help employers with talent acquisition and students will develop skills employers need, leading them to high paying jobs. The CoE for Applied Technology specifically will prepare students for positions that represent more than 25 percent of Pima County’s annual job openings with a living wage of \$17 an hour or higher.

ACTION ITEM: 3.C.1 – Service Action: Continue offering case management, workshops, and follow-up activities for mature job seekers each year.

ACTION ITEM: 3.C.2 – Leadership Action: Identify with industry partners more part time jobs that mature workers might find of interest.

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. One-Stop's partners in the Center include the United States Departments of Labor, Defense and Veterans Affairs; the Arizona Departments of Veterans Services and Economic Security; Pima Community College; Community Partnership of Southern Arizona; Tucson Veterans Serving Veterans; Old Pueblo Community Services; Primavera Foundation; the Arizona Veterans Commission; SER Jobs for Progress; and local employers.

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. The KVWC staff work with DMAFB Transitional Assistance Program (TAP) staff to communicate local employment opportunities.

One-Stop offers workshops for veterans and others who are thinking of starting a business and the Small Business Development Center (SBDC), located at Pima Community College (PCC), DMAFB in their TAP program, offers a Boots to Business entrepreneurial education and training program with an overview of business ownership.

In addition to traditional One-Stop services such as resume development, job leads and electronic job application development, veterans receive assistance in translating their military skill sets into language that civilian employers understand.

Each week, one or two employers visit the center for a mini, specialized job fair advertised to Veterans who have the particular skills that employer seeks and are interested in those employment opportunities.

KVWC staff advocate on behalf of Veterans in working with local educational institutions to obtain educational credit for work performed in the military, and for classes taken at other institutions while in the service. Through prior learning assessment, veterans and others have the opportunity to earn Pima Community College credit. Prior learning is college equivalent

learning acquired through nontraditional school, work or other life experiences. Methods of prior learning assessment include: national standardized tests, challenge exams, evaluation of military training, non-credit to credit, industry recognized credentials, and portfolio evaluation.

Those that go to Pima College are connected with the Military and Veterans Service Department, which is staffed by a Veterans' Adviser at all of PCC campuses and at DMAFB. Staff support and assist student veterans with their GI Bill Benefits, academic advising and course selection and provide space for veterans to study, have access to tutoring, computer and printer support and a place to just relax among other veterans. They also assist student veterans receiving educational certificates and associate degrees in the various career fields so they can apply for direct employment opportunities with their military experience and their academic certifications/degrees. Additionally, they partner with other educational institutions and organizations to coordinate information, requirements, intern opportunities, job opportunities, benefits and scholarships for student our veterans.

The Relocated Family Employment Program helps employers relocate employees to Pima County. The program serves so-called "trailing" spouses, including military spouses and others who are seeking employment because their spouse or parent was transferred to the Tucson area from another locale. If possible, the job-seeker connects with a One-Stop Business Services coach, ideally, before the relocation date. The coach researches the career field and identifies employers and facilitates interviews. This Military Spouse Initiative program has received significant recognition as a part of the Air Force Community Partnership Program and the Secretary of the Air Force.

ACTION ITEM: 3.D.1 – Effectiveness Action: Systematically identify employers more apt to interview and hire skilled veterans and transitioning service members.

ACTION ITEM: 3.D.2 – Leadership Action: Expand the Relocated Family Employment Program through increased outreach to Davis-Monthan Air Force Base, economic development entities, major employers, and other partners.



One of the best ways to reduce recidivism is to ensure offenders are given opportunities for post-release jobs.

E. Adults with Chronic Barriers

Notwithstanding the low numbers of people who are counted as unemployed (i.e. actively looking for work), another potential talent supply is people who are not currently participating, are under-employed, or have the potential to move up in the labor force through targeted career services. 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 has committed to increasing community safety and productivity by promoting the reintegration of citizens returning from jails and prisons. While many employers regard criminal history as disqualifying a candidate for hire, others are embracing “ban the box” policies and recognizing that system-involved community members can become, and often times are, valuable employees when given a second chance. In 2017, Pima County joined a growing number

of public agency employers nationwide to remove questions about prior convictions from its own employment application.

According to the Pima County Sheriff’s Department, most individuals booked into the Pima County Jail were between the ages of 21 to 32, with the next highest age group between 33 to 38 in 2017.

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.

Workforce readiness through Justice Reform

Providing residents with sustainable, living-wage jobs is the ultimate justice reform effort. People who have jobs are less likely to commit crimes, and those who are system-involved, who have jobs, are less likely to reoffend.

In 2016, Pima County was one of a small number of jurisdictions across the nation to be awarded the John D. and Catherine T. MacArthur Foundation's Safety + Justice Challenge grant – a multi-year, multi-million-dollar commitment to address the overuse of jails. The purpose of the grant in Pima County is to reduce the jail population without sacrificing public safety, and address racial and ethnic disparities in the system as a whole. Research shows that even one day of incarceration can have lasting consequences to an individual, which is why Pima County is creating innovative strategies to prepare system-involved residents to be workforce ready through justice reform.

ACTION ITEM: 3.E.1.(1) – Service Action: Pilot Getting Ahead curriculum to returning citizens and monitor to see if it improves their ability to retain employment and build resources.

2. Individuals Experiencing Homelessness

After more than 30 years Pima County's Sullivan Jackson Employment Center for the Homeless continues to be a nationally recognized model that addresses the needs of a population that can become wage earners. Through an assessment process, homeless households are matched with publicly financed housing and then those that are capable begin an intensive

work search. Once they start working, they begin to pay increasing amounts of rent.

ACTION ITEM: 3.E.2.(1) – Service Action: Continue to offer Rapid, Sustained Rehousing through Sullivan Jackson Employment Center grant writing, administration, and reporting to multiple agencies.

ACTION ITEM: 3.E.2.(2) – Leadership Action: Develop role and identify resources to support Pima County Center of Opportunity location

3. Transitioning from Public Assistance, including Refugees

Recent changes (both actual and proposed) to public assistance programs are encouraging people to leave the sidelines to join the workforce. These changes include requiring able-bodied adults without dependents to work or prepare for work as a condition of receiving food stamps or AHCCCS; and increasing a household's financial contribution to their public housing.

Public assistance programs such as Social Security Disability Insurance, Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP, known as food stamps) and Arizona Health Care Cost Containment System (AHCCCS, which is Medicaid) provide a vital safety net for people who are not earning enough to meet basic needs or who may not be in the labor force at all. Increasingly, policies are being adopted at the state and federal level to push more beneficiaries into the labor market by means of incentives or sanctions or a combination of both. All of these individuals will need some type of specialized assistance.

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.

ACTION ITEM: 3.E.3.(1) – Leadership Action:
 Prepare and support through innovative programs to help those that rely on public assistance and other vulnerable populations obtain and retain employment-as evidence by new programs and partnerships

4. Partnering for Adult Basic Education

Pima County has traditionally emphasized need to help high school dropouts improve their education and employability. This is accomplished directly through Las Artes GED Prep program, Pima Vocational High School, the Lindsey Learning Center, and summer youth activities. The Pima County One-Stop has placed a contractor at the Lindsey Center that can work with individuals functioning below the 6th grade level. Through a proven referral and screening process the County targets some summer programming at young people who are behind in school and in danger of dropping out.

Based on assessment data from Pima County One-Stop, we estimate that one-half of adult job seekers in Pima County have basic skills below the ninth-grade level, regardless of whether or not they have a high-school diploma. Most employers cite deficiencies in basic reading, math and analytical skills of job applicants as a higher concern than lack of technical skills.

Pima Community College reports that 84 percent of students registering for classes at PCC do not have college-level math assessment scores. In addition, Pima Community College Adult

Basic Education for College and Career (ABECC) reports that 90 percent of the 2500 Adult Basic Education students it served in 2016-17 tested under the 9th grade level in one or more subjects.

Pima Community College Adult Basic Education for College and Career (ABECC) provides adult learners with opportunities to increase basic skills in math, reading and writing, prepare for high school equivalency (HSE) testing, take the GED® test, learn English, increase their civic engagement and develop the skills to transition to further education and jobs.

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.

PCC ABECC periodically engages workforce, education and industry sector partners to develop Integrated Basic Education and Skills Training (iBest) programs in new occupational fields. iBest offers adult education classes that are contextualized in career-specific content in order to accelerate learning gains and increase participant advancement into career technical education.

F. Business Services

Partnering with private sector and Pima Community College to create more short-term, work-based training options. Pima County collaborates with key public, private and non-profit 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. Such



Pima County's Summer Youth Internship Program employs thousands of high school-age youth every year at businesses of all types across the county.

training may be tailored to the needs of one company, or it may be jointly sponsored with a group of companies that share a common workforce need. Usually, the employers that benefit must fund a portion of the cost of the training.

Short-term training options provide a quicker response to the industry need than the standard post-secondary curriculum process, allowing companies to deal with market opportunities and competitive threats as they arise. They may also provide greater flexibility in tailoring instruction to incorporate work-based learning in the company, accommodate the needs of the business' operation, and address skill deficits that training participants may have.

Pima County has many training providers that have been vetted through a process to be eligible to provide training funded by federal workforce dollars. The County also has a contract with Pima Community College, and other training agencies that includes an industry-response work statement to provide reimbursement for such projects.

ACTION ITEM: 3.F.1 – Effectiveness Action:

In partnership with thriving and threatened industries, develop customized training and incumbent worker training to avert layoffs, rapidly respond to layoffs, and increase competitiveness of industries and individuals.

ACTION ITEM: 3.F.2 – Service Action: Update, Develop, and Approve suite of enabling policies, procedures, and forms

ACTION ITEM: 3.F.3 – Leadership Action:

Demonstrate, and Refine training programs for maximum impact and quality economic development alignment

ACTION ITEM: 3.F.4 – Leadership Action: Partner

with employers to increase their engagement in technical skill training through: Provision of work-based learning opportunities for trainees; Engagement in curriculum development and review; Mentoring and interviewing trainees; Provide funding, instructors, and supplies for training programs-as evidence by expanded well managed service contracts

ACTION ITEM: 3.F.5 – Service Action: Match employers with employees to sponsor direct hiring events, employability workshops, and job fairs through One-Stop working with a diversity of industries, and themes while tracking participation, partnerships, and placements.

ACTION ITEM: 3.F.6 – Effectiveness Action: Continue to nurture strong partnerships with business and industry through its focused business and industry advisory committees to build the pipeline for targeted industry growth

G. Role of Economic Development in Ending Poverty

1. Ending Poverty Now

In Pima County over 185,000 – or nearly one in five – individuals are living below the federal poverty line. As sobering as it is, this measure masks the fact that:

- 30 percent of Pima County’s census tracts have a poverty rate of 25 percent or higher;
- Forty-five percent of those in poverty have incomes below 50 percent of the federal poverty threshold; and
- That threshold (currently set at \$25,100 for a family of four) does not represent an adequate income to meet most households’ basic needs for housing, food, health care, transportation and child care. The most recent analysis of these costs estimated that a single parent with two children needs to earn approximately \$46,000 per year to be self-sufficient. (Source: Southern Arizona Women’s Foundation, Self Sufficiency Standard for Arizona, 2012).

The 2015-2017 Economic Development Plan surveyed multiple costs of poverty to our local economy and government, based on its correlation to low educational achievement, poor health outcomes, unstable labor-force participation, and burdens on county-funded health, human and justice-system services. 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. Pima County has now piloted this model with seven local companies, and will issue a Request for Proposals to identify an outside contractor to coordinate the ERN
- Become an “Employer of Choice” by engaging County departments in Employer Resource Networks and offering services for entry-level employees of Pima County. Pima County partnered with United Way to offer tax preparation services at multiple county work locations for many employees. A responsible small dollar loan program for employees was launched in April 2018.
- Develop an objective and fact-based analysis of poverty and fiscal impact to the County.

ACTION ITEM: 3.G.1.(1) – Effectiveness Action: Implement a strategy to sustain an effective Employer Resource Network in Pima County, either by managing it internally at CSET or supporting an external partner.

ACTION ITEM: 3.G.1.(2) – Service Action: Expand the free tax assistance program to reach more County employees and community taxpayers utilizing County programs and facilities for greater reach.

ACTION ITEM: 3.G.1.(3) – Leadership Action: Expand awareness of the employee loan program and link financial education to this initiative. Survey employees for satisfaction and feedback. Support other organizations in Pima County with adopting a similar program and expanding and improving the access to fair credit for low-income and credit-strapped families.

ACTION ITEM: 3.G.1.(4) – Effectiveness Action: Conduct an assessment of the cost of poverty to Pima County and develop one or more public presentations on the findings.

ACTION ITEM: 3.G.1.(5) – Leadership Action: Manage the Navigator, SNAP CAN project, to connect adults with multiple and chronic

barriers to jobs and/or skills development and career advancement. Develop a gap analysis of community resources based on documentation of the barriers faced by SNAP recipients.

2. Financial Literacy

Engage and empower under-resourced people through activities such as “Getting Ahead in a Just-Getting-By World” workshops.

- 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.
- Pima College ABECC will continue to innovate with offering the curriculum in conjunction with Adult Basic Education classes and in partnership with public assistance programs, such as the Supplemental Nutrition Assistance Program.
- 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.

ACTION ITEM: 3.G.2.(1) – Leadership Action: Implement the second phase of the MAMA (Mothers in Arizona Moving Ahead) program in partnership with the Health Department to improve the health of mothers and children in poverty and support their advocacy skills. Connect those mothers to workforce resources for increased financial stability and career development.

ACTION ITEM: 3.G.2.(2) – Service Action: Develop alternative work or volunteer opportunities for SNAP and AHCCCS recipients to maintain state benefits. Coordinate and bundle resources in support of people moving out of poverty

ACTION ITEM: 3.G.2.(3) – Effectiveness Action: Expand and strengthen the Getting Ahead Network of organizations incorporating this curriculum to ensure a high quality program. Determine and use common evaluation tools. Actively connect graduates to the workforce development system. Involve Getting Ahead graduates and develop opportunities for public engagement and advocacy.

ACTION ITEM: 3.G.2.(4) – Effectiveness Action: 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

Ending poverty as a strategy to attain and sustain economic growth is a public, private and non-profit partnership. 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 non-profit sector is also a respected and recognized job producing industry in Pima County boosting its economy. Finally, Pima County is committed and continues to foster and facilitate reciprocal opportunities to establish public, private and non-profit partnerships that produce meaningful and quantifiable community impacts. An attractive outcome—representative of Pima County’s rich and vibrant social culture—to both existing and future employers and their respective employees.

Non-profit agencies in Pima County are respected, trusted and well-supported leveraging hundreds of millions of dollars into the community for the public benefit of all residents. Collectively, the non-profit sector in Pima County is estimated to generate over 50,000 jobs. Guided by their respective missions, Pima County’s non-profit partners are outcome driven with the capacity to contract with various funders to provide critical social service infrastructure.

The County makes available tens of millions of dollars in resources to non-profit agencies

per year. The Outside Agency Program is one example, providing nearly \$4 million in County general funds annually to support over 90 non-profit programs to provide basic needs, safety, quality of life, and support services for the benefit of Pima County residents. Pima County also provides direct technical assistance, via the Outside Agency and other grant funded community programs, to agencies and their governing boards in developing quantifiable metrics and objective evaluation processes to further increase and enhance capacity. The outcome is the Pima County taxpayer investment in the Outside Agency Program alone is estimated to return over \$20 million in other public, private and non-profit foundation investments into the region, in addition to, creating hundreds of jobs.

Pima County seeks to expand existing public, private and non-profit partnerships to assist existing businesses and to attract new employers. Pima County's direct access to mission driven and outcomes oriented local non-profit sector provides for rich, impactful, and culturally diverse philanthropic opportunities. Access to leadership training via serving on non-profit boards or community-based volunteerism is readily available for an interested and emerging workforce. Additionally, the executive leadership of Pima County non-profit agencies is knowledgeable and experienced in local policy and public process. The non-profit sector in Pima County is well respected in the community and can provide access to local, loyal and lifelong customers and employees given a "hand-up."

ACTION ITEM: 3.G.3.(1) – Service Action: Continue offering trainings and workshop on poverty to County staff, community organizations and the faith community with the goal of 500 participants per year.

4. Faith-Based Partnerships

Throughout the community, grassroots groups and faith-based ministries mobilize citizens – their time, talent, and donations – on behalf of various charitable causes. Fifteen years ago, Pima County Board of Supervisors created the Office of Faith-Based and Community Initiatives to facilitate linkages for these groups to county resources. Since then this office has coordinated county support for hundreds of events, projects and campaigns in low-income and rural communities, and served as an ombudsman to community-based and faith-based services. 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.

Over the next two years, the Office of Faith-Based and Community Initiatives will continue to provide support for the Hope Fest, World of Resources Conference, Second Chance Job Fair and Forum, National Day of Prayer, Martin Luther King Day of Service, Healthy Pima Alliance, Tucson Meet Yourself and dozens of other community events.



Chapter 4

Investing for Economic Growth

Chapter

4

As demonstrated in this plan, economic development is a multi-faceted activity with a wide range of contributing factors throughout the community. Pima County not only is a major contributor to workforce development and community improvement; but the County also 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. This chapter demonstrates some of those activities.

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. A number of projects are under consideration or development, and these are discussed in this chapter.

1. Transportation funding

Transportation cost is a key factor in economic competitiveness. All products, goods and services have embedded in them a component of transportation cost. If that cost is higher in one region than another, the region with the lower transportation cost is more competitive.

Neither our nation nor our state have adequately invested in transportation system maintenance or expansion over the past 30 years. In fact, the maintenance of our transportation system – whether it be ports, airports or surface transportation highways – has deteriorated over the last two decades.

Between 1960 and 1990, the Arizona Legislature increased the gasoline tax in Arizona nine times. This was in response to the transportation needs of the State as the population increased nearly 300 percent.

Unfortunately, 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. To allow cities, towns and counties to address the issue individually with their own strategies for revenue increases would lead to regional competition, which is counterproductive to statewide job growth and economic expansion.

Other states and nations are becoming more competitive. Other nations are outspending the United States in transportation and infrastructure investments. The best example is Mexico, with plans to invest over \$1 billion in improving Highway 15, a major north/south transportation corridor in Mexico connecting to the United States southern border at the Mariposa Port of Entry.

Also, adjacent states, including Nevada, have already increased their gas tax to facilitate the construction of Interstate 11 (I-11). Texas is redirecting \$1 billion in energy taxes to invest in its transportation system. Other states, including Wyoming, are raising gas taxes to invest in transportation. In 2014, Wyoming increased its gas tax by 10 cents per gallon.

a. Capacity

Pima County's 1997 Highway User Revenue Bond Program and the 2006 Regional Transportation Authority (RTA) have been highly successful resulting in a 43 percent increase in mobility within targeted corridors despite a traffic volume increase of 32 percent. However, with Pima County's focus on logistics and growing presence of companies and research in advanced vehicle technology, investment in transportation infrastructure is a critical component of the Economic Development Plan.

Arizona is falling far behind in competitiveness in transportation system investment. We will not be the place of choice for new business relocations because of excess transportation

costs embedded in production, goods and services. We must solve this transportation dilemma to enhance our economic competitive position with our neighbors; and we must coordinate international transportation investments, such as I-11, to maximize the expansion benefits to the region from increased, targeted transportation system investments.

As we have previously done, 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. **Table 4-1** shows the unincorporated per capita distribution of HURF among Arizona’s counties.

Despite being the most populous unincorporated County in Arizona, Pima County receives nearly the least amount of HURF on a per capita basis. The Legislature should correct this inequity by further modifying the distribution variables associated with HURF; weighting fuel sales and unincorporated area population equally, rather than the present formula that places 72 percent weight on origin of fuel sales and 28 percent weight on unincorporated population.

b. Maintenance

The region’s existing roadways require major maintenance investments due to a lack of funding, due to no increases in fuel taxes for 28 years with approximately 70 percent of the County’s 1,891 miles of paved roadways in poor or failed condition. **Table 4-2** shows the typical cost of certain consumer items or products over the years and how they have changed in stark contrast to other substantial increases.

State and Federal fuel taxes have remained unchanged, while wear on the transportation system has increased due to improved vehicle fleet efficiency. 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. The County has led efforts to locate the route and begin the initial planning necessary for its future development.

The Auxiliary Interstate Highway connection from I-19 to I-10 is perhaps the most important economic development surface transportation improvement in the region. The Pima Association of Governments (PAG) and local partners have embraced this connection as the most important transportation improvement that will facilitate job growth in the existing and growing manufacturing, technology, logistics, transportation research, and defense corridor in metropolitan Pima County. To that end, the PAG Regional Council provided the funding for a three-year ADOT/Federal Highway Administration Environmental Impact Study currently underway. Acquisition of funding for the Tier II study immediately following the Tier I study will save time and money in moving to a design ready concept for the route option recommended in the Tier I study, and further refined in the Tier II studies. A request has been made to the State Transportation Board to incorporate this additional funding in the next Five-Year Transportation Facilities Construction Program in order to enable continuity of the Tier I and Tier II studies.

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 and is being thoroughly documented in a joint effort by the Federal Highway Administration, Arizona Department of Transportation (ADOT) and the Nevada Department of Transportation. This cor-

4-1 PER CAPITA HURF REVENUE BY COUNTY FOR FY 2015/16

County	July 1, 2017 Unincorporated Population ¹	FY 2017/18 HURF Revenue ²	FY 2017/18 Per Capita HURF Revenue	FY 2017/18 Per Capita Rank
Apache	62,242	\$7,132,667.31	\$114.60	14
Cochise	50,937	8,744,848.48	171.68	5
Coconino	55,328	10,278,911.03	185.78	3
Gila	26,266	3,900,768.31	148.51	8
Graham	20,595	2,537,423.07	123.21	11
Greenlee	5,373	954,225.83	177.60	4
La Paz	14,515	4,219,748.59	290.72	2
Maricopa	303,286	108,715,045.32	358.46	1
Mohave	79,968	12,802,122.96	160.09	7
Navajo	70,518	8,503,218.34	120.58	13
Pima	363,857	44,638,648.97	122.68	12
Pinal	219,026	20,425,501.29	93.26	15
Santa Cruz	28,199	3,612,787.08	128.12	10
Yavapai	88,006	12,147,669.46	138.03	9
Yuma	64,465	10,920,887.68	169.41	6
Statewide Total	1,452,581	\$259,534,473.72		

1. Unincorporated Population estimates from the Arizona Office of Economic Opportunity

2. FY 2017/18 HURF Distribution from ADOT Office of Financial Planning

4-2 COMPARISON OF COST OF CONSUMER PRODUCTS

Item	Unit/Description	1993	2010	%Change
College Tuition	Average Tuition and Required Fees	\$3,517	\$9,136	160
Gas	Per Gallon	1.12	2.73	144
Movie Ticket	Average Ticket Price	4.14	7.89	91
House	Median Price	126,500	221,800	75
Bread	Per Pound	1.08	1.76	62
Income	Median Household	31,272	49,167	57
Stamp	One First-Class Stamp	0.29	0.44	52
Beef	Per Pound of Ground Beef	1.57	2.28	46
Car	Average New Car	19,200	26,850	40
State Gas Tax	Per Gallon	0.18	0.18	0
Federal Gas Tax	Per Gallon	0.184	0.184	0

ridor 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.

ADOT obtained funding for environmental and location studies for I-11, and those studies began in mid-2015. The studies need to be followed closely to ensure I-11 is extended

through eastern Pima County and connects to the Mariposa POE. In addition to the Mariposa POE investment, the Mike O'Callaghan – Pat Tillman Memorial Bridge over Hoover Dam is another \$250 million federal investment in this international trade corridor. This commerce corridor should be closely monitored to ensure the benefits from Mexico are realized in the first implementation of corridor improvements, not the last, as now planned.

Both sides of the border recognize the importance of key commerce corridors in expanding trade between our countries. Mexico has committed, and is currently spending, \$1 billion on Mexico Highway 15 (M-15) from Sinaloa to Nogales. During a June 2015 trip to Mexico to promote trade and cross border relations, one of the four international cooperation agreements to be signed by Governor Doug Ducey and the Mexican Secretary of Foreign Affairs Jose Antonio Meade extends I-11 from Nogales into Mexico to Hermosillo and Mexico City following the M-15 route. These actions recognize the need to improve the flow of trade between our commerce centers. 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 improvements 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. The County's efforts along with major efforts and contributions by the city of Nogales, Santa Cruz County, and the private sector in Santa Cruz County resulted in the successful advancement of the project with full funding ahead of other projects in the State to maximize trade and economic expansion benefits with Mexico.

The 2016 Legislature committed \$25 million toward advancing this project, and the State Transportation Board approved moving the first phase of the project from Fiscal Year 2021 to Fiscal Year 2019 with a commitment to work with the private sector and find other additional funding sources to incorporate both phases into one project, which should result in a savings of at least \$15 million. As mentioned above, the neces-

sary funding was successfully identified and the full \$140 million-dollar project was approved by the State Transportation Board with work beginning in Fiscal Year 2019. The Federal Highways Administration issued a finding of no significant impact for proposed improvements to SR 189, clearing the path for ADOT to start design and construction which is underway. This project is very timely as trade numbers at the Nogales Port of Entry continue to increase at a significant rate, however, improved infrastructure in Texas has resulted in Nogales losing its first place ranking as a Port of Entry for trade with Mexico.

e. Heavyweight Corridors to enhance trade

Aerospace Parkway

The recent relocation of Hughes Access Road (now the Aerospace Parkway) by the County has provided Raytheon with an expanded buffer to enable future expansion of their manufacturing facilities. An additional benefit from this road relocation was the ability to relocate the Munition Storage Area (MSA) for the 162nd Wing of the Air National Guard to make their base more functional. The Aerospace Parkway relocation to a new roadway alignment also improved access to a new Entry Control Facility for Raytheon's growing employment as well as accessibility of the emerging business and research park for job growth and development south of Raytheon. The initial two-lane phase of the Aerospace Parkway was completed on December 1, 2015.

Completion of the roadway occurred concurrently with the development of Spaceport Tucson, a commitment by the first Aerospace Research Campus (ARC) occupant, World View Enterprises. To be soon followed by Vector Space Systems, now Vector-Launch, relocating to the ARC. All of this activity including Raytheon's expansion and Tucson Water's new water treatment facility are driving increased development in the area resulting in traffic demand on the Parkway growing rapidly. This growth has driven expansion of the Aerospace Parkway to a four-lane parkway in the Aerospace Research Campus to accommodate the increased traffic resulting from the Raytheon expansion as well as World View and Vector Launch. That expansion was completed as this plan was being



A new line south of Tucson International Airport connecting the Nogales line to the Sunset line opens up more commuter rail possibilities for Tucson-to-Phoenix connections.

released. It is expected that Aerospace Parkway will eventually connect to the planned Sonoran Corridor.

Southeast Employment and Logistics Center Access

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.

3. Rail

a. Freight

The Port of Tucson is a true operational international inland port. This site successfully initiated international cargo container shipping by rail with onsite Customs inspections. As the only intermodal facility on the Union Pacific rail line in Arizona, it has long supported rail/truck shipping at its facility that was recently

significantly expanded with a substantial, new, privately-funded 17,000-foot internal dual-rail infrastructure, bringing the total track operated by The Port of Tucson to 50,000 feet. The Port of Tucson has a close working relationship with Union Pacific Railroad. It has sufficient land and infrastructure capacity to become a major rail-to-rail or rail-to-truck point of interchange. With its close proximity to Tucson International Airport, the ability to handle air cargo containers for intermodal shipping provides another asset in support of the Tucson Airport Authority's increased focus on logistics.

With the increased traffic projections from the Port of Guaymas and minor infrastructure modifications, Union Pacific Railroad and its Mexican railroad partner Ferromex indicate the transport capacity of the current infrastructure between Tucson and Guaymas could easily double. However, the growth of the Port of Guaymas is not the only driver of increased rail traffic. After extensive testing, it has been determined that certain types of produce can be successfully and efficiently shipped by rail to distances as far as the US East Coast. Increased industrial activity in Sonora, particularly in the aerospace

and maquiladora industries, will also 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 the State of Arizona. This line has been upgraded on both sides of the border; with timber bridges being replaced with concrete structures that would allow for additional loading. The present maximum weight limit is 268,000 pounds; the weight limit will be increased to 286,000 per car with the upgrades. This upgrade has been completed in Arizona at a cost of more than \$8 million. The Mexican railroad Ferromex has already completed its portion of the upgrade.

The existing Nogales Line within Tucson has 22 at-grade crossings at public highways. These crossings carry a total of 304,025 vehicles per day; and as a result, Nogales rail traffic poses both a congestion and potential safety concern for mobility in the urban area.

To address these issues as well as provide increased rail access to the developing industrial area south and southeast of TIA, 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 Rd alignment. These extensions would be grade separated, free from at-grade highway crossings allowing full speed operations. 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.

Travel demand through the Sun Corridor between Tucson and Phoenix continues to increase, thereby placing additional stress on I-10 commuting. As a response to this, ADOT initiated the Passenger Rail Corridor Study in 2011, completing a Tier 1 Draft Environmental Impact Statement in 2015. The Federal Railroad Administration signed the Record of Decision selecting the Yellow Corridor Alternative that extended to Tucson International Airport. Final routing options are to be further reviewed during Tier 2 studies. However, no funding has been identified to move the project forward. The desirability for millennials to live in downtown Tucson coupled with rapid employment growth at Raytheon, the ARC, and the growing airport employment center creates an excellent opportunity for a commuter rail service that connects to the streetcar system that serves the downtown and the university area. 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

Tucson International Airport is already a major employment center with Raytheon, Bombardier, Ascent, Aerovation, and the 162nd Wing of the Arizona Air National Guard located there. Controlling over 7,000 acres, the Tucson Airport Authority (TAA) has large parcels of land that are ideal for economic development to have an even greater impact in Pima County. 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. TAA, like most airports, differentiates between “inside the fence” or “airside” development, which is generally related directly to airport terminal, support and runway operations; and “outside the fence,” or “landside,” which refers to adjacent property outside the immediate airport operations area. All of these airside parcels have runway access,



Tucson International Airport is a major employment center with Raytheon, Bombardier, Ascent, Aerovation, and the 162nd Wing of the Arizona Air National Guard located there.

which is attractive to many firms operating in the logistics, aerospace, and aircraft sectors. Outside the fence large parcels exist along Alvernon Way, the new Aerospace Parkway (developed by Pima County to enable Raytheon and the Air Force to build additional facilities on Air Force Plant 44) and south of Old Vail Connection road near the route for the Sonoran Corridor planned by Pima County. TAA has invested significant funding to analyze and develop potential plans for balancing and subdividing over 600 acres south of the Aerospace Parkway. Other than the new road, none of these parcels have any infrastructure needed for rapid development.

The vast majority of this land is identified in the latest TUS Airport Master Plan update as being available for various levels of industrial or commercial development. Most of the land “outside” the fence does not have utilities to the properties. Pima County is assisting with this development process by completing the extension of a sewer interceptor along Old Vail Connection to the south of these parcels. TAA has also cooperated with Tucson Electric Power to locate a new Sonoran Substation on TAA land which will service these parcels and the entire Sonoran Corridor development area with significant pow-

er capacity. Pima County extended utilities along the Aerospace Parkway near the TAA property line when World View was developed. 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. Investment to extend the infrastructure along Aerospace Parkway should be made to extend water and telecommunications to make these parcels ready for development.

The Aerospace Parkway has been widened to four lanes through the County’s parcels in the Aerospace Research Campus to serve the increased employment demands at Raytheon, but the road remains two lanes across TAA property to Alvernon. As this route continues to see increased traffic counts, the original plans to make this a four-lane parkway should be funded. Major employers considering TAA properties will want easy access to their facilities.

TAA is transitioning from an Environmental Impact Study to the design and construction phases of a major runway safety program costing in excess of \$100 million. 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 the development plans.

As demonstrated at the rapidly expanding Phoenix-Mesa Gateway Airport, investment in critical infrastructure provides a pathway to economic success. Over the past five years, Phoenix-Mesa Gateway has reaped tremendous benefit with industrial and air related employment growth primarily because the infrastructure and facilities investment was already in place or ready to develop. As mentioned by the Site Selectors Guild team that visited Tucson in early 2018, having development ready or quality existing space available is the key to landing major employers. TAA's marketing relationship with Sun Corridor, Inc. (SCI) is an excellent step forward where SCI will have the opportunity to better understand the airport's assets and business practices identify the benefits of specific opportunities and provide guidance to the Airport Board to make Tucson International Airport the nucleus of economic development that other airports are for their regions.

Another major contribution that the Tucson International Airport can provide to the region's economic development efforts is non-stop air service to all of the major international connection points in the Country and our neighbors in Canada and Mexico. 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. Air Service development is difficult. As demonstrated by the cancelled direct New York flight by American Airlines, that was subsidized with a \$3 million revenue guarantee raised by the community. Routes without passengers are not viable and there is too much demand for equipment and staff on other routes with passengers. 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.

Successful economic development throughout the region, along with attractive air routes and competitive air fares will drive additional passengers to the airlines, which in turn encourages additional flight frequency or new routes making air travel even more attractive out of Tucson. While passengers treat Tucson International Airport as a regional airport, the airport needs to proactively support businesses throughout the region both for passengers and for air freight. Increasing the local demand is what will fill seats and bring increased air service. Continued increases in TIA's passenger loads and new routes demonstrate the concept of defining the need and then filling that need. The County will continue to work with TAA and the community to attract flights, but TAA needs to continue to coordinate with the region's businesses and individual passengers to make all of Pima County want to "fly Tucson."

An estimated \$7.7 billion dollars of product flowed north last year from the maquiladora industry in Sonora, which employed 129,244 people in the Mexican state of Sonora. Improved air freight service for this industry has been requested by the Maquiladora Association for years. All of the 110 companies represented in the Sonora maquila industry have headquarters someplace else. Management and engineers from those companies should want to fly through Tucson.

The region needs to make it easy to not only do business here but also to travel here. One of Pima County's Economic Development priorities is attracting increased foreign direct investment. A primary component to success will be convenient and affordable travel to and from Tucson. Investment in marketing activities and attraction of flights from both Canada and Mexico is one of the most important economic development investments. 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

Southern Arizona boasts some of the best aviation weather in the United States. With over 300 days of visual meteorological conditions-VMC (near cloudless weather), the region has been a hub of aerospace activity for over 100 years. In 1919, the Tucson Chamber of Commerce developed one of the nation's first municipal airports just north of the current Tucson International Airport's location. In 1927, the airport was relocated to the current location of Davis-Monthan Air Force Base. That same year, having completed his non-stop flight across the Atlantic Ocean, Charles Lindbergh landed his "Spirit of St. Louis" in Tucson to dedicate Davis-Monthan Field.

From general aviation training, to military pilot training, to aircraft storage and maintenance operations, Pima County has played host to numerous companies seeking to expand their aerospace footprint in the Southwest. Our region's small airports and military installations are valuable resources for economic development. Pima County hosts three general aviation airports, two military flying operations, and property south of another regional airport. Each of them is uniquely positioned for an increased role in the local aviation industry.

i. Ryan Airfield

Ryan Airfield serves as a reliever airport for the general aviation community around the Tucson International Airport. It has three runways-the largest of which measures approximately 5500 feet. As part of the Tucson Airport Authority, Ryan Airfield is tied closely with the larger airport's activities and infrastructure planning. The runways are sufficient length for smaller general aviation aircraft. The airport's proximity to TIA (12 miles west) and the presence of precision approach procedures, navigational aids (NAVAIDS), and an air traffic control tower makes the airport an ideal alternate landing field for Tucson-bound traffic. However, the runway length is relatively short and sometimes restrictive for large charter or business jet traffic.

Recent pilot shortages across the industry have yielded an increased focus on pilot train-

ing activities across the globe. Pilot training companies from China, Europe, New Zealand, and Australia have expressed interest in locating large flight schools in the region. Aviation training schools draw students from all over the world. International students relocating to the region traditionally rent houses and purchase local goods while attending the training, which typically lasts up to a year. There is sufficient available land on Ryan Airfield to host multiple aviation training schools. Only minor infrastructure improvements (such as increase 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 Regional Airport is located near the northern border of Pima County. It is a general aviation airport primarily serving those in the northwest Tucson metropolitan area. Though the airport does not have a control tower, it does have several GPS approaches (precision instrument approach) for its two runways. With a near seven thousand foot runway located outside of TIA's Class C controlled airspace, Marana Regional Airport functions well as an executive airport. Business executives and charter pilots (in addition to general aviation pilots) use the airport as a base of operations for local tourism and business excursions into the metropolitan Tucson area. The airport infrastructure is in good condition with significant infrastructure improvements already in progress. These improvements will enhance the customer experience and add needed ramp space.

Marana Regional Airport is located about eight miles from Pinal Airpark. Pinal Airpark hosts a substantial maintenance and repair operation (MRO) as well as two military training operations. Because the airpark and Marana Regional Airport have no control tower, the relatively low-density air traffic can still become confusing and congested at times. Multiple disparate flying activities from business jet traffic, to fixed wing heavy cargo, to rotary wing training, to military para-jump operations make the airspace around both airfields complex. With

similar airfield geometry, (same size runways along the same heading), the two airports are occasionally misidentified. Safety of flight and aircraft deconfliction are of paramount concern to the management personnel of both airfields. The Marana airport's leadership have sought funding from the Federal Aviation Administration (FAA) to construct a control tower. This would enhance safety on the field and (more importantly) with the neighboring airport. 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

Pima County owns the Ajo Airport located 5 miles north of the town of Ajo, Arizona. The airport, like many municipal airports was built to train U.S. Army pilots during World War II. After the war, the FAA deeded the properties to the local municipality. In the case of Ajo Airport, the field was used as a transportation base for mining executives who had business interests in the region. After the mining operations in Ajo slowed, the airport sat essentially dormant. Today Eric Marcus Municipal Airport is a very low activity general aviation airport. It houses two aircraft "T-hangars", a very large and vacant aircraft parking ramp, and a single 3800-foot runway. The runway and ramp are in remarkably good condition, but with no published approaches or control tower, the field is of limited use.

Ajo Airport is not without appeal, however. Its proximity to the U.S./Mexico border makes it (and the town of Ajo) a good "last stop" before leaving the United States. The Town of Ajo is already a popular gas stop for tourists driving to the nearby Mexican city of Puerto Penasco (a.k.a. Rocky Point). The Mexican government has earmarked nearly \$100 million to develop Mexico's newest cruise ship homeport in Puerto Penasco. The cruise line is expected to begin operations during calendar year 2019. As the popularity of the port increases, the town of Ajo may see increased patronage by travelers transiting the area. 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. Pima County has been approached by a few space startup companies regarding its use as a potential launch site. The major drawback to this pursuit is the airport's proximity to the Barry M. Goldwater U.S. Air Force Range Complex's restricted airspace. Pima County will coordinate with the governing U.S. Air Force agency (Luke Air Force Base) for use of the airspace. However, Pima County will not pursue this course of action if it significantly impacts the U.S. Air Force's ability to sustain operations. The County will explore the possibility of the airport serving the air support needs of federal border enforcement agencies.

Initial planning has begun in order 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 complete by calendar year 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. Add to this a more aggressive advertisement campaign; Pima County expects to receive a moderate bump in patronage at the airport.

iv. Military Operations

Pima County hosts two major military flying operations. The 162nd Wing Air National Guard provides international flight training for the F-16 fighter aircraft. It is the Air National Guard's busiest flying operation. The base is located on 93 acres inside the Tucson International Airport boundaries. The 162nd Wing also has a geographically separated flying unit located at Libby Army Airfield in Cochise County. That unit operates the MQ-9 Remotely Piloted Aircraft (RPA). The 355th Wing at Davis-Monthan Air Force Base (DMAFB) is the only organization that provides flight training for the A-10 attack aircraft. The base also houses flying operations

for the HC-130, EC-130, and HH-60 aircraft. Though not a military operation, U.S. Border Patrol maintains a flying operation on DMAFB as well. Operations tempo for the base is high. Both installations provide critical services for our nation's defense. Pima County acknowledges the significant economic impact and social benefit of both installations for the local community. The County's role is to support the bases' missions by strategically approaching land use, zoning, and noise abatement.

v. Pinal Airpark

Pinal Airpark is located on the border separating Pinal and Pima Counties—just west of Interstate 10. The airpark is primarily used for Ascent Aviation's MRO services. The U.S. Army National Guard operates a helicopter-pilot training facility on the north end of the airport property. U.S. Special Operations Command operates a parachute jump training school on the western edge of the airport. The airpark has a 6800-foot runway and an abundance of unused land. Utilities on the field are sufficient for current operations and some minor expansion. With minor modifications, the airport could experience a significant growth in MRO, cargo, and even regional passenger transport operations. As mentioned with its southern neighbor Marana Regional Airport, the 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 ten thousand feet in length. Lastly, installing precision instrument approaches on the runway would significantly increase the utility of the field. Should Pinal County choose to upgrade the facilities of the airport, Pinal Airpark could truly bolster economic development for Pima and Pinal Counties.

Pima County owns approximately 300 acres of land on the southern border of the airpark. There are no current plans to develop this land. However, it has potential to host a myriad of businesses that would use and compliment the airpark.

ADDITIONAL ACTION ITEMS:

ACTION ITEM: 4.A (1) – Prioritize land use planning around all airports in the County, not just the two major airports.

ACTION ITEM: 4.A (2) – Explore cooperative planning with all of the region's airports to highlight strengths and needs then develop a regional plan to acquire FAA and State funding to address infrastructure needs.

ACTION ITEM: 4.A (3) – Identify potential military uses for Pinal Airpark to act as an "auxiliary airfield" in support of military operations in the state and advocate for the assets necessary to facilitate those uses.

ACTION ITEM: 4.A (4) – Review opportunities for development of the Ajo Airport and define infrastructure and operational needs to make this a tourism attraction and an employment center for the community.

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. One way to do this is by working together on capital projects; anticipating growth and analyzing the need to increase existing utility capacity prior to the start of road construction projects, or building in future utility capacity through the use of joint-trench construction methods.

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. Through this approach, what is often two or three separate construction projects administered by each utility, ends up being constructed under one project, with the ability to co-locate the dry utilities in the single

trench. This approach is especially beneficial in the congested utility infrastructure areas of downtown and the central city. The use of a joint trench is a practical approach that maximizes the construction effort, and reduces cost and inconvenience for the utilities, their rate payers, the local jurisdictions and the community.

The County successfully employed this approach within the Aerospace Research Campus (ARC). The County has commenced construction of a large diameter sewer inceptor to serve the entire ARC south of Raytheon. Extending public wastewater infrastructure is a key component of job expansion for this area, helping to make the area shovel ready. Without the extension of public utilities such as wastewater, it is impossible for new job centers to be developed at this location.

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 agreed to install 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 high-speed 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. Regional Visitor Center

From its inception in 2013, the concept of developing a cultural and heritage-based Regional Visitors Center in downtown Tucson, in an area originally inhabited by the first human arrivals in Tucson some 4,000 years ago, is a major element necessary for creating a sense of arrival for Tucson visitors. 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 constructed in 1929. 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. It also will be rooted in the Santa Cruz Valley's biodiversity. The Historic Pima County Courthouse is in the heart of the Governmental Center for the County, City and State and will serve to educate and inform visitors, tourists and residents of the historic and cultural heritage of Pima County. The Visitor Center is designed to engage and educate visitors and residents to explore Southern Arizona's stunning landscapes, diverse peoples, rich culture, and a wealth of recreational activities and attractions. The center includes: A reception/concierge desk; An events calendar ; Storytelling portals that will feature the area's geology and ecology, history, culture, food, recreation and innovation; A theater; Historical exhibits; A changing art gallery; and gift shop.

The University of Arizona Gem and Mineral Museum will be a must-see destination for residents and tourists as well as earth scientists, collectors and industry professionals. Included will be a world-class display of gems and minerals providing scientific and cultural context, interpretation of the origins of minerals, the history of mining and collecting in the region; and the



A major expansion of Kino Sports Complex already underway will make it one of largest and finest multi-use sports and entertainment facilities in the nation.

critical role that minerals have played and will continue to play in everyday lives.

Community meeting rooms, the expansive courtyard, and outdoor areas are available for use and provide an income stream for the Courthouse. The second floor includes the restored Dillinger Courtroom where John Dillinger and his gang were arraigned in 1934 after their capture in Tucson. Exhibits and photographs will commemorate the four days the men remained detained at the courthouse. The courtroom will also serve as host to a variety of legal programs of interest to the community.

Just like the Oklahoma City Federal Courthouse bombing in 1995 and the crash site of United Airline Flight 93 that occurred on September 11, 2001, sites for remembrance have become tourism attraction sites as well as places of local significance. On January 8, 2011, Congresswoman Gabrielle Giffords was holding a

“Congress on your Corner” event in a shopping center northwest of Tucson when a gunman shot and wounded 13 people and killed six individuals. This event shocked the entire country and acted as a catalyst for the local community. The Tucson January 8th Permanent Memorial adjacent to the Visitor Center will be a place where citizens gather to reflect and remember; a place where local citizens and visitors engage and exercise their most basic fundamental rights; and a place where we honor those that gave their lives in pursuit of a better democracy. Construction began in early 2019.

ACTION ITEM: 4.C.1 – Increase outreach and collaboration with local, regional and national collectors and museums to feature shows and collections in the changing gallery of the new Regional Visitors Center. Featured collections will drive visitation to the Center and region on an on-going basis and offer residents access to museum quality exhibits.

ACTION ITEM: 4.C (2) – Develop an activity agreement between Pima County and the International Traditional Knowledge Institute Foundation (ITKI).

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. Currently consisting of 162 acres of natural grass fields that can be configured for a variety of uses including baseball, soccer, football, lacrosse, and rugby. It also serves as an events center including fundraisers, company gatherings, special events, and concerts. The south baseball complex includes the 11,000-seat full-service Kino Veterans Memorial Stadium, seven full-size fields, four clubhouses, and ample parking for over 4,000 vehicles. The north soccer complex includes the 2,900 seat North Stadium, 1,000 seat North Grandstand, four additional fields, a full-service clubhouse, additional parking for 900 cars, and direct access to The Chuck Huckelberry Loop.

The 155-acre South Complex that is under construction directly south of I-10 East of Kino Boulevard will increase the availability of long-field sport opportunities for all levels of play to include 12 lighted natural grass fields, a grand promenade including ticket booths, locker rooms, and full serve concessions. Additionally, a tournament-caliber pickleball court complex will be available for a variety of state, local, regional and national tournaments in conjunction with independent leagues and practices. These additional facilities will enhance the variety of opportunities available for large scale sporting and entertainment events.

Further expansion of the South Complex includes plans for a stadium facility capable of handling up to 10,000 fans, indoor sports, recreational attractions, retail and hotel space adjacent to the South Complex making it one of the Southwest's premiere facilities.

In 2018 the Kino Sports Complex assumed the operation and management of the former community center building from the YMCA of Southern Arizona. The re-purposing of this

facility provides an indoor event space that was needed to enhance the various sports activities, as well as expand a variety of community and special events including Tucson Gem Show space, art exhibits, indoor concerts and performances, receptions and conferences.

Over the past several years, the Kino Sports Complex has experienced a significant increase in usage by a variety of sports organizations including professional and semi-professional soccer, collegiate football, international baseball, regional rugby, as well as amateur and youth sports. In 2018, teams from MLS Soccer traveled from as far away as Canada and the New York area to participate in pre-season training camps and games. International baseball teams from Mexico, South Korea, and Taiwan conducted spring training camps and inter-squad games. The annual Mexican Baseball Fiesta returned to the Veterans Memorial Stadium in 2016 after a one-year hiatus, and continues to experience crowds averaging 5,000 nightly over the course of the four-day baseball and entertainment event. During December, the North Stadium has been the practice location for one of the Arizona Bowl teams between the Christmas and New Year's holiday season. Community and special events continue to be a major portion of non-sports facility usage annually. Concerts averaging 8,000 to 10,000 spectators. The largest attendance and revenue generating event at the complex is the annual A.S Gem Show with an average of 5,000 weekday visitors, and close to 10,000 visitors on the weekends.

In addition to the various sports and community organizations that the Kino Sports Complex engages with on a regular basis, one of the closest partnerships is that with Visit Tucson and Visit Tucson Sports. Instrumental in securing the USA Rugby Senior Regionals for two years running, acting as a liaison for the international sports teams, and coordinating logistics for various vendors involved with the annual Gem and Mineral Show, the coordination involved is direct benefit to both the Complex revenue as well as tourism dollars as a whole.

The Kino Sports Complex makes facilities available by reservation to local sports teams and leagues for practices and games, as well as



Pima Air and Space Museum sees more than 200,000 visitors a year.

national and international major tournaments and events, which allows it to be a truly available and accessible venue for all interested, a major attraction for increased tourism, and a significant asset in the Sonoran Desert lifestyle story we tell when attracting new employers to our region.

ACTION ITEM: 4.C.2 (1) – Collaborate with Visit Tucson to produce marketing materials, venue visits and market 2020 events on the amateur, collegiate and professional levels.

Action Item: 4.C.2 (2) – Expand the use of Kino Sports Complex and other County land assets as sites to accommodate the increasing number of venues for the annual Tucson Gem, Mineral, and Fossil Showcase

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.

Pima Air and Space Museum

Attendance at Pima Air and Space Museum saw a 7 percent increase over fiscal year 2016, with nearly 200,000 visitors. The museum installed the PBY seascape diorama in Hangar 5 in addition to the first stage of the Hangar 5 exhibit on the history of World War II in the Pacific. The collections department also accepted and accessioned 39 new incoming collections and entered 429 objects and 404 photographs into the museum's database. Forty-four researchers visited the archives for research and information. Periodic donations provide opportunities for the restoration team to provide excellent quality restorations of unique aircraft and space vehicles to add to the museum's extensive collection. Education continues to be a focus of the museum with nearly 30,000 schoolchildren admitted free



The Arizona-Sonora Desert Museum is routinely recognized as one of the finest botanical and zoological museums in the world and is the most-visited visitor attraction in the County.

of charge. STEM, (science, technology, education, math) educational experiences are offered to 2,740 visitors during Soaring' Saturdays and Night Wings events. General visitors were able to experience nine different lectures during the year as part of Second Saturday Speakers Series. Expanded programs and publicity about the ever-expanding display of aircraft and military memorabilia, as well as increased interest generated by the expansion of the 309th Aerospace Maintenance and Regeneration Group at Davis-Monthan, aka "the Boneyard" will contribute to increased attendance.

Titan Missile Museum

For the third consecutive year, the Titan Missile Museum exceeded 55,000 annual visitors, with demand for the museum's specialized extended tours continuing to grow. Also contributing to the museum's growth was the significant media exposure the museum received from the limited theatrical release and subsequent PBS television airing of the Robert Kennedy film *Command and Control*. A substantial portion of the documentary was filmed at the museum and ar-

ticles about the film appeared in several national publications. Continued maintenance projects to enhance the attractiveness and safety of the site include the installation of new emergency lighting units throughout the missile site, the replacement of the launch duct lights on level 7 with LEDs, and the installation of three long-throw spotlights to illuminate the re-entry vehicle and thrust mount. This is one of only a few missile silo museums in the country where visitors can learn more about the history and capability our nation implemented during the cold war. Increased awareness of the museum should be a part of the new economic development emphasis in Green Valley as this site draws visitors to that area.

Arizona-Sonora Desert Museum

The Arizona-Sonora Desert Museum continues to rank as one of the Top 10 Museums in the Country and the No. 1 Tucson attraction. With 85 percent of the experience outdoors, the 98-acre museum includes 21 interpreted acres with two miles of walking paths, 230 animal species and 1,200 types of plants. The museum has over 400,000 visitors per year and continues



You can still get a flavor of the Old West and Old West movie making at Old Tucson.

to add new venues to the experience including elements of zoo, botanical garden, art gallery, natural history museum and aquarium. New to the museum in 2018, was the 4,000-square-foot Packrat Playhouse featuring several tiers of climbing nets, slides, tunnels and an observation deck. The new and highly interactive exhibit highlights the desert's often-cursed and unsung hero, the packrat, which actually should be celebrated as one of the world's original – and most creative – recycler. Museum guests can explore an oversized packrat house highlighting the animal's life history, role in the ecosystem, items it uses to make and furnish its home, and the other creatures who share this space. Enhancements to the visitor experience will continue to improve the attendance growth of this unique property.

Old Tucson

Old Tucson is a historic movie studio and theme park just west of Tucson and inside the Saguaro National Park West. Old Tucson continues to be a link to Tucson's past and the Old West. Marketing and promotion focus on repurposing

the property with additional emphasis toward the heritage and culture of Tucson from the 1850s to Arizona's statehood continues. An annual highlight for over 3,200 local fourth through sixth graders is Ted Walker Youth Day, a one-of-a-kind field trip dedicated to expanding students' knowledge of local western heritage through experience-based learning. Living History presentations cover topics like Schools on the Frontier, History of the Stagecoach, and The American Cowboy.

A push toward increased County-wide location shooting for commercial and period pieces has proven a bonus for Old Tucson and some other venues throughout the County. 2017 brought six projects to Old Tucson along with increased event attendance of 170,000, up 5 percent from 2016. Targeted events, concerts and holiday celebrations continue to add visitation to the venue. Working with the Visit-Tucson Film Office and leveraging the Arizona Commerce Authority Film and Digital Media initiatives are critical actions to expand the number of productions located in southern Arizona. Investment in cellular telephone coverage has also improved

the visitor's experience as coverage has historically been poor to non-existent.

Simplifying the process of locating and scheduling access to various scenic locations throughout the County increases the attractiveness and lowers the production costs of companies interested in southern Arizona.

ACTION ITEM: 4.C (1) – Launch new streamlined online permitting process with “quick-response” approval for all film production crews.

ACTION ITEM: 4.C (2) – In partnership with Film Tucson, continue to add unique Pima County film locations to the searchable database for location scouts looking for an endless variety of shooting locations unlike those in any other state.

ACTION ITEM: 4.C (3) – Expand working relationship with the University of Arizona School of Theatre, Film and Television and Film Tucson to host forums, seminars and out-reach to studios, production companies and crews looking for affordable and experienced site locations and crews.

Colossal Cave Mountain Park

Located at the southeast end of the Rincon Valley, Colossal Cave Mountain Park offers a strikingly beautiful landscape with geological features, riparian areas and view of the Rincon Mountains. This 2,400-acre natural resource park is on the Historic Register and includes portions of the Arizona National Scenic Trail, crystal-filled Colossal Cave, historic La Posta Quemada Ranch, western trail rides, and camping, picnicking and hiking trails.

Under operation of the Ortega National Parks since August of 2015, CCMP revenue has increased to slightly over \$1 million in 2017. Ortega hired a new horse operator in 2017, and additional cave tours have been added to boost attendance and revenue. Food and beverage offerings at the cave along with improved merchandise at the cave gift shop has contributed to the increased revenue.

Improvements to the historic ranch house, Camp SP-10A, the Civilian Conservation Corps headquarters at La Posta Quemada Ranch and

other historic buildings are on the slate for 2018-2019. Additional attractions complementary to the park are being discussed with the County along with improved signage, roads and trail expansion.

Pima County Fairgrounds

Continued upgrading of the facilities and enhancing the fairgoer experience has been just one factor in what has become one of the fastest growing fairs in Arizona and the United States. Attendance has more than doubled in the past 15 years, and the 2017 edition continued this upwards trajectory. The 2017 Pima County Fair attendance exceeded 324,000, up approximately 2.1 percent. A robust concert line up also resulted in record days. Country star Josh Turner in concert was the highest gate and highest grossing date ever. The fair increased the number of concerts by booking shows every night.

Capital improvements included maintenance in the shop area, Old Pueblo Hall Conference and Event Center, South Horse Barns, 100 new RV sites, and asphalt and road repairs. Pima County has invested in an extension of a wastewater line to the Fairgrounds to provide capacity for larger RV events and future potential tenants of the general area as well as potential industrial use in large, unutilized sections of the regional park of which the Fairgrounds are a part.

The Pima County Fairgrounds continues to add a full calendar of events, horse shows, trade shows and conventions with increased interest in educational opportunities.

ACTION ITEM: 4.C.3(1) – The Southeast Regional Park sewer connection project will connect the sewage system of all six outlying properties to the main Fairgrounds lagoon, then connect the lagoon to the main PC Wastewater line north of Interstate 10

ACTION ITEM: 4.C.3(2) – Continue upgrades and improvements of the facilities at the Pima County Fairgrounds, including expanding the RV Park space, adding electrical connections to the northwest portion of the Fairgrounds and improving the roads in the Park to accommodate additional and larger events and RV use.



The immensely popular Chuck Huckelberry Loop is series of connected shared-use trails that circles central Tucson and extends into the northern suburbs.

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. Priority planning will be given to any tributary washes where there are either partially developed greenways or planned greenways.

The Loop extends through unincorporated Pima County, Marana, Oro Valley, Tucson and South Tucson. The connections are the result of Pima County's cooperative partnerships with

these jurisdictions. The Loop links 30 public parks numerous trailheads, bus and bike routes, workplaces, restaurants, schools, hotels and motels, shopping areas and entertainment venues. Visitors and Pima County residents all enjoy The Loop on foot, bike, skate and horseback. Four out of 10 metro Tucsonans live within one mile of The Loop and studies show that residential properties increase 10 to 20 percent in value the closer they are to green spaces like The Loop.

Over the past decade, The Loop became a major visitor attraction that contributes to and strengthens the County's local economy. The Loop provides a significant return on investment for County residents. For every dollar invested in The Loop, Pima County realizes \$9.40 in economic benefit. Similarly, the path has created 96 jobs for every \$1 million spend in construction costs. This translates to more than 675 jobs in Arizona and close to 90 percent of those, or 600 jobs, in Pima County. Another benefit of The Loop is that residential and office developers are attracted to properties with Loop access increasing the economic value and impact on the entire region.

Arizona has a long history of outdoor tourism and recreation and The Loop provides yet another reason to visit Pima County. For those keen on outdoor recreation, The Loop provides easy access to local shops, restaurants and hotels. The Loop is an incredible asset for promoting tourism and has even converted tourists into permanent residents of Pima County.

In addition to luring tourists and locals, The Loop continues to play an important role in Pima County's economic development efforts. Because outdoor recreation is fundamental to recruiting employers, it's become a big recruitment tool for the County to attract companies like Caterpillar, who in 2017 relocated its mining division immediately next to The Loop. Similarly, Raytheon, the region's largest private employer who happens to be located just south of the Julian Wash urges their employees to use The Loop to commute to work. 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.

The Pima County Board of Supervisors in 2018 voted to rename the path The Chuck Huckelberry Loop in honor of the County Administrator whose dedication and vision made The Loop a reality.

ACTION ITEM: 4.C.4 – Expanding the Chuck Huckelberry Loop east along the Tanque Verde Creek; south along the Pantano and Santa Cruz rivers; and north along the Cañada del Oro Wash can connect it to major regional attractions, including Sabino Canyon, Saguaro National Park East, Colossal Cave Mountain Park, San Xavier Mission and Green Valley/Sahuarita, and Catalina area resorts such as Miraval.

5. Focus on increased Charter Flights

Ease of air travel to and from Tucson remains a driving force of tourism and business in our region. Non-stop direct flights to and from Tucson from the East Coast, particularly New York City are a top priority. New U.S. Department of Transportation data makes the case that demand remains and can grow for the non-stop service. Most European and Middle Eastern traffic continues to route through established hubs on the East Coast. 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.

Canadians also visit Southern Arizona for both business and leisure. Over 1 million Canadians visit Arizona every year spending \$1 billion. Canadian snowbirds own or rent over 100,000 properties in Arizona and spend an additional \$1.4 billion. Historically, many Canadian farmers spend their time in Southern Arizona after harvest season, enjoying our warm weather and recreational activities. Pima County benefits from Canadian-owned companies such as Bombardier, Stantec and Oracle Mining, which rely on business travel to the area. Fortis Inc., Canada's largest investor-owned utility, owns Tucson-based UNS Energy Corp., the parent company of Tucson Electric Power. As demonstrated by clear demand for rapidly increasing air service to Phoenix Sky Harbor and Phoenix-Mesa Gateway airports, Canadians tend to prefer charter flights for their leisure

travel. Tucson International Airport does not offer any direct or charter flights to or from Canada, which remains a focus for further expansion. Scheduled service is preferred by business travelers which would benefit the following Canadian businesses or other businesses in Southern Arizona with significant exports to Canada such as CAID Industries, Raytheon, Sargent, Securaplane, Universal Avionics and Breault Research. There is clear correlation between the growth of Canadian Foreign Direct Investment in the Phoenix area and Canadian tourism. With all of the significant Southern Arizona companies that are Canadian owned or do business with Canada initiating Canadian air service needs to be a regional priority.

6. Utilizing lifestyle assets to attract workforce

As the Pima County workforce grows, demand for labor increases. Lifestyle plays a large part in attracting and retaining educated workers and their families. Southern Arizona is a growing region known for a workforce rich in mining, technology, and engineering expertise as well as an attractive and affordable quality of life for both families and recent graduates. A sprawling metro area in Southern Arizona continues to grow but retain visible reminders of its rich history from our Spanish roots, Native American peoples and culture to impressive mountain ranges, desert vistas and wide-open spaces. The University of Arizona, is a public research university founded in 1885 and is recognized as a top university. As of 2018 the university enrolls 44,853 students in 19 separate colleges/schools, including the University of Arizona College of Medicine, James E. Rogers College of Law and is affiliated with two academic centers.

Southern Arizona's outdoor environment offers unlimited outdoor activities from lush saguaro forests stretching as far as the eye can see, awe-inspiring mountain ranges at every corner and some of the best sunsets on the planet. Hiking, biking, camping, backpacking are at every turn and the sunny weather affords outdoor activities throughout the year. These factors as well as an increasingly robust job market increase the number of University graduates that

either stay in the market or return after working a few years in larger communities which studies have proven to be the case.

All of the above factors are important assets that help make a difference in the decision metrics for companies looking to relocate or expand. Multiple successes have occurred in retaining companies that started here. The millennial workforce consisting of the most desirable up and coming skill sets is more focused on lifestyle than older employees. As has been consistently stated throughout this Economic Plan Update, workforce is the key to success in attracting and retaining businesses. 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 those important workers which in turn attract and retain the employers we desire. These factors set our region apart from many of our competitors and need to be exploited more aggressively through strong branding and marketing efforts. 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.

ACTION ITEM: 4.C 6 – Partner with Visit Tucson and attend major conventions and Gem Show locations to provide area attractions and information for planning of day-tours and Southern Arizona Exploration.

ADDITIONAL ACTION ITEMS

ACTION ITEM: 4.C (1) – Develop an activity agreement between Pima County and the International Traditional Knowledge Institute Foundation (ITKI) to showcase the County's work preserving its ranching and farming properties. ITKI's free TRusTTM digital app provides visitors with an interactive experience that introduces them to the local community's attractions and culture. ITKI and Pima County will work collaboratively to share and develop content for the app that features local Southern Arizona culinary attractions, agricultural and culinary history and culture, and the farmers, artisans and others who have been and are involved in creating and sustaining that culture.

ACTION ITEM: 4.C (1) – Launch new streamlined online permitting process with “quick-response” approval for all film production crews.

ACTION ITEM: 4.C (2) – in partnership with Film Tucson, continue to add unique Pima County film locations to the searchable database for location scouts looking for an endless variety of shooting locations unlike those in any other state.

ACTION ITEM: 4.C (3) – Expand working relationship with the University of Arizona School of Theatre, Film and Television and Film Tucson to host forums, seminars and out-reach

to studios, production companies and crews looking for affordable and experienced site locations and crews.

ACTION ITEM: 4.C (4) – Encourage cell carriers to add more cell towers at or near Pima County attractions, parks and properties.

ACTION ITEM: 4.C (5) – Partner with Visit Tucson and attend major conventions and Gem Show locations to provide area attractions and information for planning of day-tours and Southern Arizona Exploration.



Chapter 5

Regional Public and Private Partners

Chapter

5

Pima County's approach to economic development is a collaborative one. In our region, there are many entities both public and private sector that work together to maximize the attractiveness of the region. While supporting a regional approach, each entity also has a responsibility to their stakeholders whether they be constituents or stockholders in a private sector company. Thus, they have their own objectives and plans.

In order to provide a single source of information to site selectors and CEOs of companies looking to relocate or expand in southern Arizona, Pima County invited our partners to provide a brief summary of their economic development plans for inclusion in the Pima County Plan. Each entity was also encouraged to provide a more detail description of their assets and priorities that appear on the Pima County Economic Development web page: http://webcms.pima.gov/government/economic_development/. Where applicable, you will find links to each entity's web page for even more detail.

Following, please find information from our economic development partners about their plans for the next two years:

A. Public Sector

1. Arizona Commerce Authority



The Arizona Commerce Authority, the state's leading economic development organization, is driven by a five-year business plan outlining the agency mission, goals, strategies, target industries, target markets and organizational structure. The mission is to attract, retain and grow high-value, base-sector businesses, thereby improving Arizona's economy through job creation, an increase in the average wages of those jobs, and the attraction of capital investment.

In addition, in the current five-year plan, the ACA added two goals of enhancing Arizona's entrepreneurial ecosystem and growing Arizona's economy through exports.

The ACA's strategy is to strengthen the economy through diversification, focusing on six

targeted industries: Aerospace & Defense, Bio-science & Health Care, Business & Financial Services, Film & Digital Media, Manufacturing and Technology & Innovation. These industries were chosen for their abilities to create high-wage jobs, generate exports and encourage capital inflow, maintain strong supply chains and multiplier effects, and make our state more resilient in the event of a future downturn.

Website: <https://www.azcommerce.com/>

2. Rio Nuevo



The resurgence of Tucson's downtown is an important part of the economic recovery story for the region. Since 2013 Rio Nuevo has completed 21 projects in the downtown core, many of them new buildings. Others were renovations or repurposing of existing structures. All were with partners including other jurisdictions and numerous private sector partners. The combined construction value is almost \$400,000,000 and the economic benefit to the region is over \$2 billion dollars. As a result, downtown Tucson is viewed as one of the most impressive reactivations in the US and is now a case study for the International Association of Downtowns.

Rio Nuevo expects to see an additional 5,000 residential units in the next ten years, 500,000 square feet or more of headquarters type office, a dozen new restaurants, at least three new hotels and the complete renovation of the Tucson Convention Center. This resurgence attracts visitors, companies, new construction and will remain a significant contributor to economic development for another ten years.

Website: <https://rionuevo.org/>

3. University of Arizona Partnerships

a. Strategic Initiatives



The University of Arizona's mission is to improve the prospects and enrich the lives of the people of Arizona and the world through education, research, creative expression, and community and business part-

nerships. As the state’s public land-grant university, the UA acts as an innovation hub, connecting individuals and teams who otherwise might never meet. University staff can coordinate activities—particularly challenging when the private sector operates with different timing, incentives, and metrics of success. And the University makes a great place to communicate results—linking back to the mission of generating local and global impact.

Corporate Engagement Services develops multi-disciplinary, private/public sector research initiatives within the Research, Discovery, & Innovation office, and has a campus-wide mandate, not limited to any particular department or college. CES also helps connect industry to university facilities, student talent, spinout/startup companies, corporate learning, and other capabilities of the University of Arizona.

Website: <https://research.arizona.edu/corporate-engagement>

b. Tech Parks Arizona



Tech Parks Arizona creates the “Interactive Ground” that generates,

attracts and retains technology companies and talent in alignment with the research, mission and goals of the University of Arizona (UA). Tech Parks Arizona directs the UA Tech Park, the UA Tech Park at The Bridges and the Arizona Center for Innovation, placing the highest priority on recruiting companies desiring connectivity to the University of Arizona. The next two years, Tech Parks Arizona is pursuing development at both Parks.

A 175 mixed use development known as the Village is in the planning stage for the West end of the UA Tech Park. The Village located at Kolb Road will include retail, commercial, hotel and residential development. Construction is expected to start in 2020.

The UA Tech Park at The Bridges, located at 36th Street and Kino, is planning to develop the Technology Precinct which encompasses 20 acres of land within the larger 65-acre UA Tech Park. The first two buildings, the Innovation Technology Complex (ITC) are in design. Construction is expected to

begin in 2019. In total both buildings will include a total of 300,000 square feet of office and lab space. ITC will serve as an ideal location for technology-oriented businesses and organizations and it will also serve as the Technology Commercialization Hub of the University of Arizona. The Technology Precinct will feature an outdoor plaza and public space to serve both employees and the community. The Technology Precinct will advance development at the UA Tech Park at The Bridges, creating an “Innovation District” in the center of Tucson.

UA Tech Park at Rita Road: <https://techparks.arizona.edu/tech-park>

UA Tech Park at The Bridges: <https://techparks.arizona.edu/the-bridges>

4. Pima Community College



Pima Community College serves about 50,000 students a year, offering classes

throughout Tucson and its surrounding communities in a variety of fields, awarding certificates, associate’s degrees and dozens of industry credentials.

Working in close partnership with business and industry and community partners, PCC is making a significant investment in Centers of Excellence (CoE) of Applied Technology, Health Professions, Public Safety & Security, the Arts, Hospitality, and Information Technology. Each center will feature the most up-to-date facilities, equipment and curriculum and provide students with opportunities for hands-on application of the skills they learn in class.

The first CoE developed will be Applied Technology at Downtown Campus. It is designed to allow for flexibility, high-touch/high-tech training, and innovative learning. It will meet the high standards and expectations of area employers, and be a key player in regional economic development.

Website: <https://www.pima.edu/>

5. Pima Association of Governments



As the region’s metropolitan planning organization and council of govern-

ments, Pima Association of Governments (PAG; pagregion.com) works to enhance mobility, sustainability, and livability in all our communities. It conducts regional planning in the areas of transportation, air and water quality, and others.

The economic vitality and global competitiveness of the metropolitan area is factored into PAG's transportation planning. PAG's 30-member Economic Vitality Advisory Committee helps to guide the organization's strategies in this area, and plans for the next two years include:

- Communicating to key stakeholders and others about the importance of investing in the region's transportation infrastructure to maximize public return on investment.
- Helping to coordinate and promote an exporter recognition program for the Arizona Sun Corridor megaregion.
- Convening key stakeholders to enhance regional coordination on data and communications infrastructure.
- Supporting a statewide employment database and viewer originally created by Maricopa Association of Governments.

Website: <http://www.pagregion.com/tabid/36/default.aspx>

6. City of Tucson



The City of Tucson continues to focus its economic development efforts to facilitate growth by fostering business attraction, retention and expansion, workforce development, investment in key commercial areas, international trade, and annexation.

Since the end of the Great Recession, the City of Tucson has maintained steady economic growth, while the unemployment rate continues to drop to levels not seen in more than 10 years. In order to maintain the positive momentum and continued growth, the City of Tucson, in collaboration with its regional partners, will continue to focus on its key goals and objectives outlined in the City's Comprehensive Economic Development Strategy (CEDS). The CEDS outlines the City's resources, assets, competitive advantages, and strategic initiatives. It is an overall guide to City's economic development efforts as directed by the Mayor and Council.

Website: <https://www.tucsonaz.gov/files/business/CEDS2015.pdf>

7. Town of Sahuarita



Sahuarita's "Blueprint for Economic Growth and Prosperity" builds on the community's abundant assets and advantages. Strategies include Invest In And Strengthen Present And Future Employment/Business Centers; Retain And Grow Existing Economic Drivers And Employers; Grow And Attract Quality Firms And Jobs In Targeted Sectors; and Ensure That Sahuarita's Present And Future Employers Will Be Able To Cultivate, Retain And Attract The Talent That They Need.

Within each strategy, the Town will specifically address the development of specific site(s) to grow and attract present and future employers (building on the success of the Sahuarita Advanced Manufacturing and Technology Center); plan for the development of a Town Center District; nurture the growth of exiting small businesses; support existing industry sectors (Aerospace/Defense, Mining); enhance Sahuarita's retail offering; and work with the local school districts and workforce development partners to address present and future skill requirements of local employers.

Website: www.sahuaritanow.com

8. Town of Oro Valley



As a result of the voter-approved 2016 Your Voice, Our Future General Plan and the subsequent Town Council-adopted 2017 Strategic Plan, our community is committed to strengthening the community and economic development platforms within Town Government.

Oro Valley's economic development priorities include a strong focus on recruiting, retaining and expanding bioscience and high technology companies. The Town seeks to build on its existing industry base that includes leading tech companies such as Honeywell; Securaplane; Ventana Medical Systems, a member of the Roche Group; and Simpleview. We will expand our efforts to protect and

expand primary employers and work closely with U of A in the development of its Vet College.

We will expand our partnerships with the Arizona Commerce Authority, Southern Arizona Arts and Cultural Alliance, the Oro Valley Chamber of Commerce, Pima County Government, Sun Corridor Inc., Visit Tucson and community and economic development allies located in neighboring communities.

Website: <https://www.ovalleyaz.gov/>

9. Town of Marana



A cornerstone of the Marana economic development strategy is the identification of target economic sectors for which Marana and the Southern Arizona region can be competitive, that also present significant opportunity for the generation of high-value-added, high paying career-oriented jobs for the community's residents.

Target economic sectors were analyzed, prioritized and selected on the basis of the findings from the SWOT assessment, competitor market analysis and the in-depth analysis of the U.S., Arizona, Pima County and Marana economies. Based on both the qualitative and quantitative research and analysis, the recommended target economic sectors for Marana are:

- Information Technology
- Advanced Business Services
- Transportation, Logistics, and Distribution
- Advanced Manufacturing
- Tourism

There are multiple goals and implementation strategies that Marana will focus on over the next five years that will incorporate the following:

- Fortify Marana's Business-Supportive Climate
- Make Business Retention a top Priority
- Invest in Infrastructure
- Grow and Attract Quality Firms
- Continue to Market Marana's Tourism Assets and Create Unique Visitor Experiences

Website: www.DiscoverMarana.com

10. Pinal County



The Pinal County Economic Development Strategic

Plan is a policy document that guides the County economic development priorities and activities over the next four to five years.

The Plan defines four priorities to focus on: job creation, workforce development, privatization of selected county owned land, and recreational opportunities. The action for each priority will allow the County to maintain and strengthen its economic competitiveness over the upcoming years.

Implementation of the Plan will require the County to continue working across departments, collaborating with businesses, property owners, educational institutions, workforce development agencies, regional agencies, and other stakeholders.

Targeted Industries

Industry targeting identifies economic sectors that allows the County to focus their development programs on specific industries. These targeted industries represent key businesses the County is seeking to retain and attract to maintain a diverse economy. Pinal County targeted industries include:

- Manufacturing
- Aerospace and Defense
- Health Services
- Transportation and Logistics
- Natural and Renewable Resources
- Tourism

Website: <http://www.pinalcountyaz.gov/Pages/Home.aspx>

11. Pinal Air Park



During the next two years, Pinal County is gearing up to operate at a very fast tempo. The County, along with the Arizona State Land Department, is currently rezoning the Airpark property all the way east to Interstate 10. The property will be

zoned “Commercial/Industrial” which will help aid in compatible development with the Airpark. RFP’s are now being drafted for Airside and Landside usage ideas developed from a recent Request for Information (RFI) effort.

Current Airside uses of the Airpark include Maintenance, Repair and Overhaul (MRO) services for aircraft, Aircraft Storage, End of Life Aircraft services and a Fixed Base Operator (FBO) providing transient and based aircraft services.

In addition to the rezoning effort, the County is nearing completion of a Drainage Master Plan which will aid design efforts for runway, taxiway and airside enhancements and the new building construction. The County is very excited for the future of the Airpark and views the location as ideal for business and commercial growth.

Website: www.pinalcountyairpark.com

12. Santa Cruz County



Santa Cruz County is home to five international Ports of Entry connecting Arizona with Mexico. The Mariposa Port of Entry, Arizona’s principal commercial port of entry,

underwent a \$250 million Reconfiguration that was completed in 2014.

With a progressive outlook on development and growth, the County offers much for both new businesses and business expansion projects. In addition to furthering economic goals and promoting new investments, the County Board of Supervisors has continued to focus its efforts on maintaining and enhancing the quality of life in our communities. This manifests in increased recreational opportunities, support for local schools and the provisional community college, job opportunities and cultural preservation.

The County maintains an economic development website that contains up-to-date data, asset inventory, community profiles and other features for use by the business community. We also partner and work with local business organizations and nonprofits such as the Greater

Nogales Santa Cruz County Port Authority, and the local Chamber of Commerce.

Website: <https://www.santacruzcountyaz.gov/>

13. Cochise County



Cochise County offers a wealth of pro-growth and development opportunities thanks to low taxes, land availability, affordable commercial space, high quality healthcare and education, and easy access to Interstate 10 and rail transportation. Additionally, the county offers endless recreational opportunities, a temperate climate, low cost of living, unique communities, an excellent quality of life, and a highly educated and bilingual workforce.

The Cochise County Board of Supervisors has determined Economic Development as the top priority in its 2017-2020 Strategic Plan. Specifically, the County will devote resources to improving cross border trade, to ensuring data is current and relevant, to supporting the growing wine industry, improving County airports and technology infrastructure, and promoting the region to businesses and visitors.

The Board of Supervisors has committed to providing the necessary funding and staff time to ensure Cochise County continues to foster diverse, vibrant and safe communities where economic development can flourish in a business-friendly environment.

Website: www.cochise.az.gov

14. Arizona Border Counties Coalition



Border Counties are unique in that they deal with policies and issues that are challenging in a very different way than most counties. In May of 2017, the Arizona Border Counties Coalition (ABCC) was established to create a unified voice to help advocate for legislation and actions related to economic development and other shared topics along the Arizona/Mexico border.

The ABCC consists of one representative from each participating County selected by the participating County’s Board of Supervisors. This an affiliation of Cochise, Pima, Santa Cruz and Yuma Counties. The Coalition has earned broad-based, bipartisan support from lawmakers who represent border communities and share the goals of speaking with a unified voice on common economic issues.

The primary purpose of the coalition is to create a unified voice to advocate for legislation and actions related to economic development and other shared topics along the Arizona/Mexico border. The ABCC has been supportive of local, state, and federal legislation and regulations that serve economic development opportunities in southern Arizona. The ABCC also has a specific focus on policies and issues that affect the quality of life and economy along the border.

The ABCC representatives meet on a monthly basis in Pima County where they update each other on the current challenges and/or opportunities in their communities. They also meet with Congressional, Federal and State representatives to discuss current issues that have an impact on the Border Counties. Some of the main goals of the ABCC include improving the ports of entry efficiency for tourists and trade; to promote multimodal transportation alternatives at the border, to increase awareness of the direct economic link between Arizona and Mexico and to reduce or eliminate costs incurred by Border Counties as a result of federal actions such as incarceration among others.

B. Private Sector

1. Utilities

a. Tucson Electric Power



As part of its strategic plan, TEP works to attract and retain new and existing businesses, regularly collaborating with government agencies and economic development groups to facilitate business location and expansion decisions.

TEP offers competitive electric rates for service that ranks among the most reliable in the nation

and has added a rate incentive that is aligned with existing city, county and state incentive offerings. New large-scale industrial companies and expanding existing companies may qualify for the Economic Development Rider (EDR), which provides for discounts for up to 5 years.

TEP’s economic development strategy also includes being an active partner in support of the workforce development efforts of Pima Community College, the Workforce Investment Board, the University of Arizona, JTED, local school districts and private technical training organizations to ensure skills training is aligned with the jobs of the future.

Driving economic growth goes beyond providing safe, reliable service to commercial and residential customers. Ultimately, our economic development efforts are grounded in strategic investments and partnerships designed to help create prosperity for everyone in our community.

Website: <https://www.tep.com/economic-development/>

c. Tucson Water



Tucson Economic Advancement Center is a collaborative effort between Tucson Water and other City Departments to create a “one stop shop” which will offer streamlined service for developer financed projects. The Center will keep the lines of communication open between the review agencies and the development community. Tucson Water will offer guidance to customers in several areas.

In an effort to attract new businesses the City of Tucson offers the Primary Jobs Incentive (PJI). Tucson Water recently developed the Water Infrastructure Incentive (WII). For those businesses that satisfy the City’s PJI requirements, meeting the WII Program criteria will allow the development site to be eligible for reimbursement of certain new infrastructure development costs.

Tucson Water will continue to apply the Water Service Area Policy as put forth by Mayor and Council in a clear and transparent manner. The Department will assist consultants in navigating the electronic Tucson Water Plan review submit-

tal, review and approval procedures. The New Development Section just implemented updated Standards and Specifications (2017) to serve the development community and practice good stewardship over the public water distribution system.

Website: <https://www.tucsonaz.gov/water>

2. Sun Corridor Inc.



Sun Corridor Inc. is committed to leading a regional approach to economic development by focusing on primary job growth in industries that best match our assets with market demand, including: Aerospace & Defense, Automotive, Bioscience, Healthcare, Renewable & Mining Technology, and Transportation & Logistics. To accomplish this mission, Sun Corridor Inc. brings together the interests of a broad range of private, public, academic and nonprofit groups to promote Southern Arizona as a single economic entity. Together with these strategic partners, Sun Corridor Inc., has helped facilitate the attraction of 149 companies and supported the creation of nearly 40,000 jobs, with a total economic impact of \$22.5 billion. Over the next two years, Sun Corridor will continue to spearhead the expansion of Southern Arizona's economy through its robust sales and marketing efforts aimed at site selectors and targeted industry businesses looking for a region that will support their growth plans for many years into the future.

Learn more about our long-term strategic plan, the Economic Blueprint, at <http://www.suncorridorinc.com/About-Us/Economic-Blueprint.aspx>

Website: <http://www.suncorridorinc.com/>

3. Visit Tucson



Visit Tucson is the travel marketing organization for Pima County, promoting the region to leisure travelers, meeting planners, sports and event organizers, travel media and tour operators.

Pima County visitors spent \$2.2 billion in 2016 generating \$83 million in local tax revenue

and 25,000 industry jobs. Metro Tucson was one of the nation's leaders in 2017 with hotel revenue growing 11% year over year.

Visit Tucson's "Free Yourself" branding encourages travelers from its top feeder markets—New York, Chicago and Los Angeles—to rejuvenate in a place that looks and feels different from their daily realities.

The region's rugged, scenic beauty brings in travelers worldwide for outdoor adventures. Numerous attractions, outstanding locally-owned and operated restaurants and a revitalized downtown, are major draws.

Visit Tucson is in the midst of executing its 2017-20 strategic plan, while developing a 10-year tourism master plan that will launch in July 2019.

Website: www.visittucson.org

4. Workforce Investment Board



The Pima County Workforce Investment Board (WIB) was authorized by the U.S. Department of Labor under the Workforce Innovation and Opportunities Act (WIOA) of 2014, which replaced the Workforce Investment Act of 1998.

The Pima County Board of Supervisors (BOS) appoints the 45 WIB members, at least half of whom must be from the private sector. The WIB meets 11 times a year. Many meetings feature industry presentations and panels that highlight workforce challenges and opportunities.

As the WIB prepares its four-year Plan, it develops recommendations on local workforce policy through its vision of "Quality Jobs • Qualified Workers" and its pursuit of the following goals:

1. Helping people obtain jobs in strategic industry sectors.
2. Supporting employers in finding and hiring qualified employees.
3. Engaging underrepresented labor pools by removing barriers to employment.

These goals guide the County's Community Ser-

vides Employment and Training (CSET) staff in the operations of the One Stop Career Center system. This system is part of the Arizona@Work system, which is part of the American Job Center Network.

Website: <https://webcms.pima.gov/cms/One.aspx?pageId=22593>

5. Small Business Commission



The Pima County Small Business Commission has identified a well trained workforce as a critical need

for small businesses in Pima County. The Commission has developed strong relationships in the area of workforce development and will partner with Joint Technical Education District (JTED) and other organizations to ensure robust career and technical training programs.

The Commission will continue to work directly with Pima County departments to ensure governmental policies are fair, efficient and supportive of small businesses.

The Commission recognize that small businesses operating in rural areas of Pima County face unique challenges and opportunities. The Commission will continue its rural business initiatives throughout the period of the Economic Development Plan Update.

The Commission has identified access to capital issues as a priority in the small business community and will work with lenders and partner agencies to identify new sources of lending capital. The Commission will also work to promote export programs tailored to small businesses in Pima County.

Website: <http://webcms.pima.gov/cms/One.aspx?portalId=169&pageId=160545>

6. Start Up Tucson



Startup Tucson is at the forefront of entrepreneurial activity and developing a broader innovation ecosystem

in Pima County. Through its work in the commu-

nity with its education programs and as a thought leader for regional economic development, Startup Tucson is expanding opportunity and potential for entrepreneurs and small businesses to succeed. The County supports and collaborates with Startup Tucson in a number of ways, including its educational Thryve programming, the week-long innovation Festival TENWEST and its collaboration with regional partners focused on growing the entrepreneurial ecosystem.

The newly formed University of Arizona Downtown incubator and partner Startup Tucson are working to activate the county owned building at 44 N Stone. The space will act as a hub for entrepreneurs, startups, university students and faculty and corporate partners. Pima County and other local government partners should continue to develop a strong relationship and support Startup Tucson.

Website: <https://startuptucson.org/>

7. Tucson Airport Authority



The Tucson International Airport (TIA) offers unique and strategic benefits for businesses looking to expand within

Southern Arizona. As one of the top 10 largest airports (by land size) in the country, TIA is an ideal location for businesses that need airfield access, want close proximity to an airport, or are looking for industrial property in the rapidly expanding airport employment zone. TIA has an array of shovel-ready sites and customized incentives packages, with zoning for aviation, mixed-use, light and heavy industrial use. The airfield is in close proximity to both Interstate 10 and Interstate 19, and is the only Arizona airport with 24/7 CBP air cargo handling. A growing logistics hub, over 100 tenants in MRO, FBO, Aerospace, Aviation Services and Air Cargo operate on or near the airport including Raytheon Missile Systems Headquarters, Bombardier, Ascent, FedEx, and HomeGoods, among others. TIA and its tenants contribute a \$7.4 billion economic impact to Southern Arizona and the continued expansion of businesses to its sites will stimulate economic growth and provide high-quality jobs to the people of Tucson and all of Southern Arizona.

Website: <https://www.flytucson.com/taa/>



Appendix A

Status of 99 Action Items from 2017-2018 Plan Update

Appendix



The adopted Pima County Economic Development Plan – Update through 2018 was designed to continue guiding the County’s investments and policy actions to grow the local economy, increase jobs and income, and increase overall community wealth. The plan consists of the same 14 chapters created for the 2015 through 2017 update; each of which focuses on an area of economic development and job creation/growth where the County can lead, directly affect and/or influence progress and outcomes.

This Appendix A details the status of the action items identified in the 14 Chapters of the Plan.

1.1 Support the completion of the Environmental Impact Statement for the second runway at TIA by the TAA and Federal Aviation Administration (FAA) to initiate land and right of way exchange between the USAF and the TAA to complete the Raytheon buffer for existing facilities.

This environmental document was completed in fall, 2018.

1.2 Complete the Environmental Assessment referenced above for the release and sale of the 270-acre expansion buffer for Raytheon and the Arizona Air National Guard and place the buffer under US AF control in 2018.

Concurrent progress is underway with transfer of property expected to occur in 2019.

1.3 Develop a planning agreement between Pima County, TAA and the State Land Department to initiate concept planning for the Aerospace, Defense and Technology Business and Research Park consisting of 2,800 acres, of which 479 acres are County-owned.

The area is now called the Aerospace Research Campus. TAA has completed some civil engineering planning for their 550 acres. The Arizona State Land Department has agreed to some utility easements for surrounding development and a utility corridor. Discussions continue with further progress expected during the subsequent Economic Development Plan.

1.4 Continue planning with Union Pacific

Railroad for rail access from the Nogales line through the Park.

Purposeful discussions continue with expectation that this action item will continue into the next Plan update once a specific plan and users are identified.

1.5 Define the boundary of the 150-acre primary employment campus-style employment center west of I-10 and south of the Sunset Road extension and develop an appropriate archeological mitigation plan for site development.

Fieldwork and mitigation plan complete with implementation expected in 2018-2019. Consultation with a number of Tucson, Phoenix, and national developers in late 2018 helped establish some planning parameters for this site to be implemented in future plans.

1.6 Complete planning and construction of the extension of Sunset Road between I-10 and Silverbell Road in 2017.

Complete.

1.7 Market for sale or lease for primary employment vacant land at Sunset Road and I-10, 75 E. Broadway Boulevard and 332 S. Freeway.

Marketing materials developed and active marketing process is under way. Sunset planning identified above in 1.5. 75 East Broadway is being jointly developed with Rio Nuevo for a mixed used retail, parking and minimum 150,000 square foot Class A office complex. Joint development for Cushing Street site continues with Rio Nuevo.

1.8 Make available County property at Pinal Airpark for air field development and expansion, including airport employment lessees. Planning is underway in 2016.

Multiple opportunities including potential military uses for Pinal Airpark have been explored. Zoning and cooperation with Arizona State Land Trust and planning for runway extension to accommodate expanded uses are all under way.

1.9 Develop a new, fully integrated Master Plan for the Southeast Regional Park and Employment Site that identifies both lands that will be permanently reserved for public recreation and those that will be used for primarily export-based employment. It is likely over 1,000 acres could be reserved for an employment site, making the site ideal for a second master planned Business and Research Park. Actively plan and extend sanitary sewer service to the facility and develop an internal, County-owned water utility to service the Southeast Regional Park, Fairgrounds and Business and Research Park. Begin master planning and programming of transportation capacity improvements to provide urban transportation service to the location.

Comprehensive plan amendments were completed in 2018. Some pre-development infrastructure assessments awaiting funding, but sewer service is under construction.

1.10 Continue and expand active marketing of the adaptive reuse of the former Roger Road Wastewater Treatment Facilities.

Task continues.

2.1 Pima County will fully cooperate with and participate in any environmental or location alternative studies for I-11 within Pima County and will closely monitor project implementation to ensure the trade benefits from a connection to Mexico are realized.

Pima County continues to cooperate with the EIS analysis of reasonable alternatives with completion expected in November of 2019.

2.2 Establish as a County highway the auxiliary interstate highway connection between I-10 and I-19.

Preparation of EIS by ADOT continues with completion expected in late 2019, or early 2020.

2.3 Continue to advocate for early and adequate funding for both phases to improve SR 189 from the Mariposa POE to I-19.

\$25 million TIGER grant awarded to ADOT

in March, 2017 for completion of this highway segment. A joint funding agreement between ADOT, Santa Cruz County, and the City of Nogales plus a special Legislative allocation of \$25 million have enabled design with construction of the full north and south phases to begin in 2019.

2.4 Support development of the second full-service parallel runway for TIA.

Staff support of FAA EIS document continues with completion of that environmental review in fall, 2018.

2.5 Initiate development of a regional utility corridor, including a sanitary sewer inceptor system, to serve the employment growth area south of TIA extending to Rita Road at I-10.

The regional utility and transportation corridor has been initiated and the sewer construction to Wilmot Rd (Nogales Hwy-Wilmot) is complete. Planning for the UP rail alignment/bypass is also underway with UP's participation.

2.6 Support and cooperate with Union Pacific Railroad to reroute the Nogales Line and make available the existing Nogales Line for future passenger rail to TIA, Raytheon and the Aerospace Research Campus.

On-going consultation with UP continues with siding design complete and Right-of-Way identified to a connection with the Sunset Line near Harrison Road.

2.7 Expand the road and utility infrastructure to accommodate new tenants in the Business and Research Park.

Road and infrastructure extended to the section line east of World View and Power and data conduit installed along the extended Raytheon Parkway. Sewer and water stub outs completed on the north side of Aerospace Parkway for future Raytheon use and the south side for future Vector-Launch use.

3.1 Secure buffers for Raytheon expansion by 2018.

Occurring in conjunction with the preparation of the EIS identified in Task 2.4. EIS Record of Decision specifies buffers for Raytheon and MSA for the Arizona Air National Guard. Land purchase and transfers expected in 2019.

3.2 Continue to actively support DMAFB and their continuation of the A-10 mission and any future mission for DMAFB. Actively support additional F-16 squadrons being relocated and based at DMAFB, as well as a remoted piloted aircraft mission.

County assistance with land acquisition on coordination of development review continues as part of Air Force encroachment program. Pima County also a cooperating agency for F-35 EIS. Advocacy and participation in Air Force Community Partnership continues

3.3 Create the County staff position of Navigator to coordinate strategies and regional support activities for DMAFB.

The Air Force has created this position as liaison with Pima County.

3.4 Actively pursue acquisition of leased private properties within DMAFB and State Trust land to reduce operational land leasing costs of DMAFB. Also, pursue a REPI grant to further protect the DMAFB departure corridor as well as the flight corridors from DMAFB to the BMGR.

Currently in the middle of a five-year program of acquisition with Years 4 and 5 emphasizing environmental considerations in training zones.

3.5 Continue to actively support the AZ ANG and continuation and expansion of its domestic and international flight pilot training missions at TIA.

Advocacy through legislative channels and support through National Guard Bureau continues.

3.6 Support the AZ ANG main entrance relocation to improve safety and operation security of the facility. Set aside approximately 50 acres of expanded Raytheon buffer for AZ ANG purposes

primarily related to munitions storage and arming of AZ ANG aircraft engaged in pilot training.

Continued advocacy with others for the AZ ANG gate relocation with TAA has resulted in an agreement with contractual commitments for relocation of Aerovation and constructing the new gate over the next 2-3 years.

3.7 Support funding initiatives for the UA and oppose further reductions in State funding of Arizona's university and community college systems.

Advocacy continues at the State, federal, and local levels.

3.8 Actively support capital investments in technology transfer activities at the UA related to primary employment growth, including the UA Tech Park and UA Tech Park at The Bridges.

Pima County has cooperated with Tucson Electric Power, UA Tech Park at the Bridges and the developers of The Bridges to sell land for a TEP substation that will not only serve The Bridges but improve reliability of service to the Kino Complex and surrounding neighborhoods.

3.9 Continue to pursue the development of startup building space for the growth of UA-based technology-to-market deployment through the development of innovation buildings. The purpose of the innovation buildings will be to facilitate and incubate startup technology companies transferring research to practical applications and job development.

The University of Arizona has selected a development partner and announced the first phase of the innovation complex at The Bridges.

4.1 Continue planning, with PAG, RTA, TAA, Union Pacific and others, the development of a major logistics center for the Southwestern United States in the vicinity of TIA.

The City of Tucson and TEP have joined in this planning process. TEP is developing their largest substation, to date, in the area to serve the anticipated demand in this area.

4.2 Cooperate with and assist the Port of Tucson in expanding their rail-to-rail and rail-to-truck intermodal operations as a true international inland port.

Ongoing collaboration with the Port of Tucson includes joint land use planning and rapid plan review for new clients, including Amazon.

4.3 Support and advocate with the Federal Highway Administration and the Arizona Department of Transportation for the designation of heavy haul freight routes from Mexican POES to the Port of Tucson.

Ongoing activity with legislative involvement. Pima County participated in development and ADOT roll out a streamlined system to issue overweight – over size permits

4.4 Continue to advocate for and on behalf of the TAA for a second full-service parallel runway at TIA.

EIS preparation is complete with favorable Record of Decision supporting the proposed TAA runway safety program and the planned buffer expansion for Raytheon and the 162nd Wing Munition Storage Area.

4.5 Continue to advocate for the development of expanded air cargo services at TIA.

Pima County is a participant in the Sun Corridor, Inc. Blueprint process which has among it's priorities to expand air cargo services at TIA.

4.6 Continue to improve surface transportation accessibility to warehousing and distribution centers associated with logistics in the TIA area, including a new auxiliary interstate highway connecting I-10 and I-19.

Pima County continues to actively participate in the Sonoran Corridor Tier I EIS process to identify surface transportation options that will support warehousing and logistics center in the region.

4.7 Support the expansion of the Truck Driver

Training Program at Pima Community College for the foreseen increased work demand in ground transportation in connection with a new auxiliary interstate highway connecting I-10 and I-19.

Pima County continues to advocate for expanded career programs in the Pima College system.

4.8 Advocate for improved surface transportation connectivity to the Mariposa POE to improve international trade with Mexico.

Complete: Pima County staff was a key part of the team that successfully advocated for full funding for State Route 189 from Mariposa POE to I-19.

5.1 Actively support increased state funding for education, particularly for the university and community college systems.

Ongoing as an integral part of the Pima County Legislative Priority process

5.2 Encourage technology transfer from all three Arizona universities and PCC, as well as economic development investment from all three universities, into enterprises within Pima County - either existing employers or emerging new employers.

Partial completion by advocacy for technology transfer at The University of Arizona and Space technology application in Pima County from Arizona State University.

5.3 Foster collaboration between Arizona's three universities, government and the private sector in support of university-level degree programs related to and in support of technical employment clusters in the region.

Ongoing part of Legislative Priorities Program

6.1 Collaborate with Visit Tucson Sports to maximize soccer, lacrosse and other sports that can be staged at Kino Sports Complex or other Pima County sports facilities and increase the local, regional and national events that fit with the recommendations of a Kino Sports Complex feasibility

ity study by SFA and the sports assessment study conducted by Populous/The Planning Center.

Execution under way for the initial development of 18 long fields at the Kino Sports Complex based on the studies referenced above. Two more phases for stadium facilities and public private partnership to develop private sector amenities will commence in early 2019.

6.2 Seek to expand existing cycling events and consider bringing in new events that include both cycling and running in order to increase the region’s profile as an ideal cycling destination.

Attractions and Tourism negotiating with multiple event organizers to accomplish this goal. Successful publicity in several travel and cycling magazines have increased awareness of the region as an ideal cycling destination including national recognition at a top cycling city.

6.3 Create a consolidated gateway for all of our region’s unique resources. Promote a story of Tucson and the region that showcases its uniqueness and diversity and fosters a sense of pride and a sense of place in residents and visitors alike.

This is coming to fruition in early 2019 with the completion of the renovation of the Historic Pima County Courthouse as a Tourism Center that will include a Visitor’s Center, Visit Tucson, the University of Arizona Mineral Museum and other rotating displays featuring the regions uniqueness and diversity.

6.4 Add to Kino Sports Complex’s offerings on land adjoining the existing venues by master planning and constructing facilities that attract regional and national events, while also serving local users.

Plan completed with 12 long fields and 20 Pickelball courts under construction and other facilities for regional and national events being developed through a PPP process in early 2019

6.5 Complete “The Loop” trail and its local town

connector trails and market it as part of the region’s substantial cycling infrastructure.

Paths connecting the Rillito and Pantano complete the main route of the path with additional extensions to occur in the future. Additional extensions to “the Loop” are identified in the updated plan. Local town connector trails were a part of the City of Tucson’s successful Proposition 407 to enhance parks and these access paths connecting various portions of the city of Tucson with “The Loop.”

6.6 Continue to support, through cooperative marketing and outreach programs, the mission of Pima County leased properties and all of the unique attractions throughout southern Arizona.

This is an ongoing activity. Incremental efforts to enhance the exposure of these leased properties through the new Visitor Center and other cooperative efforts with Visit Tucson continues.

6.7 Work with regional medical centers, wellness facilities, Pima County Health Department, physicians, Banner-UAMC and Visit Tucson, to develop and market visitor incentive packages for those seeking medical care within our community.

A Mexico focused medical tourism program was developed with four primary Tucson hospitals call Tucson Health Association. Medical tourism programs continue to be developed.

6.8 Continue to bring the Korean Baseball Organization and teams from Mexico’s Pacific Coast League to play and train at Kino Sports Complex.

Teams from both countries continue to have extremely successful training programs at the Kino Sports Complex.

6.9 Work with CABC and Visit Tucson to stage a Pima County familiarization tour for top Canadian decision-makers related to business expansion and relocation, along with land/company acquisitions and other mechanisms that would spur Canadian direct investment in our region.

Pima County continues to work with CABC, Visit Tucson and Sun Corridor, Inc. to gain additional exposure in Canada with senior business leaders

6.10 Partner with the TAA and local business organizations to pursue additional nonstop flights from one or more US East Coast, Canadian and Mexican cities to TIA, since there are currently very limited East Coast and Mexico nonstop flights and no nonstop flights to Tucson from Canada.

TAA continues to work aggressively to attract direct flights to a number of cities with some success, primarily in the west. Flights to Mexico were gained and lost with efforts to reestablish flights to Mexico under way. TAA announced flights to Bremerton, Washington as a potential Canadian flight solution, but more effort is needed to incorporate centers such as Toronto and Montreal. TAA has been encouraged by the CABC to focus on Charter Flights but has been unsuccessful.

6.11 Work with Vamos a Tucson to identify business and tourism opportunities in Sonora and Sinaloa and meet with appropriate officials at the Hermosillo center and in Tucson.

This is an ongoing effort with one company from Hermosillo now located at the UA Tech Park and another in discussion to locate a branch in Tucson.

6.12 Work to improve and expand existing Pima County tourist attractions, including the Kino Sports Complex, Old Tucson Studios, Arizona-Sonora Desert Museum, Colossal Cave Mountain Park, Pima Air and Space Museum and the Regional Visitors Center at Historic County Courthouse.

This is an ongoing effort with the Kino Sports Complex expansion and the Regional Visitor's Center well under way.

6.13 Reintroduce and support passage of reform legislation related to the PCSTA to fund tourism-related initiatives designed to increase tourism economic development.

This is an ongoing activity

7.1. Continue to monitor and comment through the federal regulatory process on mining activities proposed or ongoing within Pima County with the goal of minimizing long-term adverse impacts of those operations and having any required mitigation provided within the area of actual impact.

This is an ongoing activity

7.2. Support mining activities that generally provide mitigation offsets in accordance with the established County conservation guidelines.

This is an ongoing activity

7.3. Continue to encourage advanced mining and resource extraction technology evolution to maximize recoverable economic minerals and minimize impacts to air, water and ecosystem resources of the County.

7.4. Continue to pursue reclamation efforts related to past mining activities and encourage relocation, stabilization and reforming of mine disposal sites and/or tailings disposals.

This is an ongoing activity. Pima and Pinal Counties as well as The University of Arizona College of Mines are working with a company called ProSeal to test a product that will stabilize mine tailings. Conclusive results are not yet available

7.5. Promote use of renewable water supplies for all mining activities within Pima County.

This is an ongoing activity

8.1 Identify distribution companies in Pima County to provide locations for engineering, quality control and distribution support for companies in the maquiladora industry.

This is an ongoing with our International Trade specialist. Progress has been made in the areas of engineering, and distribution support with two new maquiladora based facilities constructed in the past year near the airport and at the UA Tech Park. Distribution support and expansion has been supported through active participation with

Customs and Border Protection programs, advocating for additional staffing at the border, and coordination with maquila companies and “shelters” to expand warehousing and distribution centers in Tucson and unincorporated Pima County.

8.2 Complete the County economic development web page to serve as a regional resource and tool to attract business and investment from Mexico.

Some changes have been made and the development of the next Economic Plan Update will feature submittals of Economic plans or links to such from partners throughout the region.

8.3 Continue to foster relationships on both sides of the border to increase border-crossing efficiency and to make Arizona POEs more competitive with quicker access and easier use.

Significant efforts to assist in attracting more Border Patrol personnel continue. Successful advocacy for the SR-189 improvements from the Mariposa POE to I-19 will assist border-crossing efficiency. Cross-border activities are regularly attended. Creation of the Arizona Border Counties Coalition staffed by Pima County focus on a wide range of border issues and involved Pima, Cochise, Yuma and Santa Cruz counties as well as Customs and Border Patrol and Congressional offices.

8.4 Continue to promote development of infrastructure that maximizes our unique geographic location at the crossroads of the north/south and east/west trade routes.

Active participation in Federal Highway Administration and ADOT projects for Interstates 10 and 19 continues as well as close monitoring rail traffic plans. Acquisition of Amazon Distribution Center, new Chamberlain R&D and Distribution Center, Target and Homegoods Distribution Center all speak to the strengths of our region.

8.5 Continue advocating at the federal level to increase Customs staffing to expedite border crossing for trucks and trains.

Ongoing effort. Also actively working with

CBP to assist in recruitment of more agents to the region due to turnover. Shortage remains at roughly 100 officers. A major focus of the Arizona Border Counties Coalition

8.6 Continue our efforts with Sun Corridor Inc. and PAG to assist the Maquiladora industry in Sonora, Mexico in developing local, more reliable supply chains for materials and manufacturing-related services.

Sun Corridor efforts in Mexico have dwindled but efforts continue to work supply chain with PAG and Pinal County.

8.7 Continue to foster the County’s positive relationship with the Consulate of Mexico in Tucson to help facilitate the establishment and expansion of Mexican businesses in our region.

Ongoing effort. Pima County participates in dozens of events with the Consulate of Mexico in Tucson and Nogales as well as a close relationship with the US Consul in Nogales.

8.8 Continue financial support of Visit Tucson and its efforts to encourage Mexican tourism in Pima County, including enhancing medical tourism through partnerships with our region’s wellness community.

Specific medical tourism programs were developed with Visit Tucson and four major hospitals, Banner University Hospital, Tucson Medical Center, Northwest Hospital, and Carondelet. This effort is a relationship building effort that will take time to develop. Visits by physician and other medical groups from Mexico were also hosted.

8.9 Maintain a regular County presence at the Visit Tucson (Vamos-A-Tucson) office in Hermosillo, Mexico to encourage and facilitate Foreign Direct Investment and Mexican companies doing business in Pima County.

Regular visits with the City of Tucson and Pinal County to Hermosillo continue to occur

8.10 Continue efforts to increase Mexican Major League Baseball, including Spring Training and Spring Training games, at Kino Sports Complex.

Mexican Spring Training and games continue to be a huge draw at the Kino Sports Complex.

9.1 Quantify the economic impact of Canadian real estate investment in Pima County and develop a strategy to increase it.

Working with the Canada Arizona Business Council, quantification of investment in Pima County Real Estate is under way. Several acquisitions of Arizona and Pima County companies such as CAID Industries by Canadian firms have occurred.

9.2 Coordinate directly with the CABC to facilitate Canadian FDI in Pima County, promote Pima County exports and enhance tourism.

Actively continuing with regular meetings and regular business intelligence related to Canadian owned companies in Pima County.

9.3 Work with Canadian and Mexican business interests to identify economic development opportunities in Pima County for Canadian companies seeking proximity to the markets and industries of Mexico.

Some success in working with the CABC and Maquiladora Association in identifying needs and potential suppliers in Mexico.

9.4 Conduct a comprehensive inventory of Canadian companies in Pima County to identify corporate expansion and retention opportunities and to identify supply chain needs that could lead to expanded economic development in the region.

Inventory completed and regular activities coordinated with the Pima County One-Stop, Pima Community College, City of Tucson and Sun Corridor, Inc. to facilitate expansion, avoid retention issues,

9.5 Work with Visit Tucson and other interested parties to expand air service between Pima County and Canadian airports.

Visit Tucson and Pima County and the Canada Arizona Business Council are all encouraging the Tucson Airport Authority to encourage charter flights out of Canada as

that is the preferred leisure travel mode for Canadians.

9.6 Work with the CABC, Visit Tucson, Tucson Airport Authority and other interested parties to create opportunities for sports training at Kino Sports Complex.

Efforts to capture and expand major league soccer and Mexican and Korean baseball have been successful. New long field facilities to accommodate soccer and pickleball courts are under construction with the concept of attracting regional tournaments. Cooperative development agreements with other major developers to create the amenities surrounding the complex will be developed under the updated plan.

9.7 Work with the Tucson Airport Authority to prioritize a direct flight to one of the key provinces in Canada once a direct East Coast flight is attained.

The East Coast flight with American Airlines was tried and failed, but efforts to gain Canadian flights continue

10.1 Continue efforts to increase economic involvement with East Asia by supporting the Port of Tucson in its expansion.

Extensive efforts have been expended to assist the Port of Tucson including meetings with shipping lines and Union Pacific Railroad. The economy and tariff discussions toward the end of the prior plan affected the volume of trade with East Asia. This will be an ongoing effort.

10.2 Incorporate promotion of local export opportunities via the Port of Guaymas into our Mexico efforts, as well as our overarching economic development strategy for East Asia.

The reduction in oil prices slowed down the improvement of the Port of Guaymas, but the Port continues to handle millions of tons of copper sulfate and other raw materials from as far north as Montana. The creation of a Container Port will be important to the region over time.

10.3 Support the extension of heavyweight corri-

dors throughout Arizona to make our state more competitive with Texas and other border states. Increase export capabilities for heavy objects and ocean containers from Asia passing through southern Arizona to maquiladora manufacturers in Nogales.

Strong advocacy occurred including participation with PAG and ADOT in creation of an on-line permit system for heavy and oversized projects and recognition of the need for roads handling heavy ocean containers. Pima County and the City of Tucson collaborated on creation of common heavyweight corridors through the urban area and common permitting fees.

10.4 Continue to work with the Honorary Consul of The Republic of Korea in Tucson to increase bilateral trade, increase the presence of South Korean companies and attract FDI.

Pima County remains in contact with the Honorary Consul of the Republic of Korea. No new opportunities have occurred since the last update. A South Korean company that was working with TEP for an energy storage facility in Pima County went to another state.

10.5 Coordinate with Visit Tucson and the Honorary Consul of the Republic of Korea in Tucson to expand South Korean tourism, festivals and spring training opportunities in our region.

South Korean baseball spring training is expected to continue throughout the term of the Economic Development Plan Update

10.6 Work with PCC to attract more students from The Republic of Korea.

Efforts Continue.

10.7 Work with PCC for mutual support of the County's and PCC's objectives to expand the socioeconomic relationship with The Republic of Korea.

Efforts Continue.

11.1 Facilitate the creation of a regional visitors' center in collaboration with Visit Tucson, the Western National Parks Association and The

University of Arizona Mineral Museum.

The Regional Visitor's Center is in final completion stages, but without the Western National Parks Association.

11.2 Encourage new or expanded primary employment in the downtown by making available for such the County-owned vacant property at Broadway Boulevard and Scott Avenue and 332 S. Freeway. The Broadway and Freeway properties are both along the Sun Link Streetcar route and provide significant opportunity for multistory building construction.

Rio Nuevo has exercised their option to lease/purchase 75 east Broadway for a new class A office building containing up to 40,000 sf of retail, 350 parking spaces and at least 150,000 sf of office space and extended the lease/purchase option on 332 South Freeway.

11.3 Market County Central Plant Services to adjacent or proximate properties to reduce the cost of building development and increase the economy of scale for provision of these services.

In progress

11.3 Continue to work toward expansion of the downtown as the legal and administrative center for the region, including further discussions with the UA to increase its downtown presence for legal training for University law students.

In progress

11.4 The County also owns the Bank of America Building in downtown Tucson, and the building is occupied by a mix of County users and private users. This mix should essentially remain the same, and any vacant space that becomes available should be leased to new downtown private employers. Presently, approximately 15,000 square feet of space is available for lease in this building.

In progress

12.1 Partner with businesses and sector groups to develop specific targets and recommendations for career advancement pathways ranging from technician to professional levels.

Ongoing Activity. Extensive work has been completed with the Superintendent of Schools, Pima Community College, and PPEP through the Pima County One-Stop, SAHBA, and ATB to bring major emphasis to targeted career training programs.

12.2 Partner with Davis-Monthan Air Force Base, Fort Huachuca, PCC and local business on career expos for separating military personnel. Match veterans with local business, particularly technical and aerospace companies. Provide entrepreneurial training and assistance to separating personnel.

Ongoing activity. Pima County Veterans One-Stop collaborated with DM50 and other community organizations to initialize a program to locate jobs for military spouses transferring into the area. The success of this program was cited as one of the key factors in naming Davis-Monthan the outstanding base in the Air Force for the third time. These efforts have awakened activities by other organizations in the community to attract and retain separating personnel.

12.3 Formalize the Border Regional Economic Development Consortium to pursue possible federal Economic Development Administration funding and other opportunities.

Two proposals were submitted without success. Pima County Economic Development Office collaborated with the UA Tech Park, ASU, ACA, and Pima County Community Services. Additional effort will continue.

12.4 Complete the data collection survey of internal and external stakeholders for the Business Resource One-Stop Center and proceed with additional planning.

Enhanced data sources have been identified that will make marketing the Business Resource One-Stop Center more successful in the future. The Pima County Library District has added significant services to help address this issue.

12.5 Work with the WIB to develop, in conjunction with targeted industry sectors and educational institutions, career pathways that allow

local workers to gain skills and certifications valued by employers.

This is an ongoing task, but successful coordination with some industry targets has occurred during the past Plan period, particularly with Aerospace where a new structures program is being created with the encouragement and participation of Bombardier, Ascent, and AMARG (Davis-Monthan).

12.6 Partner with United Way of Tucson and Southern Arizona and other public and private community partners on the Cradle to Career initiative to improve education and workforce readiness

Arnold Palacios was voted unanimously to be on the C2C Leadership Council. His extensive background in youth development and education will strengthen the County's relationship to that initiative. In addition, the Youth Services Team works closely with Youth On the Rise, a project under C2C that focuses on Opportunity Youth. Youth Services held a very successful youth job fair this fall targeting Opportunity Youth and are holding a series of staff retreats to invigorate approaches to engaging youth in education and employment.

12.7 Include support for full funding of JTED in the Pima County Legislative Agenda and advocate for full funding of JTED programs to support Pima County businesses.

This effort is continuing along with efforts on the part of the Pima Superintendent of Schools and community advocacy with the private sector to advocate for full funding for JTED.

12.8 Include in the Pima County Legislative Agenda additional public funding for education.

This is an ongoing effort

13.1 Forge a homegrown model to be used as a template for County and community-based programs that have the goal of bringing about economic sustainability for people living in poverty.

In a partnership between the Health Department and CSET, MAMA (Mothers in Arizona

Moving Ahead) was launched and completed an 18 month pilot phase this December. MAMA tested and created an effective approach to addressing poverty and its impact on the health of mothers in poverty. Each component was tested and improved including partnerships with local nonprofits, the Getting Ahead class, the Circles of Care, the role of the Navigators, the inclusion of “allies” or volunteers, and the health equity workshop. Each participant received information on Pima County’s employment and training resources and about 25% engaged further with the One Stop system. A quantitative study showed statistically significant change in perceived stress, overall hope, overall functioning, and level of perceived control over their own lives, which was maintained or improved throughout the program. Surveys also showed positive impact on allies. A PAPA class and a class serving Veteran’s was tested and proved successful. The model can now be expanded in Pima County and replicated in other communities. Pinal and Cochise County Health Departments are investigating possible replication.

13.2 Become an “Employer of Choice” by establishing Employer Resource Networks in County departments and bundling County One-Stop, Library, and Health Department services to clients.

We are exploring an internal Resource Navigator/ ERN model for Pima County with the new HR director.

13.3 Engage businesses as partners in the Ending Poverty Now initiative to establish Employer Resource Networks that:

- A. *Provide employers with resources to help employees deal with immediate poverty-related issues.*
- B. *Help new employees understand and meet employer expectations.*
- C. *Provide training and career path opportunities.*

The ERN model was tested in Sahuarita, and leadership there are now developing the initiative further for their community. In Tucson, there is currently one employer, Perfection Industrial Finishing, fully using

the services of a Resource Navigator. They employ about 40% of their workforce from returning citizens and received the Second Chance Employer of the Year award. They noted the importance of One Stop services for the success of their business, including the Resource Navigator who is able to help employees with felony backgrounds begin to build their resources and navigate hurdles, particularly around housing. The Business Services Team has not found many other employers ready to join, but CSET is developing some new approaches for 2019.

13.4 Develop community consensus on core public policies related to 1) affordable housing, 2) food security, 3) transportation, 4) education/training and skills enhancement, 5) parenting and childcare, 6) healthcare and medical services, 7) early childhood development, 8) income security and 9) asset preservation to reduce and/or end poverty.

Through the monthly Addressing Poverty Working Group, Pima County departments meet to discuss these complicated issues around poverty and explore policy implications. Participation is across six to nine different departments with each bringing viewpoints and expertise. EPN also is engaged with a multi-agency effort to develop policy positions around poverty issues called the Southern Arizona Prosperity Alliance. This is the front-end work of a multi-year process of developing consensus on these issues.

13.5 Partner with United Way of Tucson and Southern Arizona to align the County’s Employee Combined Appeal Campaign with the initiative to address poverty and educate County employees about the poverty initiative.

EPN works closely with the ECAP committee and United Way effort. The EPN funds are distributed to five area organizations implementing Getting Ahead, all of which receive presentations on Pima County resources, particularly for employment and training. The EPN program manager gives trainings on poverty throughout the Pima County system, including the CSET, the courts, health, and the library.

13.6 Support faith-based partnerships as a means to fill gaps in providing essential services for low-income families and individuals.

Through the MAMA project and Getting Ahead, EPN reached out to the faith community and provided trainings and information on Pima County resources and other services in our area. For example, four workshops were given featuring legal, employment, and health resources, and a tour of the One Stop was included.

CSET's Faith Based Initiatives Coordinator works closely with a number of efforts in this area, including the annual HopeFest event that bring dozens of faith-based organizations together with thousands of people in poverty to provide essential services.

13.7 Support partnerships between education and training programs and institutions and faith-based organizations to better serve job-seekers.

Every Getting Ahead class receives information on CSET services and specific CSET staff serve as liaisons to anyone seeking additional support. Pio Decimo, Interfaith Community Services, and St. Vincent de Paul were lead partners in this effort. The Tucson Urban League is linking their next class with one of the African American churches. There is also a Getting Ahead Network that meets regularly and serves these organizations, and the Faith Based Initiatives Coordinator also brings information out to a wide network of faith-based organizations on these programs.

13.8 Encourage collaboration between faith-based organizations and the private sector on strategies to combat poverty.

The Understanding Poverty workshops are marketed to the faith community and often has participants from these efforts. CSET is working with the new Opportunity Center on opportunities for collaboration when it opens in 2019, and EPN will be exploring connections in 2019 with the Arizona Town Hall effort that engages both faith based and private sector organizations around a common theme.

13.9 Develop an objective and fact-based analysis of poverty and its geographic locations within the community.

CSET and EPN are working with a wide network of Pima County departments and community organizations to develop an analysis. In particular, work in 2018 has focused on housing and evictions with strengthened relationships and analysis with the courts, the Public Defender's Office, the UA Law School, the Community Action Agency and its emergency-serving network, and two organizations providing legal services.

This is an ongoing effort

14.1 Continue to advocate at the state and federal levels for increased revenue for transportation systems, particularly a statewide 10-cent per gallon gasoline tax increase, provided the entire HURF revenue stream is constitutionally protected from diversion. This can occur by direct legislative enactment or by the State Legislature referring the question of a tax increase and constitutional protection to the voters.

This effort continues through the County Legislative Agenda as well as partnerships with other jurisdictions.

14.2 Continue to make property tax reductions available to expanding or new primary employers or export-based employers as an economic incentive for expansion or relocation.

One of two possible incentives will continue to be offered to companies that qualify.

14.3 Actively pursue alternative revenue sources for the County General Fund to support County justice and law enforcement functions; and in doing so, strive to reduce the County's primary property tax rate closer to the statewide average for counties.

This is a continuing effort

14.4 Continue implementation of Pima Prospers, along with Pima County's Economic Development Plan.

This a continuing effort.

14.5 Work cooperatively with area jurisdictions on complementary economic development strategies, including employment retention and expansion, workforce development, infrastructure development, international trade and tourism.

The County works cooperatively with a wide range of jurisdictions, including surrounding Counties to achieve success in various projects. Examples include joint workforce development with Pinal and Maricopa Counties for Lucid, trade route improvement with Santa Cruz County on State Route 189, Joint planning for Pinal Airpark with Pinal County, and supporting increased Customs and Border Patrol staffing with all border counties.

14.6 Convene quarterly economic development coordination meetings with the jurisdictions and stakeholders such as Sun Corridor Inc., area chambers of commerce, and others who have an interest in and focus on economic development. The purpose of these meetings will be to share information and to determine how best to co-

ordinate regional activities related to economic development.

This is a very successful, ongoing collaboration effort that includes over 30 federal, state, county and local jurisdictions, a number of private sector entities and utilities that meet quarterly for educational presentations, information and lead sharing, and collaboration on a wide range of economic development opportunities.

14.7 Advance economic development activities in coordination and consultation with Cochise, Pinal and Santa Cruz Counties.

Continuing efforts to address economic development efforts with all of our neighboring counties, which also includes Yuma County, involves collaboration on a number of issues and initiatives impacting economic development. The formation of the Arizona Border Counties Coalition is a direct outcome of the collaborative efforts identified as a result of these initiatives.



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PIMA COUNTY

