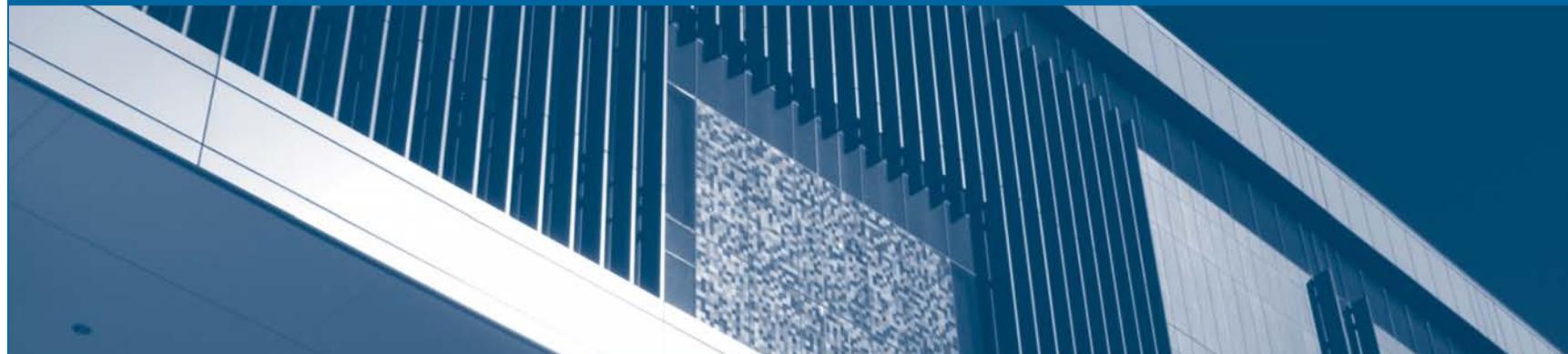


CHAPTER 14

Investing for an Economically Competitive Future



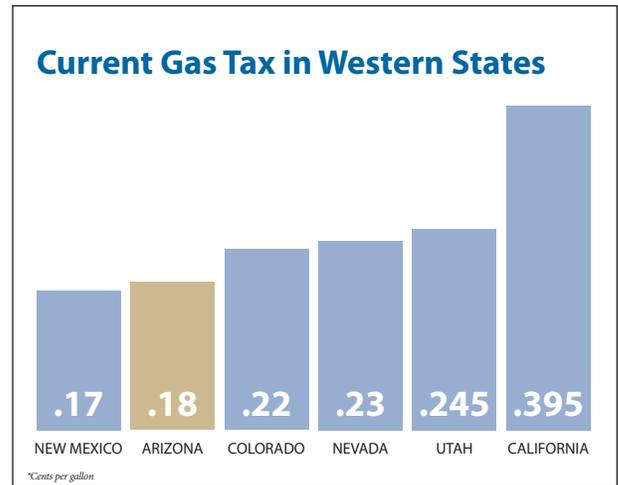
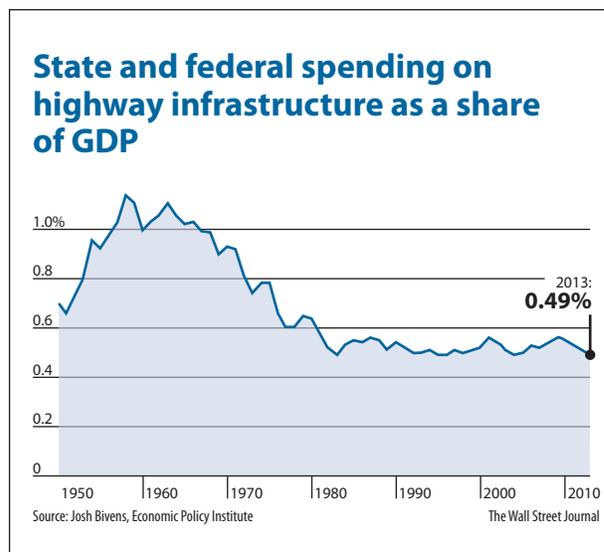
Creating a competitive economic environment does not happen by accident in a modern world. The economic centers of the Middle Ages were strategically located such that the crossing of trade routes developed over centuries. Today, economic competitiveness is not necessarily driven by location; it is created by investment. Capital investment, whether it is building facilities or enhancing infrastructure, is the key to economic expansion in making our region more competitive than others. Capital risk drives market competition, and those willing to make investments and take risks generally out-compete those who are not.

A. Solving the Transportation Dilemma

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 becomes more competitive.

Our nation, as well as our state, has not invested in transportation system maintenance or expansion. 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 separate 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 24 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 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 energy taxes of \$1 billion to invest in their transportation system. Other states, including con-

servative Wyoming, are raising gas taxes to invest in transportation. In 2014, Wyoming increased its gas tax by 10 cents per gallon.

Arizona is falling far behind in competitiveness in transportation system investment. We will not be the place of choice 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.

B. County General Obligation Bonds and Debt Financing

The County has historically used bonding to make infrastructure improvements throughout the region, including inside cities and towns; and bonds have been authorized for issuance by the voters since 1974. Voter authorization has been received 12 separate times, and a total of 54 bond proposition questions have been approved by the voters versus four that were disapproved. In total, \$2.064 billion in bonds (General Obligation, Sewer and Highway User Revenue Fund) have been approved over the past 41 years. The most recent approval was for a new animal care facility. This bond measure was approved in November 2014 for \$22 million.

Of the \$2.064 billion in bonds approved by the voters, \$1.950 billion has been issued, and \$1.257 billion has been repaid. The re-

maining debt of \$693 million is being repaid at the rate of approximately 10 percent per year. Hence, in 10 years, the County will have repaid all bond debt.

In November 2015, the voters will consider whether additional General Obligation bonds should be issued for various capital improvement projects or programs. A citizen-appointed Bond Advisory Committee (BAC) completed development of a bond program, which was approved by the Board of Supervisors for voter consideration in November 2015. The proposed bond program includes 99 projects, with total funding of \$815.8 million.

Table 14-1 below shows the dates of bond authorizations by the voters since 1997, the amount of General Obligation bonds authorized for issuance and the assessed value at the time of the voter authorization.

Clearly, public investment in facilities and infrastructure has increased the value of the tax base. Since the great recession, however, the tax base value has declined from a peak of \$8.98 billion in Fiscal Year 2009/10 to \$7.58 billion today – a 15.6 percent reduction. We must direct our public investments such as bonds to those projects that grow our tax base. Public investment in general has expanded the tax base, but redoubling our efforts to directly invest in what grows the economy is the best investment we can make during our economic recovery.

In addition, the County has just recently invested in our regional wastewater treatment system, a vital component of utility infra-

Table 14-1: Bond Authorizations History.

County Bonds	Authorization Date	Assessed Value	Total Authorization
Public investments in property, facilities and infrastructure have paid off in increases in the value of the tax base.	May 20, 1997	\$3,700,269,211	\$256,980,000
	May 18, 2004	5,633,321,019	582,250,000
	May 16, 2006	6,887,803,879	54,000,000
	November 4, 2014	7,579,898,868	22,000,000

structure necessary for economic expansion and growth. This investment is classified as revenue obligation rather than traditional bond debt. Those communities that have failed to make necessary investments in their wastewater infrastructure suffer economically with sewer moratoriums, federal government oversight related to Clean Water Act compliance and, typically, court-

C. Using Property Tax Reduction to Lower Overall Cost in Production or Distribution to Attract New Economic Enterprises

The county will make available to either expanding primary employers or new primary or export-based employers a property tax reduction over a fixed period of time in order

The County will make available to either expanding primary employers or new primary or export-based employers a property tax reduction over a fixed period of time in order to provide an economic incentive for expansion or relocation.

ordered supervision of their utility systems, such as in the City of San Diego, California and Jefferson County, Alabama. The recent \$700 million investment in our wastewater utility makes us very competitive for economic expansion, since we have the technology and the capacity to significantly expand use with very little additional cost.

Past bond issues have had components of economic development embedded in them without really identifying them as such. These components have been in areas where we have expanded tourism-related venues such as the Pima Air Museum and the Arizona-Sonora Desert Museum, and transportation investments through either General Obligation bonds or revenue bonding. Even our open space acquisition has an economic development component. By ensuring our natural environment is preserved and protected, visitors and tourists will continue to come to Tucson and Pima County, since they cite our environment as the top reason to visit.

While in the past we have not labeled individual bond programs or projects as economic development-related, it is now important to recognize that very specific capital investment programs or projects are for the primary purpose of economic development, job creation, increasing the community's wealth and facilitating overall economic expansion. These capital investment programs involve debt financing – bonding.

to provide an economic incentive for expansion or relocation. This property tax reduction reduces the assessed value of commercial property from 19 percent to 5 percent and will be offered by the County for a fixed period of time between one and 15 years depending upon the economic benefits of the expanded or relocated employer. The property tax reduction incentive will be specifically crafted for the employer; and to qualify for a one-to 15-year property tax reduction, the either expanding or new primary export-based employer must:

- Invest a minimum of \$25 million in new capital or building;*
- Invest a minimum of \$25 million in new plant, equipment, furniture or fixtures;*
- Employ an additional or new minimum 250 employees; or*
- Hire at least 50 new employees who are compensated a minimum of two times the average regional wage.*

For new employers who qualify with one or more of these criteria, the property tax reduction time period will be longer; up to a maximum of 15 years.

It should be noted that only primary based employment, also known as export-based employment, qualifies for the property tax reduction incentive.

D. Diversifying County Revenue Sources to Lower the Property Tax

Pima County's primary property tax rate was \$4.2779 per \$100 of assessed value, the highest in Arizona. The average primary property tax rate among counties in Arizona is \$2.1788. The main reason Pima County's primary property tax rate is so high is Pima County is the only county among the 15 counties in Arizona that does not have a sales tax to fund certain General Fund services. If the County were to have a sales tax, our primary property tax rate could be substantially lowered. Table 14-2 below provides an array of the various sales taxes employed by counties in Arizona to

reduce their property tax support of county operations.

There is no direct correlation between job attraction and a higher than average county primary property tax rate; however, such will not help attract new employers to Pima County.

We must enhance our efforts to diversify the revenue base to reduce our reliance on property taxes for conducting county operations. The best starting point would be to ask the voters to approve a quarter-cent jail tax for direct property tax reduction. Enacting a jail tax at the November 2016 General Election would reduce the County's primary property tax rate by \$0.4769.

Table 14-2: Fiscal Year 2014/15 County Sales Tax Rates.

County	County General Fund Excise Tax	Public Health	Jail Excise Tax	County Road Tax	Healthcare District
Apache	0.50%	\$0.1260	\$0.2916 ^{SPT}	—	—
Cochise	0.50%	—	—	—	—
Coconino	0.50%	\$0.2500	0.50%	0.30% ¹	—
Gila	0.50%	—	0.50% ²	—	—
Graham	0.50%	—	0.50% ³	—	—
Greenlee	0.50%	\$0.2300	—	—	—
La Paz	0.50%	—	0.50%	—	—
Maricopa	—	—	0.20%	—	\$0.1856
Mohave	0.25%	—	—	—	—
Navajo	0.50%	\$0.2430	—	—	—
Pima	—	—	—	—	—
Pinal	0.50%	0.10% ^{ET}	—	0.50%	—
Santa Cruz	0.50%	—	0.50%	—	—
Yavapai	0.50%	—	0.25%	—	—
Yuma	0.50%	0.112% ^{ET}	0.50%	—	—

SPT = Secondary Property Tax, listed as a dollar tax rate

ET = Excise Tax, listed as a percentage

¹Coconino County road tax effective January 1, 2015

²Gila County voters approved a half-cent jail excise tax effective July 1, 2015

³Graham County voters approved a half-cent jail excise tax effective July 1, 2015

Source: County Supervisors Association of Arizona



Pima County solicited feedback on the draft Pima Prospers Plan at events like Tucson Meet Yourself.

In addition, if the county were to adopt the half-cent sales tax or excise tax option available through a unanimous vote of the Board of Supervisors, the county’s property tax rate would be reduced by \$0.9539.

These two sales tax revenue sources for the county could decrease our property tax rate to \$2.8471; closer to the statewide average of \$2.1788.

E. Economic Development and the Pima County Comprehensive Plan Update: Pima Prospers

Pima County recognizes our region’s long-term economic development is intrinsically linked to components of community development, growth, infrastructure, sustainability, service delivery and land-use planning. As



part of the 2015 update to the Pima County Comprehensive

Plan that is currently in development, the Board of Supervisors and County administration directed that an extensive section focused specifically on economic development be included in the update. This section is not mandated by the State statutes governing the Comprehensive Plan, but it was voluntarily added by the County to ensure economic development becomes an inclusive and fundamental part of Pima County’s long-range planning and principles. In keeping with the goal of directly linking the county’s planning aspects to the economic

expansion of our region, the Comprehensive Plan update has been titled Pima Prospers.

Significant effort has been expended to ensure the more immediate and specific goals of the 2015–2017 Pima County Economic Development Plan support the long-term and broader policies included in Pima Prospers.

Arizona Revised Statutes mandate that the Board of Supervisors adopt a comprehensive plan:

“...with the general purpose of guiding and accomplishing a coordinated, adjusted and harmonious development of the area of jurisdiction pursuant to the present and future needs of the county.”

The Comprehensive Plan, which is required to be updated every 10 years, serves as the predominant and broad-based policy blueprint for the county over the subsequent 20 years. In addition to specific elements required in the plan, later legislative amendments to the Statutes included requirements for a broad-based public participation plan and an agency review process. A draft of the 2015–2017 Economic Development Plan was made available for public and agency comment, ensuring the community had ample opportunity for input and participation in the continuing development of the primary economic development strategies of Pima County.

In its current draft form, the Economic Development Element of Pima Prospers sets overarching regional goals and policies that include:

- Aiding the protection of our existing employers*
- Creating a welcoming climate for new business development, outside investment and relocation of companies and employers*
- Bolstering opportunities for job growth*
- Leveraging the Sun Corridor and other regional collaboration efforts*

- ❑ *Strengthening our commitment to tourism as an economic engine*
- ❑ *Reaffirming the construction of infrastructure and commercial, residential, public and community facilities as a stimulus of our economy*
- ❑ *Creating and maintaining a positive climate for business*

Within these broad categories are more specific actions and policy goals designed to increase our region’s prosperity. Other sections of the plan, such as the Transportation Element, include goals for prioritizing road maintenance and identifying appropriate funding sources to repair our deteriorating transportation system, which is critical to improving our economy. Many of the other elements contained in Pima Prospers are also informed by Pima County’s economic development strategies.

F. Strengthening and Regionalizing Job Attraction and Expansion

Pima County is a major contributor to private economic development planning within Pima County, and the County annually contributes approximately \$450,000 to Sun Corridor Inc. (formerly Tucson Regional Economic Opportunities, Inc.; TREO) While these activities focus on expanding job opportunities within Pima County and its various jurisdictions, these opportunities are also important in the larger context of the Sun Corridor and support ongoing activities related to protecting and expanding federal military operations at our more significant Army, Marine and Air Force Bases in southern Arizona, with specific emphasis on retaining and expanding activities at Davis-Monthan Air Force Base (DMAFB). The Sun Corridor envisions a very large region for economic opportunity covering multiple counties within Arizona. It is important our privately-financed economic development planning be able to support larger scale economic development within the Southwestern states, as well as nationally, by emphasizing economic opportunities and our relationship with Mexico.

The logistics opportunities represented by large scale transportation investments promote the region as an interstate and international trade and freight hub centered on Tucson International Airport with its access to surface, rail and air transportation. The economic development investments made by Pima County and Sun Corridor Inc. should be augmented by investments of up to \$200,000 per year to support the concept of the Sun Corridor economic development expansion opportunities, including bi-national activities with Mexico.

It is also appropriate to assist private sector activities, specifically the DM-50, in ensuring there is a strong economic future for DMAFB. Both the City of Tucson and Pima County have committed an allocation of \$60,000 per year over the next three years for this purpose. These investments, while not investments in physical infrastructure, are just as important to ensure maximum economic benefits from these planning activities.

G. Cooperative Regional Economic Development Planning

While the main focus of the Pima County Economic Development Plan is on initiatives Pima County will or has initiated to retain and generate new jobs, other jurisdictions in our region also have specific plans or economic development objectives of their own. Several are consistent with the county’s objectives, and a number are very appropriately focused on individual jurisdiction needs. Regardless of the origin of the initiative, any success helps the region move forward as we work together to increase employment and the quality of our workforce, as well as tourism and work to end poverty.

Pima County reached out to the various jurisdictions to identify areas of alignment and individual focus. This section focuses on common initiatives between the county and the jurisdictions.

1. City of Tucson



In 2014, the City of Tucson published its Comprehensive Economic Development Strategy that focused on a wide range of topics and included an analysis of economic development strengths, weaknesses, opportunities and threats. The report focused on goals specifically outlined in the Sun Corridor Inc. Blueprint Update, which identified three areas that would better the Tucson product when proposing to companies considering relocation or expansion in the region. Those three key areas are talent, infrastructure, and business environment. To address these three areas, the city identified specific goals, several of which are consistent with the county's Economic Development Plan and are discussed below.

Recruitment, Retention, and Expansion. Assist existing Tucson firms in continuing to thrive and expand and attract firms that bring primary jobs to Tucson. Jobs are the consistent thread that drives the economic efforts of all organizations in the region. Retention efforts are consistent with the county's focus on protecting our existing major employment base, as well as the development of primary job centers. Both the city and the county are actively engaged in supporting our military bases and retention of major employers. A key common focus is the support for workforce development and working with local educational institutions to increase skill levels, pay levels, and develop a more versatile workforce to make existing companies more competitive and attract new employers.

International Trade. Expand international trade efforts, especially in Mexico. International trade is valuable to the local and national economy as it brings new money into the country. Areas consistent between the city and county plans include increasing Foreign Direct Investment, expanding the number of business selling goods and services internationally, and promotion of Tucson as a leading transportation and distribution hub. Both the city and the county have staff

focused specifically on international trade and recruitment of Foreign Direct Investment (FDI). A city/county shared office with Vamos a Tucson in Hermosillo, Sonora is actively used for recruitment and developing international relationships. The county coordinates with the city on activities with the Canada Arizona Business Council to improve exposure and encourage investment and relocation of businesses to the Tucson region. Both the city and county value and support the Port of Tucson and its efforts to increase foreign trade with East Asia and the Republic of Korea.

Entrepreneurship. Facilitate the creation of new firms through technology transfer, working with The University of Arizona and other entrepreneurship efforts. Coordination with Tech Launch Arizona focuses on developing local talent and creation of home grown enterprises. The university system across the State has a broad range of incubator and entrepreneurial programs that help address a wide array of technologies that offer excellent opportunities for growth. This is consistent with the county's focus on cooperatively leveraging the intellectual capacity of the university system in a wide range of disciplines.

Investment in Key Commercial Areas. Encourage investment and revitalization of Tucson's key commercial areas/corridors through incentives and infrastructure improvements. In the county's Economic Development Plan, Downtown Enhancement is a key factor; calling for investment in the city core utilizing specific county assets. The city has made major investments to revitalize the downtown area resulting in significant new private investment. The city and the county have responsibility for major infrastructure components in the community. Both have highway responsibility, the city has water, and the county has wastewater; all key factors in making the region competitive. Consistent with the Sun Corridor Inc.'s infrastructure emphasis, both entities need to prioritize infrastructure development and encourage the remaining utilities to participate in the development of key commercial

areas, such as the Aerospace Parkway and Sonoran Corridor, to improve the region's competitiveness in being able to respond quickly to inquiries from prospective companies. As the common denominator in essentially all expansion and recruitment efforts, the city and Pima County are always involved in recruitment activities because of their infrastructure responsibilities and incentive potential. The City of Tucson and Pima County are working together to develop a Utility Resource Guide that assists prospective employers and site selectors in understanding timelines and costs associated with delivery of utilities to prospective parcels.

2. City of South Tucson



An update of the City of South Tucson's economic development strategy is underway in 2015. The City's previous economic development strategic plans were released in 2009 and in 2005.

South Tucson has many attributes that are expected to accelerate the City's business attraction and expansion activities. South Tucson's location in a major metropolitan area with direct access to Interstate 10 (I-10), proximity to Interstate 19 (I-19), proximity to Tucson International Airport and adjacency to the Union Pacific rail line place it an enviable location for economic development. The City's geographic location would also likely lead to business attraction and expansion opportunities from policies in the 2015-2017 Pima County Economic Development Plan that include the development of an Aerospace, Defense and Technology Business and Research Park, I-11 and the Auxiliary Interstate Highway and activities related to protecting the region's major employment base. The City of South Tucson would likely see benefit from increased logistics development in the Tucson International Airports Environs.

South Tucson staff is currently assembling an inventory of developable or available commercial property and could benefit from

increased collaboration with Sun Corridor Inc., Pima County and other regional economic development organizations to increase business attraction to the city.

Furtherance of Pima County's strategies to increase the region's economic interaction with foreign economies such as Mexico, Canada, and East Asia and the Republic of Korea would also create opportunities for the City of South Tucson in the areas of trade, tourism and FDI.

South Tucson is also focused on expanding its existing businesses and increasing its tax base. Approximately 60 percent of its sales tax revenue flows from the City's well-known restaurants. Efforts to strengthen the region's tourism as delineated in the Pima County Economic Development Plan would likely increase visitation to South Tucson businesses. The development of a Pima County Business Resource OneStop Center would also be beneficial to the development and expansion of small and medium-sized establishments within South Tucson.

As part of the county bond proposal that will be considered by voters in the November 2015 election, the Board of Supervisors approved inclusion of a \$10 million project to expand the retail tax base within South Tucson; specifically within the area of I-10 and Fourth Avenue. Entitled the South Tucson Retail Tax Base Redevelopment Project, this project intends to allocate \$5 million in county General Obligation bond funds to develop public infrastructure such as flood control improvements, street improvements and a multiuse pathway, to be matched with \$5 million in private funding, to redevelop a blighted area into a thriving retail development.

Job training, workforce connections and employment base development as described in the Pima County Economic Development Plan will also be critical areas for collaboration between the City of South Tucson and Pima County.

3. Town of Sahuarita



Sahuarita recently completed its “Blueprint for Economic Growth and Prosperity” that builds on the community’s abundant assets and advantages. Strategies include retaining and growing existing economic drivers and employers, investing in and strengthening present and future employment centers, elevating Sahuarita’s identity and profile in Arizona’s economic development arena, and ensuring that Sahuarita’s present and future employers are able to cultivate, retain and attract the talent they need.

One of Sahuarita’s specific goals is to provide “A broader support for current and/or planned employment centers in Sahuarita.” This goal is consistent with Pima County’s emphasis on the development of shovel-ready primary employment center sites discussed previously in Chapter 1. Over the next five years, Sahuarita anticipates an annual population growth rate of 4.25 percent. The Sahuarita Farms master planned community covers 7,000 acres, and the Sahuarita East Conceptual Area Plan incorporates 39 square miles. These two projects will provide new, well-planned community assets that will help attract the workforce for our regional employment centers. New road infrastructure in the area north of Sahuarita will enhance connectivity between this planned growth area and the region’s major employment centers. Coordinated infrastructure planning will be a key factor in the success of this region; and continuation of cooperative efforts between Sahuarita, the San Xavier District and the county will be key factors in supporting this growth area, as well as improving the commute for this high concentration of new workforce.

Sahuarita’s location adjacent to active copper mines employing several thousand employees makes it an ideal location for three of the county’s Economic Development focus areas. According to the W.P. Carey School of Business at Arizona State University, the 2012 impact of mining on Pima County’s

economy was estimated to be 14,230 jobs and over \$1.3 billion in total income. The average annual income of mining company employees is \$99,500. Labor projections indicate that between expansion and replacement of an aging workforce, this industry will need a total of 128,000 jobs by 2019. Emphasis on at least three specific economic development areas is a common factor between the county and Sahuarita Economic Development Plans. First is “Leveraging the Intellectual Capacity of Arizona’s Universities.” The University of Arizona (UA) operates the San Xavier Underground Mining Laboratory six miles west of Sahuarita as a training and research facility. The regional Pima County Joint Technical Education District (JTED) and Sahuarita Unified School District are working with Tech Parks Arizona and the San Xavier Mine to establish cooperative agreements for Mining and Industrial Technologies Career and Technical Education Course. These efforts complement the county’s focus on job training and employment base development. These are high-paying jobs with a long-term future in Arizona, and the training programs have strong support from nearby employers

Promoting tourism throughout Pima County is also a shared goal. Madera Canyon, south of Sahuarita, is a major tourism destination. Gently sloping hills and roads lend themselves to new cycling and running events to be commonly promoted, as well as capitalizing on expanding ecotourism activity.

4. Town of Marana



The Town of Marana is currently updating its 2010 Economic Roadmap that serves as the planning document for the Town’s economic development priorities. In addition, Marana has a regularly updated overarching strategic plan that includes a comprehensive section entitled “Commerce” that helps guide policy decisions related to business and economic development.

Marana’s rapid growth and aggressive support for business attraction, retention and

expansion, combined with its geographic location and the proximity of transportation infrastructure that includes I-10, Union Pacific Railroad and the Marana Regional Airport, ensure abundant opportunities for the Town's economic growth and collaboration with Pima County and the policy goals contained in the 2015-2017 Economic Development Plan Update.

Marana staff has expressed a strong desire to address economic development in Pima County through a regional approach.

Marana's northern boundary is in proximity to Pinal Airpark in Pinal County, which was discussed in Chapter 1. Marana served on the Master Plan Advisory Committee for the Pinal Airpark. Marana's strategies and vision for the airpark mirror Pinal County's priorities that seek to bring the facility into Federal Aviation Administration compliance for general aviation use and also examine surrounding land use, zoning and planning for the area. The Town will continue to work closely to prevent encroachment and to see that economic opportunities are maximized. Marana Regional Airport, another economic asset for the region, is in close proximity to Pinal Airpark and on the same aeronautical heading, furthering the need for a tower to control airspace. Collaboration between Pima County, Pinal County and Marana is necessary to capitalize on the economic development opportunities related to the Pinal Airpark.

Marana is the only municipality in Pima County to operate a tourism and visitor's bureau independent of Visit Tucson with its own destination marketing organization created as a department to focus its tourism attraction strategy. Greater collaboration between Marana and Pima County can be synthesized within the individual policy goals and initiatives discussed in Chapter 6; especially in the areas of sports attractions, cycling, joint public investment and creating international tourism opportunities.

Other areas for potential Pima County/Ma-

rana economic collaboration include workforce development initiatives, infrastructure development and investment, and international economic opportunities.

5. Town of Oro Valley

The Town of 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 Oro Val-



ley's existing industry base that includes leading tech companies such as Honeywell International, Sanofi, Sigma Technologies International, Securaplane Technologies and Ventana Medical Systems, a member of the Roche Group. Pima County's 2015-2017 Economic Development Plan recognizes the Town's sector strategy and proposes Pima County development of a proposed bioscience/biotechnology startup and business accelerator in the Town with other private sector and public partners. In addition, Oro Valley and Pima County will collaborate with Sun Corridor Inc. to identify and facilitate other related sector industries for location in the Town's Innovation Park and other suitable locations in Oro Valley.

Oro Valley and Pima County will work together to further the action items for regional infrastructure investment for job creation. A critical aspect of the Town's future economic development and growth is the previously considered annexation of Arizona State Land Department (ASLD) trust land located north of the Town. Pima County worked closely with Oro Valley and ASLD to develop a master planning process before the economic recession stalled the project in 2009. Pima County will work with Oro Valley and the ASLD to reactivate this important planning process that would significantly expand primary job development, while retaining open space and preserving the quality of life in the region.

Oro Valley has a diverse economy and active business retention and expansion program intended to increase the Town's employment

base. Oro Valley would benefit from increasing its workforce from the development of the Pima County Business Resource One-Stop Center and expansion of the regional public workforce system. In addition, the Town has significantly expanded its recreation facilities, including cycling and multi-use paths, parks, the Oro Valley Aquatic Center and the proposed purchase of the El Conquistador Country Club facility and has substantial resort and hotel facilities that offer opportunities for increased collaboration through the tourism strategies discussed in Chapter 6. Further, Oro Valley elected officials and staff has been active in regional initiatives to increase tourism and trade with Mexico. Oro Valley could also increase tourism and create additional Foreign Direct Investment, trade and supply chain opportunities through the Canadian, East Asian and South Korean initiatives discussed in Chapters 9 and 10.

6. Pascua Yaqui Tribe

The Pascua Yaqui Tribe was federally recognized in 1978 and consists of eight mainly urban locations in the Phoenix and Tucson area, as well as eight traditional communities in Mexico. The Tribe is a significant employer, with over 900 government workers and 1,200 hospitality workers employed at their successful Casino Del Sol Casino and Hotel. With a mixture of cultural and entrepreneurial emphasis, the Tribe has identified four focus areas that are consistent with those included in the County's Economic Development Plan. Additionally, there are specific Tribal Initiatives that focus on sustainability and cultural heritage that are consistent with a number of County programs.

Tourism. With two casinos and a major resort hotel, the Tribe is heavily focused on and responsive to the tourism market. As part of their marketing research activity, they have identified serious interest in cultural tourism – especially from international visitors from the Asian and Central European markets. This effort is consistent

with the County's focus on enhancing our relationships with Mexico, East Asia and the Republic of South Korea. The Tribe is actively involved with a proposed county bond project to revamp Old Tucson, a Pima County attractions property, to create a heritage museum that celebrates Native American Heritage.

Workforce Development. The Tribe emphasizes workforce development in a number of venues. The very successful hospitality training program at the Casino del Sol Hotel trains hotel employees, as well as hospitality staff for other Native American hotels and casinos, which results in the attraction of students to the area from various venues. With a goal of diversifying career pathways among the Tribe's youth, the Tribe was successful in obtaining a Native American Career and Technology Education Program grant that has been helpful in coordinating allied health, avionics and manufacturing programs with JTED. The Tribe works cooperatively with the Pima County's OneStop career center, Tucson Unified School District, Pima Community College, Arizona State University, Northern Arizona University, and the UA Workforce Education Development Office to define needed skills and then develop appropriate programs to address them.

Infrastructure Development. In the initial stages of the Tribe's formal land organization, their lands consisted of 202 acres. Today, these land holdings are over nine times greater. As a sovereign nation, the Tribe recognizes the need for appropriate land use planning and zoning of their lands in preparation for use by tribal, as well as non-tribal, users and is now adopting a zoning ordinance. Since much of their land is in the floodplain, cooperation with Pima County's Regional Flood Control District is a priority. This is exemplified by the fact that the Pima County Bond Advisory Committee has a mutually supported project under consideration that will prevent flooding for a large number of homes on the reservation.

Economic Development. The Tribe is engaged in a number of environmental and sustainability projects, including investment in solar power generation, and is a focal point of the Arizona Commerce Authority Renewables Program. The Casino has been consistently pursuing the implementation of a sustainability plan focused on LEED standards, community education and outreach. The Tribe remains true to its heritage by focusing on sustainability and minimizing the environmental impact of their capital investments.

7. Tohono O’odham Nation



The Tohono O’odham Nation, consisting of four non-contiguous segments totaling more than 4,460 square miles in Arizona and Mexico, is a sovereign nation that

historically has had an agrarian focus. The Nation is now prioritizing infrastructure, land use planning, and workforce development as key factors impacting the future job opportunities of members of the Nation and the opportunity to prepare the workforce for a more technical orientation that improves their employment opportunities. With an unemployment level of over 35 percent, finding jobs for members is a key priority. The remote nature of the Nation has made participation in some suburban economic development opportunities very limited. However, the availability of large land tracts, a different tax structure, presence near major highways, and a large available workforce enables the Nation to compete for economic development projects.

Infrastructure. In order to make the vast reaches of the Nation more accessible, the Nation has identified infrastructure and highways as major priorities in their economic development objectives. This is consistent with Pima County’s emphasis on Regional Infrastructure Investment for Job Creation as discussed in Chapter 2 of this plan. The San Xavier District’s proximity to I-19 and the planned Sonoran Corridor provide excellent opportunities for commercial development and expansion of the Desert

Diamond Casino adjacent to international trade routes with rapidly growing traffic volumes. Some of the potential routes for the Intermountain West Corridor (I-11) are near the Nation’s north and eastern boundaries. The Nation is actively participating with Pima and Pinal Counties in the development of alternative routes through southern Arizona in anticipation of the planned I-11 Environmental Impact Study that will begin in summer 2015. These projects, in conjunction with the Arizona Department of Transportation (ADOT) improvements being made to State Highway 86 which bisects the Nation, provide opportunities to capitalize on location and new highway development to make various portions of the Nation competitive for commercial and community development. Improvement of road infrastructure, with a focus on reliability of travel and the creation of housing developments near commerce areas, increases the availability of the workforce to employers on and off the Nation. The Tohono O’odham Utility Authority will also have a key role in ensuring that appropriate communication and electrical power are made available to designated commercial and residential areas on the Nation.

Another major factor impacting the Nation is flooding. Pima County’s Regional Flood Control District has responsibility for planning and mitigation of drainage and flood control issues throughout the County and is available to cooperatively analyze and recommend mitigation. Analysis has already been performed along the Santa Cruz River in the San Xavier District with recommendations made to minimize erosion and loss of valuable lands to flooding. Additionally, Pima County is working with the San Xavier District and the United States Bureau of Reclamation to mitigate flooding along the Cemetery Wash west of San Xavier Mission. A \$2 million bond project has been proposed to address this issue. As road infrastructure is developed, drainage planning is a key factor in the development process. Managing drainage is an important part of the Nation’s infrastructure planning process.

Land Use Planning. With a land base of 2.8 million acres, the Nation has many opportunities for the use of their lands. Appropriate land use planning and regulation are critical to planning for commerce and community development on the Nation. This is consistent with the county’s Comprehensive Plan “Pima Prospers,” which focuses on comprehensive land use planning and regulation that support orderly economic development and predictable land usage that minimizes conflicts and sets the path for long-term sustainability. Pima County will offer the county’s land use and zoning codes and rationale to the Tohono O’odham Nation as examples should they wish to utilize them.

Workforce Development. The third common priority for the Nation that is consistent with the Pima County Economic Development Plan. Understanding regional opportunities for employment will create the framework for the workforce development focus of the Nation as they prepare their members to compete for jobs in the community, as well as attract industry to the Nation. There are a number of workforce training opportunities in the county, as well as a well-organized training capability on the Nation. As the Nation increases their emphasis on workforce development, Pima County will integrate the Nation’s various training initiatives to ensure focus on the skills that give them the highest potential for success.

Tourism. The hotels and casinos of the Nation are already key components of our tourism draw for the region. Focus on the heritage of the Tohono O’odham Nation can be another key component of regional tourism and an increased focus on ecotourism. Pima County will continue to encourage participation by the Nation in programs focused on increased tourism.

Action Items

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.

14.2 In November 2015, place before the voters the bond authorization that includes projects and programs whose primary purpose is economic development, job creation and increasing the community’s wealth, as well as funds for road repair and rehabilitation.

14.3 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.

14.4 The county should 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.

14.5 Continue with the development of the Pima Prospers Comprehensive Plan Update and ensure it is complementary to the 2015–2017 Economic Development Plan.

14.6 Pima County will work cooperatively with area jurisdictions on complementary economic development strategies, including employment retention and expansion, workforce development, infrastructure development, international trade and tourism.

14.7 The county will convene, at least 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 coordinate regional activities related to economic development.