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CHAPTER 1

Primary Job Center Development
The County is developing a number of proposals to make available shovel-ready primary employment center sites. These sites would be available for sale or lease to new primary employers or for expanding primary employment within the County. They are all County-owned properties that could be used for employment centers. The locations discussed in this chapter are under active consideration.

### A. Raytheon Buffer

One of the priorities in the County adopted Economic Development Action Plan was to protect the existing employment base within the County. Raytheon is our largest private employer; hence, the County has taken steps to buffer Raytheon operations by both relocating Hughes Access Road and by acquiring buffer lands that could be utilized for Raytheon if they chose to expand their operations. These actions allow existing Raytheon operations to continue without receiving waivers from the United States Air Force (USAF) for certain activities. The actions substantially buffer Raytheon from any adverse encroachment that would threaten or diminish its operational flexibility.

The Raytheon buffer is comprised of two components; the first being the buffer related to existing operations and its existing facilities. This buffer will be acquired in a land exchange agreement between the Tucson Airport Authority (TAA) and the USAF and would extend approximately 800 feet south of the existing Hughes Access Road alignment. This buffer is approximately 130 acres of land now owned by the TAA.

The second buffer is larger; consisting of approximately 270 acres of land that would allow displaced Raytheon facilities to be relocated. In addition, the expanded buffer would allow Raytheon to construct additional final assembly and checkout facilities to expand operations. This second buffer will be acquired by either the County or in cooperation with Raytheon using an annexation fund previously established by the City of Tucson as an incentive for Raytheon to annex into the City.

### B. Aerospace, Defense and Technology Business and Research Park

To eliminate potentially adverse residential encroachment on Raytheon, the County purchased approximately 382 acres at a cost of $5.9 million from private developers who were attempting to build residential development adjacent to the south boundary of Raytheon. These 382 acres of County-owned property, as well as 97 acres owned by the County for many years and adjacent TAA-owned lands, are being planned for an Aerospace, Defense and Technology Business and Research Park (the Park). The lands will have transportation access from the relocated Hughes Access Road, as well as potential rail access from the Nogales line. The planned uses would be for primary employment, with preference given to aerospace and defense industry-related firms that are compatible with the adjacent landowners—Raytheon and Tucson International Airport (TIA). In total, the Park would be
approximately 2,800 acres of land held in trust by the State or owned by Pima County or the TAA. Advanced planning continues on this site. The site’s proximity to the new proposed auxiliary interstate highway, also known as the Sonoran Corridor and discussed in Chapter 2, makes the property an ideal location for future primary employment sites that complement existing aerospace, manufacturing and high-tech employment within the corridor.

To advance development of the Park, the Aerospace Parkway (the relocated Hughes Access Road) is under construction and will be completed in 2015. In addition, advance planning and implementation of major utility extensions for wastewater and water services are now being planned by the County and City. Business development of the property for defense and technology manufacturing will be possible with surface transportation access, as well as major utility connections, including water, sewer, natural gas, electric and communication systems.

Active land use planning for the County’s nearly 500-acre property will begin in the latter part of 2015.

C. Sunset Road and Interstate 10, River Road

The County acquired approximately 615 acres from California Portland in December 2012. Most of the acquired property is within the floodplain, flood erosion hazards of the Santa Cruz River or has been the site of sand and gravel mines. However, over 100 acres of the property located at Interstate 10 (I-10) and the future extension of Sunset Road to Silverbell Road, as well as Sunset Road to River Road, can be utilized for primary employment. Because of easy access to I-10, future employment uses envisioned at the site would promote primary and new employment within the region in a campus environment. It would also encourage mixed-use development. Regional Transportation Authority (RTA) and Arizona Department of Transportation (ADOT) funding of the new Sunset Road interchange, Sunset Road extension.
and connection to River Road, as well as the RTA improvements to Silverbell Road, will make this an ideal business campus site in the future. The balance of the property is to be developed as an environmental enhancement project known as El Corazón, which will be a major public recreation asset through restoration of the former sand and gravel sites.

The County is also advancing the connection of Sunset Road to Silverbell Road and the significant enhancement of the Sunset Road interchange at I-10. Presently, the County’s Department of Transportation is conducting early planning studies leading to design and implementation of Sunset Road connecting to the existing interchange at I-10. This will be under construction in 2016 at an approximate total cost of $22 million.

**D. Biosciences and Biotechnology**

Between 2002 and 2011, bioscience jobs in Arizona increased by 45 percent, adding more than 30,000 jobs, for a total of nearly 100,000.

**Arizona bioscience workers earn an average annual salary of $56,000, compared to $44,000 for all other private sector industries.**

By comparison, the national growth rate for bioscience jobs during this period was 12 percent. Arizona’s bioscience firm establishment also exceeded national growth – a 31 percent increase versus 23 percent. Arizona bioscience workers earn an average annual salary of $56,000, compared to $44,000 for all other private sector industries.

Biosciences/biotechnology is an emerging high-tech job developer and exists in limited locations throughout the region – primarily in four geographic areas. One of these areas and the largest private employer of bioscience and biotechnology jobs is in Oro Valley at Innovation Park, followed by facilities associated with The University of Arizona (the University; UA) in and around the main campus, followed by the location of Accelerate Diagnostics in the County’s Abrams Public Health Center at the Kino Campus on Ajo Way, and emerging companies at the UA Tech Park at The Bridges.

**Accelerate Diagnostics**

The County assisted in the relocation of Denver, Colorado-based Accelerate Diagnostics to the Abrams Public Health Center. Accelerate is a startup biotech firm that has grown significantly since relocating to Tucson. In the future, it will occupy the entire fourth floor of the Abrams Public Health Center for a total of 45,000 square feet. The lease is relatively short term at six years, with the facility being designed as a successful bioscience start up incubator. Accelerate Diagnostics began with 10 employees; today, they have 66 and plan to grow to 100 in 2015. Originally, the economic development incentive provided by the County required 30 employees at an average annual wage of $65,000. The current 100 employee average annual wage is in excess of $88,000.

Accelerate Diagnostics’ growth has been quite significant, and they are now ready to locate manufacturing facilities for their medical devices. These manufacturing facilities will be initially located proximate to their incubator startup in the Abrams Public Health Center. This manufacturing component will add another 50 employees to Accelerate’s total employment. It is expected Accelerate will begin manufacturing activities in October 2015.
Bioscience/biotechnology Startup in Oro Valley
The County and others have been meeting to develop a bioscience/biotechnology startup to be located immediately adjacent to both Sanofi, Inc. and Ventana Medical Systems, Inc. (a member of the Roche Group) in Oro Valley. It is anticipated a bioscience startup facility of 25,000 square feet, expandable to 50,000 square feet, will be financed using County bond funds if approved by the voters. The site will be owned by the County and leased to a nonprofit bioscience operating entity. The operating and maintenance expenses will be paid for by a bioscience/biotechnology nonprofit organization being formed by a number of participating entities, including the biodesign function of Arizona State University (ASU).

Tech Launch Arizona. The UA is ranked 18th among public universities for research spending nationally and recognized for graduate programs in biomedical engineering, neuroscience, pharmacology and toxicology, cancer biology, applied mathematics and genetics.

The November 2015 bond proposal includes funding to assist the University with research and development expansion opportunities at The Bridges, as well as the UA Tech Park, to encourage high-wage jobs and opportunities for incubator and spinoff companies. Pima County has already invested $16 million at The Bridges site for flood control improvements and wastewater capacity. Because of public funding, the site must be owned by either the County at no cost or by the Arizona Board of Regents.

E. Downtown Primary Employment – 97 E. Congress Street, 69 E. Broadway Boulevard, 160 N. Stone Avenue and 332 S. Freeway
The County owns and operates approximately 1.58 million square feet of office space in the downtown Tucson area. Tucson is the County seat. Pima County is the region’s largest downtown employer and has been for more than two decades. Today, we employ more than 7,000 full- or part-time employees. The County is fully invested in the success of downtown revitalization; and through the development of new court facilities and the repurposing of the Historic County Courthouse, is able to make available 97 E. Congress, as well as leased parking spaces in the County parking garage at 50 N. Scott Avenue.

Ninety-seven (97) E. Congress is an office building of 44,130 square feet. Pima County will make this property available for purchase in late 2015 or during 2016. The County’s preference would be to sell or lease this site to an employer who would bring primary employment based jobs to downtown Tucson.

In addition, the County owns 0.66 acres (28,780 square feet) of vacant property at 69 E. Broadway Boulevard (Broadway and Scott Avenue). The County will also, during the same time period, make this property available for the construction of a new office building designed, again, to attract primary export–based employment in downtown Tucson.

160 N. Stone Avenue is a three-story office building totaling 19,726 square feet. With completion of the new Public Service at 240 N. Stone Avenue, this building is not needed for the next 10 to 15 years. The County would consider a favorable long-term lease or sale to a new downtown employer.

332 S. Freeway, the former location of the County’s Theresa Lee Health Center, is an approximately two-acre property adjacent to Interstate 10. The existing structure will be demolished to make the site available for a multistory employment center.

The County will consider any sale or lease options for these properties for primary employment; all with appropriate considerations and/or incentives for economic development if the employer meets certain conditions regarding the number of new, export-based employees with average wage levels being significantly greater than the regional average.

F. Pinal Air Park
The County is engaged in discussions with Pinal County representatives regarding
economic development opportunities on our common border. One of these opportunities involves Pinal Airpark. The County owns 296 acres of land immediately adjacent to and south of Pinal Airpark, and this land lies on the Pinal/Pima County boundary. This property is immediately adjacent to air operations associated with Pinal Airpark. In our meetings with Pinal County, we have offered our full cooperation in any job or economic development activities that would expand Pinal Airpark, including making Pima County’s property available to ensure full runway operational parameters, including aviation easements and other items necessary for a successful long-term operation and expansion of Pinal Airpark. Further, the County’s property can be made available to new employers that would locate near or adjacent to and use the air transportation capacities of Pinal Airpark. The County fully supports Pinal County in its planning efforts associated with the Pinal Airpark Master Plan and has offered our property to be incorporated into its master planning efforts for developing a larger airfield economic development opportunity for the region.

The County also supports the efforts of Pinal County to widen, resurface and extend the runway serving Pinal Airpark. The present runway is in need of significant repairs and should be widened to accommodate larger aircraft and lengthened to accommodate more aircraft under varying conditions. Such an updated and expanded runway would greatly increase the maintenance and repair capabilities and capacity of Pinal Airpark for the airline industry.

**Action Items**

1.1 Support the initiation 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.

1.2 Complete during 2015 the Environmental Assessment for the release and sale of the 270-acre expansion buffer for Raytheon and acquire the buffer in 2016.

1.3 Develop a planning agreement between Pima County, TAA, and the Arizona 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.

1.4 Develop a conceptual plan for rail access from the Nogales line through the Park.

1.5 Complete the Aerospace Parkway in 2015, thereby providing surface transportation access to the Park.

1.6 Complete the Master Plan for major utility infrastructure for the Sonoran Corridor region in 2015.

1.7 Finance and construct public utility systems for the Park in 2016.

1.8 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.

1.9 Complete planning and undertake construction of the extension of Sunset Road between I-10 and Silverbell Road in 2016.

1.10 Facilitate expansion of Accelerate Diagnostics at the Abrams Public Health Center.

1.11 Plan a bioscience/biotechnology incubator in Oro Valley adjacent to Sanofi and Ventana Medical Systems and implement the incubator using $15 million of General Obligation bonds if approved by the voters.

1.12 Assist in providing transportation public infrastructure to the UA Tech Park in the amount of $10 million in General Obligation bonds if authorized by the voters.
1.13 Develop, with the ABOR and Campus Research Corporation, an innovation center and educational building at The Bridges with $20 million of General Obligation bonds if authorized by the voters.

1.14 Market for sale or lease for primary employment 97 E. Congress Street, 160 N. Stone Avenue, and vacant land at 69 E. Broadway Boulevard and 332 S. Freeway.

1.15 Support Pinal County in its funding application with the FAA to widen, resurface and extend the runway serving its airport and provide any County property necessary for improving the runway facilities at Pinal Airpark.

1.16 Make available County property at Pinal Airpark for airfield development and expansion, including airport employment lessees.
CHAPTER 2

Regional Infrastructure Investment for Job Creation
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.

A. Transportation.

1. SURFACE
   a. 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 border 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 Arizona Department of Transportation (ADOT) and the Nevada Department of Transportation. This corridor must pass through metropolitan or eastern Pima County and connect to the Mariposa Port of Entry (POE) at Nogales, which has already received more than $250 million of investment by the federal government to improve its efficiency as a border crossing facility.

   ADOT recently 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. 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.

   b. Auxiliary Interstate Highway; Interstate 10 to Interstate 19 A rapid surface interstate connection between Interstate 19 (I-19) and Interstate 10 (I-10) south of the metropolitan Tucson area would be significantly beneficial to both facilitate trade with Mexico, particularly trucking that desires an eastern terminus beyond Arizona’s border, and as a high-speed surface transportation

   Federal, state and local officials helped Pima County break ground on Aerospace Parkway construction March 31, 2015.

The Auxiliary Interstate Highway connection from I-19 to I-10 is perhaps the most important economic development surface transportation improvement in the region.
facility within the metropolitan area; linking existing, growing and developing primary employment and residential centers. The County is leading efforts to locate the route and begin 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. This connection needs to be embraced by all regional governments and local partners as the most important transportation improvement that will facilitate job growth in the existing and growing manufacturing, technology, logistics and defense corridor in metropolitan Pima County.

Given its importance, the County has proposed in the November 2015 bond issue that a surface transportation investment of $30 million be made for this corridor; allowing the connection of the Aerospace Parkway discussed later in this section, to Rita Road at I-10 to connect the UA Tech Park employment center to the defense, manufacturing and technology primary employment center around Tucson International Airport (TIA). In June 2015, Senators John McCain and Jeff Flake and Congresswoman Martha McSally cosponsored legislation to designate the Sonoran Corridor as part of the interstate highway system. This legislation was cosponsored by the entire Arizona Congressional Delegation and received Arizona Governor Doug Ducey’s support, as well as that of local business leaders.

c. State Route 189 – Mariposa Port of Entry to Interstate 19 Perhaps the weakest link in our trade corridor with Mexico is State Route (SR) 189. The County has long advocated to the State Transportation Board that SR 189’s improvement is essential to maximize the efficient use of the Mariposa Port of Entry (POE). Unfortunately, while planning continues, State funding lags for these im-

The Aerospace Parkway
An auxiliary interstate highway connecting I-19 with I-10 south of the airport would help make the region a major economic growth center.
provements. The County will continue to advocate with ADOT and the Governor for these transportation improvements to be advanced ahead of all others in the State to maximize trade and economic expansion benefits with Mexico.

d. Aerospace Parkway The relocation of Hughes Access Road is a project initiated by the County to allow Raytheon to achieve the full benefits of both an existing and expanded buffer. Hughes Access Road, a public highway that carries thousands of vehicles per day, poses a significant impediment to Raytheon production expansion. The Hughes Access Road relocation to a new roadway alignment named the Aerospace Parkway will significantly increase buffering benefits to Raytheon, as well as add to accessibility of the emerging business and research park for job growth and development south of Raytheon. The Aerospace Parkway is under construction and will be complete and open to traffic by the end of 2015. This project represents a nearly $14 million investment by the region in not only protecting the region’s largest employer, but laying the groundwork for future aerospace, manufacturing and defense-based primary employment in the region.

2. AIR
a. Second Main Parallel Runway at Tucson International Airport The Tucson Airport Authority (TAA) has recently completed a Master Plan update for TIA. The Master Plan calls for relocating the existing general aviation runway and reconstructing it as a full-length commercial service runway. Such an infrastructure investment is vital to improving safety and reliability and to meet current Federal Aviation Administration (FAA) standards in order to better serve passenger air travel and air cargo and to continue to support the vital military Pilot Training Mission of the 162nd Fighter Wing of the Arizona Air National Guard (AZ ANG) located at TIA.

The County will continue to be a strong advocate for federal aviation funding to complete this project at TIA. This second, full-service parallel runway is necessary to allow TIA to serve the aviation needs of southern Arizona in the safest and most efficient manner; whether it is for passenger, air cargo, military or general aviation. It is important this program be developed as soon as practically possible to complement and enhance the attractiveness of the Aerospace, Defense and Technology Business and Research Park to potential new businesses.

3. RAIL
a. Rail/Truck Interface at the Port of Tucson The Port of Tucson is a true operational international inland port. This site recently 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 substantial, new, privately-funded 17,000-foot internal dual-rail infrastructure. With the County’s sponsorship, the Port of Tucson
was the recipient of a $5 million Transportation Investment Generating Economic Recovery (TIGER) Grant to develop large train offloading with a new 8,000-foot rail siding and high-speed switch interconnecting the Union Pacific intercontinental line to the private rail infrastructure at the Port of Tucson.

b. Nogales Line extension connecting with the Sunset Line south and east of the Port of Tucson. The existing Nogales Line within Tucson has 18 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. It has been proposed that the Nogales Line be rerouted adjacent to the Sonoran Corridor; which would allow the line to connect more efficiently with the Sunset Line and be grade separated, free from at-grade highway crossings. This will allow the existing Nogales Line from the south boundary of the Aerospace, Defense and Technology Research and Business Park to the downtown Toole Avenue connection to be available for use in the future for passenger rail development.

B. Utilities

The County has commenced a wastewater/sewer outfall inceptor study to serve the entire region south of Raytheon. Extending public wastewater infrastructure is a key component of job expansion. Without public service of utilities such as wastewater, it is impossible for new job centers to be constructed in this location. It is likely that extending the existing sanitary interceptor sewer system to this area will cost approximately $10 million; an investment the County is prepared to make to facilitate basic employment growth within this existing and future job corridor. The County has also asked the City of Tucson, through Tucson Water, to join in this planning effort for the extension of the water utility system necessary to provide water service to these new employment centers. Combined, the cost of these major utility extension investments will range from $30 to $40 million.

Action Items

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.

2.2 Establish as a County highway the auxiliary interstate highway connection between I-10 and I-19.

2.3 Request, through the Regional Planning Agency, that the auxiliary interstate highway be included as a state route by the Arizona State Transportation Board in the State Highway System.

2.4 Cause the auxiliary interstate highway to be included in the Federal Highway System as an auxiliary interstate highway through any Congressional action related to authorizing surface transportation funding in the United States.

2.5 Initiate planning and design of a phased improvement connecting the Aerospace Parkway to I-10 at Rita Road along the Old Vail Alignment using $30 million in General Obligation Bonds if authorized by the voters.

2.6 Advocate for early and adequate funding for improving SR 189 from the Mariposa POE to I-19.

2.7 Complete the Aerospace Parkway improvement in Calendar Year 2015.

2.8 Support development of the second full-service parallel runway for TIA.

2.9 Complete the already authorized TIGER Grant to improve rail access to the Port of Tucson.

2.10 Initiate development of a sanitary sewer inceptor system to serve the employment growth area located south of TIA extending to Rita Road at I-10.

2.11 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 Business and Research Park.

With their independent implementation, each infrastructure investment project will improve transportation systems, economic competitiveness and lead to economic expansion.
CHAPTER 3

Protecting Our Existing Major Employment Base

Pima County Economic Development Plan 2015-2017
There are four significant employers within Pima County that contribute substantially to our economic health: Raytheon, Davis-Monthan Air Force Base (DMAFB), the 162nd Fighter Wing of the Arizona Air National Guard (AZ ANG), and The University of Arizona (UA). All four of these employers have exposure to reduced federal spending. Having any of these major employers suffer any type of mission or job reduction will hurt the entire economy of Pima County. While their economic well-being may depend largely on forces outside of the regional and State economy, Pima County needs to ensure we are doing everything possible to support the stability and job growth of these major employers.

According to a 2011 Bloomberg Government Study, Tucson is the seventh top recipient city of federal defense dollars – nearly $5 billion annually – and Tucson is the number one ranked city in Arizona for federal defense monies. Three of our four major employers receive significant federal dollars.

A. Raytheon – Roadway Relocation and Buffer

Raytheon Missile Systems is our largest private area employer with a total of 13,500 employees; 9,600 of which are located in Pima County. The County is working aggressively on strategies to protect and allow Raytheon to possibly expand in Tucson.

In 2011, our region received a significant shock when Raytheon Missile Systems made a reasoned, business-based decision to expand operations and build a new facility in Huntsville, Alabama. This action was the result of a number of factors, one of which related to the inability of Raytheon to expand due to lack of space and facilities in their current operating environment. With federal budget reductions on the near horizon, defense spending will likely be reduced, and Raytheon’s contracting volume could be adversely affected. We cannot ensure future growth, nor can we control the adverse impacts of these cuts. However, there are actions we can take to try to protect existing jobs and lure new ones. If there is future consolidation of Raytheon operations based elsewhere, we want to ensure our region is the most attractive location for those consolidated jobs.

Over the years, Raytheon has been threatened with urban encroachment. This threat from residential development immediately south of Raytheon was removed by the County’s acquisition of 382 acres of property as discussed previously in Chapter 1. Acquisition of this private property, however, is only a first step in protecting Raytheon’s existing business base, as well as facilitating possible Raytheon expansion in the future if such opportunities arise.

We have also begun the relocation of Hughes...
Access Road to further buffer Raytheon’s production facilities; a project that will be completed in 2015. The County is also actively participating in land acquisition/exchange negotiations between the United States Air Force (USAF) and the Tucson Airport Authority (TAA) to further buffer and ensure Raytheon’s long-term occupation and lease of Air Force Plant 44.

**B. Davis-Monthan Air Force Base – P4 Process and Mission**

Military installations provide significant economic impact and employment benefits within our region. In Fiscal Year (FY) 2014, Davis-Monthan Air Force Base (DMAFB) alone provided an economic benefit to the community of nearly $1.5 billion; employing almost 10,000, 2,900 of which are civilians, and creating 4,200 indirect additional jobs in Pima County. Over 20,000 military retirees in the region account for just over $500 million of this impact.

**Protecting Davis-Monthan AFB**

Pima County has used voter-approved bond funds to purchase land in the Base’s approach and departure zones to prevent encroachment that could limit the Base’s mission.
In the past, our community has been concerned over national base closure options as they could affect DMAFB. Thus far, DMAFB remains untouched by military base closings. However, it is possible federal budget constraints, including sequestration, will continue to adversely impact the military in general and the continuing missions of the existing military facilities in Pima County. A cohesive, region-wide effort must convey the message to military and political leadership that the continuation of viable operations for our military installations is essential and supported by the community.

In June 2015, the Arizona Daily Star completed an extensive special report regarding the Base. The report highlighted the need to increase our advocacy for DMAFB and develop a stronger strategy than we have used in the past. Those strategies suggested by the Arizona Daily Star should be seriously considered by all participants in supporting Davis-Monthan, including the DM-50, Southern Arizona Defense Alliance, and the various jurisdictions that support DMAFB and have engaged to provide the highest level of community support for any military installation in the country. Davis-Monthan’s assets are too important to ignore. We must provide the level of community, institutional and jurisdictional support necessary to ensure DMAFB remains here and grows here.

To address the need to reduce overall operating costs, the USAF has recently initiated the Community Partnership Program where discussions are being held with local jurisdictions to find ways to share costs or potentially modify community operations to allow the Air Force to operate more efficiently and focus on its military responsibilities. Pima County and many of our regional partners are working to do our part to ensure DMAFB and the 162nd Wing of the AZ ANG can operate at the most efficient level possible.

While the community supports DMAFB and the 162nd Fighter Wing of the AZ ANG (discussed in Section C below), concern has been expressed over adverse noise impacts. In addition, the DMAFB Departure Corridor has been threatened with urban encroachment; which, if allowed, would diminish the military capability of the installation. The County, in the 2004 bond issue, allocated and spent $10 million to purchase lands in this departure corridor.

The USAF has selected DMAFB to develop an Installation Complex Encroachment Management Action Plan (ICEMAP) as part of the enterprise-wide Air Force Encroachment Management Program (AFEMP). As exemplified by the $10 million investment cited above and in the leased land program discussed below, Pima County has taken, and continues to take, progressive steps to mitigate the impacts of encroachment on DMAFB. Encroachment is a primary reason for closure of bases. As Pentagon budgets continue to shrink and Base Realignment and Closure processes are initiated, we must take the necessary steps to place our military installations in the best possible position to compete for new assignments instead of being vulnerable to closure. DMAFB leadership has requested Pima County support and participation in completing this ICEMAP plan. We will actively engage in the process, as well as continue to aggressively take the necessary steps to protect our third largest employer.
Today, there are 99 acres of private property inside the boundary of DMAFB that are leased on an annual basis to the USAF. In addition, there are approximately 133 acres of State Trust land within the boundary of DMAFB. The annual cost of these leases to the USAF exceeds $380,000. These leased properties should be purchased and leased at no cost to DMAFB to continue their operations. This action would lower the operating cost of keeping DMAFB open for military uses; something that will be increasingly important as federal and defense spending reductions become real. The November 2015 bond issue proposes that $5 million be used to purchase these lands and lease them to the USAF at no cost. Although the voters of Arizona approved an exchange mechanism to protect millions of dollars in military installations by exchanging State Trust lands, the processes and procedures that have been implemented to effectuate this voter referendum simply do not work. These private and State Trust lands should be acquired fee simple and leased to the USAF under a long-term lease for continued operation of DMAFB.

The primary flying mission at DMAFB is training and operating A-10 aircraft. With USAF plans to retire the A-10 being seriously considered, the number of employees at DMAFB may temporarily or permanently decrease. The airmen supporting the 355th Fighter Wing are an excellent resource for employers in our region. Pima County operates the Veterans One-Stop center that helps veterans obtain benefits, services and jobs. We will continue to focus on maximizing job opportunities for any reduced staffing or returning veterans to ensure they can be productive in the community as they return to civilian status.

C. Arizona Air National Guard – 162nd Fighter Wing – New Entrance and Munitions Handling and Storage Facility

The AZ ANG has made an impact in this community for more than 50 years, supports more than 1,800 jobs, and provides an annual economic benefit of over $270 million.

The 162nd Wing trains United States and partner nation F-16 fighter pilots; provides persistent, armed MQ-1 Intelligence, Surveillance and Reconnaissance and Incident Awareness and Assessment around the globe; supports NORAD Aerospace Control Alert directives with 24/7 immediate response aircraft in the defense of North America; and delivers an integrated realistic training environment for United States and partner nation deployments to enhance unit combat capability and readiness.

The AZ ANG installation at Tucson International Airport (TIA) requires additional and updated access to address current Department of Defense force protection measures and congested traffic flow on Valencia Road during peak entry and exit hours. A plan to lease land access and construct a modern gate off Park Avenue is currently moving forward and will greatly improve safety and security for both the AZ ANG and the community.

Operations of the 162nd Fighter Wing require that some munitions be transported from DMAFB to TIA over publicly traveled roadways. While these munitions are relatively insignificant compared to most munitions loaded on fighter aircraft, they ideally should be stored at the operational site of the AZ ANG for use on training missions. Approximately 50 acres of the expanded Raytheon buffer are being reserved for a new Munitions Handling and Storage Facility, which will increase efficiency and safety for AZ ANG operations.

Pima County has been, and continues to be, a strong advocate for the 162nd Fighter Wing and its future missions. This includes the potential securing of F-35A allied pilot training in Tucson. We are committed to making wise community investments to protect and provide maximum operational flexibility for the AZ ANG.
D. The University of Arizona – State Funding

The UA, with 11,442 employees and 10,484 in Pima County, is our region’s second largest employer and a key element in the infrastructure that builds and shapes our economy. The UA has an $8.3 billion statewide economic impact. The University educates individuals and creates economic activity through the research, translation and commercialization activities of students and faculty. These activities are critical in supporting existing companies, attracting new businesses and creating new sectors in our economy and, at the same time, provide a capable workforce generating innovative ideas for new business activities.

Providing necessary supporting infrastructure to encourage regional employment centers requires time and investment. While the Aerospace, Defense and Technology Research and Business Park is an appropriate response to increase high-wage jobs in the TIA area, it could be five years away from providing the first job, with the possible exception of jobs created by a Raytheon expansion facilitated by the Pima County buffer.

The Tucson Tech Corridor, or the extended UA Tech Park, however, is in a position to provide high-tech industry jobs much sooner if we work with existing landowners to foster the necessary investment and cooperation. The corridor, anchored by the UA Tech Park and the Port of Tucson, connects a number of

Public investment and infrastructure needs associated with each of these facilities are different and should be tailored to the very specific needs of the employment center in the communities in which they are located. Infrastructure needs vary from traditional public infrastructure such as streets, highways and utilities, to nontraditional in-

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Economic growth requires an educated workforce and high-level university-based research that leads to new commercial entities and job opportunities.

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existing and emerging employment centers of significant importance in the southern metropolitan area. These centers include the UA Tech Park, the UA Tech Park at The Bridges, Banner UA Medical Center–South on Ajo Way, and the Logistics and Intermodal Center at the Port of Tucson. The Offshore Group, the largest employer in Sonora and a infrastructure investments, such as land acquisition and development of incubator building space. Based on an analysis of public infrastructure necessary to support rapid and continued employment development at the UA Tech Park, it is estimated it will cost $28.1 million to make this facility fully development ready.

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The UA, Campus Research Corporation and other entities are prepared to fund $10.6 million of this cost. Some of this investment has already been made, including construction of a new road to the Solar Zone and a well and water distribution system. These investments will be matched with county bond funds if approved by the voters, making the county an active participant in development of the Tucson Tech Corridor and expanding employment opportunities at the UA Tech Park. To help facilitate this employment center, the county supports bond funding of up to $10 million to develop the public highway infrastructure necessary for constructing up to three miles of Science Park Drive from Kolb Road to Rita Road.

Pima County has also supported development of the UA BioPark at The Bridges with infrastructure capital investments related to Regional Flood Control District and county wastewater facilities. These investments total over $16 million. The Bridges, located adjacent to Kino Boulevard between TIA and the UA, is an ideal location for growing startup technology firms translating UA research into practical job applications. To assist the University, the county is prepared to provide up to $20 million in General Obligation bonds to help construct and finance an innovation building for this purpose.

### Action Items

3.1 Relocate Hughes Access Road and secure buffers for Raytheon expansion.

3.2 Continue to actively support DMAFB and their continuation of the A-10 mission and any future mission for DMAFB.

3.3 Create the County staff position of Navigator to coordinate strategies and regional support activities for DMAFB.

3.4 Actively pursue acquisition of leased private properties within DMAFB and State Trust land to reduce operational land leasing costs of DMAFB. Five million dollars of County General Obligation bonds will be used for this purpose if approved by the voters.

3.5 Continue to actively support the AZ ANG and continuation and expansion of its domestic and international flight pilot training missions at TIA.

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.

3.7 Support funding initiatives for the UA and oppose further reductions in State funding of Arizona's university and community college systems.

3.8 Actively support capital investments in technology transfer activities at the UA related to primary employment growth, including capital financing of a public highway at the UA Tech Park with $10 million of General Obligation bonds if approved by the voters.

3.9 Provide $20 million in General Obligation bonds, if approved by the voters, to finance an innovation building at The Bridges. The purpose of the innovation building will be to facilitate and incubate startup technology companies transferring research to practical applications and job development.

3.10 Begin development of a contingency plan to absorb potential employment losses at DMAFB.
CHAPTER 4

Logistics Center at Tucson International Airport Environs; Pima County as the Logistics Hub of the Southwest
In 2012, the Joint Planning Advisory Committee consisting of the Pima Association of Governments (PAG), Central Arizona Association of Governments and Maricopa Association of Governments, executed a Freight Framework Study for the Sun Corridor. After analysis of sites throughout the State, the area south of Tucson International Airport (TIA) was identified as the ideal location for import distribution in Arizona. The components leading to this conclusion are the proximity to two interstate highways; Interstate 19 (I-19) connecting with Mexico and Interstate 10 (I-10), the only all-weather east-west transcontinental interstate; two rail lines – the main Union Pacific east-west Sunset Route and the Nogales line, the only Arizona rail line into Mexico; and TIA. Access will be further enhanced once the Sonoran Corridor connecting I-19 and I-10 is completed.

Another major logistics component is the proximity to the Port of Tucson, which is the only intermodal facility in Arizona certified for direct delivery and origination of international containers. There are excellent training programs in place and an available labor force for new or expanding employers to immediately be productive. Finally, the flat terrain lends itself to inexpensive construction.

Integrated, all of these transportation system improvements make this location an ideal logistics center for southern Arizona and the United States. In no other location is there proximity of two interstate highways, an international airport, a transcontinental rail line, an inland port and the proposed auxiliary interstate highway.

The privately owned Port of Tucson was one of the first companies to see our region’s logistics potential.

most important in Arizona, given the facility lies at the crossroads between Texas, California, Mexico and states north.

These existing assets, as well as expanding and designating surface transportation heavy haul freight routes to allow direct pickup and delivery of international containers from/to their destinations, create an opportunity for additional employment at middle income levels.

A. Distribution and Logistics Center Development

It is important to facilitate the development of distribution, logistics and other corporate expansions in the vicinity of TIA and in the jobs corridor connecting Rita Road at I-10 to the Old Nogales Highway or I-19. This corridor has already seen development of a nearly one-million-square-foot Target Fulfillment Center at an approximate construction cost of $75 million. By summer 2015, this Target Center will employ approximately 450 residents.
Recently, HomeGoods announced its intention to build an 800,000 square foot, $79 million facility just north of TIA that will employ nearly 900 residents. This area is beginning to be recognized for its strategic advantage as a logistics center for the Southwest. It is likely others will follow, and the county should do everything possible to encourage the additional location of distribution warehousing and regional centers for established major retail outlets that can cost effectively provide product distribution and supply to the Southwest and to the west coast of the United States.

**B. Port of Tucson**

The Port of Tucson is a long-established, privately held rail/truck intermodal facility operated, built and constructed by a local family. The operation is now beginning to reach its potential as a significant inland port facilitating both rail and truck interchanges, as well as integrating product, storage and distribution. 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. This is exemplified by major tenants Biagi Bros and Zucarmex, who import significant quantities from Mexico.

The county and the Port of Tucson recently cooperated to receive a TIGER Grant. This grant is now being implemented and will create a major offloading point from the intercontinental Union Pacific Railroad. This will allow the Port of Tucson to accept significantly larger train capacity at its facility, further emphasizing its importance in the national and international rail/freight distribution network.

**C. Air Cargo Capacity at Tucson International Airport**

TIA is the only airport serving a population center of one million people with a single primary runway. The Tucson Airport Authority (TAA) is now engaged in a process to develop a second parallel runway at TIA. This additional runway will improve safety and increase the landing capacity available at TIA, which is an important component of any potential air cargo expansion. It is important that in any logistics center, the primary modes of transportation – rail, air and surface – be integrated to provide the greatest flexibility in the movement of goods and products within the logistics center. Adding a second runway at TIA will greatly improve the competitiveness of this international airport relative to air cargo capacity, thereby becoming a key link in the air component of an integrated and successful logistics system.

**D. High-speed Surface Transportation: Interstates 10 and 19 and the Connecting New Auxiliary Highway**

The interstate system built in the United States beginning in the late 1950s was intended to improve defense of the nation. In fact, it is known as the Interstate Defense Highway Network. It has also integrated regional population centers throughout the country with safe, convenient and rapid surface transportation access. This interstate
system has been one of the primary driving forces of economic expansion of the United States.

Adequate surface transportation facilities cannot be over emphasized as being one of the key components for economic development and expansion. The TIA logistics area is flanked by these high-speed surface transportation facilities. What is missing is a connection between I-10 and I-19 along the southern boundary of TIA. This surface transportation facility, known as the Sonoran Corridor, is proposed in the economic development plans of the county. It is a new, high-speed interstate connection between Sahuarita at I-19 to Rita Road at I-10, which connects the UA Tech Park to the defense and aerospace manufacturing centers around TIA. This new, 16-mile interstate auxiliary highway is perhaps the highest priority transportation improvement in the region for economic development and expansion.

E. Mexico Trade Interface

International trade with Mexico may be the most important component of ensuring this area becomes a key logistics hub for the entire Southwestern United States. Mexico’s importance in the global economy cannot be understated. They have the fastest growing middle class of consumers. They have successful Maquiladora operations in aerospace and automobile manufacturing, and the Mexican government is making substantial and significant infrastructure investments to interconnect with the United States border. Mexico is investing over $1 billion to improve Highway 15, running north/south through the State of Sonora and connecting to the Mariposa Port of Entry (POE) in Nogales. Mexico already has a major beer distributor and sugar supplier operating through the Port of Tucson. Its further importance in our local economy will be substantially greater and will be one
of the primary reasons Tucson becomes the logistics hub for the Southwestern United States.

F. Interstate and International Freight and Trade Corridor

A major consideration in the real estate industry is “Location, Location, Location.” Tucson and the Sonoran Corridor are ideally located at the crossroads of major interstate and international freight and trade corridors. Location and reliability are critical for the movement of goods and materials. Location on the only all-weather transcontinental interstate (I-10) and the Union Pacific Sunset Line, which is also the only all-weather interstate rail line, means predictable and timely delivery of products. Location adjacent to the Union Pacific Nogales Line, the only rail line in Arizona that runs into Mexico from Arizona, makes the Sonoran Corridor region the ideal point for import distribution, as well as export consolidation. I-19 connects to the interstate network in Tucson and to Mexico’s Highway 15, the major north/south trade and passenger corridor leading from central Mexico to the major markets in the United States. The presence of the Port of Tucson with local Customs offices onsite makes Tucson a true, cost effective inland port for international imports and exports. Finally, the presence of an international airport is an important component for the wide range of products produced locally and those coming from the Maquiladora plants in Mexico going to markets throughout the world. The Sonoran Corridor area near TIA is the point of convergence of all of these logistical advantages of the region.

Pima County must be prepared to compete in the regional, national and international marketplace. The regional gross domestic product of Arizona and our seven neighboring states, including Sonora and Sinaloa, is $5 trillion. According to The University of Arizona Eller School’s Arizona-Mexico Economic Indicators, Arizona alone exported $21.1 billion in products in 2014, supporting over 93,000 jobs in the state. $8.6 billion of those exports in 2014 went to the rapidly growing economy in Mexico, a 22.2 percent year-over-year gain. Mexico is the third largest trading partner for the United States and the first for Arizona. According to the Mexican Consulate, Mexico trades more with the United States than Japan, France and Brazil combined. In the first three months of 2015, over $7.3 billion of import/export goods passed through the Nogales border crossing; an average increase exceeding 6.17 percent. Nearly all of those goods had to traverse I-19 and I-10 to other parts of the United States, as well as to Canada. Produce crossing the border at Nogales is distributed throughout the country by truck and will soon be by rail. Electronics and other components built in the Maquiladora factories are shipped worldwide via air, truck and rail. Taking advantage of low-cost empty containers, a wide range of manufactured, scrap and agricultural products (alfalfa and grain) are shipped to Asia at a fraction of the normal cost. Major ore exports through the Port of Guaymas to international markets all transit the Nogales rail line from origins as far away as Montana and Wyoming. Products destined for the major markets in Asia, Texas, California, the Intermountain West, and millions of consumers on the East Coast all pass through this corridor before heading north, east or west. The Sonoran Corridor is the crossroads for these regional trade corridors.

Logistics is defined as having the right product at the right place, at the right time, at the right price. The Sonoran Corridor, TIA, the Port of Tucson, and a comprehensive regional logistics development plan are perfectly positioned to incorporate all of our region’s intermodal transportation advantages to maximize alternatives for virtually any range of product to reach its national and international destinations via the most reliable and inexpensive mode. Leveraging the advantages of the Sonoran Corridor location with the increasing interstate and international trade levels will provide excellent employment opportunities for the region.
**Action Items**

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.

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.

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 Ports of Entry to the Port of Tucson.

4.4 Continue to advocate for and on behalf of the TAA for a second full-service parallel runway at TIA.

4.5 Continue to advocate for the development of expanded 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.

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.

4.8 Advocate for improved surface transportation connectivity to the Mariposa POE to improve international trade with Mexico.
CHAPTER 5

Leveraging the Intellectual Capacity of the University and Community College Systems in Arizona
A thletic competition among our state universities – Northern Arizona University, Arizona State University and The University of Arizona – is an entertaining activity and generates fierce competition between the various supporters of each university. In athletics, this competition is healthy.

In economic development and growing jobs in Arizona, such competition is counterproductive and leads to potentially expanding and enhancing one region in the state at the expense of the remainder. There is no room in economic development for regional competition. We must all work together for one purpose; to expand Arizona’s economy and increase new and high-wage jobs. The three state universities and Pima Community College (PCC) must work as one system; and Pima County will work with each university and PCC to foster economic development in their own areas of expertise to create wealth and expand jobs.

Increasing employment opportunities within the region comes from three primary sources: 1) protecting and expanding our existing employers, 2) enticing employers to relocate from other areas of the country to Pima County, and 3) growing our own employment opportunities. “Growing our own” is an excellent strategy to diversify our economy and create high-tech, high-wage new economy jobs. The key to growing such high-wage employment opportunities is employing and leveraging the intellectual capacity of our state university and community college systems.

A. The University of Arizona

The University of Arizona (UA) alone receives more than $600 million annually in research grants and partners with businesses to help ensure innovative ideas become reality and produce business opportunities in the new world market.

In addition to continuing our 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. We need to provide the environment to attract a larger percentage of graduates.

The UA created Tech Launch Arizona (TLA) to advance University discoveries into 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.

B. Arizona State University

Arizona State University (ASU) has been very active in promoting economic development and job creation in the Phoenix metropolitan area. The SkySong Center, an ASU employment incubator, is now under active development in Scottsdale, three miles from ASU’s main campus. It is a mixed-use development
with 1.2 million square feet of space and has provided a platform for early stage startups and larger merging companies and technologies with variable space offices and support systems for entrepreneurial activities.

In addition, ASU has made significant investments in bioscience with their bio-design facilities located on the main campus and fostered engineering technologies at their new Polytechnic Campus, which grew out of the closure of Williams Air Force Base. ASU has also been active in the Tucson metropolitan area with their School of Social Work, which offers a Master’s Degree program. Many of its graduates are employed by public and medical agencies. In fact, Pima County employs a number of these individuals in our medical and justice service areas.

ASU will be an anchor tenant at the Innovation Park incubator if the bond project is approved by the voters in November 2015.

C. Northern Arizona University

Although it is the smallest of our three universities, Northern Arizona University (NAU) is a major research university in its own right and has created numerous programs and economic initiatives that benefit all of Arizona. NAU has 36 satellite campuses throughout the state, including Tucson, and is poised for additional growth and influence beyond Flagstaff. The Arizona Board of Regents has set goals to increase NAU’s student body from the current enrollment of 19,300 to 25,000 and double its research budget by 2020.

The UA alone receives more than $600 million annually in research grants and is ranked 19th in research and development expenditures among public universities and colleges.

NAU has a strong focus on technology development, tech transfer, entrepreneurial education, business incubation and business transfer to the four-year university. Strong programs also include Nursing, Engineering, Business, and Aviation Technology.

D. Pima Community College District

PCC is one of the largest multi-campus community colleges in the nation. Pima is a public, two-year accredited community college that offers college transfer, career training and occupational education.

PCC has developed transfer agreements to UA, ASU, and NAU and prepares students for college-level academic work to later
The Aviation Technology Program at PCC is a nationally respected training leader, and PCC is the only school in the United States offering training in aircraft structural repair. PCC offers over 100 certificate and degree programs at flexible schedules to meet the needs of a diverse student population.

A new international development approach at PCC is providing new opportunities for growth and economic development. PCC is a current participant of the 100,000 Strong in the Americas Initiatives and has established partnerships with private and public Mexican institutions, including Televisa Foundation, the SEP-Bécalos Santander Universia International Program, the Institute for Mexicans Abroad, and Proyecta 100,000. Moreover, PCC recently signed a Memorandum of Understanding with the Instituto Tecnologico de Sonora to establish an ongoing academic partnership.

E. Major University System Emphasis Areas for Job Development: Biosciences, Defense and Mining Technology

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 Corridor 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, relocated from Colorado to Pima County’s Abrams Public Health Center, is an excellent example of startup technologies growing into high-wage employment opportunities.

Finally, mining technology should receive more attention, primarily because of the mining activities prevalent in eastern Pima County. 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.

F. Funding Arizona’s Higher Education System

It is generally accepted that higher education plays a significant role in growing the state and county economies. Economic growth requires an educated workforce and high-level university-based research that leads to new commercial entities and job opportunities. It is time to recognize the contribution of higher education in Arizona and provide a reasonable level of dependable funding for the state university system.

Unfortunately, total state funding cuts to higher education totaled $99 million for Fis-
cal Year (FY) 2016 – more than 10 percent of state higher education funding. The state also eliminated all funding to Arizona’s two largest community colleges at a time when other states are developing strategies to increase funding for community colleges. According to the January 2015 Educator Retention and Recruitment Report prepared by the Arizona Department of Education’s taskforce on the subject, Arizona now “ranks first in the country in steep cuts to higher education budgets.”

State funding for the UA was cut by $28 million in the adopted state budget for FY 2016. This is in addition to significant cuts to the University during the Great Recession. Between FY 2008 and FY 2013, state appropriations to the UA were cut from $417 million to $255 million, a reduction of 38.8 percent. At the same time, enrollment and credit hours taught at the University have increased.

Reducing state funding assistance to the university and community college systems is counterproductive to economic growth. The taskforce’s report warns that without the state’s commitment to increased education funding across the board, “Arizona will not be able to ensure economic prosperity for its citizens and create the workforce of tomorrow.”

We cannot cut our way to prosperity.

**Action Items**

5.1 Actively support increased state funding for education, particularly for the university and community college systems.

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.

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.
CHAPTER 6

Promoting Tourism

Pima County Economic Development Plan 2015-2017
According to the Arizona Office of Tourism, Arizona’s warm weather and natural beauty make tourism one of the state’s top export industries. In 2013, 33.8 million people visited Arizona and collectively spent $19.8 billion in the state, which supports jobs and generates tax revenue. Pima County generated $2.66 billion in direct spending in 2013, while generating $150.3 million in direct tax revenue collection. Over 22,000 jobs are generated by tourism in our region, and more than four million people enjoy visiting our area annually.

Out-of-state travelers accounted for over 75 percent of the visitor impacts in Arizona. International travel, including day travel from Mexico, comprises approximately 17 percent of visitor impacts. Most of Pima County’s visitors come from New York, Los Angeles, San Francisco, Chicago, Seattle, and Phoenix and other Arizona cities. Mexico, Great Britain and Canada are Pima County’s top international visitors markets.

In the wake of the recession, tourism in Pima County currently lags behind tourist growth in the Midwest and eastern United States. Our hotel occupancy has shown only moderate growth, and our average daily rate for hotels in Pima County is below most regions with similar populations. Tourism marketing budgets are recovering but are not near pre-recession levels. Visit Tucson’s operating budget, derived primarily from lodging bed tax collected by local municipalities and Pima County, has declined from an all-time high of $10.5 million in 2007 to $6.5 million in 2014. The decline of tourists since 2008 and the reduction of funding for Visit Tucson from the City of Tucson have had a significant impact on our region’s tourism industry. The City, which previously invested 45 percent of its bed tax in tourism promotion prior to the recession, had reduced its funding at one point to a low of 25 percent. Currently, the City’s contribution is approximately 33 percent but does not include the millions of dollars generated by an additional collection of $2 per room night within the Tucson city limits. The County contributes 50 percent of County bed tax for tourism promotion and will continue its support for this important industry.

Resurgence in tourism spending is vital to Pima County’s continued growth and investment back into the community. Specific strategies for strengthening tourism in Pima County are discussed below.

A. Diversification of Sports Attractions

Pima County invested more than $3 million in Fiscal Year (FY) 2012/13 to transform the northern half of Kino Sports Complex from baseball fields into a 2,360-seat pocket stadium and four multipurpose fields that can be used for soccer, lacrosse and other grass sports. FC Tucson is established as the anchor tenant at the Kino North Sports Complex. FC Tucson has also taken the lead in bringing Major League Soccer (MLS) spring training to the Kino North Sports Complex annually from late January through early March. Pima County invested an additional $190,000 in contingency funds in FY 2013/14 to bring in MLS spring training and a professional soccer team from Mexico to
compete in the February 2014 Desert Diamond Cup. Pima County has made a similar investment to bring back MLS spring training in February 2015. Visit Tucson has helped the County leverage its investment by entering into $50,000 sponsorship agreements annually with FC Tucson in FYs 2013/14 and 2014/15. The majority of these investments are passed through to MLS to secure advertising used to attract fans of incoming MLS teams to Tucson.

The Pima County Sports and Tourism Authority (PCSTA), in partnership with Pima County, conducted a communitywide sports facility assessment that outlines the current assets, as well as the potential needs, of recreational and tournament site opportunities. This study will be used as a guide in developing a major sporting complex on land purchased by Pima County immediately south of the existing Kino Sports Complex on the south side of Interstate 10 (I-10). Pima County will consider recommendations made by the PCSTA’s consultants, Sports Facilities Advisory (SFA), in a feasibility study of a Kino Sports Complex expansion.

The County will work with Visit Tucson Sports to maximize soccer, lacrosse and other sports that can be staged at the Kino Sports Complex with an eye toward booking a mix of local, regional and national events that fit with the recommendations of the Kino Sports Complex feasibility study conducted by SFA.

The Kino Sports Complex is the largest freeway-accessible sports venue in southern Arizona. Additional sports attractions are also now being planned for the Kino Complex. For the property newly acquired south of I-10, major indoor sporting facilities are planned similar to the development by the County and Southern Arizona Community Sports of the Sporting Chance facility at La Cholla Boulevard and the Rillito River. Sporting Chance now has 20,000 visits per month for amateur and youth sporting activities related to basketball, volleyball and other indoor court sport activities. In addition, the site was selected by the Bond Advisory Committee (BAC) to be the location of a velodrome to be constructed with $3.5 million of General Obligation bonds if approved by the voters. The additional planned sports facilities on the newly acquired properties are predominately field sports and would include a high percentage of artificial turf allowing increased use of the facilities.

The vacant properties owned by the County adjacent to Kino Boulevard south of I-10 will be reserved and utilized for restaurant, hotel and entertainment venues compatible with the development of Kino Sports Complex as a major regional sports attraction. The BAC has allocated $25 million of General Obligation bonds for this purpose if approved by the voters.

**B. Making Cycling a Tourism Destination Event**

Pima County’s sunny weather, ample bike paths, mountain biking opportunities and established cycling culture make the region one for every $1 invested in infrastructure that benefits walking and cycling, the region reaps over $9.76 in return.
The highly popular Loop multiuse path has become a significant quality of life draw for people and businesses considering relocating to the metro area.

of the world’s top cycling destinations. Area cycling recognitions include Tucson being listed as one of the top 10 best cycling towns by 10Best and USA Today. Fox News Travel lists Pima County’s The Loop trail as America’s third-best city bike path. USA Today named Tucson as one of the nation’s top 10 mountain biking areas, and Outside magazine listed Tucson as the best road biking city.

The County has already completed more than 100 miles of The Loop trail around metro Tucson. When completed, The Loop will feature 131 miles of shared-use paths for any non-motorized use, including bicycles, skateboards, horseback riding and more. Visit Tucson now markets southern Arizona as a premier winter training destination for cyclists.

Cycling is big business for our region. In 2013, the Arizona Department of Transportation (ADOT) released an Economic Impact Study on Bicycling in Arizona. The report showed that in almost every area, except triathlons, Pima County exceeded Maricopa County by nearly two to one the number of events related to cycling. The same is true.

The Loop

When completed, The Loop will feature 131 miles of shared-use paths for any non-motorized use, including bicycles, skateboards, horseback riding and more.
for tourism-related spending by cyclists. The ADOT study shows annual retail sales of bicycle-related goods in Arizona, to local and out-of-state customers, is $114 million. And the impact is not just on tourism. Pima County released the Economic, Environmental, Community and Health Impact report in 2014 that showed for every $1 invested in infrastructure that benefits walking and cycling, the region reaps over $9.76 in return. This type of infrastructure has been heralded by business leaders as creating the quality of life they need to attract and retain the knowledge workers of today.

Pima County continues to sponsor several prominent cycling events annually. El Tour de Tucson is an internationally known event attracting thousands of ranked and unranked cyclists from around the region and around the world. The 2000 economic impact study conducted by The UA Eller Business School on El Tour showed an approximately $40 million impact on the local economy when El Tour had only 4,500 riders. Last year’s ride had almost 9,000 riders. Despite recent declines in participants due to weather and a change in key sponsorship, El Tour continues to be the top draw of the region’s cycling events.

Additionally, the Old Pueblo Grand Prix, a professional cycling event staged in downtown Tucson, continues to attract hundreds of professional and semiprofessional riders. The event is in its fourth year and offers spectator viewing of the professional race, as well as professional-rider led events for youth. Pima County has also sponsored Cyclovia Tucson since its inception. The event targets specific areas throughout the metropolitan area and closes a busy street for several miles during the day, allowing cyclists, walkers, vendors and others to promote healthy activities. Over 30,000 attended Cyclovia Tucson in 2014.

C. Creating New and Expanding Existing Tourism through Public Investment

In 2011, The University of Arizona (UA), along with Pima County and several nature-based attractions, began a strategic initiative to showcase the assets of Pima County in a different, non-commercial way. Utilizing the community program generated by the Tucson Advertising Federation, more than $300,000 of media value began to introduce the concept of geotourism and how can it benefit Pima County. Geotourism adds to sustainability principles by building upon a destination’s character and its “sense of place” to emphasize the distinctiveness of its locale and benefits to visitors and residents. Pima County is located in one of the world’s most diverse eco-regions.

The concept of developing a cultural and heritage-based Regional Visitors Center on the west side of downtown Tucson, in an area originally inhabited by the first human arrivals in Tucson some 2,500 years ago, is a major element necessary for creating a “sense of arrival” for Tucson visitors. Three years ago, with the assistance of landowners in and around the Tumamoc Hill area, which included the UA College of Science, Pima County and the City of Tucson, development of the visitor center or orientation center concept began. The partnership has since grown to include the National Park Service, Visit Tucson, US Forest Service, Arizona Game and Fish Department, Western National Parks Association and area attractions. The proposed facility will create a consolidated gateway for all of our region’s unique resources and promote a story of Tucson and the region that showcases its uniqueness and diversity. It will also be rooted in the Santa Cruz Valley’s biodiversity and highlight the historical importance of water to our region and emphasize the need to conserve this valuable resource. As currently conceived, the proposed center will feature area attractions in a self-sustaining facility that will offer comprehensive information, education and programming about our region.

The Regional Visitors Center has been approved by the BAC for inclusion in the November 2015 General Obligation bond issue by the County. Approximately $18 million will be earmarked for this purpose.
if approved by the voters and will provide a major tourism destination anchor on the west end of the modern streetcar.

D. Maintaining, Improving and Expanding County Leased Property Infrastructure

Strategies to increase tourism within a destination typically include investing additional transient occupancy tax revenue into the region’s Destination Marketing Organization (DMO), growing existing and new special events and developing new tourism-related capital projects. Pima County is investing half of its bed-tax revenue in its DMO, Visit Tucson, but also in jumpstarting tourism-related capital projects throughout the region.

Pima County has been preparing for several years to bring a bond package to voters. Proposed bond projects include improving attractions through a public/private partnership approach to capital improvements. Tourism-related bond projects include building new sports facilities, enhancing visitor attractions, upgrading cultural venues and constructing a regional visitors center. Several of these projects include matching donor funds or partners to assist in financing operating and maintenance costs. If constructed

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**Kino Sports Complex Expansion**

Land acquired by the County in 2014 could become part of the Kino Sports Complex, making it one of the nation’s largest multi-field soccer complexes and a major sports tourism draw.
through a successful bond program, these projects will provide Visit Tucson with new and upgraded products to market to potential visitors.

Tourism-related projects totaling $98.6 million are included in the November 2015 bond package, including the following attractions:

1. **Southwest Regional Sports Tournament Complex (Kino Sports Complex)**

   Expansion of the Kino Sports Complex immediately adjacent to the existing Kino Complex footprint to include soccer and other rectangle field sports and an indoor facility to accommodate volleyball and other indoor sports. In 2014, Pima County purchased a 167-acre parcel across I-10 and adjacent to the existing Kino Sports Complex. Over the past decade, sports field demand has far exceeded supply. All existing long fields in the region are booked beyond capacity, and no one site is sufficiently large to accommodate soccer and other long-field tournaments. The proposed improvements at the site include 12 artificial and natural turf soccer fields and a variety of park elements and, ultimately, an indoor court facility similar to the recently completed Sporting Chance facility at Curtis Park. Thousands of players and their families travel to Phoenix’s Reach 11 each year to play in regional tournaments. The Southwestern Regional Sports Tournament Complex would not only allow Pima County to keep our players here for tournaments, it will allow the region to compete, both regionally and nationally, to bring large-scale events to our community. ($25 million in recommended bond funding)

2. **Old Tucson Studios**

   Repurposing the entire mission of Old Tucson with additional focus on the heritage and culture of Tucson from the 1850s to Arizona Statehood. Old Tucson would be transformed into a multicultural living history museum, bringing authentic experiences and exhibits that showcase the lives and times of the culturally diverse peoples that pioneered southern Arizona. This will include appropriately themed buildings and outdoor design elements for seasonal interpretative and hands-on educational programs and exhibits that will provide an entirely immersive and authentic experience. The concept has been brought forth by the ultimate successor to Old Tucson, the Arizona Sonoran Western Heritage Foundation. The Foundation’s multicultural, multi-period operating model is the most appropriate contemporary transition for this historical Pima County attraction. ($3 million in recommended bond funding)

3. **Colossal Cave Mountain Park**

   Reinvigorating Colossal Cave Mountain Park would draw more visitors to the eastern metropolitan area, as well as give residents there an exceptional natural recreation area.

   Rebuilding the outdated infrastructure and adding new cultural and heritage attractions to the park is proposed. This includes the addition of new nature-based and adventure activities, renovation of the cave and Ranch Museum, park infrastructure and security, realignment and development of new trails to align with the Arizona Trail, and renovation of campgrounds, among other improvements. This will allow for broader special events and nighttime operations and activities throughout this mountain park, as well as the cave for residents and visitors alike to experience. This is a one-of-a-kind nature cave surrounded by natural resources that can never be duplicated and is the key component for public natural recreation in the eastern metropolitan area of Pima County. ($3.35 million in recommended bond funding)
4. Arizona-Sonora Desert Museum
Adding a new themed exhibit to this world-class and most popular local and tourist attraction that expands the attraction’s footprint is necessary. Covering a 1.5-acre area, “Coast to Canyons: Journey of the Jaguar” habitat-immersion complex exhibit will include dozens of species of plant and animal life showcasing the southern portion of the mainland Sonoran Desert. Ranked as a “Top 10” United States museum by TripAdvisor Traveler’s Choice Awards two years in a row, ongoing investment and expansion of this important attraction will ensure that the Arizona-Sonora Desert Museum continues to be a top destination for residents and visitors. ($9.35 million in recommended bond funding)

5. Pima Air and Space Museum
Constructing a new 120,000-square foot hangar where aircraft and artifacts related to the post-1945 Jet Age and Cold War period will be inside and protected from the sun and warm temperatures of Tucson will bring new visitors. Existing airplanes will be restored and will have a new home. Significant aircraft, one of which is only one of four left in existence, will be displayed, as well as 16 to 20 other historic aircraft in the Museum’s collection. Themed education exhibit encompassing additional artifacts, photographs and materials from the late 1940s to present day will be accommodated in this building. This will enhance the Museum’s status as a global aviation heritage preservation institution and preserve and interpret historic artifacts for current and future residents and visitors to southern Arizona. ($4 million in recommended bond funding)

6. Tucson Museum of Art Expansion into the Historic County Courthouse
Converting Pima County’s Historic Courthouse into a new home for Art of the American West and the January 8th Memorial Site is planned. The Art of the American West collection, which was a significant donation to the Tucson Museum of Art (TMA), showcases our cultural heritage by telling the story of the art of the Southwest and the impact it has had on the development of our state. Using the rich history and iconic status of the Historic County Courthouse as the backdrop, TMA’s Art of the American West collection and the January 8th Memorial Foundation’s memorial site would be housed on the first floor, which will be remodeled for functional use within its historic milieu. Interior elements and spaces with significant historical context, such as the main Courtroom, would be restored to their original stature and remain available for public viewing and meetings. The cultural magnet of housing an art collection ideally suited for this historic building, as well as the January 8th Memorial, is an opportunity to create an economic benefit for the entire region, as well as to preserve the Historic County Courthouse’s rightful place on the National Historic Register. ($25 million in recommended bond funding)
E. Assisting Other Community Attractions in Southern Arizona by Increasing Our Investment in Visit Tucson

Our region has a diverse collection of attractions operated primarily by nonprofit organizations or that are part of the local, state or national park systems. Many of these are under-marketed and therefore under-utilized. As visitation decreases, so does the ability to market the facility. Marketing outreach was at an all-time low during the recession, with most, if not all, attraction marketing budgets in Arizona being severely reduced. There are opportunities to reverse this trend. Visit Tucson continues to promote the attractions of southern Arizona as a destination driver and will 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.

Pima County will also engage the Southern Arizona Attractions Alliance and develop cooperative marketing programs with the Arizona Office of Tourism and the other government and private tourism offices within southern Arizona, such as the Tucson Metro Chamber, the Ajo Chamber of Commerce, Green Valley/Sahuarita Chamber and others.

In January 2015, Visit Tucson completed a survey of our regional tourism competitors; 15 regional markets of similar size, including Portland, Oregon; Austin, Texas; and San Diego, California. These markets were all surveyed regarding their funding for tourism attraction marketing. In 2014, our market had the lowest occupancy rate, ranked 15th while San Francisco, California ranked first. For room rates, we ranked 14th, while, again, San Francisco ranked first. For room revenue, we ranked 12th, with Las Vegas, Nevada ranked first. For the amount of funds spent on destination marketing, we ranked 13th, while Las Vegas ranked first.

For an order of magnitude comparison, Visit Tucson’s budget was $6.5 million; Phoenix $13.3 million; Scottsdale $11.2 million; San Diego $28.4 million; Palm Springs $8.4 million; Portland $12.5 million; Denver $18.8 million; Austin $11.2 million; San Antonio $20 million; and Seattle $17.5 million. Clearly, our tourism marketing is inadequately funded.
F. Expanding Air Service at Tucson International Airport

Increasing direct airline connections to Tucson International Airport (TIA) from other major metropolitan cities, both national and international, is required for strengthening Pima County’s economy. Direct flights increase tourism, facilitate existing business operations and increase business attraction. Currently, TIA has very limited direct flights to the U.S. East Coast, Canada, Mexico or any of the other regions identified in this plan as being necessary components of job creation, export trade and business expansion.

TIA continuously seeks to improve air routes and identify opportunities for direct airline connections; but recent developments in the airline industry, such as airline consolidation and increased aircraft operation cost, have led to greater competition among airports for direct flights. An increasing trend in the industry is the use of revenue guarantees to serve as an incentive for municipal airports to secure additional flights. These guarantees are essentially sums of money a regional organization commits to an airline for new routes and flights that would serve to offset revenue lost if the route or flight is not successful. The money is usually secured by lines of credit and is not paid to the airline if the route is successful in terms of passenger usage and profitability. Regional organizations, such as chambers of commerce, cities and states fund the guarantees due to Federal Aviation Administration regulations that prohibit airports from funding the guarantees. A recent example occurred in Albuquerque where a community and state coalition secured $5 million to guarantee a direct connection to New York City. The flight has been successful with 86 percent of seats purchased, and the city has derived numerous economic benefits from the new connection.

In 2015, the Tucson Metro Chamber formed an Air Service Task Force that is attempting to secure direct flights from Tucson to New York City/Newark with an approximately $3 million revenue guarantee. This effort, which is funded primarily by private sector businesses and individuals in Pima County, would bring immediate economic benefits to our region if sufficient funding is made available. According to the United States Department of Transportation, Tucson is the largest market without a direct flight to New York City/Newark airports. If the New York City/Newark direct flight is obtained, the task force has indicated it will look at securing additional direct flights to locations in Mexico, Canada and possibly Washington DC. These efforts by the Metro Chamber and Pima County business community and any community efforts to increase direct flights at TIA will be encouraged and assisted by Pima County.

G. Pima County as a Medical Tourism Destination

People from across the United States and abroad are already visiting Tucson health and medical centers for the unique services and care they offer. Medical tourism is a growing tourism initiative, and Visit Tucson and Pima County are developing a community plan to attract visitors to Pima County who are specifically seeking medical services. Cities such as Houston, Tampa, Jacksonville and many others have had focused marketing initiatives with their medical partners for decades.

Medical tourism is the concept of people who live in one region traveling to another region to receive medical, dental and surgical care that is equal to or greater than the care they would receive in their own region. Most people participating in medical tourism do so for reasons of affordability, better access to care or a higher level of quality care. Pima County will collaborate with regional medical centers, wellness facilities, the Pima

**Mexican visitors contribute nearly $1 billion to Tucson’s economy each year.**
County Health Department, physicians and Visit Tucson to develop and market visitor incentive packages for those seeking medical care within our community. The County, in its planning, will place particular emphasis on Mexican patient visitors. Specific initiatives will include developing comprehensive data related to medical and wellness institutions in the region, creating a database of doctors and their specialties through the

H. Creating International Tourism Opportunities in Key Marketplaces

Mexico

Mexico is by far the largest source of international visitors to Arizona with 3.6 million overnight trips in 2013, according to the Arizona Office of Tourism. Our proximity and historical and cultural ties with Mexico allow Pima County to benefit significantly from Mexican leisure travel. Statistics from the UA indicate Mexican visitors contribute nearly $1 billion to Tucson’s economy each year. Vamos a Tucson, the Mexico marketing department of Visit Tucson, operates visitor centers in the Sonoran cities of Hermosillo and Ciudad Obregon. The Hermosillo center was recently renovated to include a Pima County meeting space that can be used by Pima County officials to meet with Mexican government officials and companies seeking to operate in our region. Kino Sports Complex is the site for what has become the annual Vamos a Tucson Mexican Baseball Fiesta each October. This event brings in four or more teams from the Mexican Pacific League to play a preseason tournament that attracts spectators from southern Arizona and northern Mexico. Additionally, Little League teams from Mexico travel to Tucson during that timeframe for their own tournament tied to the event.

Pima Community College is working with Vamos a Tucson to market its programs and new ESL offerings to the Sonoran and northwest region of Mexico. Research shows that international students also promote tourism and further international connections. For example, former students who hold a positive view of their study experiences in other countries will prefer these regions for investment, tourism and development work.

Shopping is the primary reason visitors from Sonora and Sinaloa travel to Pima County.

The Arizona Office of Tourism ranks Canada second in overnight visitation to Arizona with 773,260 visits in 2013.

Pima County Medical Society and developing a marketing plan in partnership with health and medical institutions. The program will include transportation and housing logistics and is expected to launch by 2016.

Of particular importance will be an outreach program to introduce domestic and international medical tourism patients to the unique medical services in our various clinics and hospitals, including Tucson Medical Center, Carondelet, Oro Valley Hospital/Northwest Medical Center, Green Valley Hospital and Banner-University Medical Center (Banner-UAMC). Pima County will seek to collaborate directly with the Banner UAMC system, including the Pima County-affiliated Banner UAMC–South, regarding this important initiative.

By marketing to a variety of professional, amateur and college sports, Kino Veterans Memorial Stadium generates as much annual revenue as it did when it was hosting MLB Spring Training teams.
Vamos a Tucson organizes motor coach trips between Tucson and Sonoran cities during prime shopping periods. Vamos a Tucson also engages in significant year-round promotional activities in Sonora, including print and digital advertising, promotions in Sam’s Club, Starbucks and in the Ford Motor Company plant in Hermosillo. Other promotions include weekly Tucson television updates on Meganoticias in Hermosillo, and the development of quarterly Spanish-language visitor guides distributed throughout Sonora.

Pima County supports efforts by the Tucson Airport Authority (TAA) and local business organizations to pursue nonstop flights from one or more Mexican cities to Tucson International Airport (TIA). Pima County will also partner with the Arizona Commerce Authority and City of Tucson to generate new business for our region via exposure at the State’s new trade center in Mexico City. In the area of sports tourism, Pima County will work with FC Tucson and Visit Tucson to stage exhibition matches at Kino Sports Complex involving professional soccer teams from Mexico and expand the scope of the Vamos a Tucson Mexican Baseball Fiesta Fiesta.

Canada

The Arizona Office of Tourism ranks Canada second in overnight visitation to Arizona with 773,260 visits in 2013. Visit Tucson works directly with Canadian tour operators and travel agents to ensure metro Tucson vacation packages are developed and sold to Canadian travelers. Visit Tucson’s tourism department typically conducts two or more sales missions annually to Canadian markets and hosts Canadian professional travel planners on group familiarization tours and individual site visits. Pima County will work with the Canada Arizona Business Council (CABC) and Visit Tucson to facilitate 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. This would include partnering with the TAA and local business organizations to pursue nonstop flights from one or more Canadian cities to TIA. Visit Tucson should also engage in an annual Canadian media mission – possibly in partnership with the Arizona Office of Tourism and other statewide destination marketing organizations – while increasing outreach to targeted Canadian travel media to visit our region on individual or group tours and increase the amount of Tucson advertising in Toronto and other top Canadian feeder markets.

The Republic of Korea (South Korea).

Pima County has begun to make inroads in South Korea with efforts tied to tourism and other facets of economic development. Tucson was promoted at various festivals and events via Visit Tucson missions, which also included lecturing to university students about Tucson and how we attract visitors to our region. There is an opportunity to bring Korean Baseball Organization teams to train at Kino Sports Complex, should a combination of Pima County, Visit Tucson and local hotels/resorts be able to develop and offer a package that includes transportation between hotels and practice facilities, excursions to attractions and golf courses on their days off and finding high-quality opponents (such as other Korean teams or teams from Mexico’s Pacific Coast League) to play. Pima County will work with Visit Tucson to expand tourism from this important Asian market.

I. Creating an Amateur Athletics Destination Center

As discussed in Section A above, a Pima County sports facility assessment authorized by the PCSTA was completed in 2013 by the firms Populous and The Planning Center. This assessment provided a comprehensive analysis of sports facilities throughout the region. The assessment inventoried amateur tournaments and other activities, as well as evaluated the economic benefits of a number of community sports models from Albuquerque, New Mexico; Austin, Texas; Boulder, Colorado; Colorado Springs, Colo-
rado; Phoenix, Arizona; Portland, Oregon; Omaha, Nebraska; and Indianapolis, Indiana.

It is clear the development of a comprehensive sports facility system integrated and managed with the purpose of advancing our region as an amateur athletics destination is economically attractive. The City of Tucson, Pima County and the UA have a number of large-scale athletic facilities that are complemented by our favorable climate. Athletic training and tournaments can constitute a significant economic benefit as a component of destination tourism. Today, there is no real coordination of the many venues for sporting and athletic endeavors. Further, these facilities require maintenance and expansion to be competitive in the national market for college, university and club championship tournaments, which can drive significant expansion opportunities for the region in destination tourism.

It would be appropriate to consider coordinating both facilities and marketing information to determine the applicability of developing, through coordinated use of available infrastructure, the addition of new facilities throughout our region as an amateur athletics destination. Such would require close coordination with The University of Arizona, local jurisdictions and the private sector. Developing Tucson as an amateur athletics capital could be a very significant addition to our tourism economy.

J. Potential Legislation Supporting Sports and Tourism

Visit Tucson has created a ranking of performance metrics that measure key tourism indicators against Tucson’s major competitor visitor destination locations. The survey began shortly after the most recent audit of Visit Tucson’s marketing objectives and outcomes. Key indicators measured include area hotel occupancies, average daily rates of lodging locations, marketing and operational budgets, and revenue per available room, which is a ratio commonly used to measure financial performance in the hospitality industry and others.

Tucson has ranked poorly since the study began three years ago. Consequently, efforts to improve these metrics were recommended by the Southern Arizona Lodging and Resorts Association (SALARA) to increase tourism through product development and marketing through the repurposing of House Bill 2572. This bill amended Section 1 of Title 5 of the Arizona Revised Statues by adding a new Chapter (Chapter 9). This amendment, sponsored by the PCSTA, was signed into law by former Governor Jan Brewer in 2009 and allows a referendum so voters can decide whether to pay slightly higher taxes to benefit sports facilities and create additional jobs. The referendum mission, if passed, would ensure stability by keeping and growing training teams in Pima County and growing youth and amateur sports through the development and renovation of sports facilities.

SALARA, working with the PCSTA, asked the TAA and Pima County to support the legislation to repurpose the PCSTA and the bill’s outdated original purpose by:

- Promoting sponsorship of market-wide sporting events,
- Promoting the tourist destination of southern Arizona,
- Supporting nonstop air routes to TIA, and
- Supporting operation of Kino Sports Complex, specifically to support the growth of youth and amateur sports.

This bill was not considered by the Arizona Legislature in the 2015 session and should be introduced in the next session, since the concepts contained in the proposed legislation would be a major contributor to revitalizing southern Arizona’s tourism industry and create new infrastructure and jobs. Any number of other revenue uses could be proposed in revised or new legislation, including funding for creating a regional center for amateur athletics.
Action Items

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 study by SFA and the sports assessment study conducted by Populous/The Planning Center.

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.

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.

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.

6.5 Complete “The Loop” trail and its local town connector trails and market it as part of the region’s substantial cycling infrastructure.

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.

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.

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.

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.

6.10 Partner with the TAA and local business organizations to pursue nonstop flights from one or more United States East Coast, Canadian and Mexican cities to TIA, since there are currently very limited East Coast nonstop flights and no nonstop flights to Tucson from Canada and no flights to Mexico.

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.

6.12 Work to improve and expand existing Pima County tourist attractions through bond investments, including the Kino Sports Complex, Old Tucson Studios, Arizona-Sonora Desert Museum, Colossal Cave Mountain Park, Pima Air and Space Museum and the Historic Courthouse Art Museum and January 8th Memorial.

6.13 Reintroduce and support passage of reform legislation related to the PCSTA to fund tourism-related initiatives designed to increase tourism economic development.
CHAPTER 7

Mining – Modernizing a Traditional Industry
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. The economic impact of even a single mine in Pima County is significant. A 2013 economic analysis of one local copper mining operation, the Sierrita Mine operated by Freeport McMoRan Copper and Gold and located 20 miles south of Tucson, found a direct economic impact in Pima County of $197.1 million, including $112.4 million in direct compensation and $66.7 million in vendor purchases. The combined direct and indirect impacts of the Sierrita Mine totaled $310.4 million in 2013.

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.

An estimated 60 percent of the nation’s copper comes from southern Arizona, and the average wage paid by the large-scale mining operations is well above the median wage in Pima County.

Pima County 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 revegetate mine tailings. This research benefited the mining industry, as well as the air quality for Pima County residents.

Pima County has also opposed 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. We have also asked regulatory
agencies to commit that any mitigation required because the Rosemont Mining operation actually occurs in Pima County and within the watershed of the Cienega Basin, the most impacted by this particular proposal.

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 are also areas of concern for the county and our residents.

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. Below are five policy areas where the county can actively support mining activities.
A. Support Mining Activities that Provide Resource Conservation in Accordance with the Conservation Lands System Guidelines

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. 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.

B. Advanced Mining and Resource Extraction Technology

In 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 University of Arizona (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 also a leader in environmental research and sustainability, particularly in

The Lowell Institute for Mineral Resources has more than 100 university researchers collaborating across 23 disciplines to advance sustainable development of mineral resources.
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 collaborating 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. Its research objectives include studying the toxicological effects of environmentally relevant arsenic exposure and studying wind-borne mine tailing particulates and the relation to lead metal contaminants.

In addition, the Israel Business Initiative, a program of the recently formed partnership between UA Tech Parks and the Offshore Group, includes sector focus areas that include mining technology.

Regarding workforce development, Pima County has been in discussion with the Town of Sahuarita and the Joint Technical Education District (JTED) for development of the Southern Arizona Mining and Industrial Technology Center. Although funding sources for the center have yet to be firmly identified, Pima County supports the development of this center, as it would ensure the mining industry has a well-trained and sufficient workforce for the future.

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.

C. Reclaiming Mining and Tailings Disposal Sites

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
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.

D. Collaborate with Mining Interests to Maximize Natural Resource Conservation

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.

E. Maximizing Renewable Water Resources for Meeting the Water Supply Needs of Mining

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 will also support activities for the direct reuse of Central Arizona Project (CAP) water, in lieu of groundwater, for mining operations. Currently, a number of 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.

### Action Items

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.

7.2 Support mining activities that generally provide mitigation offsets in accordance with the established county conservation guidelines.

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.

7.5 Promote use of renewable water supplies for all mining activities within Pima County.
Enhancing Our Relationship with Mexico
Mexico is the third largest trading partner for the United States and the first for Arizona; total trade in 2013 was $506 billion. In 2014, 93,354 Arizona jobs were supported by trade with Mexico, and Arizona’s exports to Mexico were $8.6 billion.

Pima County and Mexico share a longstanding relationship and deep cultural ties; and the Mexican state of Sonora and Pima County share major industries, such as aerospace, manufacturing, mining and tourism. Pima County is taking the appropriate steps to collaborate with our neighbors south of the border. In initiating these relationships, we have identified a number of benefits to expand upon, as well as limitations that require cross-border collaboration to improve trade and tourism. With increased collaboration, we can improve our region’s economic growth and resulting employment growth.

A. The Cost of Doing Business for Import/Export: Banking, Nearshoring and Port of Entry Efficiency

1. Banking
Some United States banks are closing accounts of certain customers with operations on the Mexican side of the border, which appears to be part of an effort to comply with United States anti-money laundering regulations. However, this action is having an adverse impact on legitimate border businesses and impacts our ability to attract Foreign Direct Investment (FDI) from all countries. The county will continue to explore avenues to address this issue and continue to encourage cross-border investment.

2. Nearshoring
China’s labor and shipping costs are rising and quality is declining. Mexico is offering high-skill, low-cost manufacturing; and many United States manufacturers are relocating to Mexico from Asia (nearshoring). Foreign automotive manufacturers are also targeting Mexico for expansion of their operations. Nissan will construct a $1.4 billion manufacturing facility, and Volkswagen is planning a $1 billion expansion of its existing Mexican facility. Audi also plans a Mexican factory to produce vehicles for export to Europe, the United States and other markets.

The Maquiladora industry in Nogales, Sonora includes approximately 110 assembly-for-export plants that employ an estimated 35,000 people, many of whom have visas to cross into the United States for tourism and shopping. Maquiladora manufacturers in Nogales are increasingly high tech and need supply chain, worker training and logistical support that Pima County is uniquely situated to provide.

3. Port of Entry Efficiency
The Mariposa Port of Entry (POE) at Nogales, a $244 million expansion and mod-
ernization project, has been completed. It is now a state-of-the-art facility that is already creating opportunities by increasing capacity of import goods and produce, and it has decreased the wait for truckers. However, a significant adverse impact on cross-border trade still continues to be border delay. United States and Mexican companies face higher transportation costs as a result of lengthy border wait times and intrusive (duplicated) inspections. These costs are passed on to consumers. In addition, time-sensitive products, such as fresh fruits and vegetables and other agricultural commodities, are placed at risk due to the products’ shorter lifespan. In 2013, over 310,000 trucks crossed the Nogales POE. The private sector has suggested it will take more than additional Customs officers at the Port. It will require all key process stakeholders to find common ground to improve the systems of transporting goods across the border. Pima County supports the development of technology and improved processes on both sides of the border to make us more competitive with Texas and California, both of which have experimental programs in place.

4. Over-stop
Other challenges include varying interpretation and execution of border crossing procedures by each agency at the POE. This lack of coordination leads to an increase in wait times and a resulting increase in cost of products coming across the border, which makes Arizona less competitive with our neighboring states that tend to have a more coordinated approach. The county will increase our efforts to develop relationships on both sides of the border to increase efficient border-crossing awareness and work toward solutions that make Arizona POEs more competitive, easier to use and quicker to assess.

Sonoran Crossroads
Tucson is the crossroads of three of the world’s largest economies; California to the West, Texas to the East and Mexico to the South.

Mexico is investing millions of dollars upgrading the Port of Guaymas.
B. Strengthen Our Relationship with Guaymas, Port of Guaymas and Port of Tucson

To thrive in the future economy, we must realize Pima County is part of the international marketplace and is situated at a crossroads for foreign trade. By focusing on import distribution and export concentration, it is possible to increase the region’s participation in the international marketplace.

The Port of Tucson is certified to handle international containers for import and export operations. The availability of onsite Customs, intermodal capability, existing infrastructure and land at the Port of Tucson to accommodate immediate growth, as well as a “can-do” approach to meeting unique market demands, provides a cost effective doorway to national and international markets for the region. In order to enhance the capability of this regional asset, Pima County sponsored a successful $5 million TIGER Grant to provide high-speed switching of trains off the main Union Pacific Sunset Line, thereby reducing cost and transit time for cargo. This unique capability can be rapidly expanded to accommodate a broad range of bulk and finished products that can be shipped in a container or flatbed rail car.

Pima County will renew our efforts with state and federal highway counterparts to allow transit of heavy loads on southern Arizona highways in order to accommodate international containers and avoid the costly need to break contents down into smaller loads. Designating a heavy haul route from Douglas to Tucson will result in immediate economic return based on the mining industry in Mexico.

Another key regional factor in international trade is the Port of Guaymas. This port is in the process of a $300 million upgrade that initially will dredge the channels to handle larger ships, followed by development of new facilities on reclaimed land to more than double the bulk cargo capacity of the current port. This is critical to the region’s mining industry as more minerals, bulk and refined, are exported to offshore markets through the Port of Guaymas. This phase of the expansion is scheduled to be completed by 2017. Commensurate with this growth in capacity, the rail yard at Empalme is also being expanded to handle the increased volume of bulk materials being shipped. The second expansion phase of the Port of Guaymas will create several container ship loading facilities at Empalme by 2020. The expanded rail yard in Empalme is being designed to maximize the flow of container rail cars from and to these docks.

The significant increase in the capacity of the Port of Guaymas provides a critical gateway for expanding regional imports and exports. We must focus on developing the appropriate infrastructure and marketing programs to position the Arizona/Sonora region as the next major gateway to the Pacific/Asian markets, as well as the rapidly expanding markets in Central and South America. Our unique geographic location at the crossroads of the north/south and east/west trade routes for this region is an asset that must be maximized.

C. Strengthen Rail Service and Customs Capacity at the Border

With the increased traffic projections from the Port of Guaymas and minor infrastructure modifications, Union Pacific/Ferromex...
indicates 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 to distances as far as the United States 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 United States and the only one in the State of Arizona. This line is currently being upgraded on both sides of the border; the timber bridges are 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 is being completed in Arizona at a cost of more than $8 million. The Mexican railroad Ferromex has already completed its portion of the upgrade.

Delays at the border are costly. There are serious competitive threats to Arizona when goods can cross the border at Calexico, California; Santa Teresa, New Mexico; and Texas to the east, often with shorter wait times. For Arizona to compete with these other border crossings, we must ensure timely movement of rail and truck traffic. This will occur primarily through infrastructure improvements and technology, as well as staffing. The short-term solution is increased staffing at the Land POE. Of the 2,000 new Customs officers authorized nationwide in the FY 2013/14 federal budget, Arizona was allotted 170; 120 in Nogales, 25 in Douglas and 25 in San Luis. Training for new officers takes about a year. Currently, United States Customs has a team of 10 officers (5 per shift) to inspect north- and southbound trains, and inspection is on average one hour per train. With the completion of the Mariposa POE, it is imperative staffing levels for Customs agents are increased appropriately to minimize car, truck and pedestrian delays, as well as provide sufficient staff to inspect trains in a timely and responsible manner. Recent legislation initiated by both Arizona Senators to allow transfer of separating military personnel to Customs and Border Protection should reduce the time required to get officers in place at the POEs.

The Mexican government has already committed to investing $1 billion to improve Highway 15 that connects central Mexico with Nogales.

D. Educate Southern Arizona Businesses and Citizens About Cross-border Opportunities and Make it Easier for Mexico-based Businesses to Operate in Pima County

In order to help establish and improve cross-border relationships and communication with private, local, state and federal contacts in Mexico, the county has employed a bilingual/bicultural Coordinator of Economic Development and International Projects to focus primarily on coordination of these efforts with Sonora. The Coordinator has participated in mission trips to cities in Sonora and Sinaloa, meeting with local and state government officials, as well as economic development and maquiladora officials, to establish relationships and educate about the roles of counties (Mexico does not have counties) and how Pima County is leading efforts to help facilitate the process of business expansion and establishment for Mexican businesses in our region. Pima County has partnered in these efforts with the Arizona-Mexico Commission, Tucson-
Mexico Trade Coalition, the Greater Nogales Santa Cruz County Port Authority, Tucson Hispanic Chamber of Commerce, PAG, Maquiladora Association of Nogales, Maricopa Association of Governments and the Consulate of Mexico, among others.

In April 2014, Consul Ricardo Pineda from the Consulate of Mexico in Tucson presented to the Board of Supervisors and the public about Mexico’s growing economy and the importance of the United States-Mexico relationship. Consul Pineda shared important data, including that 40 cents of every dollar spent on imports from Mexico comes back to the United States; a quantity 10 times greater than the 4 cents returning for each dollar paid on Chinese imports. Six million United States jobs depend on trade with Mexico. Pima County also arranged for Consul Pineda to present to the Arizona State Transportation Board, the focus of his presentation being on coordinated transportation infrastructure across the region. The Mexican government has already committed to investing $1 billion to improve Highway 15 that connects central Mexico with Nogales, which will provide better flow of commercial and light vehicle traffic.

Pima County is currently constructing an economic development web page to serve as a regional resource guide and tool to promote business opportunities in the county and attract business and investment from Mexico. In addition, Pima County has fully supported the promotion of BIEN (Building an International Economic Network, http://www.connectbien.com) which was developed by the Maricopa Associations of Governments as a business-to-business e-platform to connect individual businesses across international boundaries in Mexico and Canada. BIEN is a valuable tool for our entire region to encourage local businesses to become more involved in international trade. The BIEN website is available in Spanish, French and English.

Educational institutions also can play a role here. The University of Arizona has had ties with its educational counterparts in Mexico for decades; but activity in this area is increasing at an impressive rate, exposing students from Mexico to the values and opportunities in Arizona and Pima County. With a large enrollment from Mexico, the University participates in many cooperative programs with their counterparts in Mexico. During a recent trade mission to Mexico led by Governor Ducey, University of Arizona President Ann Weaver Hart signed an agreement with Universidad Nacional Autónoma de México for the establishment of the Center for Mexican Studies, making the University a Center of Excellence and focal point for foreign students from Mexico studying in Arizona.

In addition, Pima Community College (PCC) has signed a Memorandum of Understanding with the Technological Institute of Sonora and will work together to develop dual degree programs (like the International Management Binational Program), student and faculty exchanges, and other projects. In June and July 2015, 15 ITSON professors will visit PCC for ESL training. These binational connections and projects will help people on both sides of the border become aware of cross-border opportunities.

On average, Mexican consumers spend an estimated $8 million per day in Arizona.
Furthermore, PCC is one of only a few community colleges in the United States that is working with Televisa Foundation (a foundation of the largest Spanish-speaking media conglomerate in the world), the Mexican Ministries of Education and Foreign Relations, and Santander Bank. In 2014, PCC hosted a group of 49 students from Mexico funded by these organizations. In 2015, PCC will host a new group of 60 students and will be one of only two colleges supported by the US State Department to facilitate the granting of J-1 visas to these students.

E. Increasing Mexican Tourism and Commerce

On January 1, 2014, Mexico’s federal sales tax in border cities and towns increased to 16 percent from 11 percent. Historically, Mexican consumers have traveled to the United States to purchase products ranging from food and groceries to electronics and clothing. Local business leaders in Nogales predicted Mexico’s sales tax hike would spur Sonoran border residents to do more shopping in Arizona, which has been the case. On average, Mexican consumers spend an estimated $8 million per day in Arizona.

The economic benefit of Mexican shoppers was negatively impacted by unfortunate State legislation and anti-immigration rhetoric. However, in 2014, the Pima County Board of Supervisors unanimously approved a measure that declares the region an “immigrant welcoming county.” We continue our financial support for Visit Tucson and coordination efforts to welcome Mexican tourists and have them enjoy our hospitality and lower sales tax rates. We are also fully engaged with Visit Tucson and the medical community to enhance medical tourism from Mexico as discussed previously in this plan. We are currently in the early stages of developing the appropriate partnerships between the health and wellness community, Pima County, Visit Tucson and identifying others to participate in developing a plan to reach out to Mexico for medical tourism.

One of the largest opportunities for growing existing businesses or recruiting new companies is next door in Sonora and in other Mexican states. Mexico is the third fastest growing economy in the world and is at our doorstep. Over $22 billion per year in goods crosses into Arizona from Sonora alone. Roughly 40 percent ($8.8 billion) is from products that originated in the United States and were sold to the Maquiladora industry in Sonora, only to return to the United States as a part of another product. The Maquiladora industry in Sonora has asked Pima County, Sun Corridor Inc. (formerly Tucson Regional Economic Opportunities; TREO), and the Pima Association of Governments (PAG) for assistance in developing local, more reliable supply chains for not only materials, but services such as metal finishing, machining, injection molding and logistics support for products crossing the border. Pima County’s Economic Development team and International Projects Coordinator will work closely with Sun Corridor Inc. and PAG to ensure we take advantage of this opportunity.

In November 2014, Pima County, in a joint venture with Visit Tucson and the City of Tucson, held a ribbon-cutting ceremony for an Hermosillo, Sonora business office located in the Vamos-A-Tucson (Visit Tucson) offices. Pima County Supervisor Ray Carroll attended this ribbon cutting, which was part of a larger three-day trade mission to Sonora and Sinaloa. Supervisor Carroll met with
the Mayor of Hermosillo and with several members of the Sonora State Congress to establish a stronger relationship and discuss partnership opportunities. This space will serve as an information source and coordination point for Mexican corporations and entrepreneurs seeking information about doing business in Pima County. The county will have a regular presence and will continue its efforts in promoting these relationships with Mexico. We want to ensure our neighbors feel welcome and that we are available to facilitate the process. We already have one company seriously considering Pima County for consideration.

The largest population of international students at PCC comes from Mexico. With geographic proximity, most of these students and their families are able to travel extensively to and from Mexico; creating a network of actual and potential consumers in Pima County. Further, many of these young students will become the future business and industry leaders who will engage in bi-national commerce and tourism.

Mexico offers a number of opportunities for southern Arizona and Pima County, but we have serious competition to the east and west. Making strategic decisions that leverage our strengths and facilitate cross-border trade and tourism in both directions is important to the economic growth of our region. Active recruitment of FDI and engagement with our local, state and federal partners to address some of the current constraints are critical elements to realizing these opportunities. As discussed in several chapters of this plan, Pima County is dedicated to maximizing opportunities for our local businesses and encouraging more FDI in our region.

**F. Mexican Baseball**

The largest single attendance at a Major League Baseball spring training game was between the Arizona Diamondbacks and the Mexican National Team. Mexican baseball continues to be extraordinarily popular in Mexico, and ongoing discussions have been held with the owners of a Mexican Minor League baseball team. Negotiations have recently been completed with M1 Baseball, LLC of Woodlands, Texas to secure long-term Mexican Minor League baseball teams’ use of Kino Sports Complex.

An eight-month lease for one Minor League team, Rojos del Águila de Veracruz, comprised of 40 players and 10 coaches, is for the operation of a baseball academy at Kino Sports Complex to develop Minor League players for Major League Baseball. They also hosted three Mexican baseball league teams for spring training in March 2015 and played 12 exhibition games in Kino Stadium over the last three weekends in March. The Mexican baseball league (officially known as Liga Mexicana de Beisbol—LMB) teams includes Rojos del Águila de Veracruz (located in Veracruz), Diablos Rojos del México (located in Mexico City), Tigres de Quintana Roo (located in the Yucatan Peninsula), and Toros de Tijuana (located in Tijuana). All training and games will be televised across Mexico and in the southern United States through a baseball television program owned and produced by the Rojos del Águila de Veracruz team that is available on Latino sports programming. This agreement signals the return of professional baseball to Kino Sports Complex.
**Action Items**

8.1 Identify distribution companies in Pima County to provide locations for engineering, quality control and distribution support for companies in the maquiladora industry.

8.2 Complete the county economic development web page to serve as a regional resource and tool to attract business and investment from Mexico.

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.

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.

8.5 Continue advocating at the federal level to increase Customs staffing to expedite border crossing for trucks and trains.

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.

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.

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.

8.9 Maintain a regular County presence at the Visit Tucson (Vamos-A-Tucson) office in Hermosillo, Mexico to encourage and facilitate Mexican companies doing business in Pima County.

8.10 Continue efforts to increase Mexican Major League Baseball, including Spring Training and Spring Training games, at Kino Sports Complex.
CHAPTER 9

Enhancing Our Relationship with Canada
Expanding our geographic advantage in the Sun Corridor mega-region is critical, and Pima County is strategically positioned to capitalize on the increasing commerce between the United States, Mexico and Canada. The vigorous economic activity among these three nations is expected to accelerate under expanded trilateral trade treaties, increased nearshoring and the planning of the Interstate 11 (I-11) component of the CANAMEX corridor. Canadian investment in real estate, as well as Mexican and Canadian tourism, continues to be a significant economic factor within Pima County.

A. Expanded Foreign Direct Investment

Pima County has long benefited in its economy and employment base from Canadian-owned companies such as Bombardier, Stan-tec and Oracle Mining. More recently, one of Pima County’s largest employers, Tucson-based UNS Energy (including its subsidiary Tucson Electric Power), was acquired for $2.5 billion by Fortis Energy, Canada’s largest investor-owned natural gas and electric utility. Mattamy Homes, one of the largest builders in Canada, recently purchased lots in northern Pima County and will soon be a major component of our homebuilding industry. The Canadian company Walton International Development and Management has become one of the largest landowners in Pinal County. Walton has acquired more than 900 acres along Interstate 10 for commercial and industrial development in anticipation of increased trilateral trade along the future I-11 corridor.

Over the past decade, Canada has experienced substantial growth in both inward and outward Foreign Direct Investment (FDI), reflecting its strong connection to global supply chains. FDI occurs when a foreign company invests in a United States business enterprise; either by opening a new operation or through a merger or acquisition. This type of economic investment is critically important to creating jobs in Pima County and moving outside capital into our region.

A June 2014 report by the Brookings Institute’s Global Cities Initiative ranked the Metropolitan Tucson region 45 out of 100 metropolitan areas in the percentage of jobs derived from foreign-owned establishments. The study found the number of jobs in the Tucson region in foreign-owned establishments had risen from 7,360 in 1991 to 13,690 in 2011. The top two source countries for these jobs were Canada (23.1 percent) and Mexico (18.3 percent.) Montreal, Canada was listed as the top source city for foreign-owned establishments providing employment in the greater Tucson region. It should be

**CANAMEX Corridor**

Going north, Tucson is the first location on the CANAMEX Corridor in the United States that provides a confluence of rail, air and highway.
noted that Brookings’ analysis was completed before Fortis acquired Unisource energy, and Fortis’ approximately 1,200 local employees will significantly raise the foreign-owned establishment ranking of the metropolitan Tucson area.

B. Canadian Investments in Mexico

Canadian investment in Mexico is substantial, with more than 2,400 Canadian companies now doing business on Mexican soil. This presents numerous opportunities to position Pima County as a logistics hub for Canadian companies in the same manner as many county companies provide support to United States firms now operating in Mexico. For example, EDC, Canada’s export credit agency, recently 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 positioned to be further involved in the supply chain for these Canadian companies in Mexico; particularly in the areas of manufacturing, equipment provision, and engineering and consultation services.

C. Canada, Arizona and Pima County

Arizona currently conducts $3.7 billion in bilateral trade with Canada, and more than 132,200 jobs in the state depend on trade or investment from Canadian companies. Approximately 300 Canadian companies currently operate in Arizona, and the state received more than 895,000 Canadian visitors in 2012. Trade, combined with FDI and tourism, results in a $6 billion bilateral footprint for Arizona and Canada. One excellent example of Pima County’s relationship with Canada is Montreal-based aircraft manufacturer Bombardier Aerospace. Since Bombardier’s Tucson aircraft maintenance and modification facility opened in 1976, it has contributed significantly to the county’s workforce and economy. In 2013, Bombardier expanded its maintenance capacity at its commercial aircraft service center facility in Tucson and opened three new lines of maintenance for its Q400 and Q400 NextGen turboprops to support long-term maintenance contracts with various North American carriers. The company now employs more than 900 skilled aerospace workers at its Tucson facility.

Canadian tourism continues to be a major economic factor in Pima County. Analysis by Visit Tucson and the Arizona Office of Tourism indicates more Canadians are visiting southern Arizona, spend more than United States domestic tourists, and stay longer than most visitors – particularly for extended stays in the winter. In 2013, more than 770,000 Canadians visited Arizona; and a 2012 analysis of total international spending in Arizona, based on VISA card usage, found Canadian travelers accounted for 52 percent of the total tourist spending in the state. Visit Tucson has been working directly with Canadian tour operators and travel agents to increase Canadian

A June 2014 report by the Brookings Institute’s Global Cities Initiative ranked the Metropolitan Tucson region 45 out of 100 metropolitan areas in the percentage of jobs derived from foreign-owned establishments.
tourism to Pima County and expand sports tourism at Kino Sports Complex. Visit Tucson helped bring the Ontario Terriers club baseball team to the Kino complex in October 2014 and is pursuing the Toronto Blue Jays of Major League Baseball as a possible candidate for spring training exhibition games at Kino.

One currently identified weakness in the strategy to attract increased tourism from Canada is the lack of direct air service from the Canadian provinces that have historically drawn the most visitors to Arizona (Alberta, Ontario, British Columbia and Quebec) and to TIA.

Canadian tourism often leads to Canadian real estate investment in Pima County. Mortgage lending rules remain tight in Canada, and home prices across the provinces are significantly higher than in Arizona. Canadian government studies have ranked the country’s residential real estate as the third most over-valued in the world, with home prices 62 percent higher than those in the United States for similar homes. A 2014 study by the Maricopa Association of Governments found that 93 percent of the internationally-owned residential properties in Maricopa County belonged to Canadians, and most of the acquisitions were cash purchases. The study noted the beneficial impact of Canadian real estate investment in reducing the number of distressed and foreclosed properties in the county and noted the economic benefit of the more than 275 Canadian-owned businesses located in the Phoenix area.

D. Canada Arizona Business Council

The metropolitan Phoenix area, which hosts Canadian companies such as Circle K, Megellan Aerospace and Sunlife Financial, has long recognized the value of working collaboratively with Canada and Canadian businesses. A key organization in facilitating direct trade and commerce between Canada and Arizona has been the Canada Arizona Business Council (CABC) based in Phoenix.

In furtherance of our economic development goals, Pima County has formally joined the CABC as the first governmental entity from southern Arizona to be accepted to the predominately private-sector organization. The CABC is sanctioned by both the State of Arizona and the Canadian government with a mission to facilitate business, trade and investment between the State and Canada. The CABC recently met with representatives of the City of Tucson, The University of Arizona and PAG but has stated they will work primarily with Pima County to facilitate commerce and trade with Canada for the southern Arizona region. Pima County will serve as the connection between the CABC, our governmental partners in the region and the private sector.
**Action Items**

9.1 Quantify the economic impact of Canadian real estate investment in Pima County and develop a strategy to increase it.

9.2 Coordinate directly with the CABC to facilitate Canadian FDI in Pima County, promote Pima County exports and enhance tourism.

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.

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.

9.5 Work with Visit Tucson and other interested parties to expand air service between Pima County and Canadian airports.

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.

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.
CHAPTER 10

Enhancing Our Relationship with East Asia and The Republic of Korea
In the same way Pima County is situated in an ideal location to further our economic opportunities to the south with Mexico and north with Canada, we are also geographically positioned to capitalize on increased East 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 East Asian nations such as China, Japan, Malaysia and The Republic of Korea (South Korea) is important to increasing employment and wage levels in southern Arizona. Locally, we have seen increased East Asian trade, such as Raytheon’s missile sales to South Korea, direct investment by Chinese solar generating and manufacturing company Hanergy’s during its acquisition of Tucson-based Global Solar, and the growing relationship with multiple major container shipping companies enabling the Port of Tucson to operate as a true inland port as discussed in Section B below. The nature of East Asian tourism, outbound exports, and manufacturing as well as the corresponding supply chains is changing; however, the sheer scale of the Asian market will continue to be an important economic engine for northern Mexico and southern Arizona. Pima County needs to facilitate opportunities with the private sector to create direct trade links with the economies of East Asia and develop the region as a logistics hub for our interdependent economies.

A. The Port of Guaymas and its Relation to Asia

The expansion of the Port of Guaymas will be of vital importance for expanding international trade and providing logistics opportunities to further connect East Asia with our region. The doubling of capacity that will occur with the completion of the Guaymas Port expansion, along with improvements to the adjacent trade zone in Empalme, will 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 East Asian nations, the Port of Guaymas and its expanded facilities will be increasingly viewed by manufacturers as an attractive alternative to California ports. The resulting increase in rail and commercial truck cargo, including both foreign product from Asia and Mexican domestic product transiting north through the expanded Mariposa Port of Entry (POE) in Nogales, will require infrastructure and economic development policies designed to capitalize on the corresponding flow of commerce through our region. Pima County will continue to work collaboratively with our partners in Mexico and the southern Arizona region to maximize opportunities related to logistics, mining export, manu-

The sheer scale of the Asian market will continue to be an important economic engine for northern Mexico and southern Arizona.
B. The Port of Tucson and its Relation to Asia

As a growing multimodal rail facility, the Port of Tucson will also 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 San Pedro Bay 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, which shipped its first delivery of pet food to Osaka, Japan in 2013. 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. Another example is American Chung Nam, Inc., a Chinese company that in 2014 began buying recycled paper goods generated in Tucson for export to China. American Chung Nam’s exports quickly accelerated, and it has contracted with the Port of Tucson for up to 100 ocean containers per week destined from Pima County to China via the Port of Long Beach. Other exports of grain and alfalfa to Asia are anticipated.

The inevitable long-term growth of the Arizona/Northern Mexico mega-region and increased trade under the North American Free Trade Agreement (NAFTA) will result in the Guaymas and San Pedro Bay Ports becoming the major West Coast gateways for the entire Sun Corridor.

C. The Republic of Korea

The key to increasing Asian market export opportunities in Pima County is to identify opportunities based on regionally-identified industry sector priorities and existing international relationships. Pima County has identified several sector alignments and numerous existing relationships that present unique opportunities to connect our economy with the 50 million consumers and $1 trillion market of South Korea. The 2012 implementation of the United States–Korea Free Trade Agreement (KORUSFTA), which removes about 95 percent of duties on United States exports to South Korea by 2017, provides additional incentive to formulate an economic development strategy that includes South Korea.

In 2012, Arizona exported $251.4 million in trade goods to South Korea. Leading sectors in outbound trade included semiconductors and components; fabricated metal products; aerospace products and parts, and industrial machinery. The total stock of FDI from South Korea to the United States was $24.3 billion at the time of KORUSFTA implementation and employed 32,300 workers in the United States at an average annual salary of $83,000. FDI and trade are expected to accelerate progressively as the dynamic South Korean economy continues to grow.

In addition, Pima Community College (PCC) has developed relationships with diverse Korean institutions and governments, including the Chungbuk National University and the Island of Ulleungdo. PCC is working...
with Korean institutions to offer English as a Second Language and other programs to Korean high school and college students.

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. These initiatives include renewable energy development and increasing small business connections between Pima County and South Korea. 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 three million visitors. In December 2014, a South Korean delegation, led by the Mayor of the City of Jinju, met with Board of Supervisors Chair 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.

Discussions are in progress to have some of the Jinju Lantern Festival exhibits stored in Pima County for possible future use locally and perhaps in other United States cities as well. The delegation also met with representatives of the Hanwa Eagles and NC Dinons, two of the South Korean baseball teams that have conducted spring training at Kino Sports Complex and Tucson’s Hi Corbett Field, to discuss the expanding South Korean baseball training opportunities that exist in Pima County.

**Jinju, South Korea, wants to share its spectacular annual lantern festival with the United States and may base its operation in Pima County.**

**Action Items**

10.1 Continue efforts to increase economic involvement with East Asia by supporting the Port of Tucson in its expansion.

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.

10.3 Support the extension of heavyweight corridors 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.

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.

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.

10.6 Work with PCC to attract more students from The Republic of Korea.

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.
CHAPTER 11

Downtown Enhancement
Pima County currently owns 1.58 million square feet of building space in the downtown area, employing over 7,000 full- or part-time employees. Pima County is downtown Tucson’s largest employer. A vibrant, successful downtown enhances the work experience for employees and leads to economic expansion. Due to the location of such facilities as the Temple of Music and Art, the Tucson Museum of Art, the Museum of Contemporary Art, the Tucson Convention Center and restored Fox Theatre, downtown is a regional arts and cultural center that should be expanded. The growing entertainment venues in the downtown also mean the area serves as a regional center; attracting residents from other communities, as well as Tucson.

A. Creating a Regional Arts and Cultural Center

A number of proposals have been made to expand arts venues downtown. The most recent is to establish an Art of the American West center in collaboration with the Tucson Museum of Art (TMA). Discussions have also been held with The University of Arizona (UA) to display University-acquired, world renowned art pieces, which is made more attractive by the connection of downtown to the University via the modern streetcar. The current proposal, which is undergoing detailed review, is the partial or complete conversion of the Historic Pima County Courthouse to an art museum in conjunction with the TMA or the University. Such a conversion would substantially increase museum quality art display capacity in downtown Tucson. If the entire courthouse is used for museum-quality art display, nearly 76,000 square feet of display area would be added.

B. Enhancing the Opportunity for Corporate Headquarters Location

Pima County owns 23 separate buildings in the downtown area, including 6 parking structures. With the opening of the new Public Service Center, the county is now in a position to dispose of the office building located at 97 E. Congress Street, as well as 160 N. Stone Avenue. The county also owns vacant property in downtown at Broadway Boulevard and Scott Avenue across from the newly developed Tucson Electric Power Company Headquarters and at 332 S. Freeway. All of these county properties would be attractive facilities for new downtown corporate employers. The county will offer favorable consideration to any new corporate employer that desires to locate downtown in either the existing buildings at 97 E. Congress Street or 160 N. Stone Avenue or to construct a new building at Broadway Boulevard and Scott Avenue or 332 S. Freeway.

Nearly $1 billion in public and private investment has been made in downtown Tucson in the past 10 years.
C. Expanding the Administrative and Legal Center of the Region

In 1929, when the now Historic Pima County Courthouse was newly built, the county had one division of the Superior Court and three Consolidated Justice Court precincts. Today, there are 52 Superior Court divisions and 10 Justice Court precincts. The county employs over 215 attorneys in the County Attorney’s Office or in our Public Defender functions. With Tucson being the county seat, downtown is the legal center for Pima County.

The newly completed Public Service Center holds 14 Justice Court precinct courtrooms and has the capacity to add 7 more courtrooms in the near future with no modification to the exterior building. The facility was constructed using $80.6 million of General Obligation bonds of the county and an additional $77 million in financing from the county. The building has been planned to add a north wing extension that would add another 12 to 16 courtrooms. As the population of Pima County grows, so does the need for legal services; for criminal law, civil law, probate, family court and other legal functions. The new Public Service Center has the capacity to add 23 additional courtrooms, bringing the total to 37. It is likely the number of courts and attorneys operating in downtown will increase in the future.

As the population of Pima County grows, so does the need for legal services; criminal law, civil law, probate, family court and other legal functions.

The county also has had very preliminary discussions with the UA to increase its presence in downtown for legal training of University law students. In fact, the county has set aside two courtrooms in the new Public Service Center for trial practice of UA law students, as well as for administrative support space. Given the legal functions that exist downtown and the diversity of legal processes and systems, it is appropriate that downtown also evolve and emerge as the legal training center for the region.

Action Items

11.1 Facilitate the creation of a regional arts and cultural center by establishing, in collaboration with TMA, an Art of the American West museum in the Historic County Courthouse if the voters approve funding for such. Continue discussions with the UA regarding displaying University-acquired art pieces in the Historic Courthouse.

11.2 Encourage new or expanded primary employment in the downtown by making available for such the County-owned office buildings at 97 E. Congress Street and 160 N. Stone Avenue, as well as the County’s vacant property at Broadway Boulevard and Scott Avenue and 332 S. Freeway.

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.
CHAPTER 12

Job Training and Employment Base Development
Government and private sector leaders across Pima County agree that a quality workforce sufficient to meet economic demand is critical to our being competitive in the current global, knowledge and technology-based economy.

A skilled workforce is an important component of business retention and expansion and is a valuable incentive in attracting new companies to our region. Pima County collaborates with a variety of public, private and nonprofit partners to develop the workforce required for the aerospace and defense, manufacturing, logistics, bioscience, engineering, healthcare and many other sectors vital to our economy. Pima County is the regional government and must help to develop a skilled workforce and continue to create a community that will attract and retain highly skilled workers.

A. Higher Skills Equal Increased Competitiveness, More Jobs and Increasing Earning Power

Talent is the key to competitiveness and to creating, attracting and retaining high-wage jobs. Fifty years ago, competitiveness hinged on production capacity; now it requires innovation capacity, powered by knowledge workers such as scientists, engineers, skilled technicians, and logisticians. A growing share of quality jobs is in the fields of science, technology, engineering and mathematics (STEM) or requires at least some STEM skills. The availability of skilled workers is consistently ranked in the top three among decision factors to relocate or expand a company in any given location. Surveys conducted by Pima County have found that southern Arizona high-tech employers see promising opportunities for expansion in current and emerging markets, but they need additional skilled workers in order to take advantage of those opportunities.

Pima County’s strategy must focus on training the existing workforce for higher-skilled jobs in strategic industry sectors. Local companies are constantly updating their technology to maintain a competitive edge, and this creates a challenge for the K-12 and post-secondary education pipeline to produce enough graduates with skills needed by these companies. Many workers who do not fit into the four-year college educational pathway can be provided with the technical training employers require through the use of short-term, technically-focused training programs.

Pima County OneStop will work collaboratively with Pima Community College (PCC) to respond to these technological changes and to be more predictive in developing and implementing technical education programming that is aligned to business and industry needs. PCC is in the initial phase of developing a comprehensive Labor Market Development System that moves the PCC to a paradigm of being formative and predictive in workforce training and technical education programming. This programming model will allow PCC to develop workforce training and technical education programs in advance of peak demand.

OneStop Career Centers connects employers and job seekers through dozens of programs.

The availability of skilled workers is consistently ranked in the top three among decision factors to relocate or expand a company in any given location.
industry needs so that a ready stream of skilled workers is prepared at the point of labor market demand. PCC is a major provider of training certificates and degrees for technician-level occupations. PCC offers technological training in automotive, aviation, building and construction, machine tool, surface mining, and welding.

High-quality K-12 schools, Joint Technical Education District (JTED), PCC and Pima County job training programs will be instrumental in making these workforce connections. The University of Arizona (UA) and its reputation as a research institution will be critical for developing post-secondary graduates for the tech sector, and Pima County will continue to support the University’s efforts through strategic partnerships whenever possible. The county will continue to support PCC’s workforce development efforts through strategic partnerships, including bolstering the partnership between PCC and the County’s OneStop program.

Lower-skilled and under-resourced older youth and young adult populations represent a tremendous untapped talent resource, particularly for technician level occupations. Developing this talent through a pathway of progressively higher-skilled employment opportunities depends on 1) individual motivation and resiliency; 2) available and financially accessible basic adult education and progressive training that aligns with the job requirements at each level; and 3) adequate social supports for success, both in school and at work.

PCC and OneStop have already begun to utilize Integrated Education Programs to support these goals, piloting the first join AZ-IBEST program. IBEST is a nationally recognized, innovative program model where credit classes integrate their content knowledge with basic academic skills – reading, writing, mathematics and English language. IBEST courses provide coordinated transition and support services that help students plan for and make the transition into work or further education along their defined occupational pathway.

Developing these pathways is a major focus for the Pima County OneStop workforce system and PCC. Labor market data and economic development plans such as the Sun Corridor Inc. (formerly Tucson Regional Economic Opportunities, Inc.; TREO) Blueprint form the basis for target employment sectors identified by the Workforce Investment Board (WIB). The OneStop Business Services Team surveys businesses in these sectors to gather information about their workforce needs and hardest-to-fill occupations and to identify career advancement pathways that are critical to the target industry sectors. Frequently, gaps are identified in the availability of suitable education or training to support employee advancement along these pathways. When possible, grant funds and county resources are used to develop a solution between industry and training providers.

The County’s economic development strategy must include effective employee development and training. Strategies to do so should include the following:

- Develop a plan for identifying high-value pathways to target specific workforce investment and educational efforts and pursue those efforts. This should be done using both existing labor-market and industry data and economic forecast sources and continuing new surveys and primary research.

- Highlight institutional barriers to career pathway movement. While the community offers many training programs designed to prepare the student for direct employment in a particular occupation, many of them do not support career pathways as well as they should. Too many training programs are dead ends. After completing training for their first occupation, a person wishing to obtain additional training for a higher occupation is frequently required to start over again at the introductory level to complete a more advanced credential or degree. Educational institutions need to redesign curricula and credentials to be “stackable” from one level to the next, and these stackable curricula need to be financially and physically accessible. Employed workers need training programs that are offered online, onsite or nearby, during evenings and/or weekends. Unemployed workers need training or retraining in compressed schedules.
with intensive, full-time instruction that meets the requirements for unemployment benefits and leads to rapid reemployment. The county will collaborate with PCC to increase opportunities for students and trainees in high-skill careers and increase the number of potential employees for the skilled workforce.

- Find more efficient ways to engage industry than advisory committee meetings. Curricula should emphasize awarding national industrial certifications within accredited coursework to incorporate standards already developed and recognized by the industries. This work has begun at PCC with the incorporation of the National Institute for Metalworking Skills standards into the Machine Technology Program and the National Center for Construction Education and Research Standards into technical programs.

Pima County needs to increase the number of education and training programs available to upgrade the skills of incumbent workers and assure that such training is customized to business needs spelled out by the employer. The programs should:

- Engage businesses as co-sponsors based on their immediate workforce needs and long-term interests.
- Provide competencies that directly match jobs for which employers have current or projected demand.
- Align where possible with credit-bearing coursework and seamless transfer to professional degree programs.
- Wherever possible, be offered onsite at the participating employer.

- Provide portable credentials or industrial certifications that will enhance trainees’ long-term employability and earning power.
- Offer supportive services to help training participants manage work or job search, basic family needs and school.

B. A Regional Public Workforce System

It is important to recognize that southern Arizona is a large, regional labor market. Federal Workforce Investment Act funds are inadequate to operate a quality regional workforce system, and recent budget cuts underscore the danger of over reliance on a single federal funding stream. Complex restrictions on the uses of these funds also hamper flexibility in responding to local workforce needs. Pima County has invested directly to create a system that brings together related resource “silos” for the benefit of job seekers and employers.

Pima County General Fund support is required to expand OneStop recruitment and training programs beyond what is supported by the limited and decreasing federal funding currently received. Every year, Pima County supports training slots for hundreds of youth and adults who would not have been served under federal grants because of funding limitations or eligibility restrictions. In addition, county departments should continue to employ youth and unskilled adults in entry level internship positions.

Although jurisdictions tend to pursue job creation strategies within their political boundaries, broad economic regions, such as southern Arizona and even southern Arizona/New Mexico, are the real competitors in the global economy. Pima County should collaborate with other counties to capitalize on regional economic development strategies. Pima County’s work with Yuma, Cochise, Santa Cruz and Cochise Counties has established a broadly functional consortium known as Innovation Frontier Arizona (IFA). IFA capitalizes on shared assets in aerospace/defense, transportation/logistics, and post-secondary education and research,
as well as shared priorities such as border security and healthcare. IFA’s accomplishments demonstrate the benefits of regional collaboration on workforce development with increased alignment between college curricula, responsiveness to strategic sectors, economies of scale and nearly $15 million in federal grants awarded to the region over the past five years.

C. Development of a Business Resource OneStop Center

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.

Similar to the OneStop Career Center, Pima County is developing a Business Resource OneStop Center. This Center is envisioned as a multiagency collaborative working to match companies throughout Pima County with resources and solutions, thereby promoting regional prosperity. Any Pima County business or entrepreneur needing assistance will be able to utilize the Business OneStop. Customers will be offered a menu of services that include assistance in accessing information about incentives and financing; assistance with permits, zoning, regulatory compliance and infrastructure; and technical assistance, workforce development and business/entrepreneurial education.

A 2013 presentation of the Business Resource OneStop Center concept to the majority of chambers of commerce in Pima County and other business advocacy organizations found widespread support for moving forward with the Center. In addition to providing centralized business assistance to the region, the development of a Business Resource OneStop Center will allow expansion of existing partnerships with private sector organizations, such as the Microbusiness Advancement Center and Startup Tucson, which play vital roles in developing and strengthening small businesses and ultimately improving the employment base in Pima County.

D. Veterans’ Workforce Center

Pima County OneStop opened the Kino Veterans’ Workforce Center to help military veterans find jobs and get training, benefits and support services and to help employers hire veterans. OneStop’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 The Pima County Library’s Acceleration Room assists patrons with business and career information such as changing careers, entrepreneurship and business funding.

Despite Pima County’s proximity to the markets of Mexico, California and Texas, 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 OneStop will work closely with the United States Commercial Service, Arizona Commerce Authority and other export assistance organizations to promote and expand access to export opportunities. In addition, the Business Resource OneStop will include an emphasis on providing assistance to 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. Development of an information line that would coordinate business information requests with Pima County departments such as Development Services, Health and others is also being considered.
Southern Arizona and Rally Point; CODAC/Comin’ Home; Tucson Veterans Serving Veterans; Salvation Army; Old Pueblo Community Services; Primavera Foundation; the Arizona Veterans Commission; SER Jobs for Progress; and local employers. This program has had excellent response and will hopefully expand as the need continues to grow.

Pima County has an excellent pipeline of skilled, reliable workers in that Sequestration is causing all of the military branches to downsize. Davis-Monthan Air Force Base (DMAFB) and Fort Huachuca are not immune to this, resulting in the region seeing several hundred highly skilled men and women separating from the military each year. The Pima County Veterans OneStop staff worked with DMAFB transitional staff and federal contractors to communicate the local opportunities afforded veterans by this service to help them develop the skills needed in the commercial world. Increased effort and expanded programming is required to educate employers about this excellent opportunity and conversely to make these veterans aware of the quality jobs available in the region.

E. Activating the Library System for Workforce Training

The Pima County Public Library has become a vital, yet often overlooked, part of workforce development. In addition to assisting over 11,000 job seekers this past year, the Library continues to offer GED/High School Equivalency preparation and tutoring services, English Language learning, and reading comprehension instruction to help residents improve their skills, secure a job and meet other goals. Dedicated job help computers allowed over 30,000 community members to perform research related to career readiness, education and business research. Over 900 computers are available for Library patron use.

The Library also has a longstanding presence in support of small business; serving more than 1,300 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.

In 2014, the Library initiated programming around self-employment as a path to self-sufficiency and financial stability with its Self-Employment and Micro-enterprise Initiative. Expanded library programming helped 453 residents explore their interests and learn new skills to complete the business registration process, launch a new business or take the next steps to a new venture or future career. New programs taught mothers and daughters about entrepreneurial and communications skills they could use throughout their lives, allowed people to explore the feasibility of their business ideas, gain extra support for building a business plan, and allowed them to take a powerful idea and make it into an enterprise. The initiative provided additional counseling and assistance for aspiring small business owners and entrepreneurs. In the first four months of the project, four individuals started businesses after attending the workshops and drop-in sessions. These include a web design company, a home inspection business, and a secondhand clothing store. The individuals attributed their success to their participation at the Library.

Also in 2014, Library staff refurbished space at the Joel D. Valdez Main Library to pro-
vide accessible resources and inspire learning, creativity, innovation and collaboration. The Young Adult Librarian and a Youth Design Team steered a $100,000 planning grant to design a community learning lab for youth, by youth. An outgrowth of the Library’s CreateIT program, the Learning Labs project has collaborated with over 2,000 local youth to gather information and create opportunities to connect with mentors in a variety of professions and develop valuable skills in the areas of critical thinking, presentation and public speaking, digital media, planning, communication, research and analysis.

The Library also opened an incubator for career exploration, small business, nonprofits, freelancers and artists with a grant-funded “Acceleration Room” initiative. A new center at the Main Library will be the place where anyone can find as-needed startup and start-over help, staff, books, news, community, and mentors; no matter where they are in their process or background. Fresh programs will be introduced alongside those that are already assisting nonprofits and people changing careers and/or who are navigating today’s job market. Classes on exports and imports, a Laid Off Camp, lean startup workshops, classes on personal finance and effective brainstorming, feasibility workshops, business planning, grants and contracting workshops, job and career counseling, and social media walk-in help will be regular features of the Acceleration Room initiative. Partnerships with SCORE, Microbusiness Advancement Center, Women’s Business Center, CoLab Workspace, YWCA, Lead Local and local chambers of commerce have created the foundation for a sustainable program.

The Library reaches beyond its doors to create an economic impact felt throughout the community. Library spaces, facilitated gatherings and staff development opportunities focus on economic development and a growing network of community organizations and business startup experts. In its sixth iteration, the Job Connectors Meet-up hosted more than 60 people representing 24 community organizations. Attendees were able to interact with 7 employers and gain vital information about how to properly prepare their job seekers. Supportive partnerships continue to expand the reach of the Library’s Job Help services. With assistance from the Pima County One-Stop Career Center, several libraries have become places where over 1,000 job seekers were able to get help with skills assessment, register with the Arizona Job Connection Portal, apply for additional services, and discover eligibility for grant-funded services or other educational opportunities.

Today, 27 branch libraries located throughout Pima County are keenly aware of their role in helping residents take advantage of economic opportunities. The library system will play an increasingly important role in workforce development and job training in the future.

F. Support for Small and Emerging Businesses

Strengthening the region’s employment base will require increased collaboration with the private-sector business community and identification of substantive ways to support the existing and emerging small businesses that play a significant role in our local economy. Promoting the development, stability and expansion of small business is a priority for Pima County, as both entrepreneurship and
small business play a fundamental role in job creation, tax revenue generation, property roll expansion and overall economic prosperity.

Entrepreneur-driven startup companies, as well as single-employee enterprises, have seen impressive growth since the end of the recession; both in terms of capital development and employment expansion. New establishment survival rates continue to increase; and in 2013, Tucson was ranked one of the best cities for entrepreneurs by Entrepreneur Magazine. The county is home to a major research university with a robust technology transfer program, a vigorous startup community led by Startup Tucson and an active network of angel investors. Pima County is uniquely positioned to assist and encourage this ecosystem to further develop.

Small businesses often lack the capabilities of larger firms to conduct in-house training. Pima County’s OneStop 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 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.

The SBC has also worked 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 businesses. In June 2015, the SBC formally advised the Pima County Board of Supervisors of its concerns related to the change in JTED funding formulas instituted by the State of Arizona in the FY 2016 State budget. The actions by the Legislature and the Governor significantly reduced funding for JTEDs and endanger the continued operation of important job training programs throughout the State. The SBC will work 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 remain in place for Pima County students and businesses.

In terms of regulatory certainty, Pima County has demonstrated our 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. Examples of recent outreach to the business community include the development of a formalized agreement with the Tucson Metro Chamber of Commerce known as the Joint Business Objectives and the creation of a Business Services Code to give preference to local professional service firms and identifying problems and intervening on behalf of businesses in Catalina. In Catalina, the intervention occurred after a 2014 field hearing in the unincorporated community when the Commission heard from numerous small business owners who were being negatively impacted by construction during the expansion of Oracle Road by the Arizona Department of Transportation (ADOT). The Commission coordinated stakeholder meetings for the community with ADOT and assisted in having the Regional Transportation Authority (RTA) extend its Main Street Business Assistance program to the Catalina business community.
Coordinator position within Pima County’s Economic Development and Tourism Department. As discussed previously, the county works closely with small business development and assistance organizations, including the Microbusiness Advancement Center, Startup Tucson and the various chambers of commerce located throughout the county.

### Action Items

12.1 Partner with businesses and sector groups to develop specific targets and recommendations for career advancement pathways ranging from technician to professional levels.

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.

12.3 Formalize the Border Regional Economic Development Consortium to pursue possible federal Economic Development Administration funding and other opportunities.

12.4 Complete the data collection survey of internal and external stakeholders for the Business Resource OneStop Center and proceed with additional planning.

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.

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.

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.
CHAPTER 13

The Role of Economic Development in Ending Poverty
Economic development requires investment in our infrastructure. Infrastructure includes more than roads, bridges, airports and rail lines; it also includes human capital. As an economic development issue, poverty — the lack of resources to deal with problems — keeps people trapped in crisis and drains resources from our economic engine.

Poverty is frequently considered a humanitarian issue and traditional approaches focus on individual behavior and choice; often overlooking structural causes. For many years, Pima County and its community partners have been providing a range of services intended to combat and mitigate poverty within this framework. These efforts often amount to managing — rather than ending — poverty. In fact, the percentage of

By changing our perspective and our actions, we can look at each person caught in poverty as a potential asset in the economic development of our region and move from managing poverty to ending it.

Pima County residents with incomes below the poverty level rose from 14.7 percent to 19.2 percent between 2000 and 2013. As of 2013, one of every four people in the City of Tucson — and one of every three children — is living below the federal poverty level.

By changing our perspective and our actions, we can look at each person caught in poverty as a potential asset in the economic development of our region and move from managing poverty to ending it. Ending Poverty Now is a framework in which County Departments, community-based organizations, grassroots groups and for-profit businesses join together to make a collective impact by applying and coordinating strategies proven effective in building greater economic prosperity. It focuses on breaking the cycle of poverty by empowering people to get ahead instead of just get by, and has the following components:

- Championing employment retention and career advancement through County-business partnerships.

By changing our perspective and our actions, we can look at each person caught in poverty as a potential asset in the economic development of our region and move from managing poverty to ending it.

### Education Attainment

<table>
<thead>
<tr>
<th>Degree Type</th>
<th>Median Weekly Earnings</th>
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<tbody>
<tr>
<td>Doctoral degree</td>
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<td>Professional degree</td>
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<tr>
<td>Less than a HS diploma</td>
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<tr>
<td>ALL WORKERS</td>
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</tr>
</tbody>
</table>


### Free and Reduced Lunch

The percentage of students in a school or school district qualifying for federal nutrition assistance — Free and Reduced Lunch — is often used as an indicator of a community’s overall level of poverty.

<table>
<thead>
<tr>
<th>School District</th>
<th>Free and Reduced Lunch Rate</th>
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</thead>
<tbody>
<tr>
<td>Catalina Foothills</td>
<td>12%</td>
</tr>
<tr>
<td>Flowing Wells</td>
<td>71%</td>
</tr>
<tr>
<td>Marana</td>
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<tr>
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<tr>
<td>Sunnyside</td>
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<tr>
<td>State of Arizona</td>
<td>53%</td>
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<tr>
<td>Tucson Unified</td>
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<td>Vail</td>
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<tr>
<td>Amphi</td>
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<tr>
<td>Vail</td>
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<tr>
<td>Amphi</td>
<td>48%</td>
</tr>
<tr>
<td>State of Arizona</td>
<td>53%</td>
</tr>
</tbody>
</table>

Source: Arizona Department of Education, 2014 FRL database
Engaging and empowering under-resourced people through Getting Ahead workshops, Bridges Out of Poverty tactics, and other positive, anti-poverty activities.

Employing a cross-sector strategy to address poverty – “Ending Poverty is Everyone’s Business.”

Coordinating and bundling resources in support of people moving out of poverty.

A. Poverty is an Economic Issue

Poverty keeps people trapped in crisis and unable to realize a better future. It is an economic development issue because it is expensive. It drains community resources, wastes human potential and holds back future generations. Under-resourced lives are full of instability and are unpredictable and stressful. In survival mode, concrete problem-solving focused on the moment at hand is more important than abstract planning for a better future. These “just getting by” behaviors are outside the norm of institutions and employers that expect people to be stable, predictable, future-focused, and achievement oriented.

Poverty is directly correlated to low educational achievement. Research shows that children who spend a year or more in poverty account for 70 percent of all children who do not graduate from high school. Educational achievement, in turn, is closely tied to earning power. In 2012, the Bureau of Labor statistics reported that people with less than a high school diploma were nearly three times more likely to be unemployed than someone with a bachelor’s degree. Those persons who did have jobs earned less than half (44 percent), on average, than those with a bachelor’s degree.

A June 2015 forecast by The University of Arizona Eller College of Management’s Economic and Business Research Center indicates Arizona is falling behind national rates for four-year college attainment. In 2013, the state’s rates were lower than the national average in nearly all age groups. Nationally, 29.1 percent of those over age 25 have earned a bachelor’s degree or higher. In Arizona, that percentage is 27.2, which is lower than Arizona’s 1990 college attainment rate. This decreasing college attainment rate is contributing to an expanding income gap, which is expected to have a negative effect on the state’s economic development growth.

When poverty reaches a point of critical mass in a community, the people with the most resources tend to move out of the community, leaving behind enclaves of poverty. Research shows that when a community has more than 40 percent of families eligible for the Federal Free or Reduced Lunch Program, it reaches a tipping point, beyond which it becomes ever-more unstable and unsustainable, creating a downward spiral. Tucson Unified School District, the largest

Benefits Cliff

The Benefits Cliff is often used to illustrate the disparity between the total household income generally accepted as necessary for self-sufficiency and the maximum household income level federal or state governments use to cap qualifying for public assistance such as food stamps.

| $46,814 | $19,970 |

Estimated household income necessary for a 3-person household self-sufficiency. Poverty Line cutoff for federal and state benefits for same 3-person household.
school district in Pima County, currently has 59.8 percent of its students eligible for Free or Reduced Lunch.

Poverty does not end when you get a job, unless that job pays much more than the federal threshold for poverty, which is $19,790 annually for a household of three. In fact, many entry-level workers often face the same or increased expenses on a reduced income once hired due to the “benefits cliff,” which refers to the loss of benefits such as food stamps or housing subsidies when a person or family reaches an income above the poverty threshold. In Pima County, a single parent with two children needs to earn $46,814 per year, or $22.17 per hour, to cover basic expenses.

B. The Direct Financial Impact of Poverty on the County Budget

Pima County funds many services across various departments that combat and mitigate poverty, including the:

- **Community Action Agency**, which assists between 6,000 and 8,000 households annually to avert financial crisis and homelessness.

- **Pima County OneStop**, which offers employment and training services to under-resourced persons.

- **Health Department**, which provides nutrition assistance, nurse home visitations, access to clinical services, health insurance support, coordinated school health programming and chronic disease self-management.

- **Public Works**, which provides subsidized employment opportunities and a discount program for needy utility customers.

A preliminary analysis produced a conservative estimate that at least $28 million, or 15 percent, of the sum of the budgets of the units mentioned above could be saved if poverty were eliminated in Pima County. Part of these funds could be repurposed to help fund aspects of Ending Poverty Now, but some could result in a reduced county budget and levied property taxes. This analysis is the first step to study the effect poverty has on Pima County’s budget. A more comprehensive methodology may be gleaned from reviewing poverty research conducted by other governmental units, such as Pinellas county in Florida or the Province of Alberta, Canada.

C. The Indirect Financial Impact of Poverty on the County Budget

A very large component of the county budget, as much as $230 million, is spent as a direct result of poverty. The best example is the funds the county spends in the area of public defense. Financial eligibility standards are imposed by the Courts and County on the defendants in various actions from criminal to child dependency. Where possible, criminal defendants and others are required to pay for their own defense or a portion thereof. More than 80 percent of felony defendants in Pima County Superior Court typically are represented by attorneys provided at county expense. The fact the County spends $31 million in the area of public defense attests to the indirect cost of poverty.

On any given day, the population of criminal defendants in the Pima County Adult Detention Center (PCADAC), or jail, is in the range of 1,800 to 1,900. Of these, 46 percent were found in a recent study to be eligible for Medicaid coverage, which means their income was at or below 138 percent of the federal poverty level. There is a direct correlation between the incidence of certain types of crime and poverty.
PCADC costs over $60 million to operate each year; hence; another $28 million of the County's budget can be correlated to poverty for just detention costs. If we assume the same proportion of expenses is related to prosecution of crime by the County Attorney or the adjudication process conducted by the Courts, the indirect cost of poverty to the County's budget for the criminal justice system rises to over $150 million.

Poverty is intertwined with the criminal justice system, and incarceration in particular has far-reaching economic impacts on inmates and their families. An individual who is incarcerated even for a short time will likely lose his or her job and have difficulty finding a new one. Housing may also be difficult to obtain. A national
study conducted by the Pew Charitable Trusts in 2010 showed that incarceration reduces hourly wages for men by approximately 11 percent, annual employment from 48 weeks to 39 weeks, and annual earnings by 40 percent (from $39,100 to $23,500). Of former inmates who were in the lowest fifth of the male earnings distribution in 1986, two-thirds remained in the lowest fifth in 2006, twice the number of those who were not incarcerated.

The Pew study also showed that nationally 54 percent of inmates are parents with minor children and those children are seriously impacted by the parent’s incarceration. Children with fathers who have been incarcerated are significantly more likely to be expelled or suspended from school (23 percent compared with 4 percent), and family income while a father is incarcerated is 22 percent lower than family income was the year before the father was incarcerated and remains 15 percent lower after he is released. In addition to these impacts, many former inmates are deeply in debt due to financial obligations that have accumulated during incarceration, such as child support, restitution and court-related fees.

Pima County is engaged in examining more closely how we can reduce both the direct cost of incarceration to the county and the larger indirect impact of incarceration on the economic wellbeing of the community. The county has recently been awarded a grant from the MacArthur Foundation’s Safety and Justice Challenge that will fund an in-depth planning process aimed at safely diverting low-risk offenders from jail, improving treatment for substance abuse and mental health problems, and improving the transition of former inmates to the community through education and training, job placement and other services.

Spending public funds to help reduce the current poverty rate is a cost effective strategy to reduce the cost of county government for the taxpaying public. It makes good economic sense.

### Losing Ground in Health: Life Expectancy

In 1980, the United States ranked 15th among affluent countries in life expectancy (LE) at birth. By 2009, it had slipped to 27th.

<table>
<thead>
<tr>
<th>1980 Rank</th>
<th>2009 Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>LE = 76.7 Iceland</td>
<td>Japan LE = 83.0</td>
</tr>
<tr>
<td>Japan</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Netherlands</td>
<td>Italy</td>
</tr>
<tr>
<td>Norway</td>
<td>Spain</td>
</tr>
<tr>
<td>Sweden</td>
<td>Australia</td>
</tr>
<tr>
<td>Switzerland</td>
<td>Iceland</td>
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<tr>
<td>Spain</td>
<td>Israel</td>
</tr>
<tr>
<td>Canada</td>
<td>Sweden</td>
</tr>
<tr>
<td>Greece</td>
<td>France</td>
</tr>
<tr>
<td>Australia</td>
<td>Norway</td>
</tr>
<tr>
<td>Denmark</td>
<td>Canada**</td>
</tr>
<tr>
<td>France</td>
<td>New Zealand</td>
</tr>
<tr>
<td>Italy</td>
<td>Luxembourg</td>
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<tr>
<td>Israel</td>
<td>Netherlands</td>
</tr>
<tr>
<td><strong>LE = 73.7 United States</strong></td>
<td><strong>15</strong></td>
</tr>
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</table>

- Austria
- Finland 16
- Korea
- Belgium 17
- United Kingdom
- New Zealand 18
- Germany
- United Kingdom 19
- Greece
- Germany 20
- Belgium
- Ireland 21
- Finland
- Luxembourg 22
- Ireland
- Austria 23
- Portugal
- Portugal 24
- Denmark
- Slovenia 25
- Slovenia
- Slovak Republic 26
- Chile
- Czech Republic 27
- United States LE = 78.5

- Poland 28
- Czech Republic
- Chile 29
- Poland
- Estonia 30
- Mexico
- Hungary 31
- Estonia
- Mexico 32
- Slovak Republic
- Korea 33
- Hungary
- Korea 34
- Turkey
- Turkey

* Estimate
** Latest year available for Canada is 2008

### D. Our Solution: Ending Poverty Now Initiative

Ending poverty will require an articulate set of core public policies related to 1) affordable housing, 2) food security, 3) transportation, 4) education/training and skills enhancement, 5) parenting and childcare, 6) health-
care and medical services, 7) early childhood development, 8) income security and 9) asset preservation.

Without very clear public policy strategies in each of these areas, ending poverty will be difficult. It is important that community dialog across all sectors of the community articulate and agree upon these core public policy principles that will become important in reducing poverty, ending poverty and preventing individuals in the community from becoming trapped in inter-generational poverty.

Breaking the cycle of poverty requires every segment of the county community to participate, including schools, public safety and healthcare institutions, government, and especially industry. Expecting behavioral changes from people in poverty is only part of the solution; we also need economic leadership from all employers.

Pima County must use a sector-based strategy with employers focused on the economic potential of a stable and upwardly-mobile workforce and a stronger tax base. Additionally, the county must engage under-resourced people as drivers of change that is systemic and structural. These are key to the success of the Ending Poverty Now initiative, which includes the following four components:

1. Establishing County/Business Partnerships

Businesses and employers are fundamental stakeholders in the effort to end poverty. It is not enough for someone to get a job. Just as important, if not more so, is keeping that job and doing well enough that you can be promoted or use that job as a stepping-stone to another.

People who struggle to get by may represent 50 percent of the population of Pima County, based on statistics from the free and reduced school lunch program.

We need to empower and equip people so they can move from dishwasher to electronics technician to electrical engineer to manager.

As an employer of over 7,000 people, Pima County has a role to play in championing and modeling practices that foster employee retention and career advancement. In Fiscal Year 2015/16, Pima County Human Resources will form an interdepartmental committee to develop recommendations to the county Administrator and Board of Supervisors on needed policy changes and internal employee-development programs.

Additionally, the county will partner with local businesses to create programs delivered in the workplace aimed at improving retention and upward mobility for entry-level employees. This partnership will include current Pima County programs such as On-the-Job training, the New Employee Transition Program, and the Incumbent Worker Training Program. Additionally, the County will encourage businesses to implement the following strategies:

- Employer Resource Networks, industry-sponsored programs that will employ a Resource Navigator to work with employees to address problems that would otherwise pose a barrier to employment. The Resource Navigator meets with employees at a time and place convenient for both workers and the business operation – for example, at the plant during shift change – and connects those employees to a wide variety of community services and benefits through information, advocacy and referral.

- Expanding and improving utilization rates of Employee Assistance Programs, which offer employees confidential counseling services at no cost.

- Payroll-advance programs and emergency loan funds for employees who meet certain eligibility requirements, addressing or averting emergencies that...
might otherwise cause an employee to miss work or lose their employment.

- Time and attendance polices may be crafted to balance sensitivity to challenges faced by low-wage workers with the needs of the business operation.
- Adoption of a minimum compensation package to ensure employees meet basic needs, thus stabilizing a company’s workforce and helping the company become an “employer of choice” in the county.

2. Engaging and Empowering Under-resourced People

People who struggle to get by – both those with incomes below the official poverty line and low-wage workers who do not earn enough income to meet basic needs – may represent 50 percent of the population of Pima County, based on statistics from the free and reduced school lunch program mentioned above.

Getting Ahead in a Just-Gettin’-By-World is a 45-hour curriculum that provides people in poverty access to a participatory process in which people investigate their own experience of poverty. Participants explore issues in the community that impact poverty – banking, housing, jobs – providing critical information to take action to improve their own situation. They also make an assessment of their own resources and how to build those resources as part of their move to self-sufficiency.

Pima County views this type of engagement as a critical component of an effective community anti-poverty strategy. Ending Poverty Now will support expansion of Getting Ahead and other programs that engage low-income people in exploration of causes of poverty and resource-building to help them move from poverty to sustained self-sufficiency.

As Getting Ahead workshops engage more people, Pima County will encourage the formation of “Investigative Teams” in which graduates from the program meet monthly in groups with supporters of the program such as social-service practitioners, business people or volunteers. As participants report on their progress and identify barriers to success, these Team meetings will create a feedback loop and longitudinal data-source for policy-makers, even as they offer ongoing concrete problem-solving support on a potentially larger scale than is currently possible through traditional case management approaches. Ultimately, a significant long-term dividend is the leadership and insight people in poverty can provide toward building long-term solutions for Ending Poverty Now.

3. Employing a Cross-sector Strategy – Ending Poverty is Everyone’s Business

With Ending Poverty Now, Pima County rejects the notion that poverty is inevitable or a necessary evil and recognizes it is complex and evolves over generations. It will require a sustained, multiyear commitment by business and industry, the nonprofit sector, government, healthcare, faith-based communities, and educational institutions to break the cycle. A flexible approach is needed to shift strategies, link related efforts across different systems, and unite diverse leaders in collective impact.

Pima County established an Addressing Poverty Work Group that may expand into a wider forum for communication between partners and the organization of a resource-coordinating network that will be available to people participating in Employer Resource Networks or attending Getting Ahead Workshops.

One goal will be to develop a simple platform to identify and track resources that can assist people in building resources and pursuing economic goals. The second goal will be to establish common evaluation tools and data elements to track across allied programs and services to measure impact over time.

4. Resource Coordination and Bundling

A final element of Ending Poverty Now will build on the successes of Pima County’s
robust OneStop workforce system and other partnerships that streamline multiple services into a single solution, resulting in greater effectiveness than any one service would have in isolation.

To make this happen, partners do not have to be co-located, but they must agree to coordinate resources. Each partner identifies resources it can offer and assigns a point of contact for each service. Subsequently, partners work as part of an interagency team with accountability for service delivery. Such teams combine varied expertise so that no one organization must attempt to be all things to all people. The results are enhanced customer service due to richer service menus, streamlined access, team approaches and strengthened institutions due to leveraged resources, mutually reinforcing effort, better outcomes and greater impact.

Pima County will work with outside organizations and across its own departments to identify opportunities to expand coordination and bundling. Additionally, the county will explore ways to build support for these approaches with its private and intergovernmental partners. Possible supports could include scholarships from institutions of higher education, paid internships within County departments, work-release time for employees participating as mentors and employee donation programs.

The Pima County Health Department will utilize this approach in Women, Infants and Children (WIC), Nurse Family Partnership, Healthy Start, and other Health Department programs as appropriate. Individuals participating in these services will be able to participate in the Getting Ahead curriculum, as well as other Health Department classes; offered health insurance assistance; offered support through the Pima County Public Library and Pima County OneStop, including financial management classes; offered remedial education courses, assistance with GED/High School Equivalency attainment and post-secondary education; given access to Pima County Housing Center resources and classes; and offered mentors and the opportunity to participate in investigative teams. This will provide the county with long-term data to track the outcomes of the Ending Poverty Now initiative.

E. The Role of the Faith-Based Community in Ending Poverty

Over a decade ago, Pima County was an early proponent of efforts initiated by President George W. Bush to actively solicit partnerships with faith-based organizations. As unique and trusted partners, faith-based groups play an important role in ending poverty by connecting disconnected or disadvantaged job seekers to key training programs and, ultimately, jobs.

Recognizing that faith-based groups can be an effective, and are frequently the only avenue, to reach individuals in poverty, Pima County’s Office of Faith Based Initiatives assists community residents by encouraging collaborations between faith-based groups, community serving organizations and the private sector. This ongoing initiative provides grant writing, capacity building, and leadership training to help ensure that all individuals have access to employment and training opportunities.

In addition to assisting with training and job placement, faith-based organizations are at the forefront of income enhancing efforts and programs that fill emergency needs. Gaps in income, food and shelter that may lead to poverty can be addressed effectively by these groups.
Action Items

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.

13.2 Become an “Employer of Choice” by establishing Employer Resource Networks in County departments and bundling County OneStop, Library, and Health Department services to clients.

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.

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.

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.

13.6 Support faith-based partnerships as a means to fill gaps in providing essential services for low-income families and individuals.

13.7 Support partnerships between education and training programs and institutions and faith-based organizations to better serve job seekers.

13.8 Encourage collaboration between faith-based organizations and the private sector on strategies to combat poverty.
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-

![State and federal spending on highway infrastructure as a share of GDP](image)

![Current Gas Tax in Western States](image)
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 remaining 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.

<table>
<thead>
<tr>
<th>County Bonds</th>
<th>Public investments in property, facilities and infrastructure have paid off in increases in the value of the tax base.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Authorization Date</th>
<th>Assessed Value</th>
<th>Total Authorization</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 20, 1997</td>
<td>$3,700,269,211</td>
<td>$256,980,000</td>
</tr>
<tr>
<td>May 18, 2004</td>
<td>5,633,321,019</td>
<td>582,250,000</td>
</tr>
<tr>
<td>May 16, 2006</td>
<td>6,887,803,879</td>
<td>54,000,000</td>
</tr>
<tr>
<td>November 4, 2014</td>
<td>7,579,898,868</td>
<td>22,000,000</td>
</tr>
</tbody>
</table>

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.
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-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.

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 to provide an economic incentive for expansion or relocation.

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. 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.
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>
<thead>
<tr>
<th>County</th>
<th>County General Fund Excise Tax</th>
<th>Public Health</th>
<th>Jail Excise Tax</th>
<th>County Road Tax</th>
<th>Healthcare District</th>
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<tr>
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<tr>
<td>Graham</td>
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<td>Greenlee</td>
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<tr>
<td>La Paz</td>
<td>0.50%</td>
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<tr>
<td>Maricopa</td>
<td>—</td>
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<td>0.20%</td>
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<tr>
<td>Mohave</td>
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<td>Pima</td>
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<tr>
<td>Pinal</td>
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<td>0.10%\text{ET}</td>
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<tr>
<td>Santa Cruz</td>
<td>0.50%</td>
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<td>0.50%</td>
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<tr>
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<td>0.112%\text{ET}</td>
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</tr>
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</table>

\text{SPT = Secondary Property Tax, listed as a dollar tax rate}
\text{ET = Excise Tax, listed as a percentage}
\text{1Coconino County road tax effective January 1, 2015}
\text{2Gila County voters approved a half-cent jail excise tax effective July 1, 2015}
\text{3Graham County voters approved a half-cent jail excise tax effective July 1, 2015}
\text{Source: County Supervisors Association of Arizona}
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

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

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/Marana 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 Valley’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 multiuse 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 or 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.