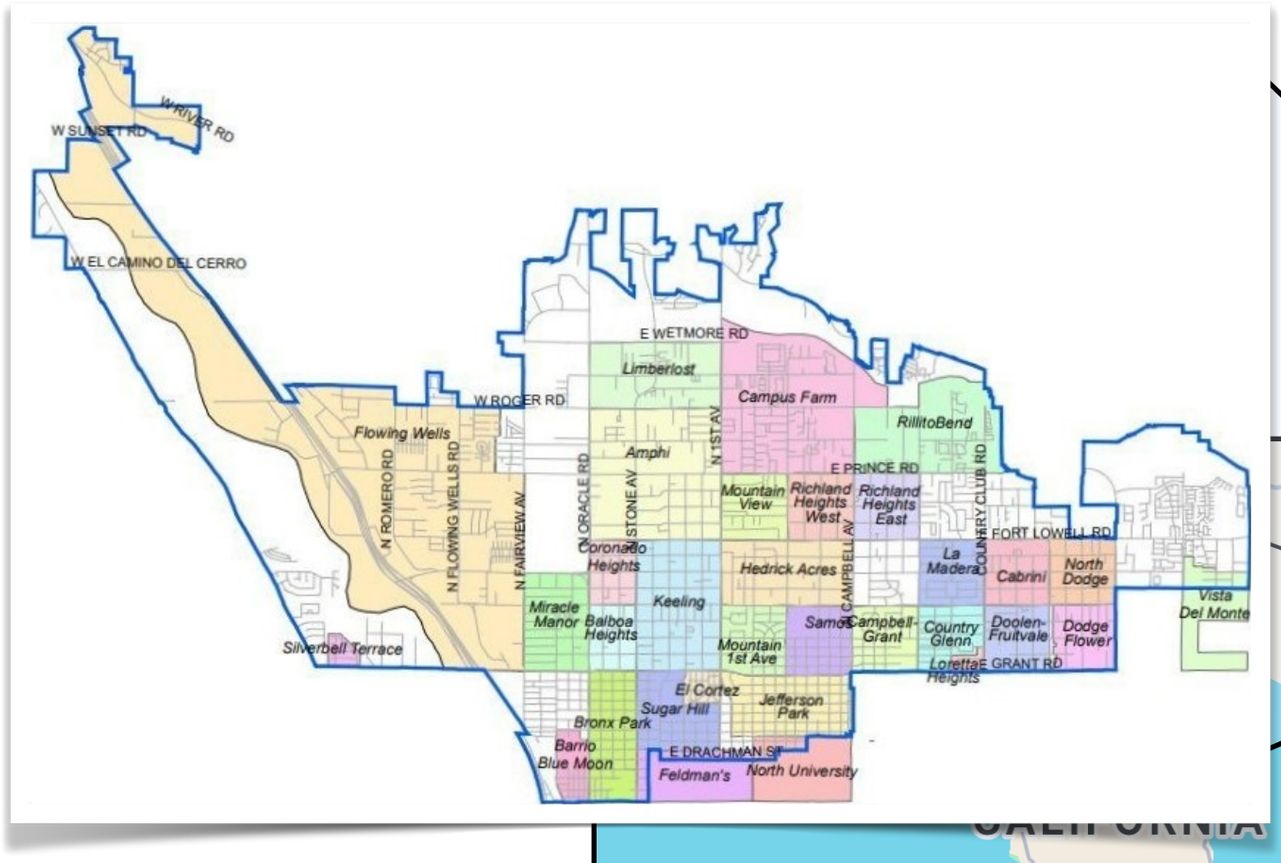
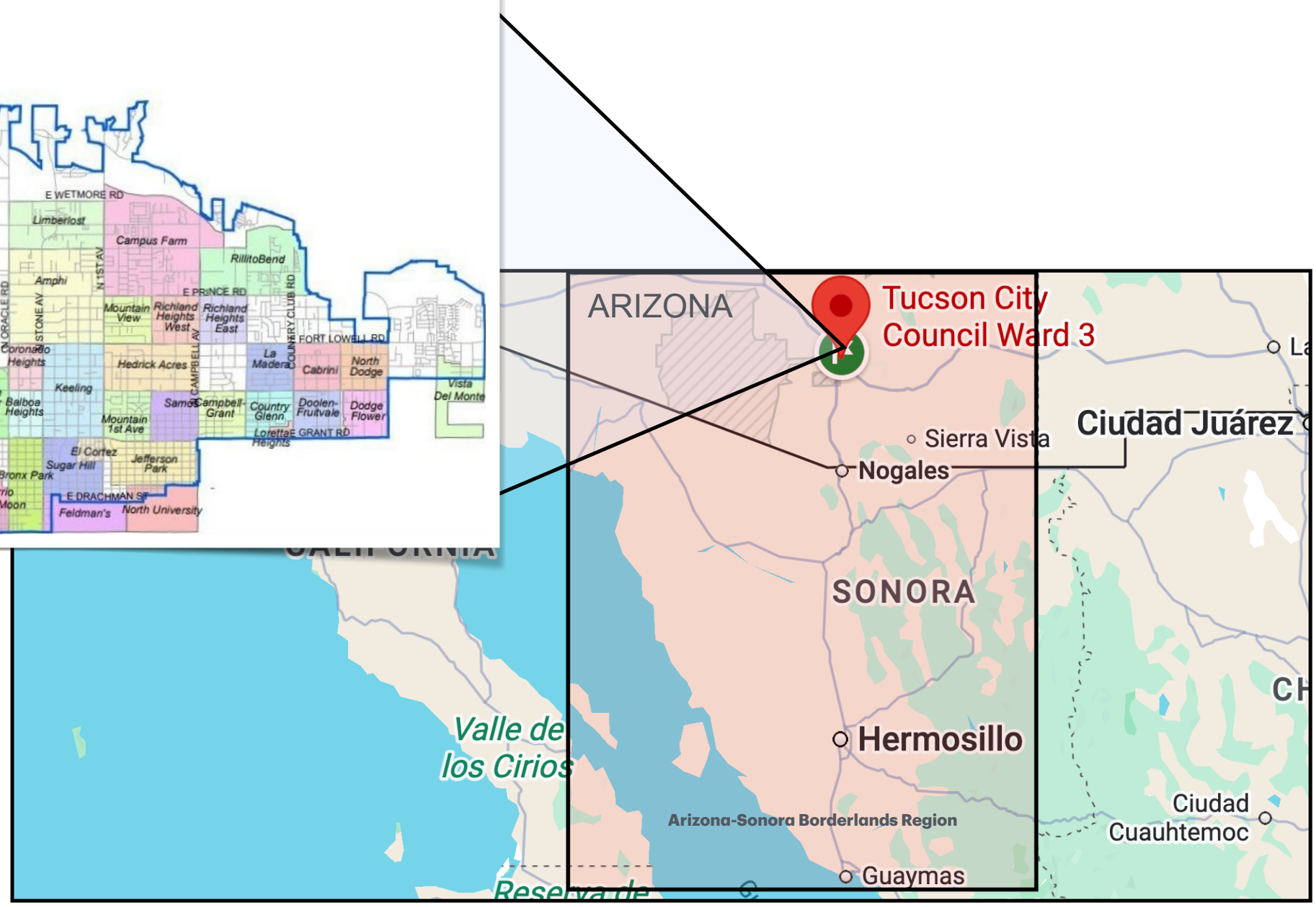
Economic Development Approach for Ward 3 and the Arizona-Sonora Borderlands Region





Workbook as of
September 30, 2026

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Friends of Ward 3
Educational Project

Overview

- This material is a workbook for an Economic Development project for Ward 3 in the City of Tucson, performed by Friends of Ward 3, an Arizona non-profit corporation, for educational purposes

- The project began in March 2026, with major deliverables at the end of July and September - the material continues to be maintained and updated based upon ongoing feedback

- The material is based on interviews and meetings with leaders in for-profit businesses, non-profit associations, and government institutions within Ward 3, the Tucson Metropolitan area, and the Baja Arizona region at large

- It is also based on responses to a survey questionnaire that has been distributed to businesses with suppliers and/or customers within Ward 3 and nearby

- On June 9, 2026, the City of Tucson announced the Office of Community and Economic Impact - references to its intended scope have been included herein

- Comments and suggestions are welcome at: econo3@fow3.org

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Overview…(cont'd)

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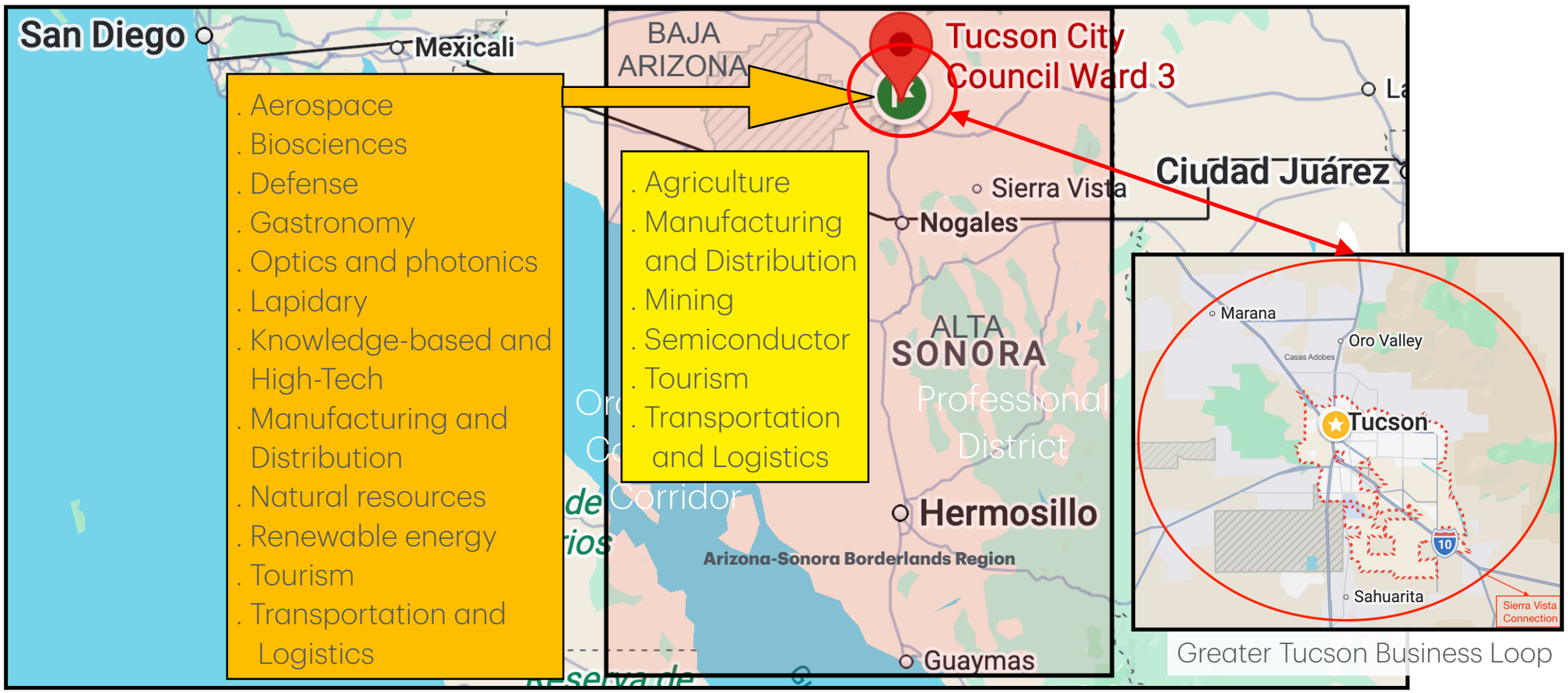
Executive Summary

The Arizona-Sonora Borderlands Region, the Greater Tucson Business Loop, and City of Tucson are rich in industries and opportunities



- A diverse set of industries across a biculturally related geographic region.
- Rich in agriculture, gastronomy, lapidary, manufacturing, mining, and tourism.

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Economic development is a high priority

- The City of Tucson (the “City”) has faced budget deficits due to declining revenue - it needs to find new sources to maintain and enhance service offerings.

- The City doesn’t have sufficient diversity of jobs to support the quality of life for all Tucsonans:

  - Many individuals and families face economic vulnerability, which can lead to homelessness.

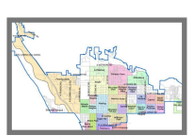
  - Ward 3 has higher levels of poverty than the other wards.

- A recent survey shows that businesses are becoming more dissatisfied with the City’s attitude to economic and business development compared to prior surveys in the past.

- The City isn’t leveraging its position:

  - As the capital of the Baja Arizona region, opportunity “passes through.”

  - As the host of the world’s largest “Gem, Fossil, and Mineral Showcase,” the City is disconnected from the needs of the dealer and buyer communities, who are major contributors to the local economy.



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The Tucson area has many assets that support strong economic development opportunities

- Hosts an extensive transportation network including:
  - I-10, I-19, Union Pacific railroad, and the Port of Tucson that collectively provide links to California, Texas, and Mexico.
  - A public transit system within the City and outlying areas.
- Hosts major events that promote tourism, including the “Gem, Fossil, and Mineral Showcase,” and “El Tour de Tucson.”
- Home to high-ranked academic institutions, including the University of Arizona, Pima Community College, and leading high schools.
- Hosts core industries with recognized leadership positions that include aerospace, defense, biosciences, optics and photonics, renewable energy, and natural resources (with optics and photonics serving all industries).

Opportunities exist in Ward 3 to lead a strengthened economy for the City and the Arizona-Sonora Borderlands Region

- Ward 3 is well-positioned to be the commercial (administrative offices and retail) and industrial (light manufacturing, wholesale, and distribution) center for the City of Tucson because of the proximity of I-10, I-19, and Union Pacific, and with relatively flat land.

- By integrating and leveraging the various residential, commercial, and industrial assets within Ward 3, Tucson can strengthen itself as an economic powerhouse for Baja (Southern) Arizona. The extensive natural, intellectual, human, and financial capital within Tucson can be put to productive use to strengthen the local and regional economy.

- To build a successful economy in the future, Tucson must first integrate and leverage its existing assets.

- Tucson can then promote itself as the capital of the “Arizona-Sonora Borderlands Region” in conjunction with the local cities - a transborder area that stretches from Casa Grande to Guaymas and over to Agua Prieta/Douglas. The region is rich in multiple industries that can provide a wide range of professional and vocational, equitable, and sustainable employment opportunities.

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Opportunities exist in Ward 3 to lead a strengthened economy for the City and the Arizona-Sonora Borderlands Region…(cont'd)

- Six major economic development opportunities are prominent in the Arizona-Sonora Borderlands Region, with a hub in Ward 3:

  1. Gastronomy - leverage the UNESCO Creative Cities Award.

  2. Lapidary - leverage the "Gem, Fossil, and Mineral Showcase."

  3. Mining technology innovation - leverage intellectual capital in the Region.

  4. Travel and Tourism - promote the natural beauty and history of the region in conjunction with Visit Tucson and both the Chamber of Southern Arizona and the Southern Arizona Hispanic Chamber of Commerce.

  5. Knowledge-based industries - seek technology transfer opportunities.

  6. High-tech industries - seek technology transfer opportunities.

- The Knowledge-based and High-Tech industries offer technology transfer opportunities from the University of Arizona into the local marketplace to stimulate entrepreneurship and business development.

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Six prominent opportunities in the Region with Ward 3 as a hub

1. Gastronomy - the industry offers an opportunity for food processors within Ward 3, the City, and the Arizona-Sonora Borderlands Region to promote specialty products nationwide and internationally through supply chains originating from organic farms in both Baja Arizona and Alta Sonora.

2. Lapidary - promote local gem, mineral, and jewelry processing capabilities nationwide and internationally.

3. Mining - be a “center of excellence” as an *innovator* for environmentally preserving technologies for the future.

4. Travel and tourism - leverage a base in Tucson for travel and tourism across the Region, and promote:

   - The natural beauty and history of the region, including the “Wild West” culture from Ward 3, in conjunction with Visit Tucson and the Chambers of Commerce.

   - In association with the gastronomy industry, showcase regional Sonoran recipes and establishments on tours throughout the Region, including the “Best 23 miles of Mexican Food.”

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Six prominent opportunities in the Region with Ward 3 as a hub…(cont'd)

5. Knowledge-based industry opportunities:

- Research, design, and engineering activities as "centers of excellence" in:
  - Data, information systems, and artificial intelligence.
  - Resource-efficient large-scale data centers and *specific* mining technologies for the present, regardless of locations around the world, and not necessarily in the desert region (and specifically not in Tucson).
  - Health, biomedical sciences, and pharmaceuticals in conjunction with the University of Arizona as the most prestigious medical school in Arizona.
  - Building resilience to climate change.
  - Transportation technologies in the desert region.
- Maquiladora consulting with manufacturers in Alta Sonora - promoting the Region both nationally and internationally.

  Note: In the case of large-scale data centers, the technology transfer opportunities are for research, design, and engineering activities, and *not* for implementation in the Tucson Metropolitan area for environmental and resource management reasons. The point is to keep Tucson as a player in selected aspects of the data center discipline, and to share advanced technologies for effective resource management globally.

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Six prominent opportunities in the Region with Ward 3 as a hub…(cont'd)

6. High-tech opportunities - especially in emerging industries:

- Artificial intelligence in mobility, and robotics (especially in manufacturing).
- Cybersecurity.
- Clean energy (including solar).
- Hydrology (water management and hydroponics).

Opportunities exist to transform industries using emerging technologies establishing Tucson as a recognized leader

- Robotics technologies, combined with artificial intelligence, offer opportunities for business and employment transformation within Ward 3, the City, and the Arizona-Sonora Borderlands Region, especially in:

  - Agriculture.

  - Healthcare.

  - Manufacturing.

  - Textiles (as a cotton-producing region in Pima and Pinal counties).

- The recent agreements with Kaohsiung City, Taiwan may bring additional high-tech business opportunities and jobs to Tucson and Pima County. The agreements include bringing semiconductor companies to Arizona and maintaining partnerships with government, academic institutions, and business leaders.

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The future economy must reduce a "talent drain" of young professionals with ties to the region, or retain those who wish to build a family

- Young people are the future of the economy and the community at large.

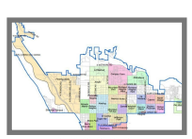
- While the City is losing young people due to a lack of employment opportunities, remote workers from other cities come to Tucson for affordability and the quality of life, but are not necessarily committed to the area for the long-term.

- Losing young people has a devastating effect on local communities and neighborhoods:

  - Lack of family-oriented culture - leading to crime and drug-infested neighborhoods.

  - Loss of support for local businesses - leading to closures.

  - An insufficient number of children to populate the existing education infrastructure, leading to school closures.



The future economy must reduce a "talent drain" of young professionals with ties to the region, or retain those who wish to build a family…(cont'd)

- Retaining young people requires:

  - Stimulating high-paid employment opportunities offered by existing businesses, and by seeking out-of-region businesses to relocate that can fill the gap.

  - An environment that encourages entrepreneurship and risk-taking in both existing and new industries.

  - Conserving and preserving the environment to maintain a sustainable quality of life for which the region is well sought.

  - Being perceived as a leader in major technological areas.

  - A commitment to continuing education in environmental, social, and scientific disciplines.

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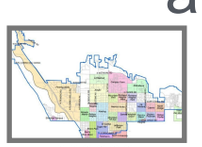
The future economy must reduce a "talent drain" of young professionals with ties to the region, or retain those who wish to build a family…(cont'd)

- The University of Arizona reports that graduate retention rates are improving:
  - Over 1 in 3 students (approximately 35%) start their career in Tucson post-graduation.
  - Among students who are staying in Tucson, two-thirds originated from outside of Tucson.
  - Among students from Tucson, about 70% stay in Tucson after graduation; among students who did not originate in Tucson, about 30% remain in Tucson.
  - One key retention characteristic is prior business relationships - if a student has had a prior employment opportunity or internship, they are more likely to remain in Tucson.

  Source: University of Arizona
- The "talent drain" is a "silent crisis."

  Note: unlike prior generations, young people today are more likely to have multiple sources of income, the mix of which can change over time - this trend can affect workforce availability in the local market.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To provide higher-paying jobs, economy requires larger corporatations to supplement the small business environment

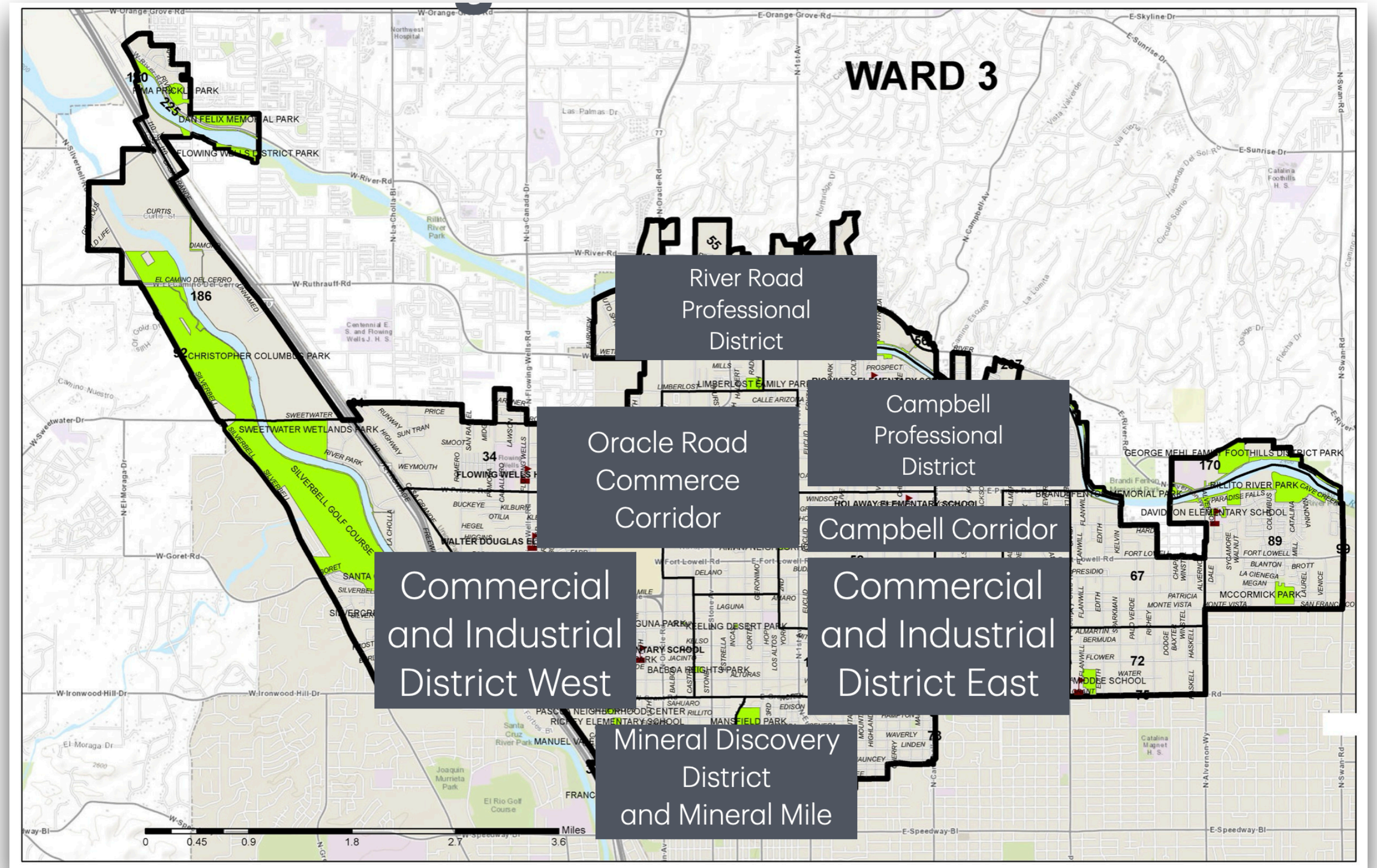
- Although lifestyle small businesses are the backbone of the Tucson economy, most do not have the capacity to deliver high-paying jobs because pre-tax net margins are typically thin on a low revenue base.

- Larger corporations have higher post-tax net margins on a stronger revenue base - thus have a higher capacity to provide higher-paying jobs, including benefits.

- To grow the economy with higher-paying jobs, it is essential for Tucson to attract larger corporations and to encourage upwardly mobile entrepreneurship to augment the vibrant lifestyle small business community that exists today, either within the City or the Greater Tucson Business Loop (which includes a connection to Sierra Vista).

- The Arizona-Sonora Borderlands Region provides significant opportunities for large corporate relocation and development in many industries, with Ward 3 as a commercial, industrial, transportation, and logistics hub.

Business districts in Ward 3 serving the region



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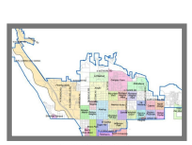
Background of the Region



Background of the Region

The Arizona-Sonora Borderlands Region of Baja (Southern) Arizona and Alta (Northern) Sonora is rich in economic activity and opportunity. The Region stretches from Casa Grande in the north to Guaymas in the south, and east to Agua Prieta/Douglas. The Tucson Metropolitan Area serves as the capital of Baja Arizona, and Hermosillo as the capital of Sonora. Ward 3 in the City of Tucson is uniquely positioned to lead as the capital of the Region. Specifically because of the CANAMEX corridor which is a designated trade and transportation route of highways and railroads that links Canada, the United States and Mexico.

Major communities in Baja Arizona include Bisbee, Casa Grande, Douglas, Eloy, Morenci, Nogales, Safford, Sierra Vista, Tombstone, Tucson, and Willcox. Major communities in the Alta Sonora include Agua Prieta, Cananea, Guaymas, Hermosillo, and Nogales. The Tucson Metropolitan area includes the incorporated towns of Marana, Oro Valley, and Sahuarita, and the unincorporated communities of Casas Adobes and Catalina Foothills.

The Arizona-Sonora Borderlands Region's indigenous peoples include the Apache (Nde), the Pascua Yaqui (Yoeme), and the Tohono O'odham. It is rich in history, culture, and industry, with desert landscapes of cacti and mountain ranges, reflecting a unified blend of indigenous civilizations, Spanish colonization, Mexican statehood, the Gadsden Purchase, and the "Wild West." Water remains a scarce resource throughout the Region. With roots in agriculture and mining, the arrival of the railroad stimulated Chinese and European workers to settle in the Region bringing a diverse culture.

The City of Tucson was founded as a Spanish Presidio in 1775, and became a Mexican town after independence. After the Gadsden Purchase in 1853, it became a part of the Arizona territory, and in 1864 it became the capital of of the newly formed Pima County; it was incorporated as a city in 1877. The Southern Pacific Railroad arrived in 1880, the University of Arizona was founded in Tucson in 1885, and has since grown into a major research university, and Davis-Monthan Air Force Base was established in 1925.

The Region's economic interests lie primarily in human and natural capital. Agriculture varies across the Region: Baja Arizona produces cotton, dairy, fruit, nuts, and vegetable products while Alta Sonora produces asparagus, cucumbers, and tomatoes, and raises livestock. Produce travels through the Nogales Port of Entry, and livestock primarily through Agua Prieta/Douglas.

Ranching and copper mining are common to both sides of the border. The Morenci mine in Baja Arizona is the largest copper producer in North America, and Baja Arizona produces over sixty percent of copper in the United States. The Buenavista mine at Cananea in Alta Sonora is among the largest in Mexico. One of the world's largest lithium mines lies near Bacadéhuachi, about 170 kilometers southeast of Agua Prieta.

Manufacturing evolved from mining into a cross-border activity. This has emerged into the maquiladora system, whereby Baja Arizona provides mainly administration, research, and logistics, and Alta Sonora provides skilled labor, fabrication, and assembly capabilities.

The Tucson Metropolitan area brings substantial assets that support strong economic development opportunities. The economy is driven by aerospace and defense, education, and government, augmented by biosciences, natural resources, optics and photonics, and renewable energy. It hosts the world's largest Gem, Fossil, and Mineral Showcase and El Tour de Tucson. It has a vibrant small business culture with its economic interests are primarily in intellectual capital at the University of Arizona.

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Scope

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Regina Romero - “We must all work together on Tucson’s economic development” - Arizona Daily Star - August 10, 2025

Our economic development ecosystem in Southern Arizona is broken. It could not be more evident than over the past few weeks as our community has battled over data centers, water and power use, and Project Blue.

I have been working on economic development issues since I was elected to serve on the City Council in 2007. I led in the creation of the City of Tucson’s Economic Initiatives Office and a Comprehensive Economic Development Strategy for Tucson. I worked alongside Mayor Walkup, Congressman Grijalva, other elected leaders, residents and transportation advocates to bring the streetcar from the University through Downtown across the Santa Cruz River to the Westside. Although not everyone was a fan of the streetcar, in the ten years since its construction, it has created over 1,200 construction jobs, over 1,500 new housing units, 50 new restaurants and businesses and over $4 billion of private investment.

With economic development, the whole community wins or loses — not just one entity or jurisdiction, not just one neighborhood or business organization. Right now, there are so many individual plans, pillars, strategies, agendas and priorities that no one person can explain clearly and easily what our collective vision is as a region. This is to our own detriment. The current system is fragmented and divides us. It is time to bring together a broad coalition of Tucsonans to create a vision for our economic development future.

We need an economic development strategy that works for all of us. We need to make sure that in addition to our current economic development leaders, we include our young leaders, labor union leaders, neighborhood leaders and environmental voices. We need to include our small business leaders and people working in cross-border trade. We need to include our vocational partners and people focusing on workforce development for youth, veterans, and second-career people. Our economic development plan should be created and executed with our whole community and grounded in our shared values. That is what I plan to do.

Tucson has a higher percentage of people living in poverty than Arizona as a whole. When Mayor and Council passed the Prosperity Initiative in 2024, it was with the clear understanding that we need to reduce generational poverty and increase generational wealth.

In January, I applied for and was accepted into the Bloomberg Harvard City Leadership Initiative, with my key priority being economic development. I’ll be working alongside the City Manager to bring this work home to Tucson. We’ll need to structure ongoing, transparent and broad participation from our community as described above to get it right.

Over the next 12 months, I am asking Tucsonans to join me, our academic partners at Pima Community College and the University of Arizona, workers and our labor unions, scientists and climate experts, our partners at Pima County and other jurisdictions, our Indigenous partners, economic development and business leaders, students and families, to create our collective economic development strategy for our shared future.

It is time for us to take the reins and engage with each other. We must figure out what we want to say yes to. We want to move forward together with a strategy that protects our environment and creates prosperity to ensure that we all can thrive in our beautiful, sustainable, desert city with economic opportunity for all..

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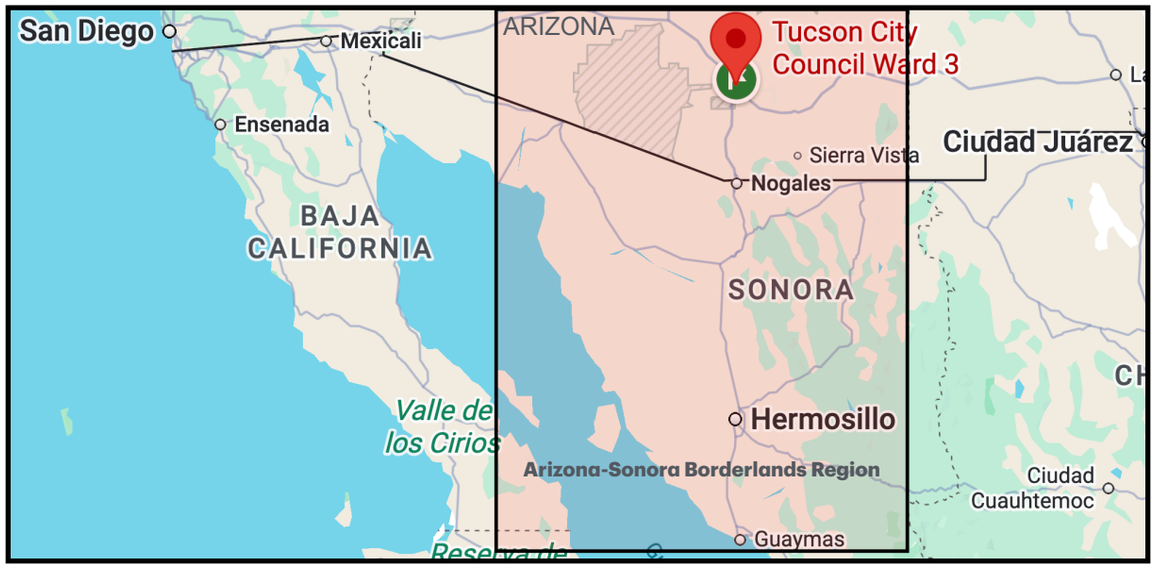
In this approach, Ward 3 comes first, but is not alone

- The primary scope of this document is economic development for Ward 3 in the City of Tucson

- However, Ward 3 is an integral part of the economies of the City of Tucson, the Tucson Metropolitan Area, Southern Arizona, and the entire economic region of transborder communities with Northern Sonora that share similar desert cultures and industries - economic development cannot be conducted in a vacuum



- This document refers to the entire region as the “Arizona-Sonora Borderlands Region,” which is also referred to as the Sonoran Corridor and the Binational Corridor

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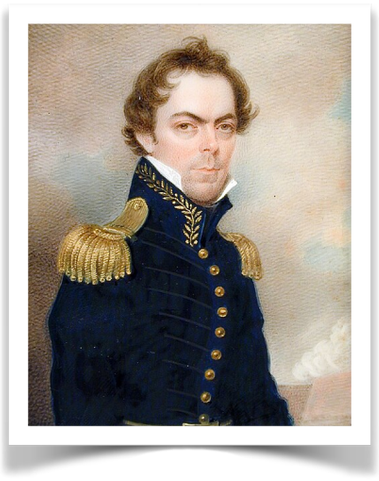
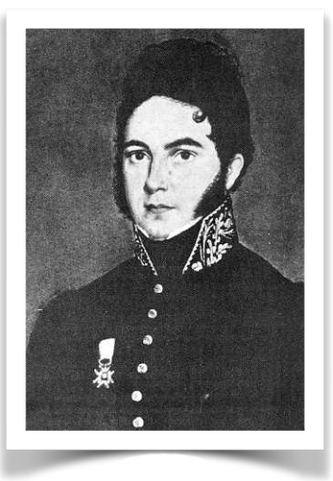
In this approach, Ward 3 comes first, but is not alone…(cont'd)

- The "Arizona-Sonora Borderlands Region" subdivides, as defined by this project, into:
  - North: "Baja Arizona Region"
  - South: "Alta Sonora Region"



Colonel James Gadsden



Manuel Diez de Bonilla

Joint negotiators of the Treaty of Mesilla
that defines the "Arizona-Sonora Borderlands Region"

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In this approach, Ward 3 comes first, but is not alone…(cont'd)

- In this document:
  - "City" means the incorporated City of Tucson
  - "Tucson" means the metropolitan area, including Oro Valley, Marana, Sahuarita, South Tucson, Tucson, Casas Adobes, Catalina Foothills, Green Valley, and Vail
  - "Greater Tucson Business Loop" means Casas Adobes, Marana, Oro Valley, and Sahuarita, with a connection to Sierra Vista
  - "Baja Arizona" ("Southern Arizona") means the area south of the Gila River, encompassing Cochise, Pima, and Santa Cruz counties, and the southern portions of Graham, Greenlee, and Pinal counties, including Bisbee, Casa Grande, Douglas, Eloy, Nogales, Safford, Sierra Vista, and Willcox
  - "Alta Sonora" ("Northern Sonora") includes the cities of Agua Prieta, Bacadéhuachi, Cananea, Guaymas, Hermosillo, and Nogales
  - "Arizona-Sonora Borderlands Region" means the combined region of Baja Arizona and Alta Sonora, including the cities and communities listed above

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Why?

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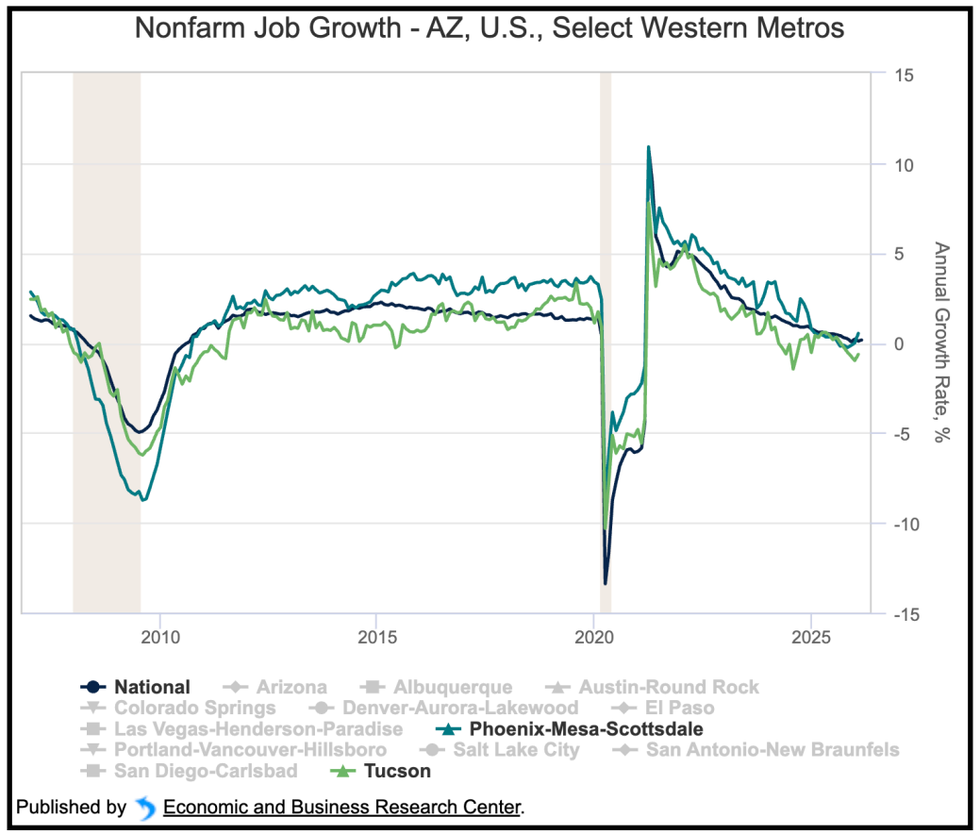
Tucson's Economic Key Indicators

- $62 billion in annual output
- Wages are at $8,000 below the national average

Source: US Bureau of Economic Affairs



- Job growth has been declining - population growth is slowing according to the Arizona Daily Star in May, 2026

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Tucson's Economic Key Indicators…(cont'd)

Tucson, AZ

Tucson, AZ

Data Series	Back Data	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026
Labor Force Data							
Civilian Labor Force(1)		(2) 505.5	(2) 501.9	501.0	491.7	492.1	(p) 484.4
Employment(1)		(2) 483.4	(2) 481.4	475.5	467.4	469.6	(p) 463.1
Unemployment(1)		(2) 22.2	(2) 20.5	25.5	24.3	22.6	(p) 21.3
Unemployment Rate(3)		(2) 4.4	(2) 4.1	5.1	4.9	4.6	(p) 4.4
Nonfarm Wage and Salary Employment							
Total Nonfarm(4)		410.0	409.6	403.0	406.6	406.5	(p) 407.9
12-month % change		-0.5	-0.5	-0.8	-0.8	-0.7	(p) -0.4
Mining and Logging(4)		2.8	2.9	2.9	2.9	2.9	(p) 2.9
12-month % change		3.7	7.4	7.4	7.4	7.4	(p) 7.4
Construction(4)		20.3	20.2	20.0	20.3	20.3	(p) 20.0
12-month % change		-1.9	-2.4	-4.3	-3.3	-3.8	(p) -4.8
Manufacturing(4)		28.8	28.8	28.5	28.7	28.6	(p) 28.5
12-month % change		0.3	-0.3	-1.0	-0.7	-1.0	(p) -1.4
Trade, Transportation, and Utilities(4)		71.3	71.6	69.4	68.8	68.4	(p) 68.5
12-month % change		-1.0	-1.1	-1.4	-1.4	-1.3	(p) -0.7
Information(4)		4.7	4.7	4.7	4.8	4.8	(p) 4.8
12-month % change		-6.0	-7.8	-4.1	-4.0	-2.0	(p) -2.0
Financial Activities(4)		18.8	18.9	18.7	18.8	18.5	(p) 18.6
12-month % change		2.2	2.2	1.1	1.6	-2.1	(p) -1.1
Professional and Business Services(4)		48.9	48.4	47.7	48.2	48.8	(p) 49.2
12-month % change		1.7	0.6	0.4	0.6	2.3	(p) 3.6
Education and Health Services(4)		73.7	74.2	73.9	74.5	74.9	(p) 74.9
12-month % change		0.0	0.5	0.4	1.1	1.6	(p) 1.2
Leisure and Hospitality(4)		45.8	45.7	45.0	45.0	45.2	(p) 45.0
12-month % change		-0.4	-0.7	-1.5	-3.2	-2.8	(p) -3.6
Other Services(4)		14.8	14.7	14.8	15.0	15.2	(p) 15.4
12-month % change		2.1	1.4	2.8	4.2	4.8	(p) 6.2
Government(4)		80.1	79.5	77.4	79.6	78.9	(p) 80.1
12-month % change		-2.4	-1.7	-1.9	-2.2	-2.6	(p) -1.6

Footnotes
(1) Number of persons, in thousands, not seasonally adjusted.
(2) Data were subject to revision on May 19, 2026.
(3) In percent, not seasonally adjusted.
(4) Number of jobs, in thousands, not seasonally adjusted. See About the data.
(p) Preliminary

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Source: US Bureau of Labor Statistics/City of Tucson

Tucson's Economic Key Indicators…(cont'd)

Peer City Identification Tool - Resilience

Peer Cities	Unemployment rate	Labor force participation rate	Change in labor force participation rate	Labor share of manufacturing	Change, labor share of manufacturing, 1970-2024	Median family income	Change in median family income, 2000-2024	Share of metropolitan area population
PCIT-960 Median	**5.5%**	**64.8%**	**-0.2%**	**9.3%**	**-59.4%**	**$91,208**	**2.4%**	**6.5%**
Peer Group Median	**6.3%**	**62.4%**	**-0.8%**	**5.8%**	**-28.6%**	**$88,205**	**0.6%**	**47%**
Albuquerque, New Mexico	5.4%	64%	-2.2%	4.6%	-34.3%	$88,434	0%	61%
Clarke County (Athens), Georgia	5.3%	62.5%	-2.4%	8%	-49.4%	$82,159	4.8%	58.9%
Bakersfield, California	7%	62.2%	-1.3%	5.3%	-22.4%	$87,975	2.5%	45%
Bloomington, Indiana	6.6%	59.1%	0.2%	9%	-14.7%	$92,027	-2.4%	49.2%
College Station, Texas	5.1%	61%	-0.9%	3.6%	-21.3%	$94,629	-5.5%	44.8%
Corpus Christi, Texas	5.1%	61.9%	-0.6%	6.5%	-40.9%	$79,323	1.1%	70.9%
Eugene, Oregon	7.6%	62.7%	-2.6%	8.9%	-32.3%	$96,484	5.6%	46.7%
Lafayette, Louisiana	5.2%	63%	-2%	4.3%	-17.2%	$87,005	-3.3%	29.4%
Las Vegas, Nevada	7.4%	63.1%	-0.1%	3.2%	-9.2%	$88,532	-6.8%	28.3%
Salem, Oregon	5.8%	61.8%	-0.8%	7.9%	-34.8%	$90,828	3.9%	40.8%
Tallahassee, Florida	6.4%	66.3%	-0.7%	2.8%	-35.6%	$87,462	-5.9%	51.5%
Tucson, Arizona	6.2%	61.9%	0.2%	6.4%	-24.9%	$74,601	6.1%	51.6%
Visalia, California	6.9%	64.3%	0.6%	8.1%	-32.4%	$89,735	4%	30.1%
Yuma, Arizona	6.3%	60.2%	0.6%	4.3%	-16.3%	$73,504	-1.7%	47.3%

Source: Federal Reserve Bank of Chicago

Peer cities experience similar trends

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Tucson's Economic Key Indicators…(cont'd)

Peer City Identification Tool - Equity

Peer Cities	Hispanic-white dissimilarity index	Black-white dissimilarity index	Poverty rate	Change in poverty rate, 2000-2024	Wage-based Gini coefficient	Change in inequality index, 2008-2014	Percent white	Percent with a bachelor's degree	Share of metropolitan area population
PCIT-960 Median	**32**	**42**	**9.4%**	**0.6%**	**0.3258**	**0.0079**	**51.1%**	**32.4%**	**6.5%**
Peer Group Median	**45.2**	**47.1**	**12.2%**	**0.4%**	**0.3368**	**0.0078**	**36.2%**	**32.9%**	**37.4%**
Greensboro, North Carolina	46.3	48.5	12.5%	3.8%	0.3489	0.0077	38.1%	41%	38.3%
Hilo, Hawaii	28.3	57	9.8%	-1.3%	0.3100	0.0081	14.3%	34.6%	24.5%
Springdale, Arkansas	46.8	42.5	9.7%	0.9%	0.3228	0.0054	34.3%	24.2%	15.3%
Tucson, Arizona	44.1	37.2	12.9%	-0.8%	0.3342	0.0079	43.3%	31.1%	51.6%
Winston-Salem, North Carolina	46.5	49.3	13.2%	1.8%	0.3520	0.0061	43.6%	39.5%	36.5%
Yuma, Arizona	28.9	45.7	12%	-0.1%	0.3395	0.0088	31.2%	20.9%	47.3%

Source: Federal Reserve Bank of Chicago

Peer cities experience similar trends

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Tucson's Economic Key Indicators…(cont'd)

Peer City Identification Tool - Housing

Peer Cities	Percent of housing units built pre-1980	Vacancy rate	Home value to income ratio	Homeownership rate	Percent rent-burdened households	Share of metropolitan area population
PCIT-960 Median	**62.1%**	**6.9%**	**4.2**	**57.1%**	**52.5%**	**6.5%**
Peer Group Median	**41.6%**	**8.9%**	**4.2**	**52.3%**	**54.4%**	**51.2%**
Greensboro, North Carolina	42.6%	8.6%	4	50.5%	54.7%	38.3%
Jackson, Tennessee	43.2%	9.2%	4.1	51.2%	56%	37.7%
Jacksonville, Florida	39.6%	8.5%	4.2	57.6%	56.6%	58.1%
Jonesboro, Arkansas	34.4%	8.8%	4	54.3%	54.1%	59%
Killeen, Texas	24.6%	9.2%	3.5	49.5%	53.3%	32%
Las Cruces, New Mexico	33.5%	5.8%	4.2	55.9%	57%	50.9%
Lubbock, Texas	44.7%	9.4%	3.5	51.2%	55.7%	73.8%
Nashville, Tennessee	40.8%	9.1%	5.3	52.4%	53.8%	33.2%
Raleigh, North Carolina	23.1%	9.5%	4.9	50.8%	52%	32.3%
Redding, California	42.8%	8.8%	5.4	54.8%	52.3%	51.5%
San Antonio, Texas	42.5%	9.5%	3.6	52.2%	53.7%	55.6%
Santa Fe, New Mexico	39.8%	10.1%	6	63.6%	52.1%	57%
Stockton, California	50.7%	5.8%	5.5	53.9%	55.6%	40.4%
Tucson, Arizona	52.5%	8%	4.7	51.9%	55.4%	51.6%

Source: Federal Reserve Bank of Chicago

Peer cities experience similar trends

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Tucson's Economic Key Indicators…(cont'd)

Peer City Identification Tool - Outlook

Peer Cities	Percent foreign-born	Percent change in population, 2000-2024	Percent of families with children	Percent of population 20-64	Total population	Share of metropolitan area population
PCIT-960 Median	**13%**	**11.1%**	**47.4%**	**59.1%**	**76,322**	**6.5%**
Peer Group Median	**9.4%**	**14.3%**	**47.1%**	**60.3%**	**472,118**	**57.6%**
Albuquerque, New Mexico	10.6%	25.3%	45.3%	59.5%	562,218	61%
Anchorage, Alaska	10.9%	11%	48.7%	61.2%	288,976	71.9%
Baltimore, Maryland	9.3%	-12%	46.7%	61.1%	573,243	20.1%
Baton Rouge, Louisiana	7.6%	-2.2%	47.5%	58.7%	222,771	25.5%
Colorado Springs, Colorado	7.6%	35.2%	46.1%	60.5%	487,887	63.5%
Corpus Christi, Texas	8.8%	14.4%	47.3%	58%	317,419	70.9%
Honolulu, Hawaii	19.6%	14.3%	44.1%	57.8%	1,001,146	100%
Jacksonville, Florida	12.5%	32.9%	46.7%	60%	977,670	58.1%
Kansas City, Missouri	8.6%	15.6%	48.7%	60.8%	510,612	23%
Fayette County (Lexington), Kentucky	11.9%	24.3%	46.5%	60.8%	323,725	61.9%
Lincoln, Nebraska	9.4%	30.7%	47.5%	59.4%	294,856	85.6%
Jefferson County (Louisville), Kentucky	10%	12.9%	45.5%	58.3%	783,022	57%
New Orleans, Louisiana	6.6%	-23.3%	47.5%	60.5%	371,853	37.9%
Tallahassee, Florida	8.2%	34%	48.1%	63.1%	201,875	51.5%
Tucson, Arizona	13.4%	12.4%	47.5%	60.5%	547,073	51.6%
Virginia Beach, Virginia	9.2%	7.3%	46.9%	60.1%	456,349	25.5%

Source: Federal Reserve Bank of Chicago

Peer cities experience similar trends

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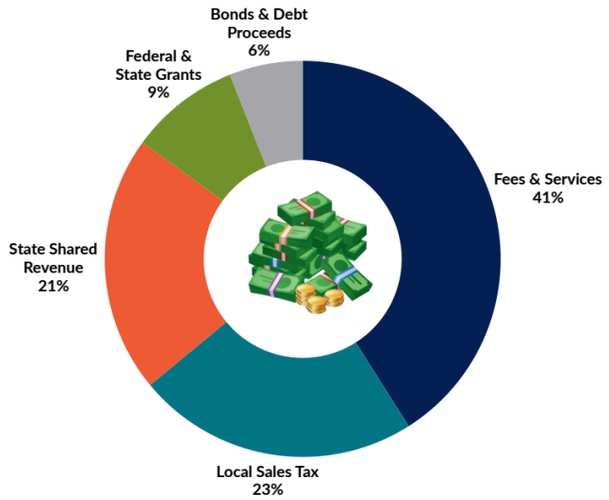
Tucson's Economic Key Indicators…(cont'd)

Our Commitment

The City of Tucson's budget invests in core services, infrastructure, public safety, housing, and parks while maintaining a balanced budget and planning for Tucson's future.

Where the Money Comes From

FY26 Adopted Budget
Total Budget $2.4 Billion



What the Budget Pays For

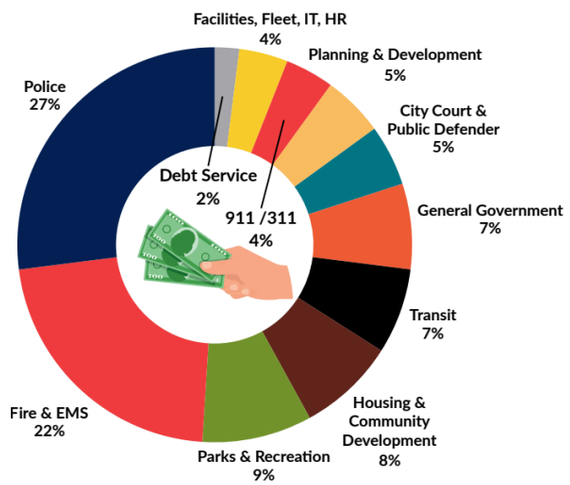
- Water Services and Conservation
- Trash and Recycling Services
- Street Repairs and Transportation
- Affordable Housing and Community Programs

General Fund Core Services

- Police, Fire, and Emergency Response
- Parks, Recreation Centers, and Pools
- Planning and Development Services

How The General Fund Is Spent

FY26 General Fund: $779 Million
$502.5 Million Spent on Salaries and Benefits



Community Priorities Addressed Through The General Fund

- Poverty Reduction and Job Opportunities
- Public Safety and Emergency Response
- Parks and Community Spaces
- Climate Resilience and Sustainability

Learn more at www.Tucsonaz.gov/Business-Services-Department/Budget

Source: City of Tucson

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Tucson's Economic Key Indicators…(cont'd)

Largest incorporated cities in the United States

	Municipality	ST	2025 estimate	2020 census	Change	2020 land area		2020 density		Location
						mi²	km²	/ mi²	/ km²	
31	Milwaukee	WI	562,407	577,222	–2.57%	96.2	249.2	6,000	2,300	43.06°N 87.97°W
32	Albuquerque	NM	556,588	564,559	–1.41%	187.3	485.1	3,014	1,164	35.10°N 106.65°W
33	Fresno	CA	555,549	542,107	+2.48%	115.2	298.4	4,706	1,817	36.78°N 119.79°W
34	Tucson	AZ	548,371	542,629	+1.06%	241.0	624.2	2,252	870	32.15°N 110.87°W
35	Sacramento	CA	536,449	524,943	+2.19%	98.6	255.4	5,324	2,056	38.57°N 121.47°W
36	Atlanta	GA	529,110	498,715	+6.09%	135.3	350.4	3,686	1,423	33.76°N 84.42°W
37	Kansas City	MO	521,220	508,090	+2.58%	314.7	815.1	1,615	624	39.12°N 94.56°W

Source: Wikipedia

State capital
State's largest municipality
State capital and largest municipality

- Similar cities to Tucson culturally:
  - Albuquerque
  - El Paso
  - Nashville
  - San Antonio
  - Santa Fe

Source: Interviews

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Tucson doesn't have enough diversity of jobs to support the quality of life for all Tucsonans

- "This is a problem for people who are striving for stability while facing economic vulnerability, including young people, families impacted by poverty, those without postsecondary education, seniors, aspiring professionals, and young families."

  Source: Bloomberg Harvard City Leadership Initiative

- "Tucson's future is closely tied to our region. Lack of opportunities causes people to leave and vulnerable residents to experience further marginalization."

  Source: Bloomberg Harvard City Leadership Initiative

- "Tucson does suffer a "brain drain" from young people moving away after graduation from the University of Arizona; it is also able to attract young professionals working remotely due to the quality of life and affordability relative to other cities."

  Source: Tucson Sentinel and interviews

Cuts in revenue from Federal and State sources require Tucson's combined business and governmental communities to collaborate and focus on economic development and public administration from within

- Tucson has some unique advantages, including:
  - Geographic location and proximity to California, Texas, and Sonora
  - Transportation and logistics hub - major highways and a railroad with an inland port
  - Bilingual workforce
  - Relatively free of natural disasters
  - Host of the world's largest "Gem, Fossil, and Mineral Showcase," and a major biking event, "El Tour de Tucson"
  - Vibrant arts, entertainment, and gastronomic culture, surrounded by natural beauty
  - Home to the University of Arizona - Stanford University analysis ranks the University of Arizona among the nation's most effective producers of billion-dollar start-ups

Source: Stanford University

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Cuts in revenue from Federal and State sources require Tucson's combined business and governmental communities to collaborate and focus on economic development and public administration from within…(cont'd)

- Tucson's disadvantages include:
  - Rough roads
  - Dated infrastructure
  - Public safety concerns
  - Monopoly status of Tucson Electric Power - significant rate increases could be harmful to the economy
  - Lack of awareness and leverage of the current business community strengths and opportunities
  - Labeled as a "poor city" (especially by representatives from the City of Tucson and various non-profits) with low-paying jobs
  - Economic conditions similar to Phoenix as they were twenty-five years ago, although "Tucson is not Phoenix" - the Baja Arizona/Alta Sonora region, led by Tucson, is special and unique
- However, by integrating and leveraging the activities and assets that already exist, and by focusing on high-growth industries, Ward 3, Tucson, and the region will have a promising future - although according to surveys, some communities prefer Tucson to retain its "small town" feel, and not bow to commercial and industrial development
- Ward 3 is positioned to be the commercial, industrial, transportation, and logistics hub for economic growth within the City, the Metro area, and the Arizona-Sonora Borderlands Region, and is leading the way forward

"When Ward 3 rises, so does the entire City of Tucson."

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Whereas the west and east neighborhoods in Ward 3 contain blocks of wealth, the Flowing Wells Road and Stone Avenue corridors are economically challenged

- The Amphi, Balboa Heights, Flowing Wells, and Miracle Mile/Manor neighborhoods contain some of the lowest-income areas within the City, with abandoned properties:

Source: City of Tucson

  - Amphi/Balboa Heights - high concentration of low-end rental properties
  - Flowing Wells - high concentration of manufactured housing with high socio-economic insecurity
  - Miracle Mile/Manor - old motels and supportive housing for the unsheltered

- Many residents in these neighborhoods are vulnerable and marginalized, and rely upon social services from non-profits to provide basic life essentials

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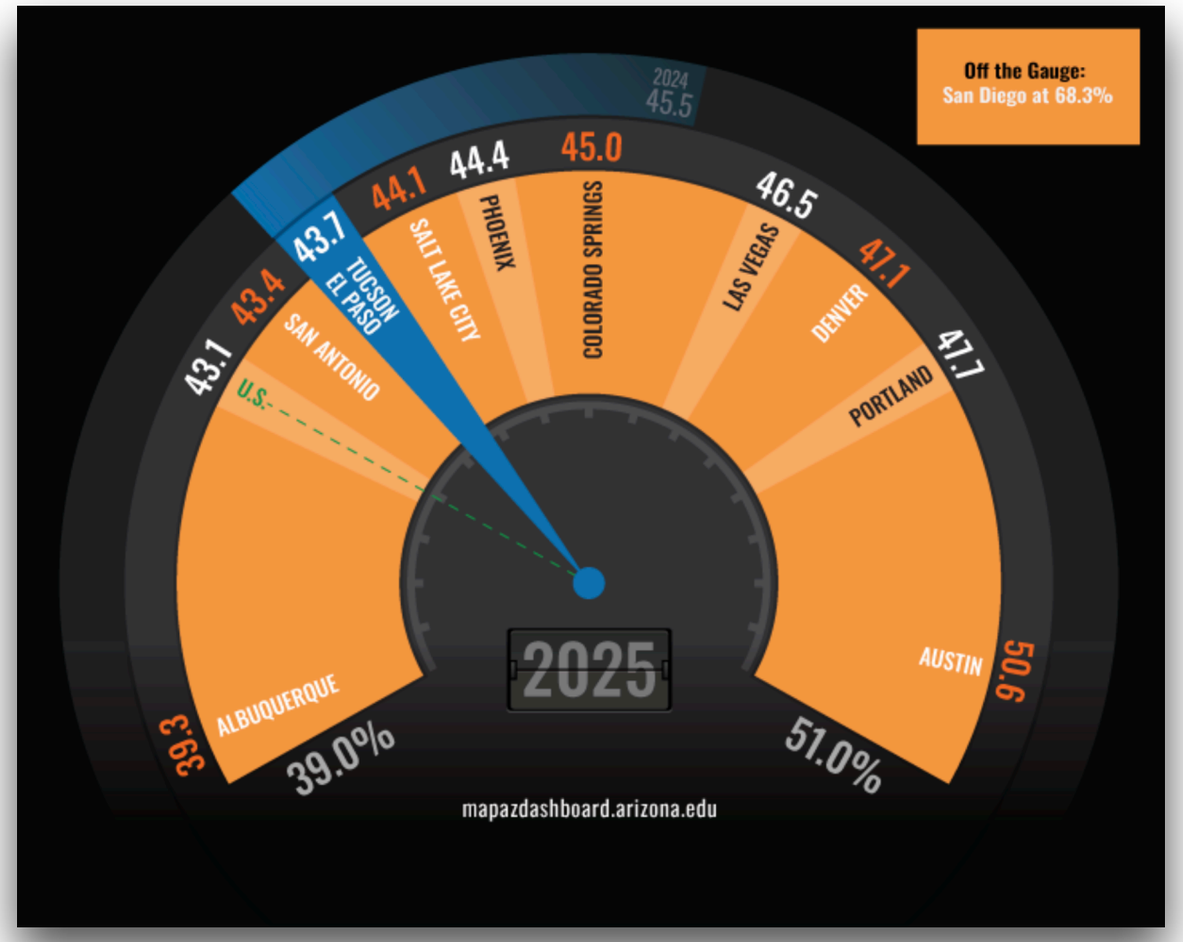
Tucson's affordability is at about the national level

- Share of Household Median Income Needed to Afford a Median Priced Home across the metropolitan statistical area



Source: University of Arizona

- The City has launched a Housing Affordability Strategy for Tucson

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Tucson's affordability is at about the national level…(cont'd)

- However, Ward 3 faces some significant economic challenges:
  - Approximately 28% of residents live below the Federal poverty line
  - Median household income is $31,000 compared to $57,073 city-wide in 2024
  - Has the highest population in public housing in the City
  - Has a rising housing crisis due to a shortage of affordable units

  Source: City of Tucson

- Wards 2 and 4 have the highest income levels

- Ward 5 has a rich community-based small business culture

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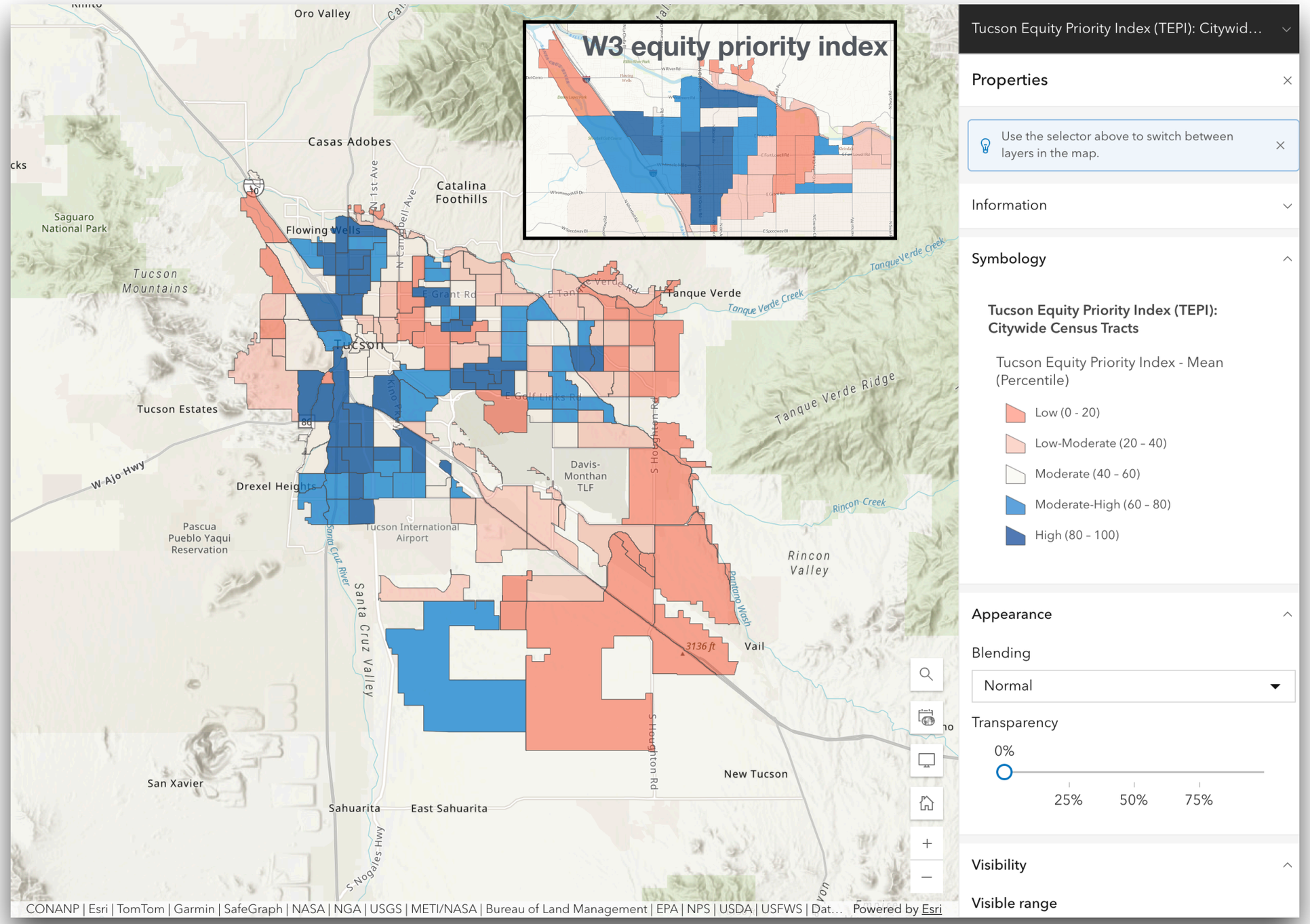
Tucson's unemployment index by census tract



Source: City of Tucson - Office of Equity

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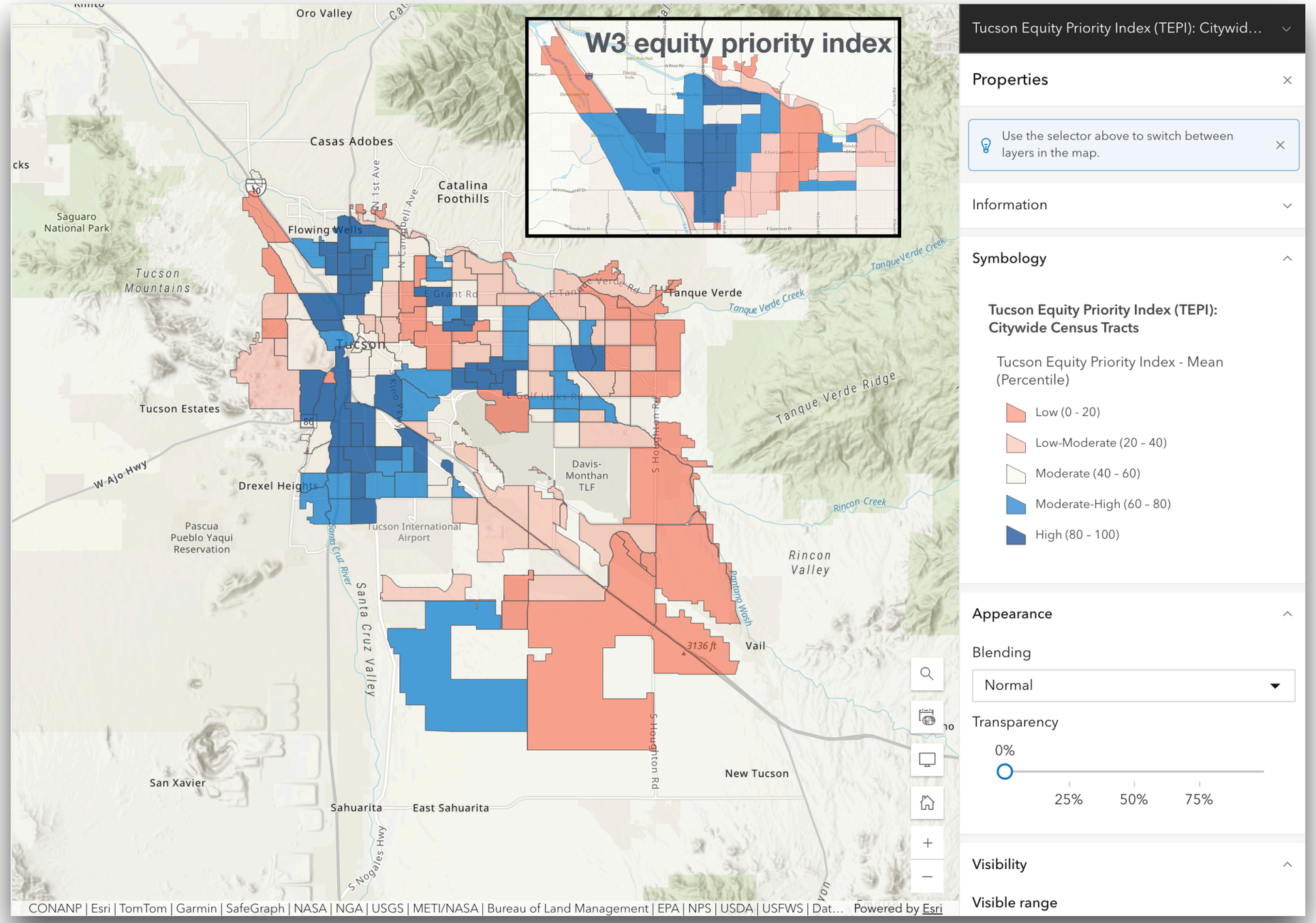
Tucson's income below poverty index by census tract



Source: City of Tucson - Office of Equity

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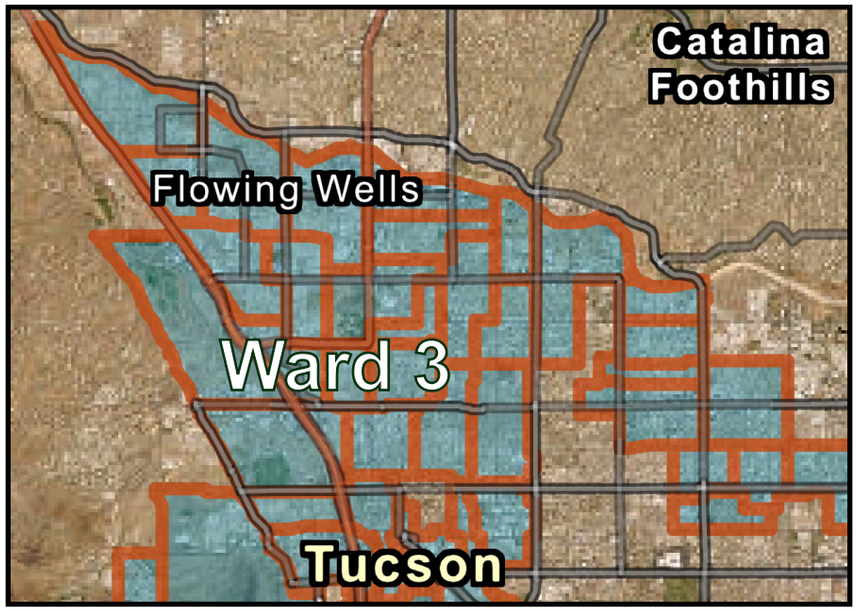
Ward 3 contains multiple Opportunity Zones as defined in Federal law

Opportunity Zones by Census Tract



Source: Arizona Commerce Authority

- Opportunity zones are economically distressed, lower-income, or high poverty rate communities
- Created under the Tax Cuts and Jobs Act of 2017
- Several zones in Ward 3 are under consideration by the US Treasury for financial support

This economic development plan will help transform the Ward, especially in these opportunity zones

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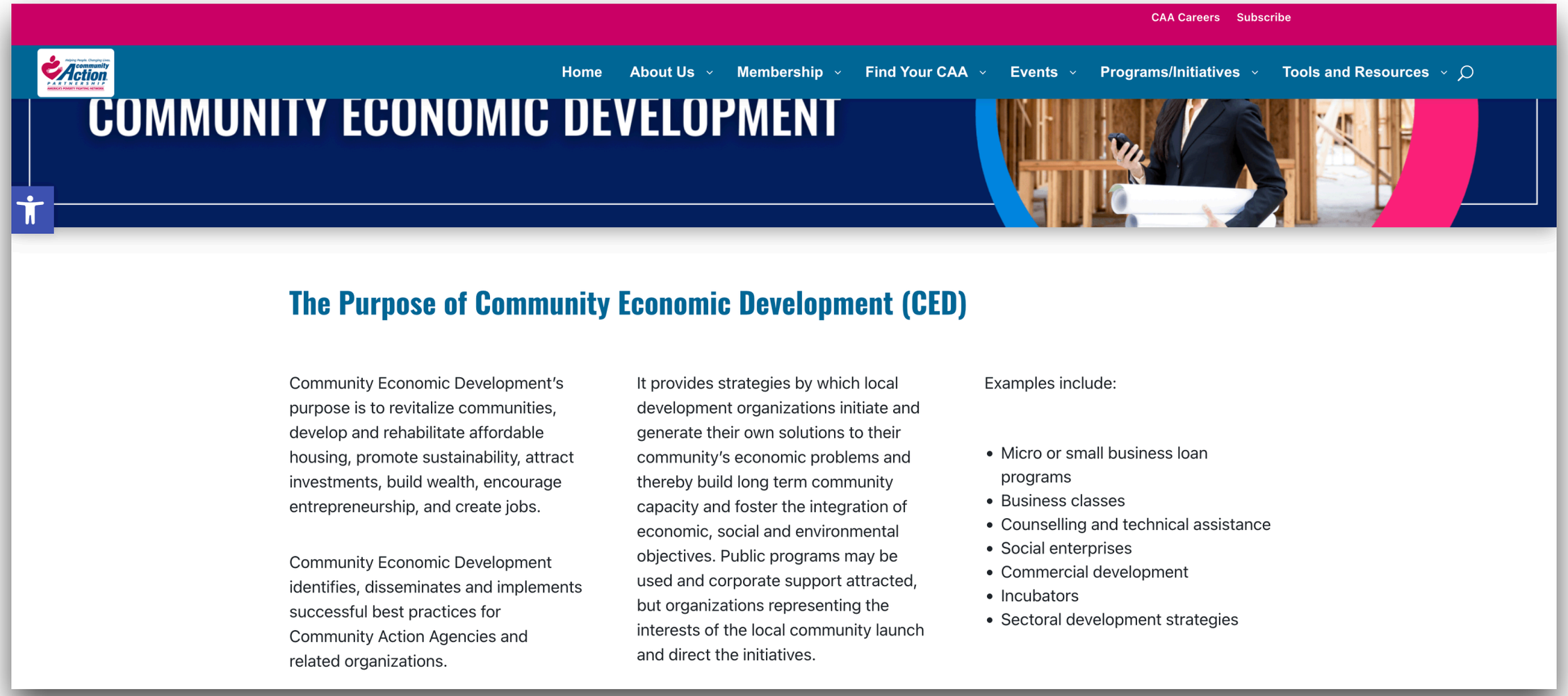
Definitions of Community Development and Economic Development



Source: National Community Action Partnership

Definitions of Community Development and Economic Development…(cont'd)

The Heartbeat of Prosperity: Community Development

Community development encompasses a wide range of activities aimed at improving the social, economic, and environmental well-being of a community. A few reasons why:

1. **Social Cohesion**: Strong communities are characterized by unity and cooperation. Community development initiatives, such as local events, educational programs, and public spaces, foster a sense of belonging and togetherness. This social cohesion is vital for creating supportive environments where individuals and families can thrive.
2. **Enhanced Quality of Life**: Community development projects often focus on improving living conditions. This includes affordable housing, accessible healthcare, and quality education. By addressing these fundamental needs, we can ensure that all residents have the opportunity to lead healthy, fulfilling lives.
3. **Resilience**: Communities that invest in development are better equipped to handle challenges, whether they be economic downturns, natural disasters, or social issues. Resilient communities can adapt and recover more quickly, ensuring long-term stability and prosperity.

Driving Growth: Economic Development

Economic development is the engine that powers a community's progress. The urgency of economic development cannot be overstated, and here's why:

1. **Job Creation**: At its core, economic development is about creating jobs. By attracting new businesses, supporting local entrepreneurs, and fostering innovation, communities can create a diverse range of employment opportunities..
2. **Increased Investment**: A robust economy attracts investment, both from within and outside the community. This influx of capital can be used to develop infrastructure, improve public services, and support community projects. Investment leads to a cycle of growth and improvement that benefits everyone.
3. **Wealth Distribution**: Economic development efforts often focus on ensuring that growth benefits all residents, not just a select few. By promoting inclusive policies and supporting small businesses, communities can achieve a more equitable distribution of wealth, reducing poverty and enhancing social stability.

Source: US Chamber of Commerce

Economic Development Objectives

- Raise the standard of living by improving the quality of life by increasing per capita income for food, shelter, and education

- Transform the workplace from traditional to advanced commercial, industrial, and technological industries from within and by attracting out-of-area businesses, while preserving the environment and Tucson's unique culture

- Continuously improve infrastructure for communications, transportation, and utilities

- Educate the workforce to enhance professional and/or vocational knowledge and skills, while promoting productivity

- Create jobs and reduce unemployment by providing inclusive opportunities for all in the community, regardless of social background

- Promote equity, sustainability, and climate change resilience

➡ Ultimately, it boils down to more higher paying jobs,
either sourced from businesses within, or from relocations from out-of-town

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Sources of increased tax revenue as a result of economic development

- Increased state income and employment tax revenue (with increased shared revenue from Arizona back to the local jurisdictions) from higher employee compensation - extra disposable income will generate more economic activity

- Increased property tax revenue resulting from additional facilities and equipment

- Increased transaction privilege tax revenue resulting from more retail transactions

- Additional fee revenue from licenses and permits

- Additional excise tax revenue where appropriate

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The Opportunities

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Tucson is known worldwide...

Lyrics of Get Back by The Beatles

VERSE

Jojo was a man who thought he was a loner
But he knew it couldn't last
Jojo left his home in Tucson, Arizona
For some California grass

CHORUS

Get back, get back
Get back to where you once belonged
Get back, get back
Get back to where you once belonged
Get back, Jojo

Get back, get back
Back to where you once belonged
Get back, get back
Back to where you once belonged
Get back, Jo

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Tucson is known worldwide…(cont'd)

- But hopefully not for this…

Homelessness on the Stone Avenue corridor

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In addition to varied residential areas, Ward 3 is ideally suited for commercial and industrial development within the City of Tucson

- Ward 3 is a major business area within the City, including:
  - Prince 10 Commerce Campus
  - AGM Container Controls
  - Arizona Optical Metrology
  - Clear Contracting Company
  - Complete Landscaping
  - Learning A-Z
  - Maya Tea
  - McCarthy
  - Meridan Engineering Company
  - Tucson Mall/Oracle Road corridor
  - Tucson Tamale Company
    (restaurant closed June 2026)/Tucson Foods (National business open)

Source: Prince 10

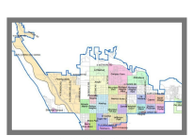
In addition to varied residential areas, Ward 3 is ideally suited for commercial and industrial development within the City of Tucson…(cont'd)

- Ward 3 is a major business area within the City, including…(cont'd):

  - Cambric Corporate Center

Source: https://cambriccorporatecenter.com

- Provides opportunities for clustered development, whereby suppliers locate close to their principal customers, with small businesses locating close to their larger-scale customers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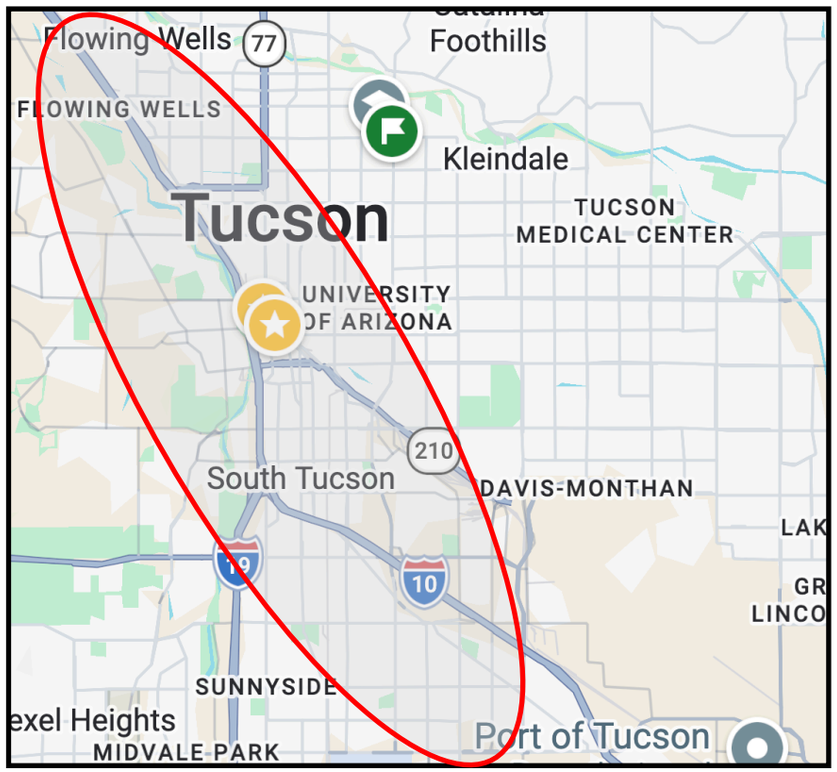
In addition to varied residential areas, Ward 3 is ideally suited for commercial and industrial development within the City of Tucson…(cont'd)

- Ward 3's major industries include:
  - The "Gem, Fossil, and Mineral Showcase" and the lapidary-related businesses, including jewelry
  - Manufacturing and distribution/transportation
  - Food processing
  - Retail and restaurants
- Ward 3, Ward 4, and Ward 5 combined form the center of Tucson's commercial and industrial business communities, especially in zip codes 85705, 85719, and 85756

  Note: the south side of Grant Road west of I-10 is in Ward 1 in 85745



Source: Google

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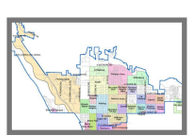
In addition to varied residential areas, Ward 3 is ideally suited for commercial and industrial development within the City of Tucson…(cont'd)

- Ward 3's lapidary-related businesses include:
  - Kent's Tools
  - La Fuente de Piedras
  - Madagascar Minerals
  - Mineral City and related dealers
  - The Co-Op Mineral and Fossil Galleries
  - The Hacienda (opening in January 2027)
  - The Quail Inn Motel (opening soon)

Source: Mineral City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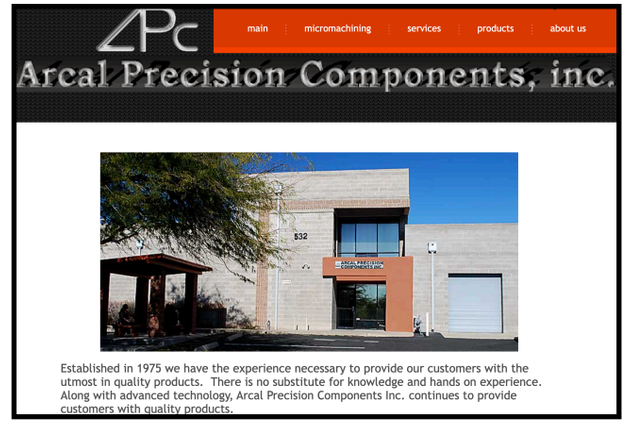
In addition to varied residential areas, Ward 3 is ideally suited for commercial and industrial development within the City of Tucson…(cont'd)

- Ward 3's manufacturing and distribution/transportation businesses feature engineering, fabrication, machining, equipment supply, and trucking companies, including:

  - AGM Container Controls
  - Arcal Precision Components
  - AWP Safety
  - Ballistic Fabrication
  - Fierce Fabrication
  - Ironwolf Industries
  - Karam Brothers
  - Mortex
  - Numericraft
  - Saia
  - Serenity Aerospace
  - Swiss & Martin Shutters
  - Titan Manufacturing
  - Universal Cryogenics
  - Vroom Engineering and Manufacturing
  - W W Williams
  - Wasran Industries
  - Weir Minerals



Source: arcalprecision.com

Source: vroomengineering.com

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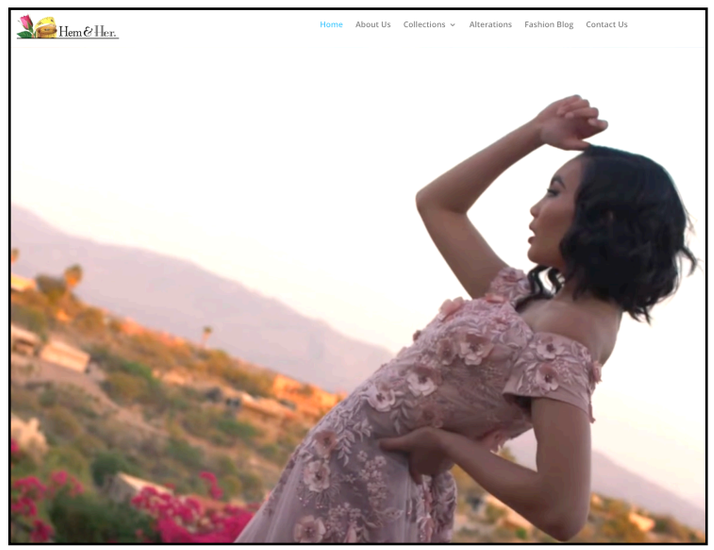
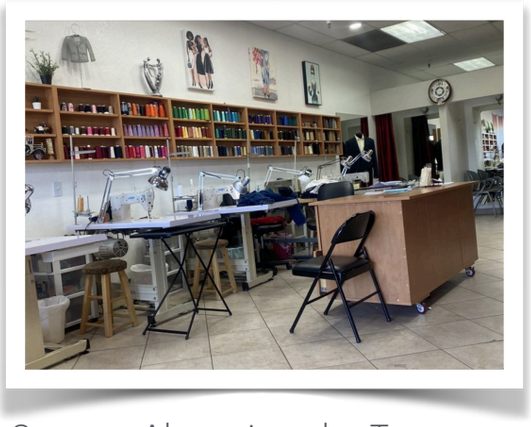
In addition to varied residential areas, Ward 3 is ideally suited for commercial and industrial development within the City of Tucson…(cont'd)

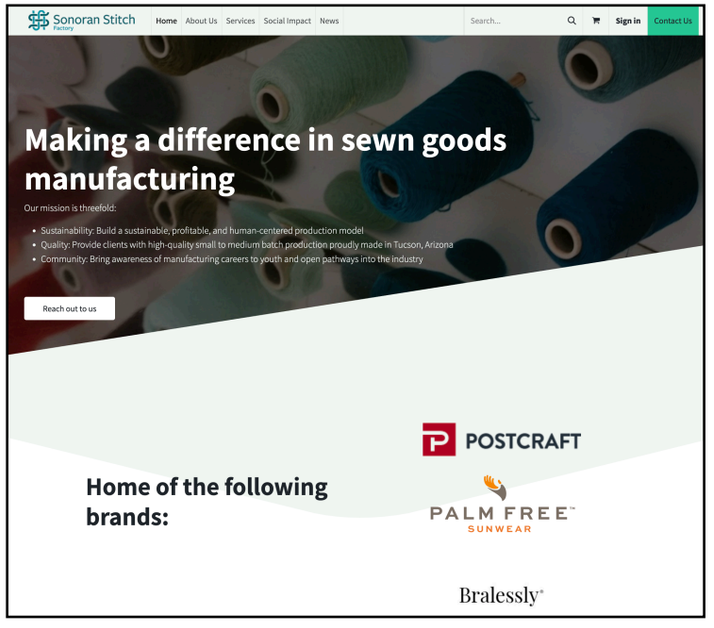
- Ward 3's fashion and textile businesses include:
  - Hem & Her Bridal
  - Sonoran Stitch
  - Alterations by Tam



Source: hemandherbridal.com



Source: Alterations by Tam



Source: sonoranstitch.com

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In addition to varied residential areas, Ward 3 is ideally suited for commercial and industrial development within the City of Tucson…(cont'd)

- Ward 3's food processing and distribution businesses include:
  - Frito-Lay
  - La Palma
  - Maya Tea
  - Shamrock Foods
    (in nearby Pima County and serving Ward 3)
  - Tucson Foods

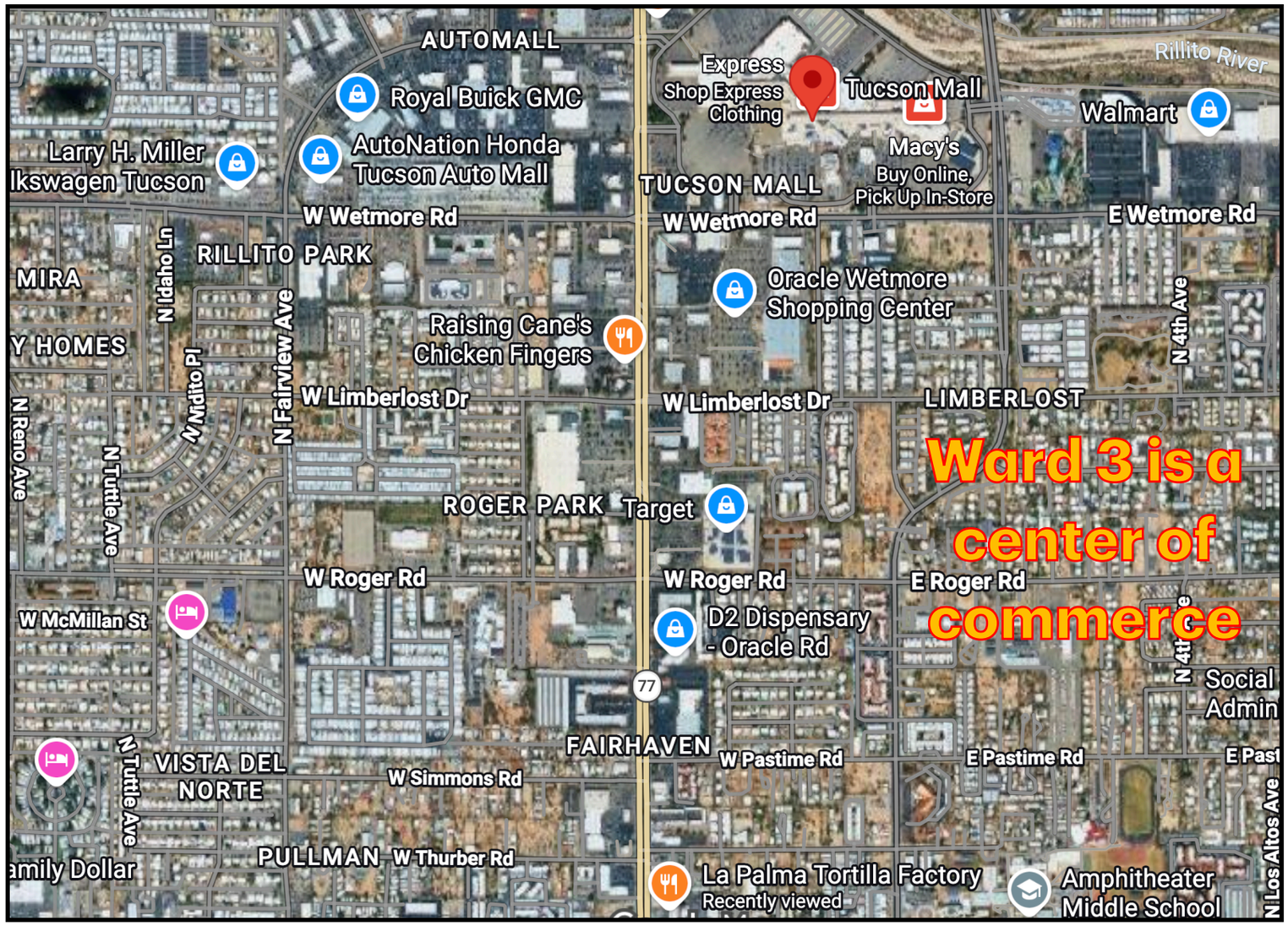
- Ward 5 is rich in small gastronomic businesses, some of which have additional locations in Ward 3

  Note: US Foods has a distribution facility in Ward 5

260930

In addition to varied residential areas, Ward 3 is ideally suited for commercial and industrial development within the City of Tucson…(cont'd)

- Major retailers in Ward 3 along the Oracle Road "Commerce Corridor" include:
  - Burlington
  - Home Deport
  - JC Penney
  - Lowes
  - Macys
  - PetSmart
  - Ross
  - Target
  - Walmart
  - Plus the Auto Mall



Source: Google

- Other facilities include diverse ethnic restaurants and specialty stores, including La Palma Mexican Bakery and Tortilla Factory, and El Guero Canelo

Source: La Palma

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In addition to varied residential areas, Ward 3 is ideally suited for commercial and industrial development within the City of Tucson…(cont'd)

- Several major roads provide links to the freeway and other parts of the City:

  - AZ77 - Oracle Road/Miracle Mile and River Road - linking I-10 to local neighborhoods and facilities, the "Oracle Road Commerce Corridor" from Mineral City to River Road

    ➡ Downtown

    ➡ Tucson Mall retail area

    ➡ Mineral City and other "Gem, Fossil, and Mineral Showcase" locations
    - "Mineral Discovery District" and "Mineral Mile"

    ➡ Pima County call center

Oracle Road Commerce Corridor
Includes Granada and Main

Source: Pima County Call Center

- Flowing Wells Road - a commercial and industrial thoroughfare

- Campbell Avenue - a retail and culinary area with links to commercial and industrial areas elsewhere in the City and Tucson International Airport

- Prince, Fort Lowell, and Grant "east-west" corridors linking multiple neighborhoods and commercial and industrial areas

- Silverbell Road - west side connector

260930

In addition to varied residential areas, Ward 3 is ideally suited for commercial and industrial development within the City of Tucson…(cont'd)

- With both a major freeway and a railroad running through it, a public transportation center, and with relatively flat land in its center, Ward 3:

  - Offers opportunity for expansion as a major transportation and logistics hub with space for multiple facilities:

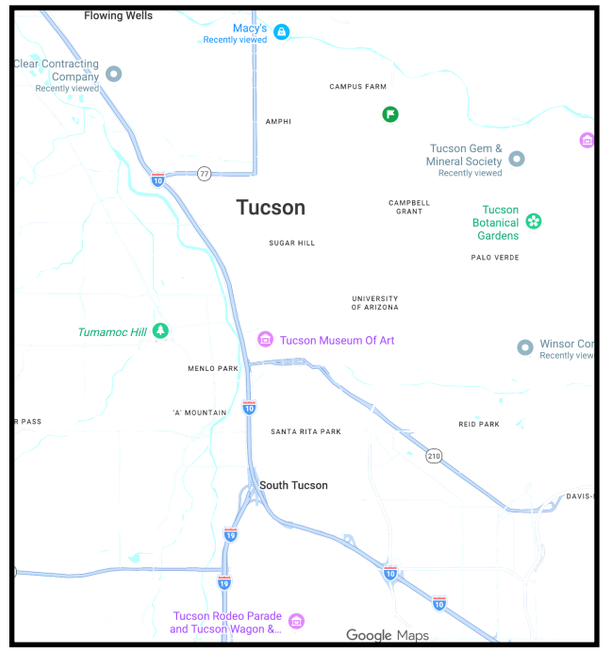
    ➡ Commercial (administrative offices and retail)

    ➡ Industrial
    (light manufacturing, wholesale, and distribution)

  - Provides gateways to:

    ➡ California and Texas (I-10 and Union Pacific)

    ➡ Sonora, Mexico, and Latin America (1-19 and Union Pacific), especially to maquiladoras in Northern Sonora



Source: Google

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In addition to varied residential areas, Ward 3 is ideally suited for commercial and industrial development within the City of Tucson…(cont'd)

- Ward 3 contains many charming neighborhoods with attractive facilities, providing a quality of life that is reasonably affordable for professional people:
  - Flowing Wells - Danny Lopez Park
  - Rillito Bend - Rio Vista Natural Resource Park
  - Jefferson Park Historic Neighborhood
  - "The Loop" car-free biking around Tucson and Oro Valley
  - Many healthcare and University of Arizona facilities

Silverbell Lake - Ward 3

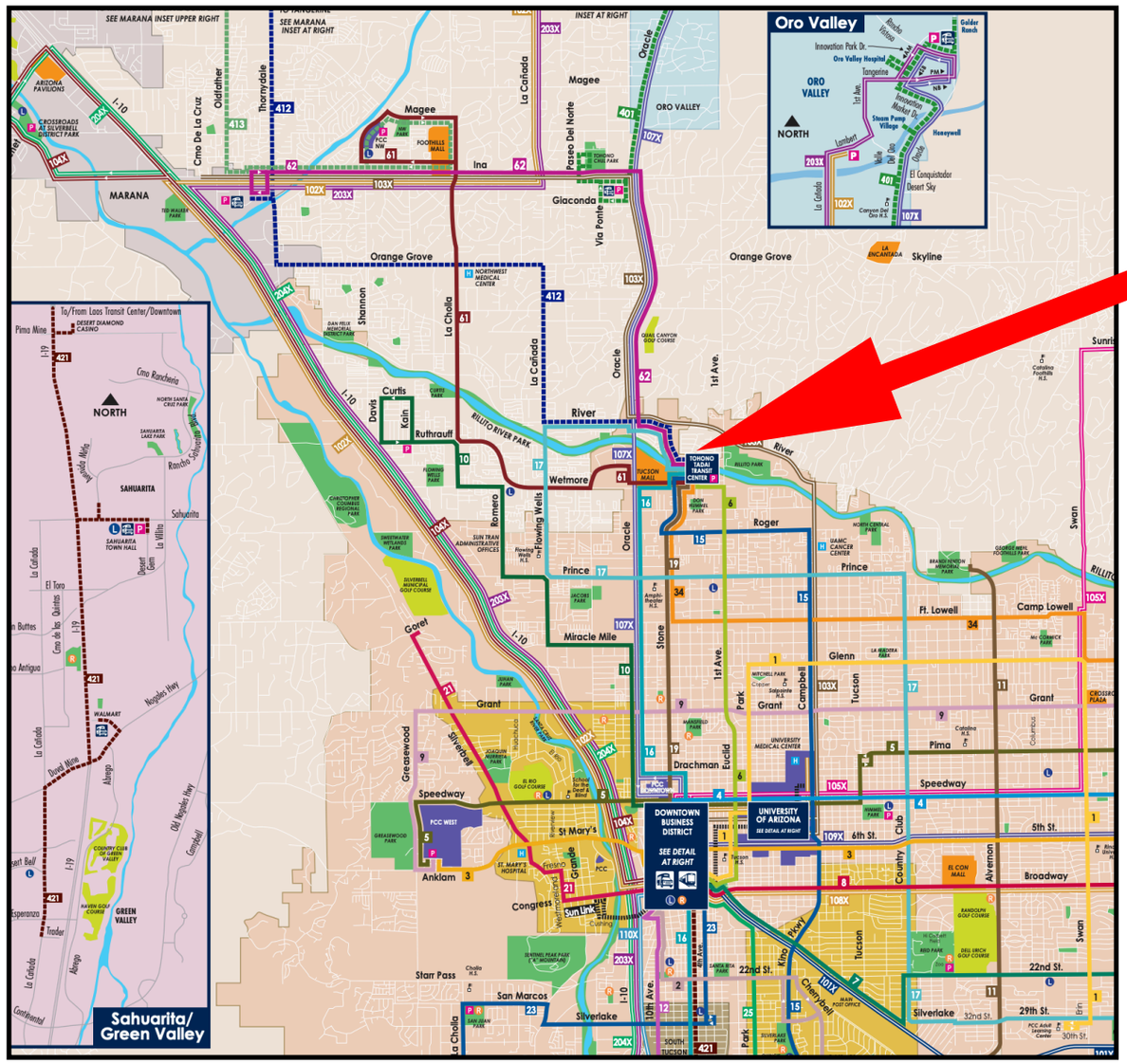
- Ward 3 contains three diverse, moderately performing school districts :
  - West:
    - ➡Amphitheater School District - ranked 37/132 in Arizona by Niche
    - ➡Flowing Wells School District - ranked 24/132 in Arizona by Niche
  - East - Tucson Unified School District - ranked 63/132 in Arizona by Niche

260930

Source: niche.com

In addition to varied residential areas, Ward 3 is ideally suited for commercial and industrial development within the City of Tucson…(cont'd)

- Ward 3 has a public transportation hub - Tohono Tadai (and bus maintenance facilities) offering services across Ward 3 and beyond



Source: SunTran

Source: SunTran

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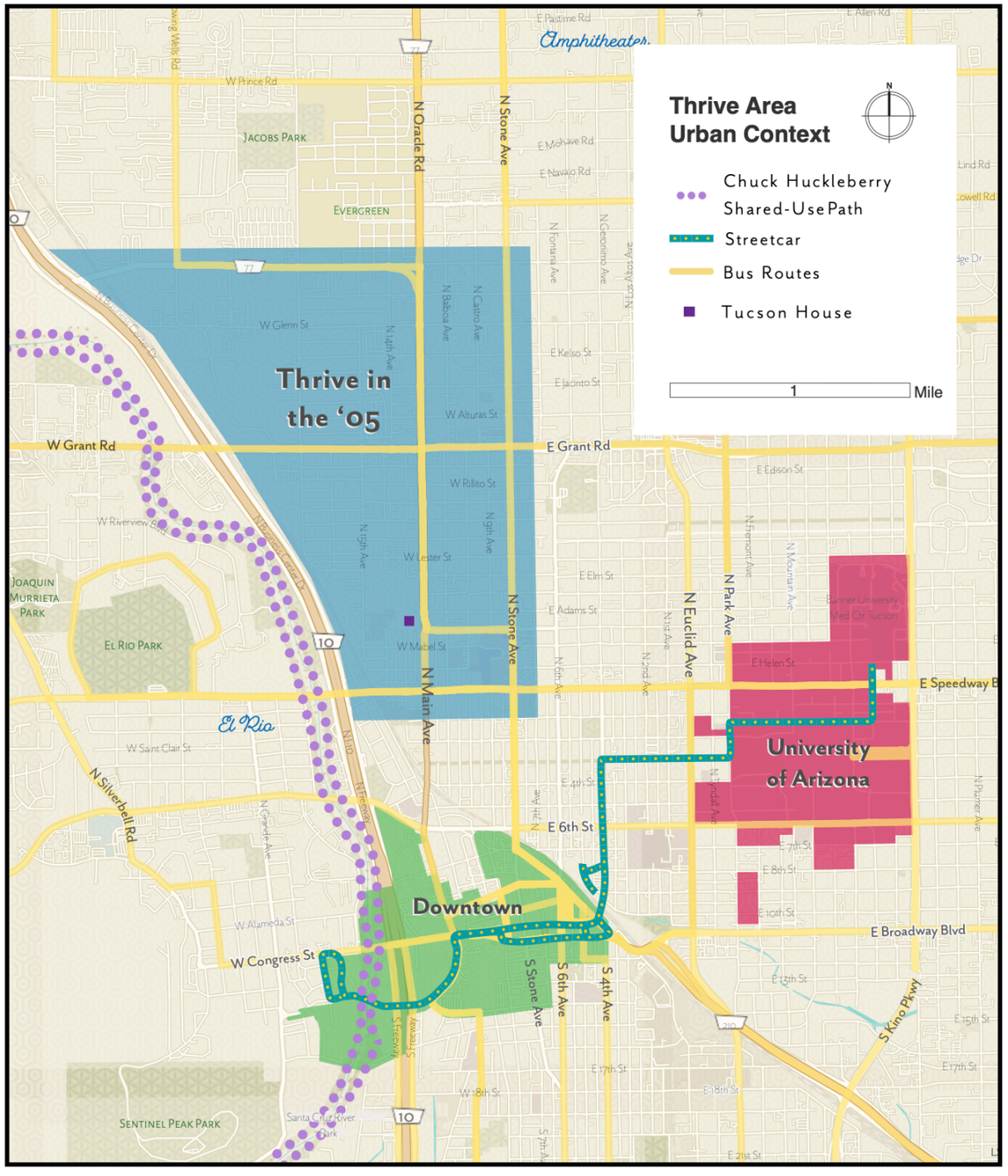
In addition to varied residential areas, Ward 3 is ideally suited for commercial and industrial development within the City of Tucson…(cont'd)

- Fiber-optic cables tend to run along railroad lines, enabling strong internet access within the vicinity

Note: images are representative along the Union Pacific line at Willcox, Arizona in the Arizona-Sonora Borderlands Region

260930

“Thrive in the 05” is an existing plan for transformation of the Oracle Road and Miracle Mile area of Ward 3



Source: City of Tucson

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"Thrive in the 05" is an existing plan for transformation of the Oracle Road and Miracle Mile area of Ward 3…(cont'd)

The Plan

Neighborhood	Housing	People & Education	Workforce & Economic Development
Goal: The Thrive in the 05 will feature active and Safe public spaces and amenities that connect people with one another, and to jobs, services, the outdoors, and the community's cultural heritage.	**Goal:** A vibrant, mixed-use, mixed-income, multigenerational community where existing and new residents have access to decent, safe, affordable housing whether rental or homeownership.	**Goal:** Residents have access to resources and programs in safety, education, health, and human services that create pathways of opportunity to support them achieving their full potential.	**Goal:** The Thrive in the 05 is a place of sustainable, inclusive, and equitable growth achieved through investments in local workers, entrepreneurs, and businesses.
Strategy 1 Invest in multi-modal transportation to provide access to services, jobs, education, and community amenities	Strategy 1 Provide a variety of housing types suitable to diverse households	Strategy 1 Improve safety and well-being in the Thrive in the 05 community	Strategy 1 Promote equitable economic mobility and inclusive growth for local businesses and current residents
Strategy 2 Build the health and environmental resilience of the neighborhood	Strategy 2 Support existing homeowners and create new homeowners	Strategy 2 Improve health equity and connect underserved residents with health service providers	Strategy 2 Pursue economic development through investments in workforce development
Strategy 3 Enhance neighborhood safety and beautification through community collaborations	Strategy 3 Increase and retain affordable and mixed-income housing options	Strategy 3 Provide high quality education options from early childhood through high school	Strategy 3 Establish mixed-use nodes with neighborhood-serving retail
Strategy 4 Strengthen the identity of the area through place making and historic and cultural preservation	Strategy 4 Establish Tucson House as a national model for affordable aging in place	Strategy 4 Offer on-site services and programming at Tucson House	Strategy 4 Promote the unique economic character of the area

Source: City of Tucson

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As a commercial and industrial center, Ward 3 leads the way for economic development within the City of Tucson and beyond

- By establishing Ward 3 as a commercial and industrial center that attracts, expands, and retains a strong corporate presence, it will be clear that Tucson:

  - Is open to investment in business going forward

  - Leads collaborative economic development in Baja Arizona

  - Is a major contributor to Arizona's economy and to the transborder economy with Sonora, Mexico

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One approach to building on Tucson's economy is to integrate and leverage the resources it already has

- Integrate:

  - Strengthening economic relationships within the Tucson Metropolitan Area, Baja Arizona, and Alta Sonora - a diverse region with many industries, especially:

    ➡ Agriculture

    ➡ Manufacturing and mining

    ➡ Tourism and gastronomy

- Leverage:

  - Attracting investment and encouraging entrepreneurship and risk-taking in emerging knowledge-based and high-tech industries that can complement and integrate with existing industries

One approach to improving Tucson's economy is to integrate and leverage the resources it already has…(cont'd)

- Thus, brand and market Ward 3 and the City as a major business center open for investment

- Tucson's major commercial and industrial strengths include:

  - Proximity to Mexico's produce and manufacturing industries, from which high volumes of exports travel to Southern Arizona, and through the local road and rail transportation hubs

  - Recognized leadership positions in the core industries: aerospace, defense, biosciences, optics and photonics, renewable energy, and natural resources

  - Leading university town

  - Free of natural disasters

  - Host of the world's leading
    "Gem, Fossil, and Mineral Showcase"

  - Host of "El Tour de Tucson"

  - UNESCO Creative City for Gastronomy, coupled with a vibrant arts and entertainment culture

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A second approach is for Tucson to lead as the capital of the "Arizona-Sonora Borderlands Region" in conjunction with the regional cities

- Emphasizing a leadership role that Tucson has played before and is perceived to play now
- Building on prior and existing relationships between Arizona and Sonora from Casa Grande to Guaymas and over to Agua Prieta/Douglas - additional key cities include Bisbee, Cananea, Douglas, Eloy, Hermosillo, Nogales (Arizona), Nogales (Sonora), Safford, Sierra Vista, Tombstone, and Willcox
- Providing a major opportunity for integration and leverage of both existing and emerging industries
- Being the home to the Southern Arizona Hispanic Chamber of Commerce, The Chamber of Southern Arizona, and the Community Foundation for Southern Arizona, with a Mexican consulate - the Arizona Technology Council maintains a presence in Tucson
- Positioning Ward 3 as the commercial, industrial, and transportation and logistics hub of the Arizona-Sonora Borderlands Region, and a leader in its coordination

260930

A second approach is for Tucson to lead as the capital of the Arizona-Sonora Borderlands Region in conjunction with the regional cities…(cont'd)

- The Arizona-Sonora Borderlands Region is abundant in resources and opportunity:

- Arizona - cattle, citrus, climate, copper, cotton

- Sonora - agriculture, fishing, mining, ranching (+ lithium)

260930

A second approach is for Tucson to lead as the capital of the Arizona-Sonora Borderlands Region in conjunction with the regional cities…(cont'd)

- The Arizona-Sonora Borderlands Region is an area of culturally similar but varying industries that are heavily integrated across the United States' border with Mexico through business and family relationships that encourage cross-border imports and exports:

  - Baja Arizona - the area south of the Gila River, encompassing Cochise, Pima, and Santa Cruz counties, and the southern portions of Graham, Greenlee, and Pinal counties, rich in agriculture and mining

  - Alta Sonora:

    ➡ Agriculture - exports to the United States via Nogales and Douglas

    ➡ Export manufacturing and maquiladoras in the aerospace and automotive industries

    ➡ Mining, including copper, graphite, and lithium

    ➡ Semiconductor ecosystem based on packing, sealing, and testing

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A second approach is for Tucson to lead as the capital of the "Arizona-Sonora Borderlands Region" in conjunction with the regional cities…(cont'd)

- The "Arizona-Sonora Borderlands Region":
  - A center of innovation at leading universities in Arizona and Sonora
  - Recognized world-wide for mining expertise
  - Relatively free of natural disasters
  - Has a bilingual workforce
  - Is culturally rich in the arts, entertainment, and gastronomy - many of the food products are organic and sourced within the region on both sides of the border
  - A major tourist destination

James Beard Award winning Hot Dog - El Guero Canelo

A second approach is for Tucson to lead as the capital of the Arizona-Sonora Borderlands Region in conjunction with the regional cities…(cont'd)

- The "Arizona-Sonora Borderlands Region"…(cont'd)
  - Commodity exports from Arizona to Mexico
    - ➡Copper ore and concentrates
    - ➡Electronics
    - ➡Aircraft engines and parts
    - ➡Plastic articles
  - Commodity imports to Arizona from Mexico
    - ➡Fresh Produce
    - ➡Insulated wiring sets for aircraft, vehicles, and ships
    - ➡Electronics
    - ➡Engines and motor parts

Source: Unis - Port of Guaymas, Sonora, Mexico

Source: University of Arizona

260930

A second approach is for Tucson to lead as the capital of the Arizona-Sonora Borderlands Region in conjunction with the regional cities…(cont'd)

- The "Arizona-Sonora Borderlands Region"…(cont'd):

  - Additional major cities in Arizona include Bisbee, Casa Grande, Douglas, Eloy, Nogales, Safford, and Sierra Vista

  - Major cities in Sonora include Agua Prieta, Cananea, Guaymas, Hermosillo, and Nogales

  - Tombstone and Willcox are centers for tourism and viticulture

  - Gateway cities with ports of entry include Agua Prieta/Douglas and Nogales (Arizona and Sonora)

Source:
Nogales Santa Cruz County Economic Development Foundation

Note: a new port of entry is under construction at Agua Prieta/Douglas

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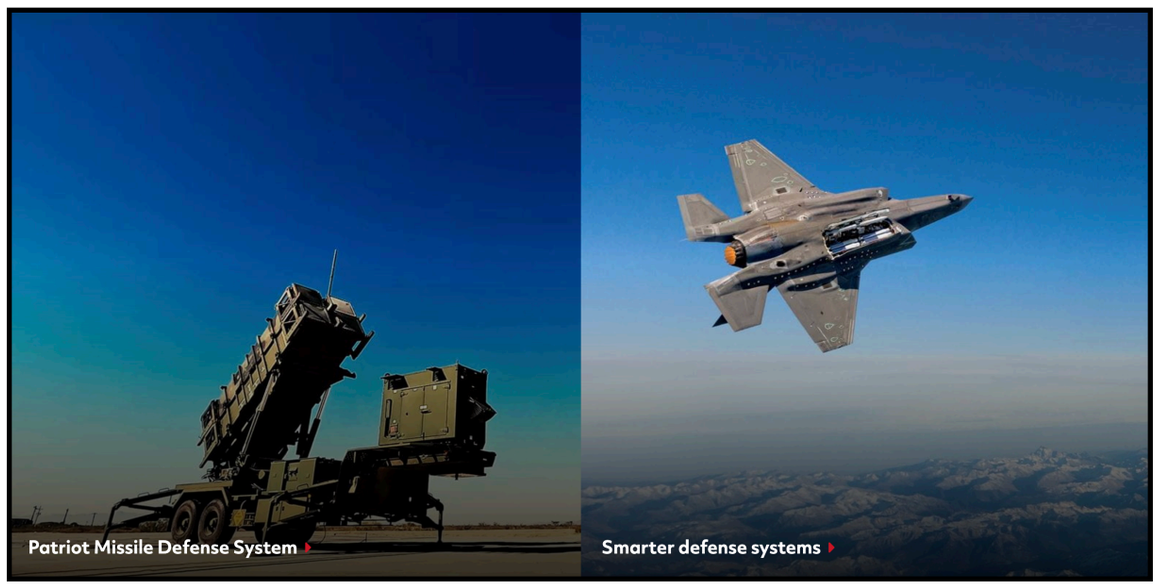
A second approach is for Tucson to lead as the capital of the Arizona-Sonora Borderlands Region in conjunction with the regional cities…(cont'd)

- Major businesses with facilities in the Tucson Metropolitan Area (beyond Ward 3):
  - Bombardier Aerospace
  - Caterpillar
  - Cemex (Monterrey, Nuevo León)
  - Freeport-McMoRan
  - Hexagon Mining
  - Intuit
  - Northrup Grumman
  - Raytheon
    (the largest employer, together with Davis-Monthan Air Force Base and the University of Arizona)
  - Roche Tissue Diagnostics
  - Sargent Aerospace and Defense
  - Swire Coca-Cola (subsidiary of John Swire & Sons, Ltd - UK/Hong Kong)
  - Universal Avionics



Source: Raytheon

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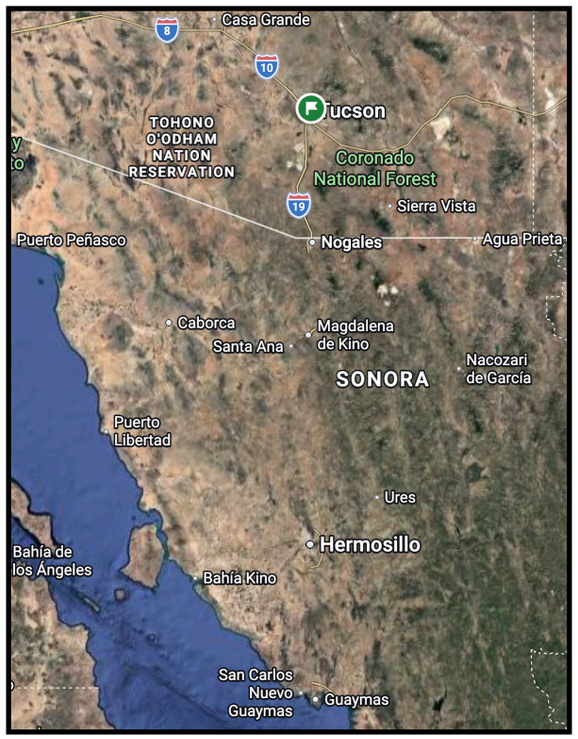
A second approach is for Tucson to lead as the capital of the Arizona-Sonora Borderlands Region in conjunction with the regional cities…(cont'd)

- Major businesses with facilities in Baja Arizona outside the Tucson Metropolitan Area:

  - Abbott Laboratories
  - Becton Dickinson
  - Eds Manufacturing
  - Freeport McMoran
  - Kelcourt Plastics
  - Lucid Motors
  - Wholesum Family Farms

Source: Google

A second approach is for Tucson to lead as the capital of the Arizona-Sonora Borderlands Region in conjunction with the regional cities…(cont'd)

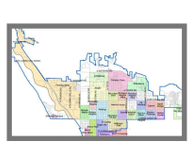


- Representative businesses located in Tucson with a presence in Sonora:

  - Airtronics

  - Leonardo Electronics

  - W. Silver Recycling



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A second approach is for Tucson to lead as the capital of the Arizona-Sonora Borderlands Region in conjunction with the regional cities…(cont'd)

- Major businesses with facilities in Sonora:
  - ABB
  - Cemex
  - Ford Motor Company
  - General Electric
  - Grupo Gamas
  - Heineken
  - Kimberly Clark
  - Nestlé
  - Wholesum Family Farms

The Arizona-Sonora relationship continues to expand as Arizona becomes a hotbed for innovation and investment in the semiconductor, energy, electric vehicles, and logistics industries.

Hermosillo and Sonora, respectively, need to seek the synergy with its northern neighbor to further strengthen Arizona's sales pitch as an investment destination that can leverage its international border and diversify its value chains with cheaper, competitive labor, outsourced processes, and specialization in distribution and R&D efforts. In 2023, Arizona's exports to Sonora accounted for 30% of all of the state's international exports.

Mexico's federal government introduced the PLAN SONORA with the aim of increasing its renewable energy footprint, attracting FDI related to the semiconductor industry, and expand exploration and extraction of lithium and other strategic minerals. The plan has three pillars: large-scale clean energy generation, the development of strategic green infrastructure, strengthened value chains for strategic minerals linked to electromobility and semiconductors, and the development of human capital.

Source: Grupo Gamas - Customs Brokers and Logistics - Nogales, Sonora

260930

A second approach is for Tucson to lead as the capital of the Arizona-Sonora Borderlands Region in conjunction with the regional cities…(cont'd)

- Host a semi-annual "Arizona-Sonora Borderlands Region Opportunities Showcase," rotating between major cities within the region (in conjunction with the Arizona-Mexico Commission) to:
  - Discuss and share information about economic opportunities within the region
  - Discuss best practices in cross-border trade and regional development
  - Support the United States - Mexico - Canada (USMCA) Agreement - encouraging increased Canadian and Mexican investment in Baja Arizona
- Host "Arizona-Sonora Borderlands Summit" - an international event to showcase what the Arizona-Sonora Borderlands Region can offer businesses and investors from Asia-Pacific, Europe, and Latin America, especially to stimulate investment from Mexico

Arizona-Sonora Borderlands Region Opportunities Showcase

Trade show

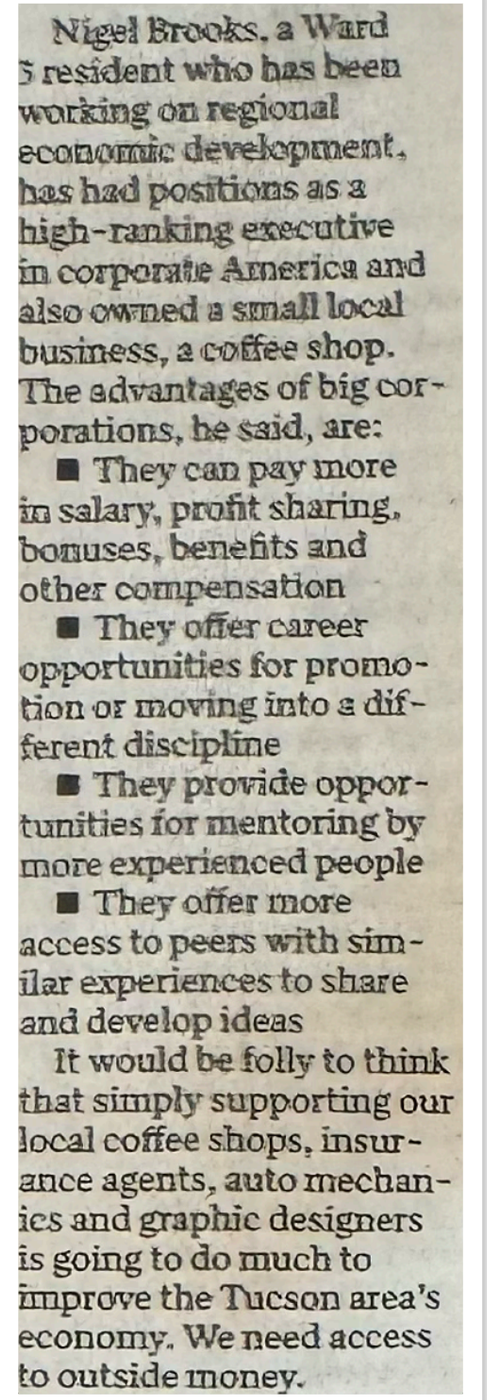
Arizona-Sonora Borderlands Region Summit

International business and investor attraction event

260930

A third approach is to attract out-of-area businesses to Ward 3, the City, and the Baja Arizona Region

- Out-of-state employers may:
  - Pay more, such that local incomes rise, but less than the national averages, and benefit from a local workforce that enjoys the lifestyle that Tucson and Baja Arizona have to offer
  - Bring “best practices” to the region
  - Help promote the region as a major business area nationally and internationally
  - Offer career growth opportunities not locally available
- Candidate companies include consulting and contracting firms that may already have relationships with local companies and/or are willing to invest in local facilities, such as “software factories”
- Opportunities also exist to leverage relationships with companies in Asia, Europe, and Latin America, including:
  - Asia: Hong Kong (Swire Group) and Taiwan (semiconductor supply chains and entrepreneurial opportunities)
  - Europe: Aerospace
  - Latin America: Aerospace



Nigel Brooks, a Ward 3 resident who has been working on regional economic development, has had positions as a high-ranking executive in corporate America and also owned a small local business, a coffee shop. The advantages of big corporations, he said, are:

■ They can pay more in salary, profit sharing, bonuses, benefits and other compensation

■ They offer career opportunities for promotion or moving into a different discipline

■ They provide opportunities for mentoring by more experienced people

■ They offer more access to peers with similar experiences to share and develop ideas

It would be folly to think that simply supporting our local coffee shops, insurance agents, auto mechanics and graphic designers is going to do much to improve the Tucson area's economy. We need access to outside money.

Source: Arizona Daily Star

260930

A third approach is to attract out-of-area businesses to Ward 3, the City, and the Baja Arizona Region…(cont'd)

- Obstacles to overcome:
  - Publicity that wages are low
  - Poor infrastructure
  - Complicated and lengthy permitting process
  - Highly debated rezoning process
  - Resistance to larger corporations entering the marketplace

- Challenge - allowing larger businesses to enter the market without destroying the fabric of Tucson's small business "boutique" culture

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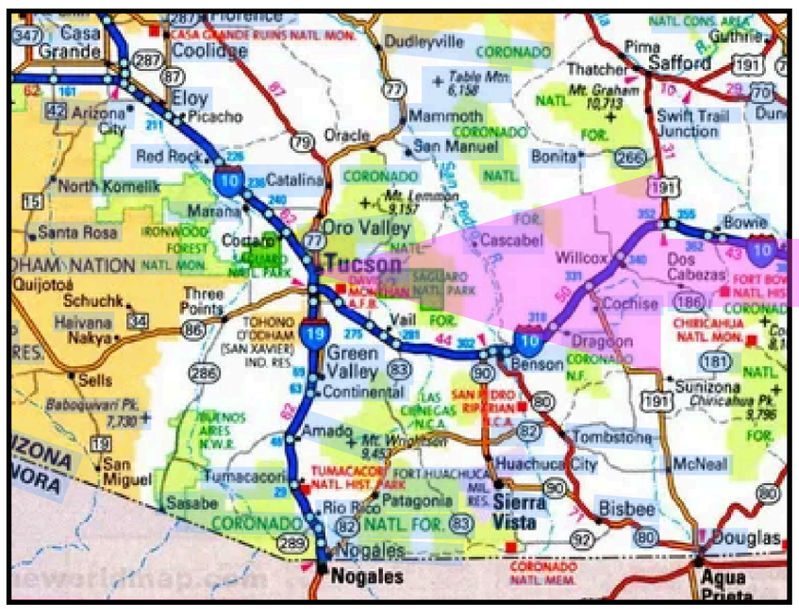
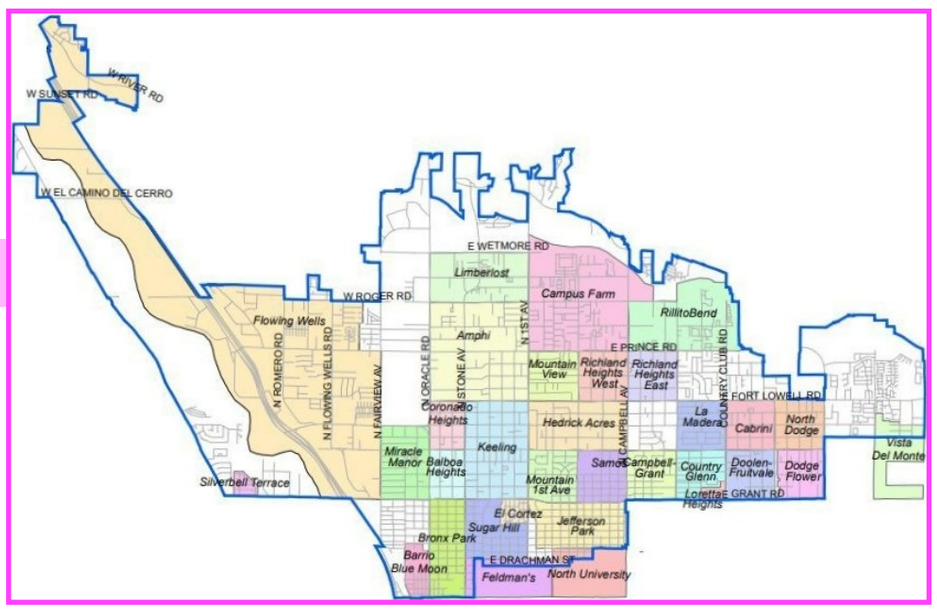
Ward 3 is strategically well-positioned geographically as the transportation and logistics hub for the Arizona-Sonora Borderlands Region, supported by related commercial and industrial development



Source: Google



Source: Ward 3

- I-10 leading to a connection with I-19 for trucks serving the maquiladoras in Sonora
- Home to many trucking terminals
- Union Pacific main line to Chicago, Dallas, Denver, and Houston, and leading to a branch to Nogales, Sonora, and beyond in Mexico
- Land available for development or redevelopment

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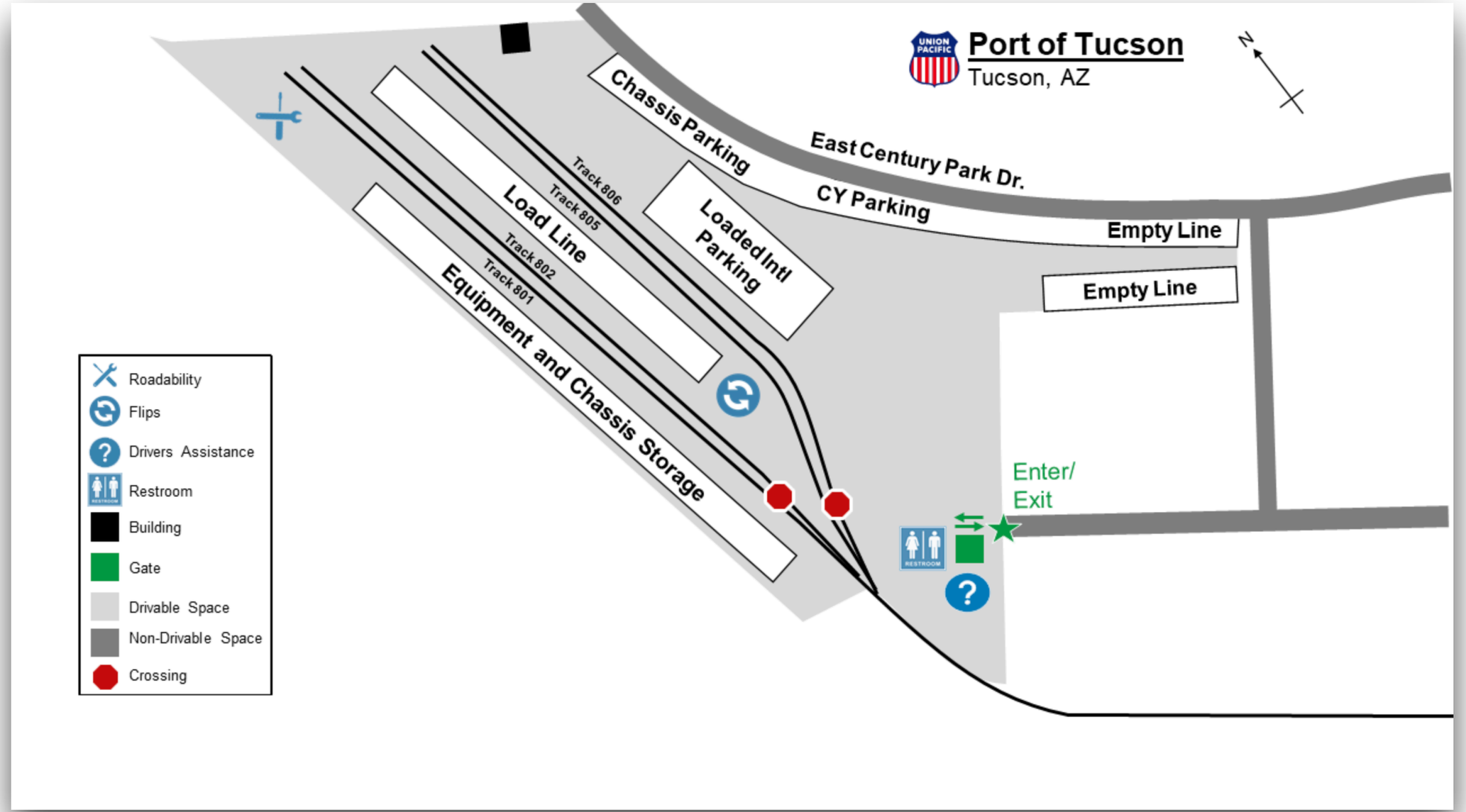
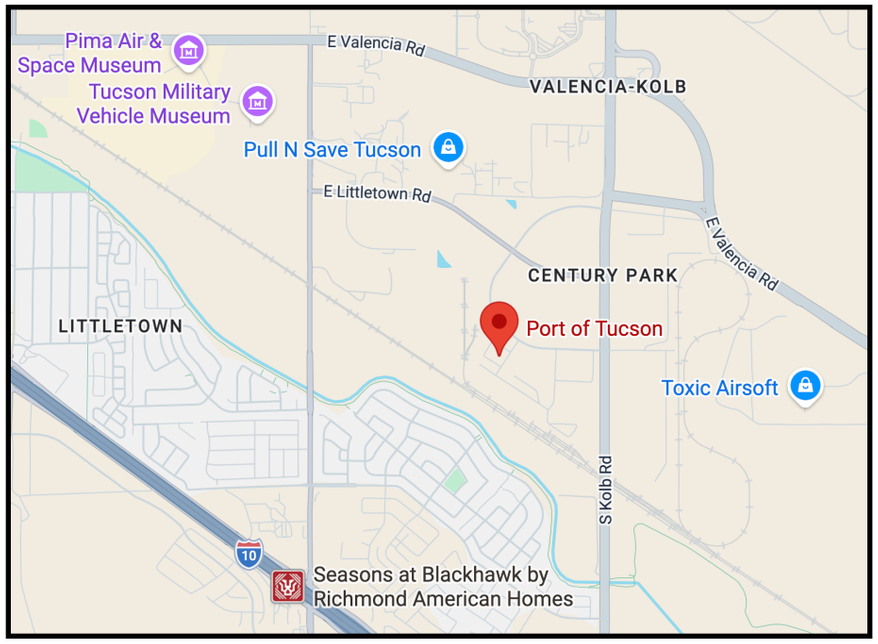
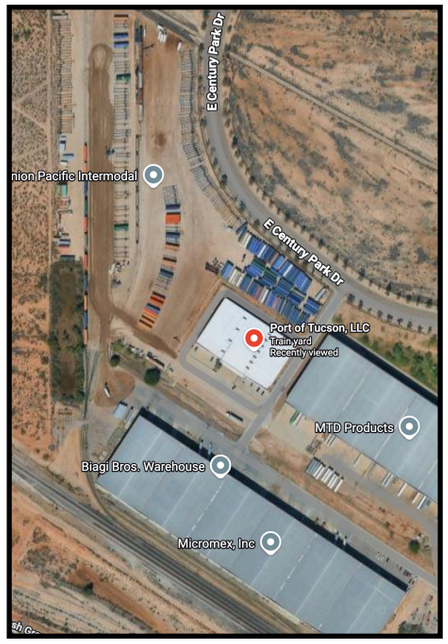
The Port of Tucson is located adjacent to Ward 3 and operates as an inland port



Source: Union Pacific

The Port of Tucson is located adjacent to Ward 3 and operates as an inland port…(cont'd)





Source: Google

- The Port is a dry inland intermodal facility
- It provides domestic and international intermodal shipments to the Southwest United States
- Operated in conjunction with Union Pacific International

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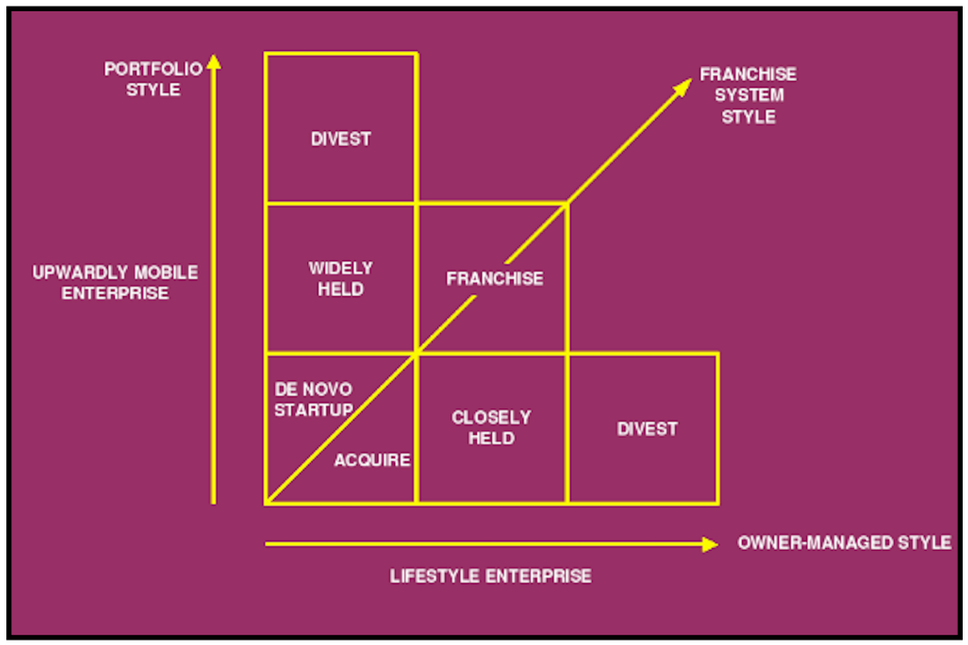
Entrepreneurship and small business development opportunities are abundant in the Baja Arizona Region



Source: The Individual as an Enterprise

Source: City of Tucson Small Business Center

- Entrepreneurs take risk and start businesses with a vision and mission - their owners maintain and enhance them
- Definitions of small businesses vary - less than 100 employees or $1 million in revenue - depending on aspiration, some grow larger, while others fail
- Lifestyle enterprises serve the needs of local and regional communities, usually owned and operated by individuals, families, or partners - the lifeblood of every community
- Upwardly mobile enterprises serve the needs of large and foreign markets - widely held by large groups of public investors, or private investors through investment funds, and operated by a professional management team, but usually start small - examples include Walmart, Facebook, and the Ford Motor Company
- Franchise systems offer a hybrid - the franchisor is an upwardly mobile enterprise, and the franchisee is a lifestyle enterprise - examples include McDonald's, Holiday Inn, and H&R Block

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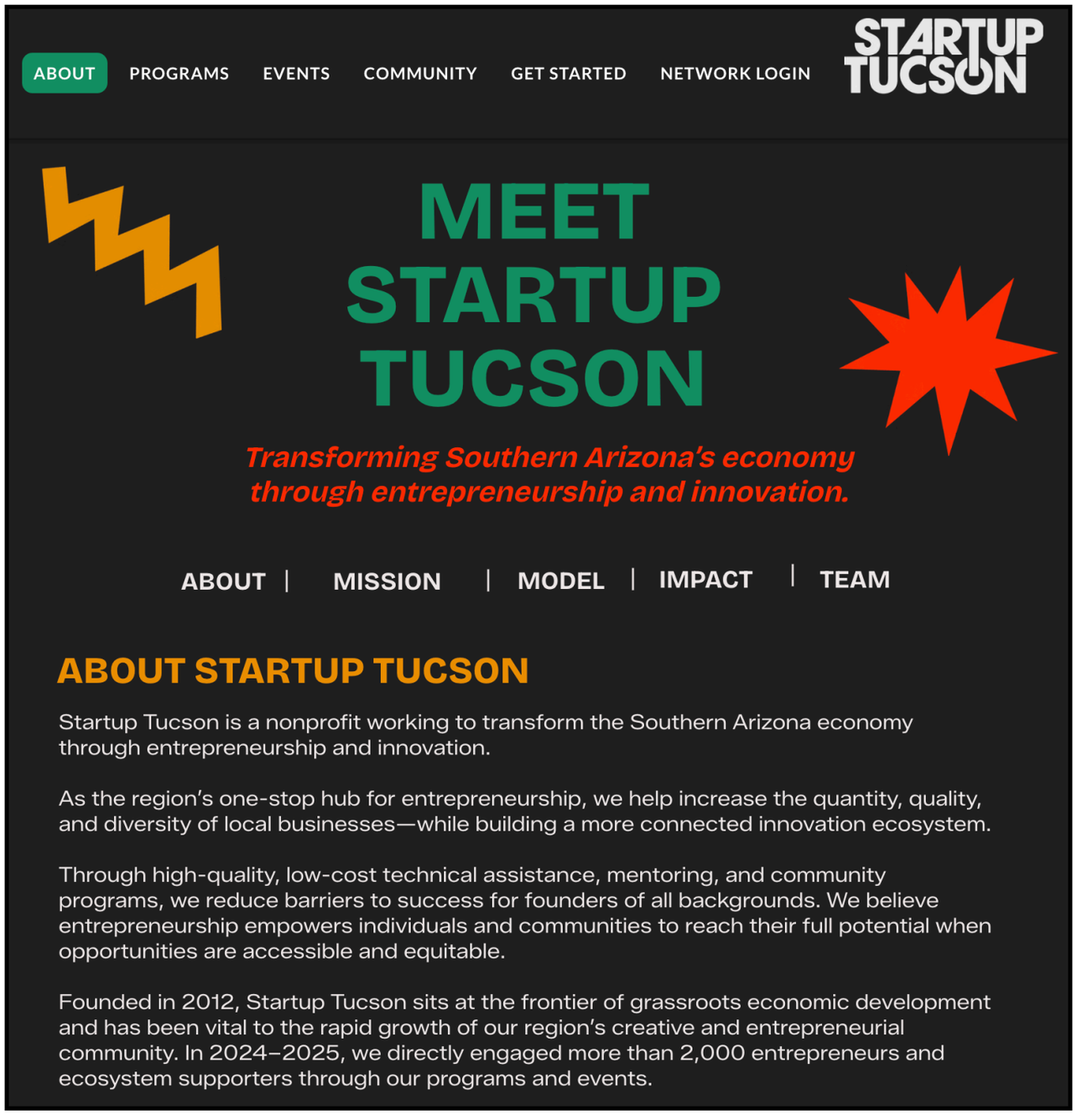
Entrepreneurship and small business development opportunities are abundant in the Baja Arizona Region…(cont'd)



Source: https://www.startuptucson.com

Southern Arizona's entrepreneurial community network

Entrepreneurship and small business development opportunities are abundant in the Baja Arizona Region…(cont'd)

- Supply side: The City of Tucson Small Business Center offers resources for future business owners to operate within Ward 3, based upon commercial and industrial demand, with assistance from:

  - Groundswell Capital

  - Tucson Industrial Development Authority

- Demand side: the specific industries, knowledge, and skills of future small business owners in Ward 3 will be determined by the marketplace, including larger operators within the area seeking collaborative partnerships - for example:

  - In Gastronomy - small business owners of tortilla factories working collaboratively with larger food processors

  - In Lapidary - small business machinists for processing gems, working collaboratively with gem dealers

  - In vocational industries - businesses in the trades working collaboratively with residential, commercial, and industrial real estate developers and property managers

260930

Lifestyle small businesses have limited capacity for higher paying jobs

- Tucson has the highest percentage of family-owned businesses of any metropolitan area in the United States
  Source: Groundswell Capital

- Most have fewer than 10 employees; microbusinesses have fewer than 5:

  - Product-driven (with inventory):

    ➡ Auto-repair

    ➡ Beauty and hair salons

    ➡ Food service, restaurants, bars, and coffee shops

    ➡ Healthcare - medical facilities

    ➡ Light manufacturing and machine shops

    ➡ Retail

    ➡ Trades - electricians, HVAC, landscapers, plumbers, etc

    ➡ Etc

  -

  - Service-driven:

    ➡ Delivery services such Uber, Lyft, taxis, etc

    ➡ Dry cleaners

    ➡ Insurance agencies

    ➡ Medical practitioners - dentists, doctors, etc

    ➡ Professional service firms:
    accounting, architectural, consulting, engineering, financial, information technology, legal, marketing, etc.

    ➡ Real estate developers and brokers

    ➡ Etc

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Lifestyle small businesses have limited capacity for higher paying jobs…(cont'd)

- Whereas small businesses employ a large percentage of the workforce, deliver the fabric of the local culture, and are test grounds for entrepreneurship, they have constraints:

  - Access to both working and investment capital is limited

  - Net margins on a low revenue base are tight (pre-tax for sole proprietorships, limited liability companies, and "S" corporations - owner draw may not necessarily be included):

    ➡ Average: 7 - 10%

    ➡ Construction: 3%

    ➡ Restaurants: 10%

    ➡ Retail: 2 - 5%

  Source: Small Business Administration

LOCAL FIRST ARIZONA™

Locally owned businesses

- Owners are often burdened by excessive regulations and administration
- Lease obligations may be burdensome
- Cost of revenue/cost of goods sold may be higher than large-scale competitors
- Employee compensation is limited to near minimum wage without additional benefits
- Revenue growth opportunities may be limited by a single location

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Lifestyle small businesses have limited capacity for higher paying jobs…(cont'd)

- To overcome these constraints, a lifestyle small business can:

  - Expand market reach from a single location through an online presence

  - Expand product offerings

  - Adopt an upwardly mobile model with additional owner-managed locations to increase net margins on a higher revenue base:

    ➡ Expansion model duplicating the original concept:

    ✓ Physical locations in the same market

    ✓ Physical locations beyond the same market

    ➡ By increasing net margins, higher employee compensation offerings become more feasible, but managerial overhead in terms of spans of control increases complexity

    ➡ Ultimately, expansion can be achieved from public offerings - for example, Starbucks, Walmart, etc

- An alternative to owner-managed locations is a franchise system, whereby additional locations are independently owned by franchisees, who use their own capital - margins can be thin in franchised locations, and thus higher employee compensation opportunities are limited

To grow the economy in Ward 3 and the region, upward mobility is essential

- Higher-paying jobs can be achieved through upward mobility

  - When the margins in local small businesses grow to provide for increased compensation levels

  - When entrepreneurial start-ups reach large markets, they often result from technology transfer opportunities with universities

  - When out-of-area upwardly mobile businesses enter the local marketplace that have higher compensation levels - characteristics include:

    ➡ Large publicly traded corporations - net profit margin on a high revenue base post-tax:

    ✓ Average: 9.72%

    ✓ Average high-tech enterprises: 25 - 30%

    Source: NYU - Stern

    Candidate companies

    Source: Fortune

  - Large non-profits, such as academic institutions and healthcare facilities, may provide higher-paying jobs

Tucson cannot solely rely upon an economy that does not provide for upward mobility

260930

Roche Tissue Diagnostics is a major technology transfer entrepreneurial success story - an upwardly mobile enterprise

- Roche Tissue Diagnostics, part of the Diagnostics division of F. Hoffman-La Roche AG, headquartered in Basel, Switzerland, was founded in Tucson by Thomas Grogan, MD as Ventana Medical Systems, Inc. in 1985

- Ventana Medical Systems became publicly traded in 1996 as VMSI raising $21.6 million from 2,050,000 shares

- Ventana Medical Systems acquired Spring BioScience Corporation in 2007, and later that year rejected a hostile takeover bid from Roche Holding AG for $75 per share

- In 2008, Roche acquired Ventana with a cash offer of $3.4 billion ($89.50 per share)

A role model enterprise

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However, only three publicly-traded companies are currently headquartered in Tucson

1. AudioEye (AEYE) - helps websites comply with ADA requirements

2. Accelerate Diagnostics (AXDX) - medical diagnostics

3. Applied Energetics (AERG) - energy and optical systems for the aerospace and defense industries

- Mister Car Wash (MCW) - the largest car wash company in the world - became a private company in May 2026

- Two national publicly traded companies have a strong presence in Tucson:

  - Caterpillar (CAT) - surface mining and technology division

  - Raytheon (RTX) - missiles and defense division

  Canadian company Bombardier has a strong presence in Tucson, traded on the Toronto Stock Exchange

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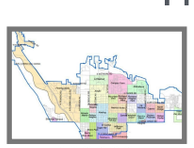
Changes in sources of income can affect the mix of economic activity in a community

- Historically, employees were loyal to one employer for long periods of time, especially in large corporations
- However, increased adoption of information technology (especially artificial intelligence) and reengineering activities leading to layoffs have led to changes in how individuals, especially young people, earn income over time
- Unlike prior generations, individuals today are more likely to have multiple sources of income, the mix of which can change over time, even for full-time employment - sources include:
  - Full-time employment - moving from job to job to obtain promotions with income increases
  - Part-time employment - augmented with other income opportunities
  - Independent consulting/contracting - augmenting or instead of employment opportunities
  - Delivery services such as Uber, Lyft, DoorDash, etc
  - Royalties from network and/or referral marketing, publishing, etc
  - Distributions (dividends) from entrepreneurship and business ownership
  - Dividends and interest from portfolio investments
  - Capital appreciation from entrepreneurship, trading, and investment portfolio management
- These changes can affect the ability of employers to attract and retain qualified employees



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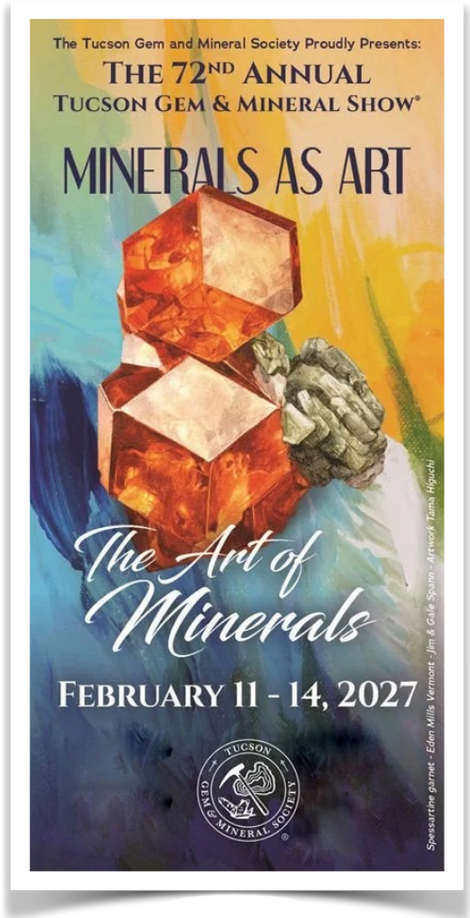
The Gastronomy, Lapidary, Mining, and Travel and Tourism industries offer opportunities for Ward 3, the City, and the Baja Arizona

- All four industries are interconnected:
  - Leverage Tucson's reputation and culture
    - ➡ UNESCO Creative Cities Network
      - Gastronomic Creative City since 2015
    - ➡ World's largest "Gem, Fossil, and Mineral Showcase"
    - ➡ Center of excellence for environmentally-friendly mining technological innovation
    - ➡ Natural beauty and the history of the region
  - Provide opportunities for:
    - ➡ Small to medium business entrepreneurship - both upwardly mobile (large national and foreign markets) and lifestyle (local and regional)
    - ➡ Professional and vocational employment across a wide range of knowledge and skills
    - ➡ Integration with other industries peculiar to the Arizona-Sonora Borderlands Region



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The Gastronomy industry offers an opportunity for food processors within Ward 3, the City, and the Arizona-Sonora Borderlands Region to distribute specialty products nationwide and internationally

- Tucson has a rich food culture blending Indigenous, Mexican, and European recipes

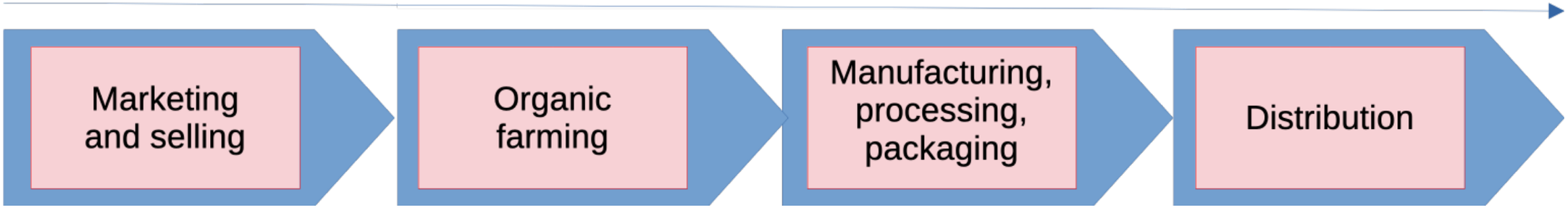
- The Arizona-Sonora Borderlands Region gastronomic supply chain is local to global:

  - Sourcing organic food products from agricultural enterprises in Baja Arizona and Alta Sonora, and from Campus Farm in partnership with the University of Arizona

  - Manufacturing, processing, and packaging food products, especially within Ward 3

  - Distributing food products within the United States and exporting them across the world

From the Arizona-Sonora Borderlands Region to the World



Gastronomic supply chain from "*farm to plate*" in restaurants and homes

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The Gastronomy industry offers an opportunity for food processors within Ward 3, the City, and the Arizona-Sonora Borderlands Region to distribute specialty products nationwide and internationally…(cont'd)

- The industry:
  - Leverages knowledge and resources from other industries, including:
    - ➡ Knowledge-based - farming and marketing
    - ➡ High-tech - specialty manufacturing
    - ➡ Transportation and logistics
- Offers both professional and vocational career opportunities for a bilingual workforce
- Related industries include arts and entertainment, and movie-making

Source: KGUN9

The Gastronomy industry offers an opportunity for food processors within Ward 3, the City, and the Arizona-Sonora Borderlands Region to distribute specialty products nationwide and internationally…(cont'd)

- The Tucson Tamale Company was an example of a gastronomic food innovator that still manufactures in Ward 3, and distributes on a local to national basis through its parent company, Tucson Foods - unfortunately, the retail outlets have suffered economic and financial pressure

Source: Tucson Tamale Company

Source: Tucson Tamale Company

Restaurant closed June 2026 due to economic and financial pressures

Parent national business still operating

TUCSON FOODS

National distributor

- A tamale is a mesoamerican food made from corn-based dough filled with combinations of meats, cheeses, fruits, and vegetables

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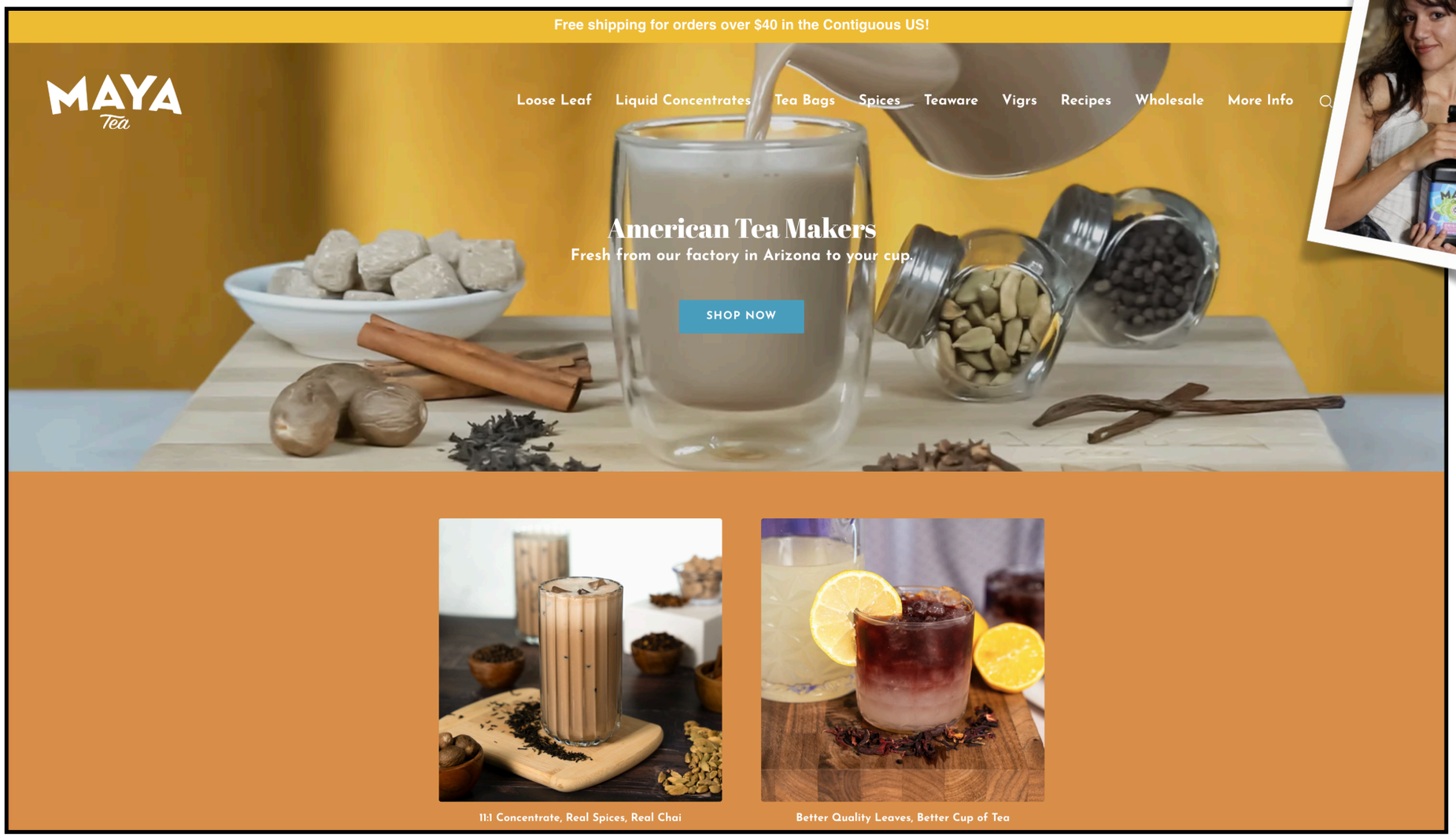
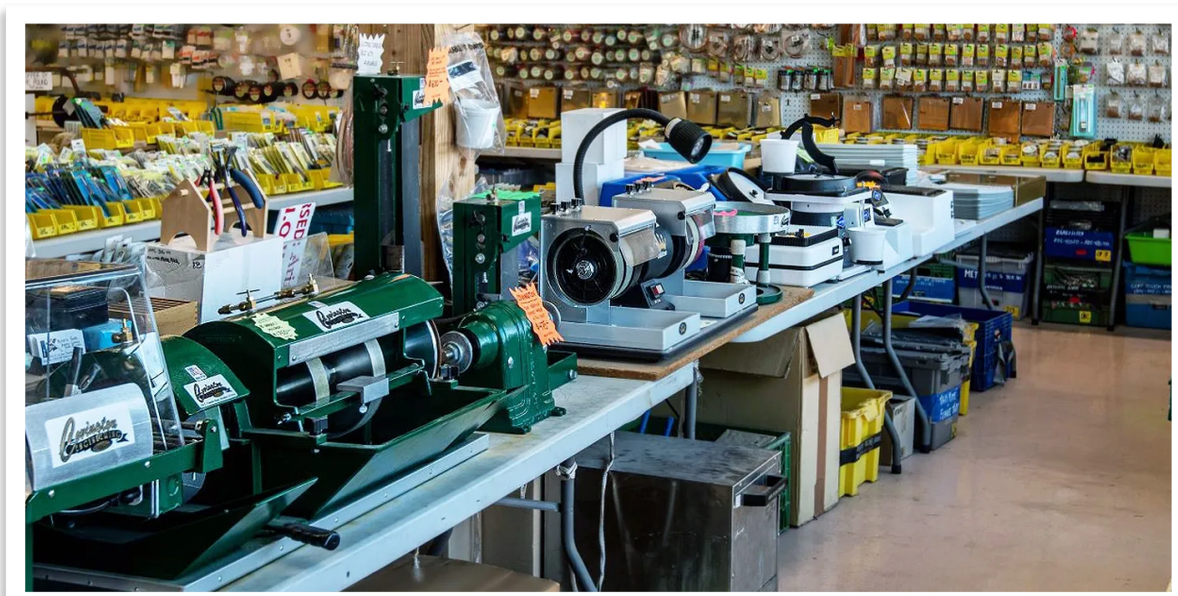
The Gastronomy industry offers an opportunity for food processors within Ward 3, the City, and the Arizona-Sonora Borderlands Region to distribute specialty products nationwide and internationally…(cont'd)

- "Maya Tea dreams up, mixes, packages, and ships from the Tucson facility in Ward 3 from globally sourced ingredients"



Source: mayatea.com

The Lapidary industry offers Ward 3, the City, and the Arizona-Sonora Borderlands Region the opportunity to promote gem, mineral, and jewelry processing capabilities nationwide and internationally



Source: Kent's Tools

- To take advantage of:
  - Tucson's reputation as the host of the world's oldest and largest "Gem, Fossil, and Mineral Showcase"
  - The natural resources and mining facilities within the Arizona-Sonora Borderlands Region on both sides of the border
  - The transportation and logistics capabilities
- To build knowledge-based and high-tech industries related to environmentally responsible lapidary sourcing, manufacturing, and distribution, especially in jewelry design

260930

The “Gem, Fossil, and Mineral Showcase is the “jewel in the crown” for the lapidary industry in Tucson

Source: Tucson Gem and Mineral Society

- Multiple shows throughout Tucson and the year that generate direct retail sales for dealers, and stimulate tourism opportunities for hotels, restaurants and bars, and retailers:
  - Tucson Gem and Mineral Show
  - Mineral City Show
  - JOGS Gem and Jewelry Show
  - 22nd Street Show
- Puts Tucson on the global map

Quartz geode from Mexico
~ 44 million years old

- Enables Tucson-based dealers to promote the local economy and its products and services (the “Tucson” Brand) when traveling to shows elsewhere - effectively a “free” marketing opportunity

260930

The “Gem, Fossil, and Mineral Showcase is the “jewel in the crown” for the lapidary industry in Tucson…(cont’d)

- Economic impact key indicators for 2025:
  - $230M State GDP in Pima County
  - $131M labor income in Pima County
  - $11.6M direct taxes for the City of Tucson
  - 2,766 jobs in Pima County
  - 46 shows operated by 39 owners
  - 6,709 exhibitors, including 5,696 from outside Tucson
  - 113,342 unique buyers, including 49,564 from outside Tucson
  - Visiting buyers spent 5.5 days in the local area and spent $293.34 during each day of their stay
  - Visiting exhibitors spent 19.2 days in the local area and spent $185.73 during each day of their stay

Source: Arizona State University

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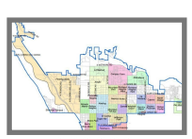
The "Gem, Fossil, and Mineral Showcase is the "jewel in the crown" for the lapidary industry in Tucson…(cont'd)

- The various shows serve different market segments by sales and purchases

Illustrative

- **Suppliers and dealers for wholesale/resale**:
  - ➡ Gems
  - ➡ Minerals
  - ➡ Fossils
  - ➡ Jewelry
- **Buyers for wholesale/resale**:
  - ➡ Gems
  - ➡ Minerals
  - ➡ Fossils
  - ➡ Jewelry
- **Suppliers and dealers for retail**:
  - ➡ Gems
  - ➡ Minerals
  - ➡ Fossils
  - ➡ Jewelry
- **Buyers for retail, including trade and consumers**:
  - ➡ Gems
  - ➡ Minerals
  - ➡ Fossils
  - ➡ Jewelry



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The "Gem, Fossil, and Mineral Showcase is the "jewel in the crown" for the lapidary industry in Tucson…(cont'd)

- The various shows serve different market segments by geography and demographics

  - Local to Tucson (City and metropolitan area)

  - Local to Arizona, especially in higher-income neighborhoods, such as Catalina Foothills, Chandler, and Scottsdale

  - Regional to the Southwest United States, such as Denver and Los Angeles

  - National cities such as New York and San Francisco

  - International:

    ➡ Americas

    ➡ Asia/Pacific - Nanjing and Tokyo

    ➡ Europe/Middle East/Africa - Munich and Sainte-Marie-aux-Mines

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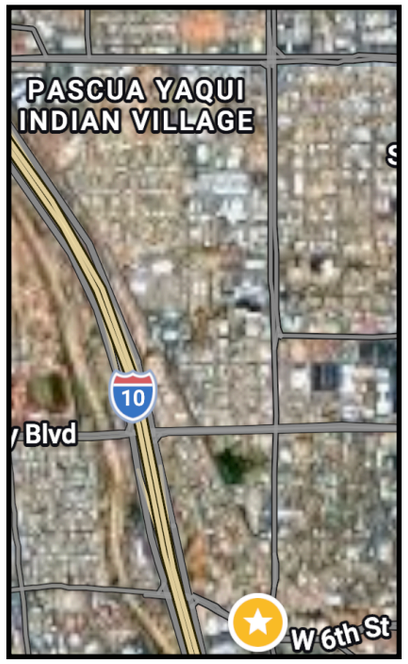
The “Gem, Fossil, and Mineral Showcase is the “jewel in the crown” for the lapidary industry in Tucson…(cont’d)



Source: Google

- The “Mineral Discovery District” and “Mineral Mile” are located in the area of Grant and Oracle/Main to St. Mary’s and Granada:

  - To recognize the gem, fossil, and mineral dealers in the neighborhood

  - To provide luxury hotels and a wide variety of dining alternatives to accommodate the out-of-town “high-value” buyers and visitors to the “Gem, Fossil, and Mineral Showcase”

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The Mining industry offers Ward 3, the City, and the Arizona-Sonora Borderlands Region an opportunity to be an innovator in modern environmentally-friendly technologies

- Caterpillar's Tucson Mining Center - an excellent example of a corporate relocation

Source: Smith Group for Caterpillar

- Developing and leveraging capabilities in both knowledge-based and high-tech industries based upon Tucson as an *innovator* in future advanced mining technologies, recognizing the effects of climate change and other environmental factors:

  - Improving safety, sustainability, and efficiency through advanced automation, artificial intelligence, and data analytics that benefit the entire planet

  - Developing technologies for advanced boring/drilling

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Copper and Lithium mining are major activities within the Arizona-Sonora Borderlands Region

- Copper mining:
  - Arizona produces between 65 - 75% of United States copper output - major mines in the Arizona-Sonora Borderlands Region include:
    - ➡ Copper World - near Tucson (Copper District)
    - ➡ Hermosa - Patagonia
    - ➡ Mission - Sahuarita (Tohono O'odham Reservation)
    - ➡ Morenci - the largest copper mine in North America
  - Sonora: Buenavista - Cananea
- Lithium mining - Sonora Lithium Project - Bacadéhuachi

Source: South 32

Copper and Lithium mining are major activities within the Arizona-Sonora Borderlands Region…(cont'd)

- Related activities include:

  - Lithium Battery Production - American Battery Factory

    ➡Factory located in Tucson

    ➡Company headquarters in American Fort, Utah

Source: America Battery Factory

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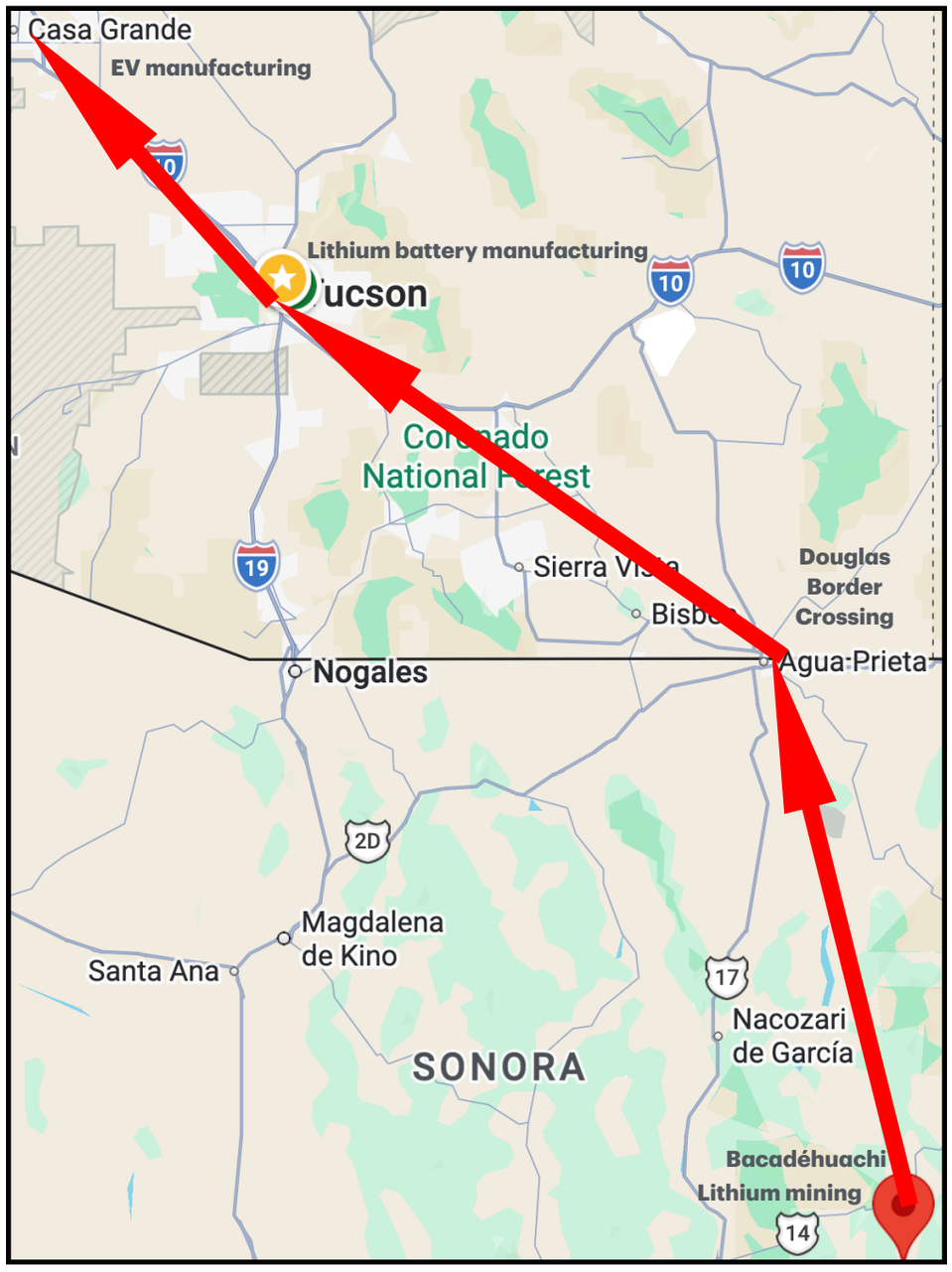
Copper and Lithium mining are major activities within the Arizona-Sonora Borderlands Region…(cont'd)

- The "Lithium trail" within the Arizona-Sonora Borderlands Region



Source: Google

The Travel and Tourism industry offers continuing opportunities for economic growth within Ward 3, the City, and the Baja Arizona Region

- Promote the natural beauty and history of the region from the Ward 3 office in conjunction with Visit Tucson; all easily accessible from Tucson, including:

  - Benson - Kartchner Caverns and Railroad Museum
  - Bisbee - Copper Queen Hotel, a mining town rich in history
  - Douglas - Gadsden Hotel, a mining town rich in history
  - Safford - Coronado National Forest and the “Wild West”
  - Sierra Vista - Fort Huachuca, Buffalo Soldiers, and the “Wild West”
  - Tombstone and the “Wild West”
  - Tubac/Tumacacori-Carmen - Arts community with historical mission and presidio
  - Tucson - Arizona-Sonora Desert Museum, arts and entertainment community, Biosphere, Mission San Xavier del Bac, Mount Lemmon, Old Tucson, etc
  - Willcox - Chiricahua Mountains, Rex Allen Museum, Apple and Wine Country

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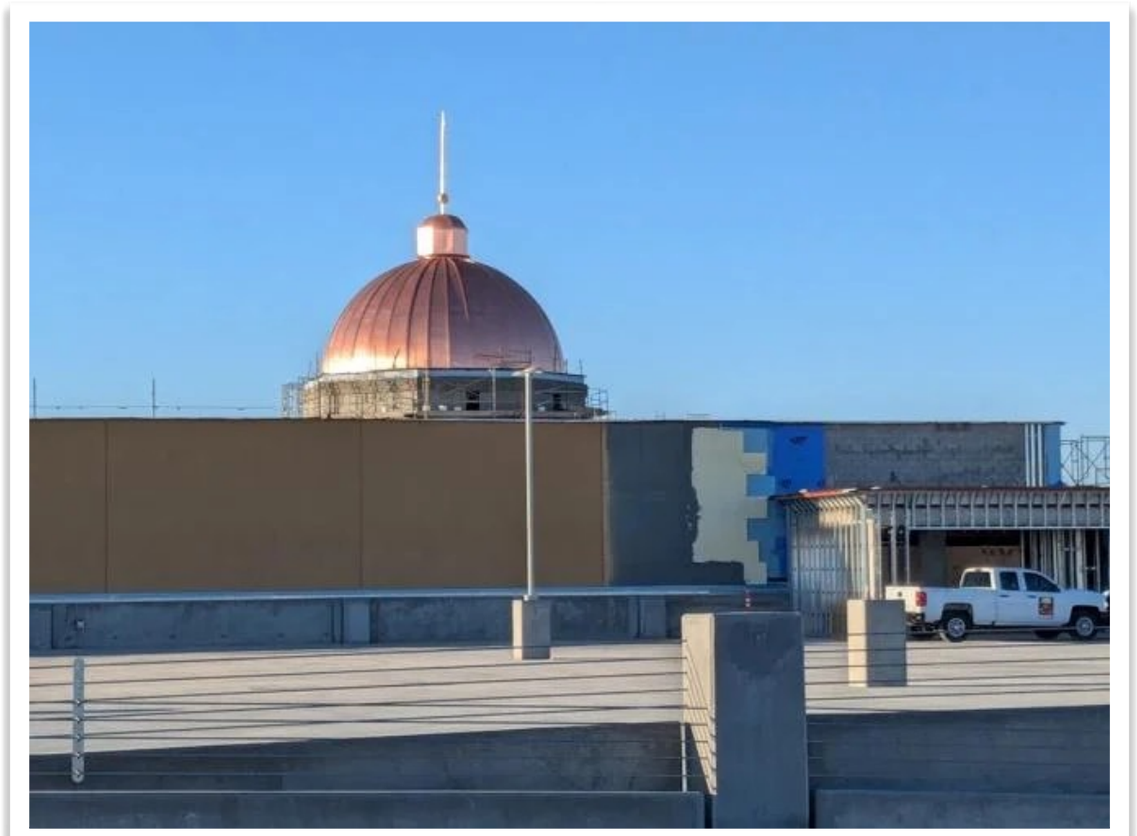
The Travel and Tourism industry offers continuing opportunities for economic growth within Ward 3, the City, and the Baja Arizona Region…(cont'd)

- Promote Ward 3's entertainment center in conjunction with Pascua Yaqui tribe
  - Casino del Sol Vahi Taa'am (currently under construction - opening scheduled for November, 2026)



Source: Casino del Sol

- The "Gem, Fossil, and Mineral Showcase" exhibits in Ward 3 are a natural promoter for travel and tourism within the region

- Strong relationships exist between the Gastronomy industry and the Travel and Tourism industry - showcasing regional recipes as part of travel tours, and inviting vendors to promote in different parts of the region

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The Travel and Tourism industry offers continuing opportunities for economic growth within the Alta Sonora Region

- Promote tourism in Alta Sonora in conjunction with reliable transportation companies using Ward 3 as a base:

  - El Pinacate y Gran Desierto de Altar
    - UNESCO World Heritage site

Dina bus made in Mexico

  - Heroica Caborca - Pueblo Viejo: historical mission

  - Magdalena de Kino - Crypt of Padre Kino rich in history

  - Puerto Peñasco (Rocky Point) - Arizona's "coastal town"

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Knowledge-based and high-tech industries offer opportunities to grow Ward 3, the City, and the Arizona-Sonora Borderlands Region

- Knowledge-based and High-Tech industries harnessing innovation sourced from the region:
  - Can leverage the existing industries of:
    - ➡ Aerospace and Defense
    - ➡ Biotechnology
    - ➡ Optics and Photonics
    - ➡ Renewable Energy and Natural Resources

    Note: Optics and Photonics is an “umbrella” industry spanning all others

  - Can enable technology transfer into the private sector from the University of Arizona
  - Provide high-paying professional and vocational jobs, which means more local spending, resulting in more service jobs, which strengthens the tax base
  - Provide links to the global economy by being a “center of excellence” in relevant industries such as gastronomy, lapidary, and mining technologies

Knowledge-based and high-tech industries offer opportunities to grow Ward 3, the City, and the Arizona-Sonora Borderlands Region…(cont'd)

- Knowledge-based industries include:

  - Research, design, and engineering:

    ➡ Providing support to the existing core and emerging industries within the region

    ➡ Enabling the outsourcing of development activities to construction and manufacturing facilities elsewhere within the region

  - Financial, including fund managers and venture capital firms

  - Professional services firms, including consulting, legal, and marketing

  - Export/import, including customs brokers and freight forwarders

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Knowledge-based and high-tech industries offer opportunities to grow Ward 3, the City, and the Arizona-Sonora Borderlands Region…(cont'd)

- Knowledge-based industries include…(cont'd):
  - Bilingual call centers, especially in the financial services industry
    - ➡ Provide job opportunities for those who may have difficulty finding employment elsewhere due to:
      - ✓ Needing unusual time shifts
      - ✓ Disabilities
      - ✓ Criminal history
    - ➡ Opportunities include:
      - ✓ Inbound sales
      - ✓ Outbound sales
      - ✓ Customer service
    - ➡ On site and remote opportunities

Source: Google - Contact One

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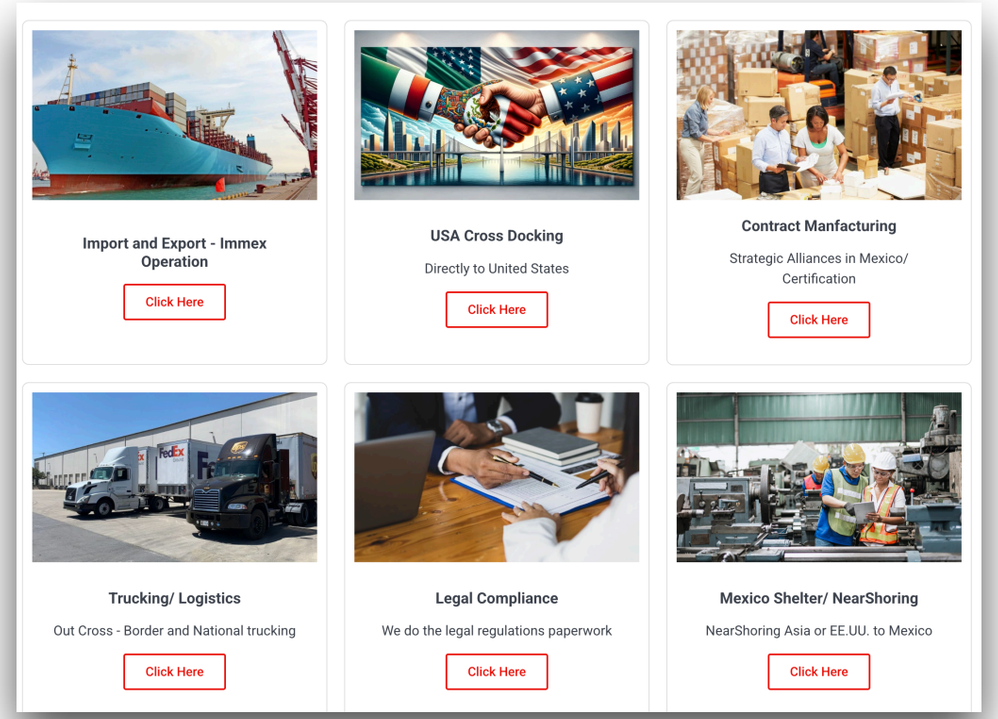
Knowledge-based and high-tech industries offer opportunities to grow Ward 3, the City and the Arizona-Sonora Borderlands Region…(cont'd)

- Knowledge-based industries include…(cont'd)

  - Maquiladora consulting - an example from the website of Mexus, Sa De CV - Tecate, California: mexus.me



Source: Mexus, Sa De CV

  - "Arizona-Sonora Borderlands Development Corporation" - a proposed consulting firm to facilitate and realize opportunities in the region

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Knowledge-based and high-tech industries offer opportunities to grow Ward 3, the City, and the Arizona-Sonora Borderlands Region…(cont'd)

- Knowledge-based industries include…(cont'd)

  - Center of Excellence in data, information, and artificial intelligence in agriculture, biology, and machine learning

  - Center of Excellence for the design and engineering of resource-efficient large-scale data centers regardless of location around the world, including the management of:

    ➡ Air conditioning, flow, and quality

    ➡ Electricity, including solar power

    ➡ Sound and vibration

    ➡ Water

  - Center of Excellence for *specific* modern mining practices that consider environmental preservation and energy-efficient operations to be employed in the Arizona-Sonora Borderlands Region and around the world - "start at home and lead the world"

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Knowledge-based and high-tech industries offer opportunities to grow Ward 3, the City, and the Arizona-Sonora Borderlands Region…(cont'd)

- Knowledge-based industries include…(cont'd)

  - Center of Excellence in developing transportation technologies for the desert region:

➡For example, reengineering existing and building new railroad connections between Guaymas, Nogales, Cananea, Agua Prieta, Douglas, and Deming (New Mexico)

➡For example, building connections for the "Port Project" in Douglas for the transportation of lithium from Bacadéhuachi, Sonora, in conjunction with the Federal Government and the Arizona Department of Transportation

- Center of Excellence for health, biosciences, and pharmaceuticals

Knowledge-based industries are not usually large consumers of resources

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Knowledge-based and high-tech industries offer opportunities to grow Ward 3, the City, and the Arizona-Sonora Borderlands Region…(cont'd)

- High-tech industries include:
  - Semiconductor and electronics, especially supply-chain related
  - Software development
  - Information technology and telecommunications services
  - Emerging technologies in both existing core and growth industries:
    - ➡ Artificial intelligence, mobility, and robotics (especially in manufacturing)
    - ➡ Building resilience to climate change
    - ➡ Cybersecurity
    - ➡ Energy (including solar)
    - ➡ Hydrology (water management and hydroponics)

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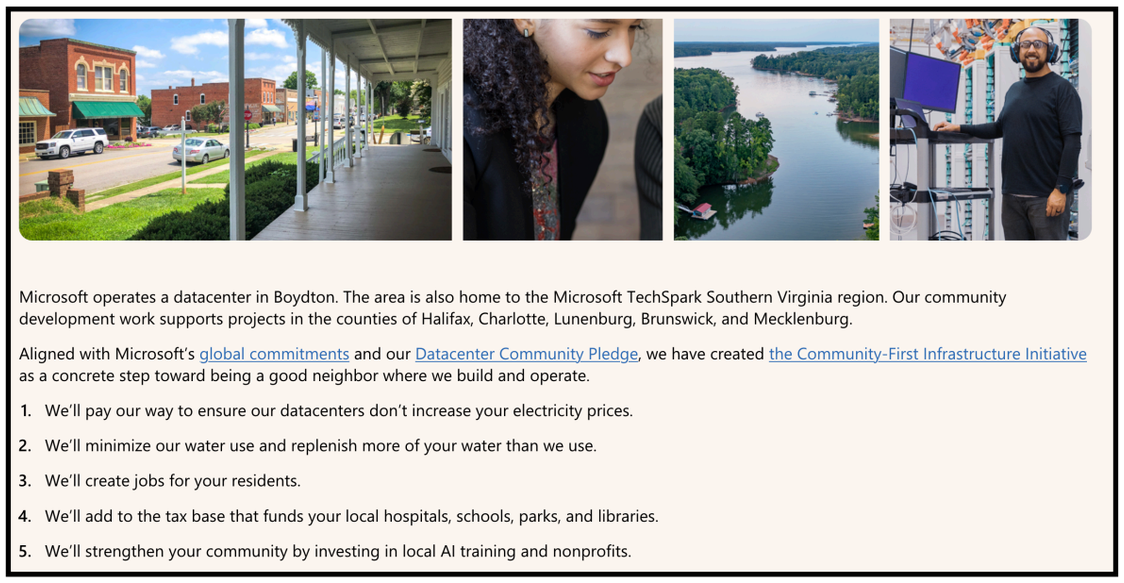
Knowledge-based and high-tech industries offer opportunities to grow Ward 3, the City, and the Arizona-Sonora Borderlands Region…(cont'd)

- High-tech industries include (cont'd):

  - Resource-efficient large-scale data centers and/or coordination with cities elsewhere in the United States that are more conducive than the Sonoran Desert region (maybe through a "sister cities" type program) - however, there may be selected opportunities in rural Arizona

  - For example - Microsoft data center in Boydton, Southern Virginia

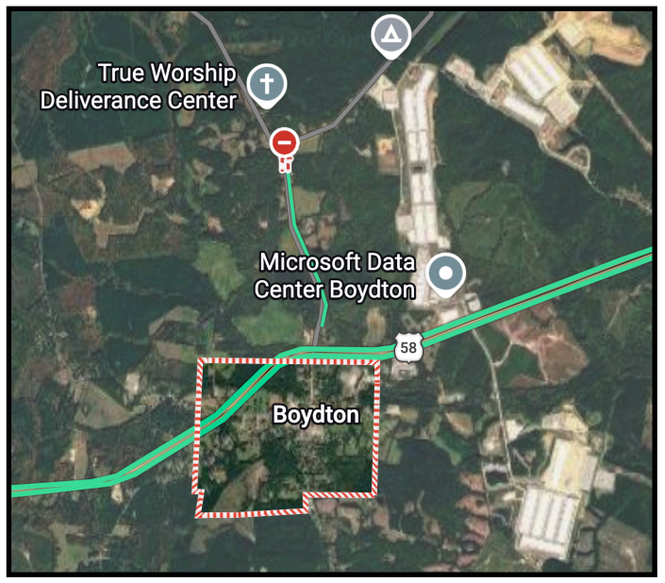


Microsoft operates a datacenter in Boydton. The area is also home to the Microsoft TechSpark Southern Virginia region. Our community development work supports projects in the counties of Halifax, Charlotte, Lunenburg, Brunswick, and Mecklenburg.

Aligned with Microsoft's global commitments and our Datacenter Community Pledge, we have created the Community-First Infrastructure Initiative as a concrete step toward being a good neighbor where we build and operate.

1. We'll pay our way to ensure our datacenters don't increase your electricity prices.
2. We'll minimize our water use and replenish more of your water than we use.
3. We'll create jobs for your residents.
4. We'll add to the tax base that funds your local hospitals, schools, parks, and libraries.
5. We'll strengthen your community by investing in local AI training and nonprofits.

Source: https://local.microsoft.com/communities/americas/southern-virginia/



Source: Google

Note: City of Tucson has approved regulations for large-scale data centers as of August 5, 2026

https://www.tucsonaz.gov/Departments/Planning-Development-Services/Planning-Initiatives/Data-Centers-Unified-Development-Code-Amendment

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Knowledge-based and high-tech industries offer opportunities to grow Ward 3, the City, and the Arizona-Sonora Borderlands Region…(cont'd)

- High-tech industries include…(cont'd):

  - Artificial intelligence/robotics technologies offer an opportunity for insourcing industries into the region that were previously outsourced

    ➡ Small businesses could produce large volumes of output per employee

    ➡ The cost advantage would shift from offshore to onshore manufacturing

    For example, in clothing manufacturing for shoes and textiles, the design and engineering could be performed in Ward 3, and the manufacturing could be performed in either Ward 3 or Sonora, or both

  - Many other industries in the Arizona-Sonora Borderlands Region will benefit from such technologies, which will improve profitability per unit of production

  - Such technologies could be developed and employed through technology transfer opportunities with universities in both Arizona and Sonora

260930

Robotics technologies, combined with artificial intelligence, offer opportunities for business and employment transformation by increasing volume instead of reducing headcount

- Robotics/artificial intelligence technologies offer opportunities to transform the local economy by insourcing industries that were previously outsourced due to high labor costs per output

  - By insourcing industries that have been outsourced in recent years due to low labor costs overseas, leveraging technologies that enable large volumes of output per employee

  - Small businesses could take advantage of such technologies while employing a manageable workforce

  - Design and engineering within Ward 3 and the manufacturing in Sonora

  - Many industries offer such opportunities:

    ➡ Agriculture

    ➡ Healthcare

    ➡ Manufacturing including the robots themselves

    ➡ Textiles - an emerging industry opportunity in the cotton-producing region of Southern Arizona

260930

A robotic textile industry offers opportunities for economic development within Ward 3, the City, and the Arizona-Sonora Borderlands Region, especially for small business owners

- Textiles is an industry especially suited to Ward 3 because of the flat land and proximity to:

  - I-10, I-19, and the railroad for the delivery of raw materials and the distribution of finished products

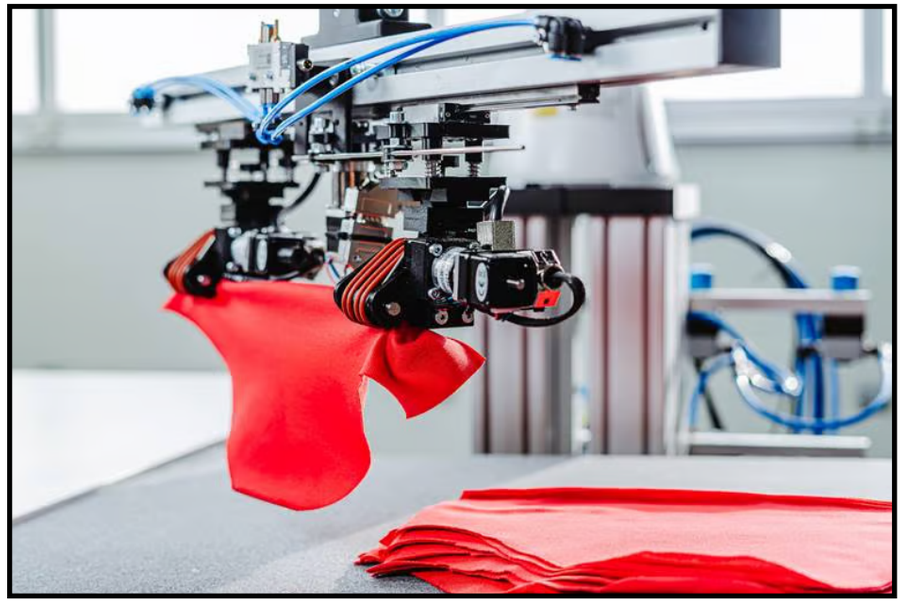
  - Cotton-growing areas of Pima and Pinal Counties

- Robotic applications include:

  - Fabric handling and feeding

  - Sewing automation

  - Cutting and processing



Source: KUKA Group

- Ideal for small businesses - labor costs are a function of volume, and are lower per unit in high volume processing

260930

A robotic textile industry offers opportunities for economic development within Ward 3, the City, and the Arizona-Sonora Borderlands Region, especially for small business owners…(cont'd)

- Vietnamese factories operate AI-driven robotic textile manufacturing with significantly less employees that traditional methods

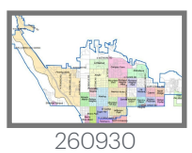
Source: Vietnam Today

- Given Tucson's small business culture, a family could operate an AI-driven robotic textile factory with a few employees in a similar way

260930

A textile and sewn-products ecosystem, building production capacity across multiple markets, would enable Tucson to compete in diverse and resilient industry clusters

- The infrastructure includes innovative textile production and related manufacturing in multiple markets, including:
  - Advanced manufacturing - for example:
    - ➡ Equipment covers
    - ➡ Thermal insulated covers
    - ➡ Machine guarding curtains
    - ➡ Sound-dampening wraps
    - ➡ Tool bags/organizers
    - ➡ Etc…



A textile and sewn-products ecosystem, building production capacity across multiple markets, would enable Tucson to compete in diverse and resilient industry clusters…(cont'd)

- The infrastructure includes innovative textile production and related manufacturing in multiple markets, including…(cont'd):
  - Aerospace and defense…for example:
    - ➡ Aircraft seat covers
    - ➡ Tank, weapon, and ground equipment covers
    - ➡ Bags/pouches for equipment and parts
    - ➡ Thermal shielding blankets
    - ➡ Uniforms, vests, sun-protective gear
    - ➡ Etc…

260930

A textile and sewn-products ecosystem, building production capacity across multiple markets, would enable Tucson to compete in diverse and resilient industry clusters

- The infrastructure includes innovative textile production and related manufacturing in multiple markets, including…(cont'd):
  - Healthcare - for example:
    - ➡ Patient walker bags
    - ➡ Wheelchair accessories - bags, cushions, straps
    - ➡ IV pole organizers, bed linens, mattress covers, pillow covers, shower curtains
    - ➡ Medical equipment covers, sterilization wraps, linen/laundry cart bags, instrument carrying bags/cases, therapy straps, exercise bands
    - ➡ Hospital gowns, post-surgical gowns, adaptive clothing, prosthetic liners and soft braces, compression garments
    - ➡ Etc…

260930

A textile and sewn-products ecosystem, building production capacity across multiple markets, would enable Tucson to compete in diverse and resilient industry clusters…(cont'd)

- The infrastructure includes innovative textile production and related manufacturing in multiple markets, including…(cont'd):

  - Outdoor recreation - for example:

    ➡ Tents, tarps

    ➡ Backpacks, hydration systems, gaiters

    ➡ Sun-protective apparel

    ➡ Sacks, chairs, seat cushions, awnings, saddle bags

    ➡ Etc…

A textile and sewn-products ecosystem, building production capacity across multiple markets, would enable Tucson to compete in diverse and resilient industry clusters…(cont'd)

- The infrastructure includes innovative textile production and related manufacturing in multiple markets, including…(cont'd):

  - Retail apparel, including specialty fashion themes augmented by jewelry, representing the culture of the Southwest - for example:

    ➡ Denim, knits, swimwear, lingerie

    ➡ Outdoor gear, wovens, workgear, suiting

    ➡ Shoes, bags, scarves, belts

    ➡ Children's clothing, infant/baby clothing and accessories

    ➡ Etc…

The Real Estate industry is an essential contributor to economic growth for Ward 3, the City, and the Baja Arizona Region

- Ensuring that there are sufficient human, intellectual, natural, and financial resources for:

  - Design and build:

    ➡ Commercial and industrial to support the need for administrative, retail, manufacturing, wholesale, and distribution facilities

    ➡ Residential for the redevelopment of existing communities, and the development of new ones

  - Trades:

    ➡ Construction, electricians, HVAC, landscapers, plumbers, roofers, etc., with support from unions as appropriate

- The Real Estate industry offers significant equitable and sustainable employment opportunities

The future of Ward 3, the City, and the Arizona-Sonora Borderlands Region is with its young people

- The region must be able to retain existing and attract new young residents who can meet the needs of the economy of the future and grow professionally and/or vocationally

- Academic and vocational institutions must be prepared to provide equitable education for young people to contribute to a knowledge-based and high-tech economy

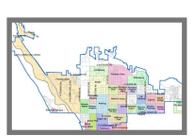
  - Ensuring basic proficiency in literacy and mathematics

  - Developing the knowledge and skills required to support the core and emerging industries

  - Strengthening relationships with established and emerging businesses

  - Establishing cross-border relationships between academic and vocational institutions

Singapore Math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Ward 3 is the commercial, industrial, transportation,
and logistics hub for Tucson and the Arizona-Sonora Borderlands Region

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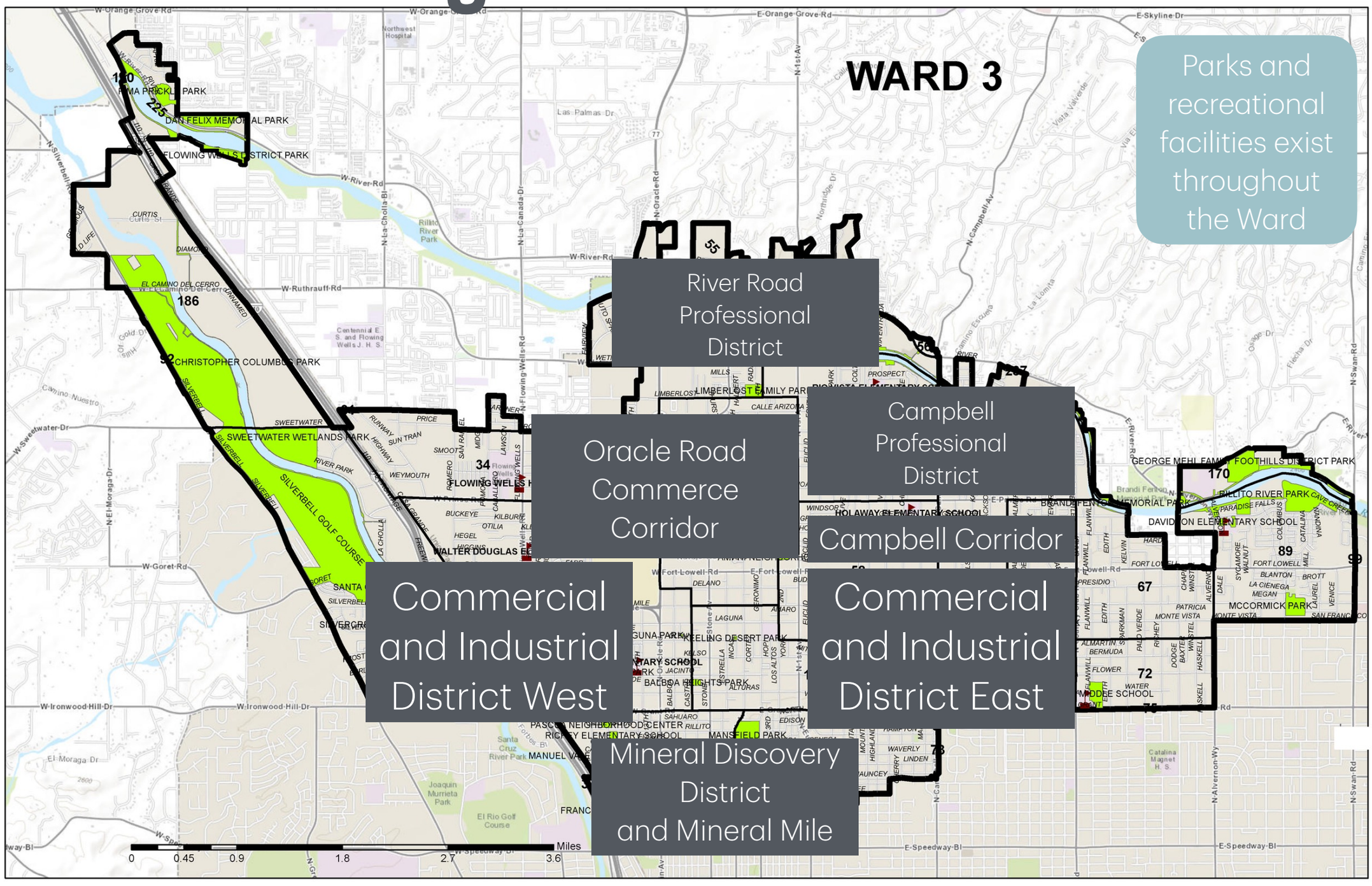
Business neighborhoods within Ward 3



Retail businesses operate throughout the Ward

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Relationship with Taiwan

News 4 Tucson - KVOA
June 29 at 10:30 PM ·

A new partnership with Taiwan could bring more businesses, jobs and training to Southern Arizona, especially in high-tech fields.

Source: KVOA

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Relationship with Taiwan…(cont'd)

- Components of the relationship include:

  - Semiconductor and optics integration to build cross-border supply chains

  - Sister government and educational relationships with Kaohsiung City and Taiwan's Ministry of Education to foster talent and workforce development

  - Memorandum of understanding for collaboration in the global semiconductor ecosystem

  - Start-up and business expansion - bringing Taiwanese start-ups and manufacturers to Southern Arizona

  - Water conservation ethics, including recycling and sustainable manufacturing technologies

Changing of the guard at Sun Yat-Sen Memorial Hall, Taipei

Taipei 101 - top floors

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The Issues

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Whereas Tucson has the ingredients for a strong economy, a fragmented story with weaknesses exists

- Ingredients:

  - Rich, vibrant community, bolstered by a multitude of businesses - a top American city for entrepreneurs, with a high concentration of start-ups and small businesses

    Source: National League of Cities

  - A network of large businesses that can form supply chains with local smaller businesses - the “cluster” concept

    Source: National League of Cities

  - A mix of high-investment, strong cash flow businesses, and a high-demand, high-growth environment for business sales

    Source: Arizona Daily Star

  - An ecologically sound and culturally sophisticated approach to growth and development

    Source: The Chamber of Southern Arizona

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Whereas Tucson has the ingredients for a strong economy, a fragmented story with weaknesses exists…(cont'd)

- Fragmented story:

  - The Tucson Metro area does not convey a unified story about the opportunities and benefits of its entrepreneurial and small-to-large business environment to the outside world

  - Instead, it is perceived as a "poor" city elsewhere in the state, with abundant "homeless encampments and high crime rates"

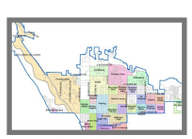
  - Tension exists between local preferences as a mid-sized community-oriented "low-to-middle income" city and its position as a global tourist destination, bringing "wealthy" dealers and buyers to the "Gem, Fossil, and Mineral Showcase"

Whereas Tucson has the ingredients for a strong economy, a fragmented story with weaknesses exists…(cont'd)

- Weaknesses (as reported in the related survey as part of this project):
  - Homelessness is a challenge
  - The permitting process is too slow and complicated
  - The workforce is limited and aging
  - Wages are too low, suggesting cheap labor
  - Regulations and taxes are excessive

    Note: although below the national average, Pima County property taxes are high compared to the Arizona state median
  - Roads are not conducive to commercial vehicles
  - Aging infrastructure
  - Weak air transportation connections from the East Coast

Because of international travel,
Tucson is known overseas for its homelessness crisis



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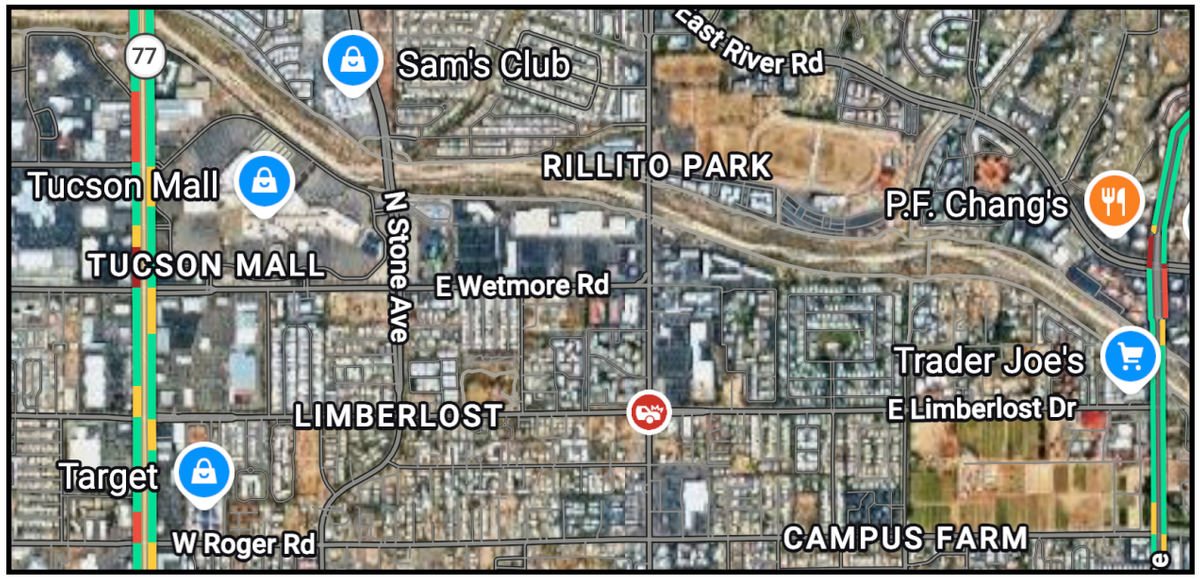
Whereas Tucson has the ingredients for a strong economy, a fragmented story with weaknesses exists…(cont'd)

- Key actions to overcome the weaknesses include:
  - Build community partnerships
  - Stop referring to Tucson as a "poor city" (especially by City of Tucson employees) - instead, focus on:
    - ➡ Affordability
    - ➡ Rich desert culture coupled with natural beauty
    - ➡ Economic growth in both small and technological businesses
  - Fix the roads, enforce the traffic rules and regulations, and provide more parking in areas of high tourism
  - Design roads for both bikes and commercial vehicles to coexist with safety in mind
  - Improve safety in areas of high visibility, such as the "Oracle Commerce Corridor," "Mineral Discovery District," "Campbell Corridor," and "Mineral Mile"
  - Strengthen the entertainment areas with more upscale hotels and restaurants to meet the needs of business visitors - position Tucson as a tourist destination with amenities expected of a major global city
  - Work with property owners to ensure compliance with building code regulations
  - Encourage business and "Wall Street" executives to hold conferences and conventions in Tucson

What can Tucson offer her after she graduates?

Ward 3 offers ideal amenities for young people



Source: Google - Tucson Mall/Limberlost neighborhood

- Reasonably priced housing
- Excellent retail and restaurant facilities
- Public transportation hub with quick access to downtown, Pima Community College, and the University of Arizona
- Parks and recreation, including bike routes
- Healthcare facilities
- Schools
- Stunning views of the local scenery

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Tucson is ideal for remote workers, but jobs are hard to find for both young professionals and vocational workers

- For remote workers, especially from larger, more expensive cities, Tucson is ideal for:
  - Affordability
  - Quality of life
  - “University town” atmosphere
  - Commitment to preserving a sustainable environment

- For young people entering the workforce, high-paying jobs are hard to find
  - As a consequence, Tucson suffers a “talent drain” of young graduates…
  - …which in turn means fewer young people in local neighborhoods raising families…
  - …which in turn means that neighborhoods deteriorate, local businesses and schools close, and crime rises

Marty Birdman Center
- casualty of a changing neighborhood

Holaway Elementary School
- casualty of low enrollments

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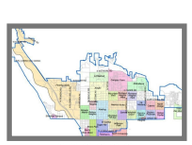
Community Partnerships



Surveys and interviews show that the business community, local neighborhoods, and local governments have differing views concerning a vision and identity for Tucson

- Comments include:

  - "There is distrust between business and community leaders."

  - "It's us versus them."

  - "Economic development plans are not shared publicly."

  - "Community input is the barrier."

Source: Anonymous participants in various surveys and interviews

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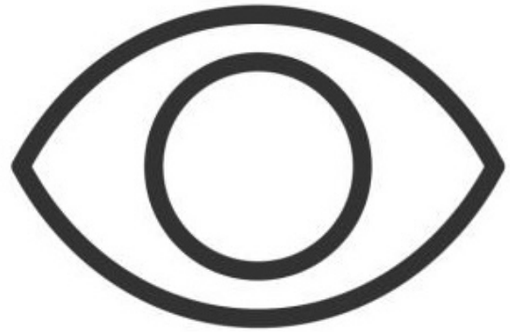
Parties in the Baja Arizona Region need to communicate a unified vision for the economy, equity and social welfare, and the environment collectively, and communicate it effectively within and to the outside world

- Continued need for collaboration between:
  - Jurisdictions - counties, cities, and towns
  - Leadership organizations
  - Chambers of Commerce
  - Trade Associations
  - Financial institutions
  - Academic institutions
  - Community organizations

Illustrative

A unified vision for Tucson
and the
Arizona-Sonora Borderlands Region



Embracing shared values for the community-at-large:

- The economy
- Equity, inclusion, and social welfare
- The environment, including sustainability and climate change resilience

- The parties may not agree on every policy - in fact, the policies of some jurisdictions may be in opposition to those of others, but where "common denominators" exist, build momentum to turn the lowest into the highest
- Regardless of political composition, the parties should align common objectives, including infrastructure development, workforce development, job creation, and growing the tax base for shared economic success

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Parties in the Baja Arizona Region need to communicate a unified vision for the economy, equity and social welfare, and the environment collectively, and communicate it effectively within and to the outside world…(cont'd)

- Common ground may be found in leveraging:
  - Geographical location and transborder relationships
  - Water management technologies
  - Sustainable and environmentally-friendly development that preserves the Sonoran landscape and lifestyle, and is resilient to climate change
  - Opportunities that provide jobs and tax revenues to improve infrastructure, education, and services
- Common ground will not be found when:
  - A potential transformation occurs that changes the cultural makeup of the community
  - Local communities are not involved in providing input to projects that affect them negatively

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Positioning Tucson

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Visit Tucson recently completed a community rebranding exercise

https://visittucson.canto.com/g/brand/index?viewIndex=0

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Tucson's official branding has been deliberately avoided in this material to prevent confusion with unsanctioned promotional concepts

- "Tucson branding" concept for discussion purposes only:

Not for actual use

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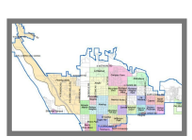
Tucson product branding concept

- Product branding concept for discussion purposes only:

- Licensed logo to be used on specialty products manufactured in Tucson in compliance with certain criteria managed by Visit Tucson



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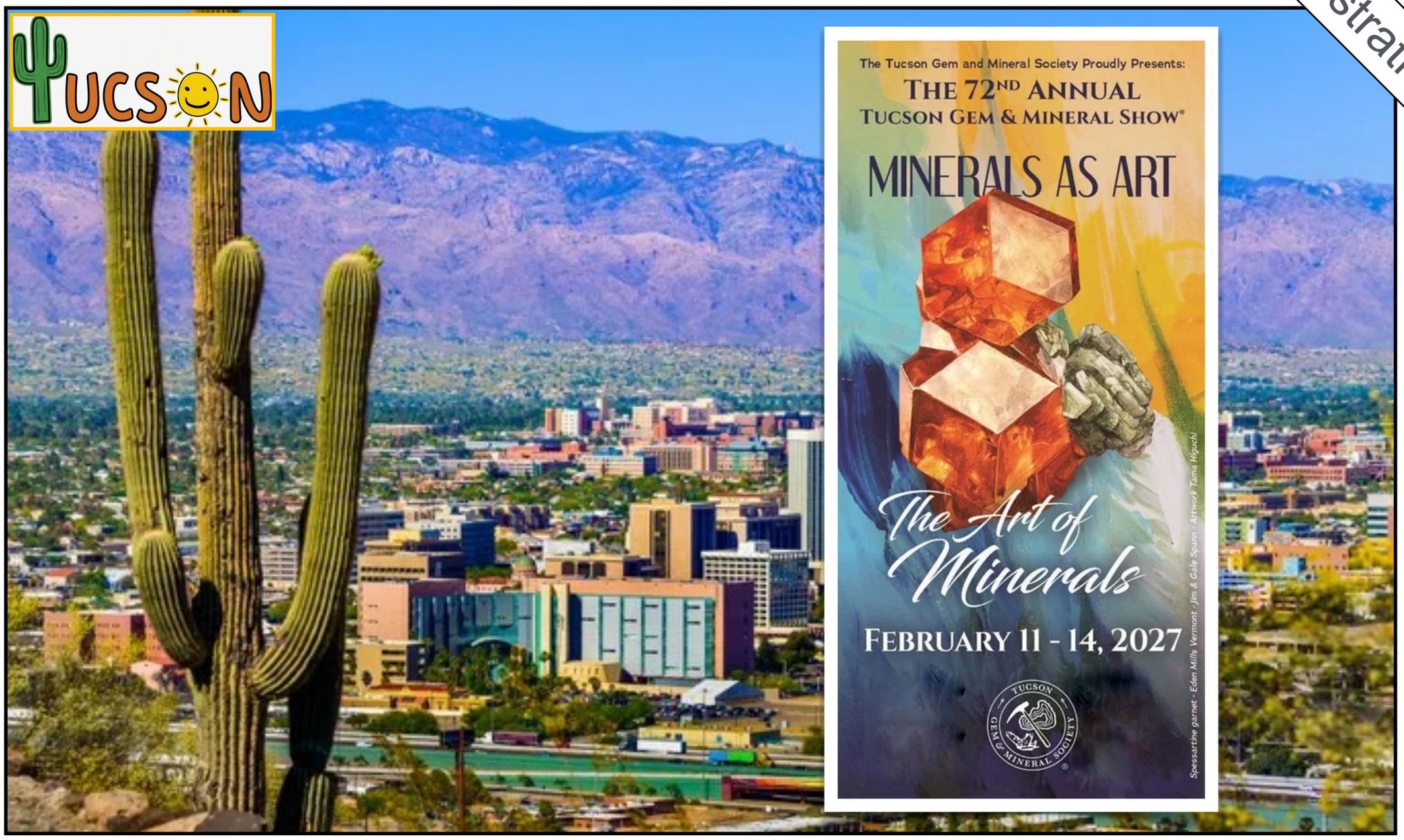

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Friends of Ward 3 Educational Project

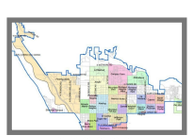
Illustrative

Where every day is Taco Tuesday!!!

Best 23 miles of Mexican Food in the United States

unesco
Member of
the Creative Cities Network

TUCSON
CITY OF GASTRONOMY



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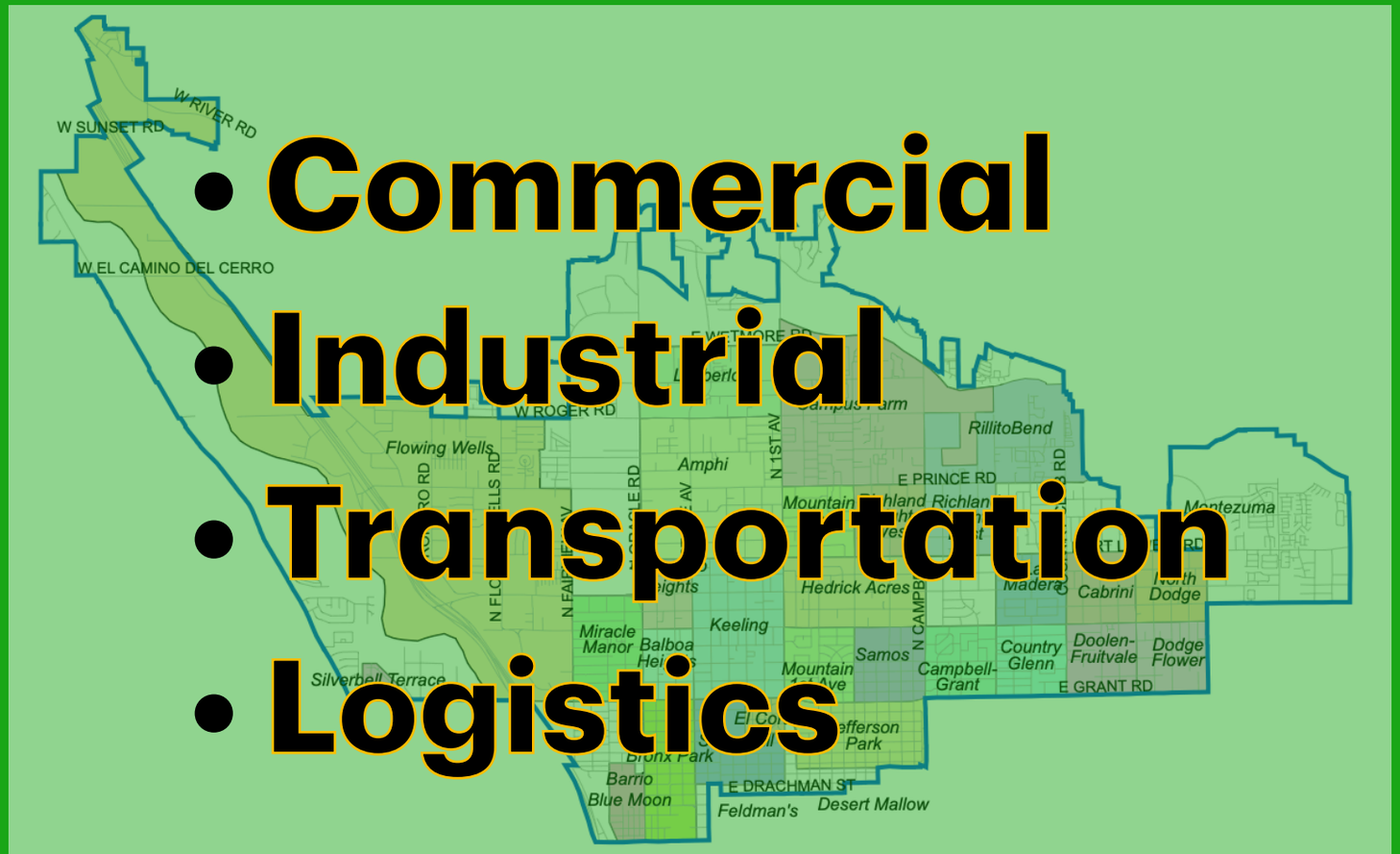
The Ward 3 Business Hub



- **Commercial**
- **Industrial**
- **Transportation**
- **Logistics**

Easy access to I-10, I-19, and Union Pacific

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Gastronomic Capital of the United States

James Beard Award winning Hot Dog - El Guero Canelo

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She's just graduated!!!

Career opportunities knock in

Capital of the

Arizona-Sonora Borderlands Region

careersinaz.com

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Representative job opportunities offered through EY's Tucson office in the Summer of 2026

- Senior Consultant - Transformation Strategy, Architecture, and Delivery (hybrid)
- Ethics and Compliance Investigations Team Operations Specialist Senior Associate (hybrid)
- Infrastructure Projects Supervising Associate (on-site)
- Consulting - Tech Consulting - FinTech - Enterprise Performance Management (EPM) - Senior (hybrid)
- Cyber Sales Executive Associate Director (on-site)
- Senior Commercial Architect_Associate Director (on-site)
- Consulting - Managed Services - SAP Pursuit & Delivery - Senior Manager (hybrid)

Source: LinkedIn - EY postings

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Illustrative
TUCSON
Gateway to the Wild West
Tombstone, Arizona

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Attention manufacturers!!!
Make your products here!!!
TUCSON

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Gastronomic product proudly made in
Tucson, Arizona, USA
TUCSON
Enchiladas

Illustrative

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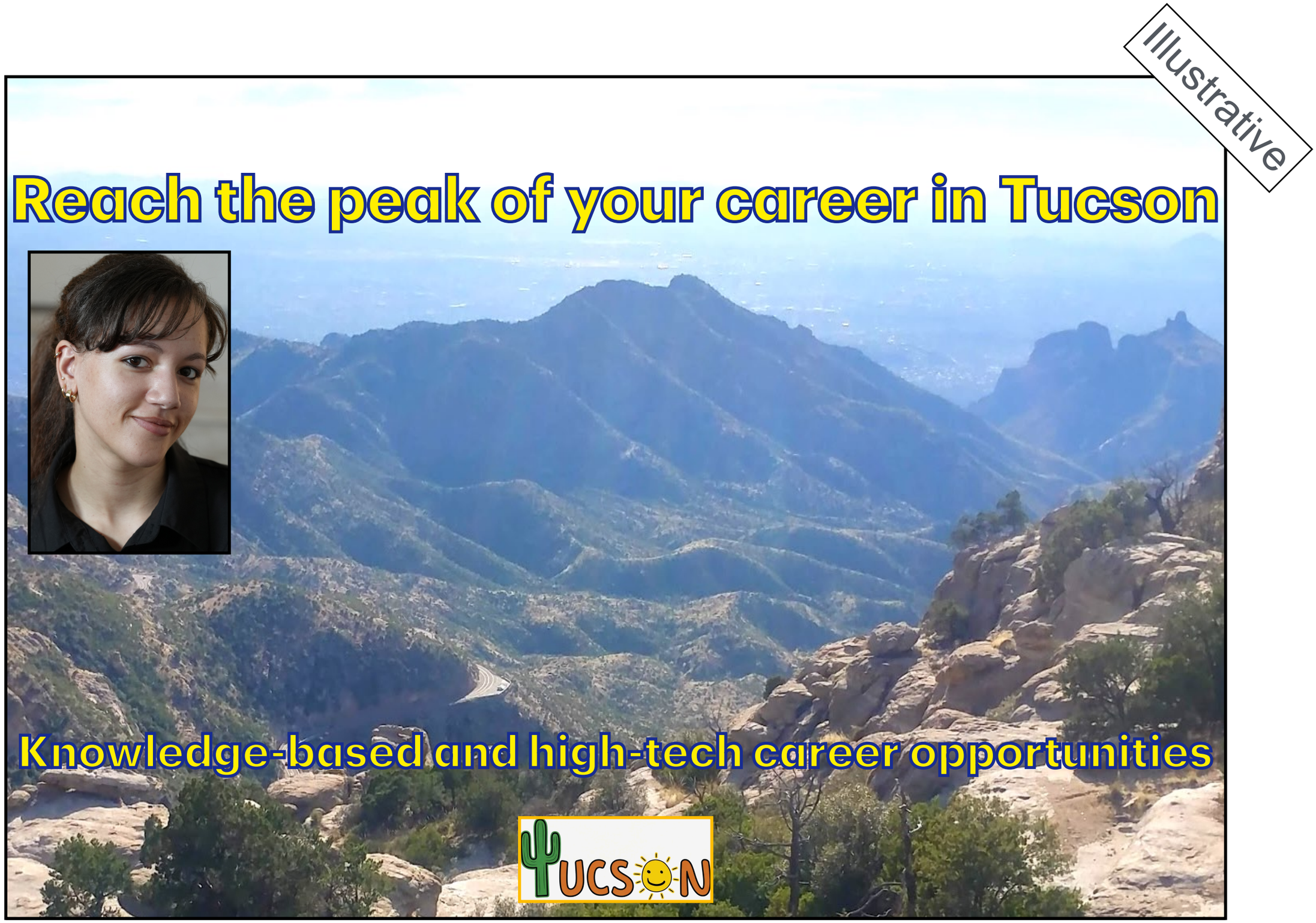
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Reach the peak of your career in Tucson
Knowledge-based and high-tech career opportunities
TUCSON

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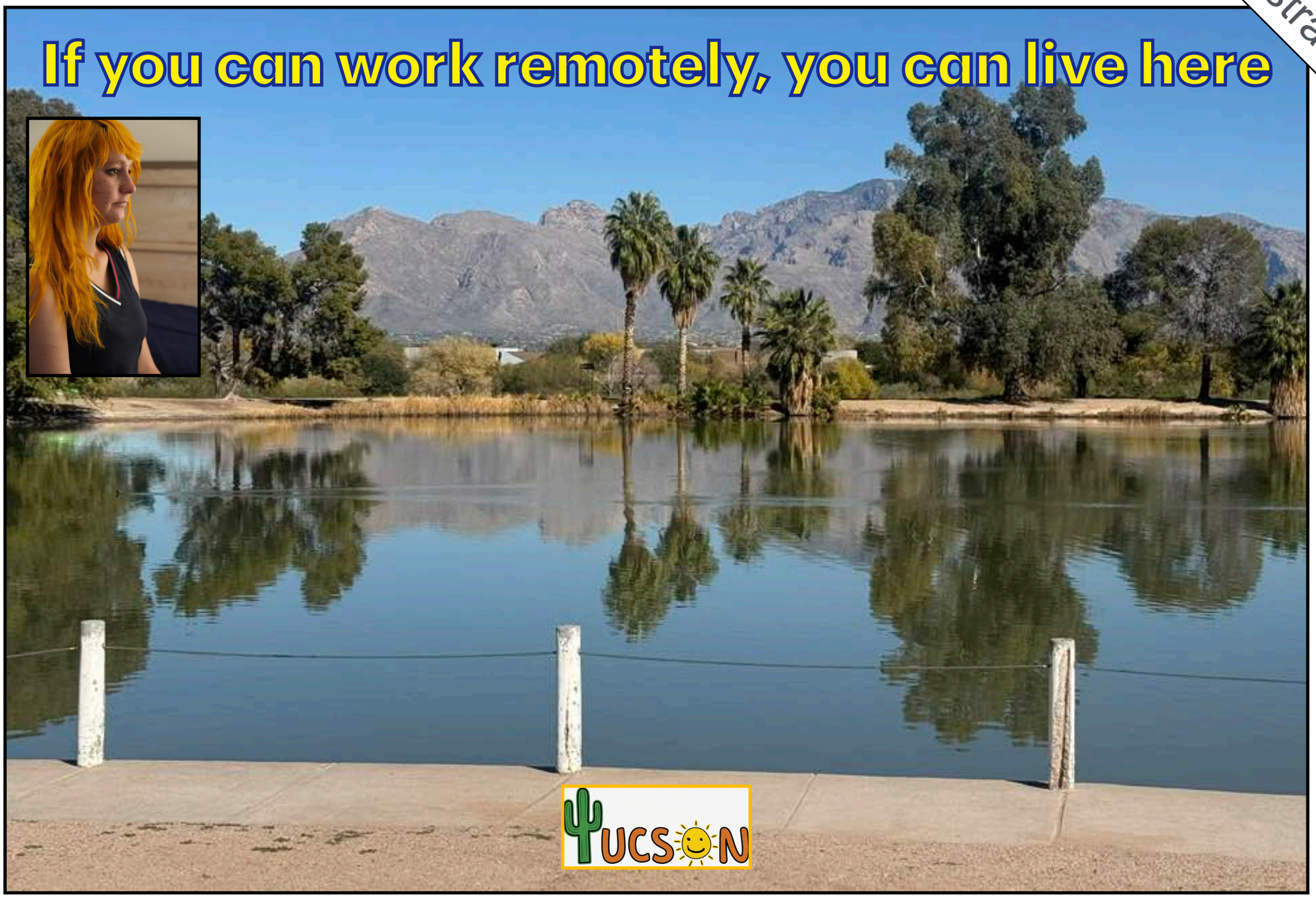

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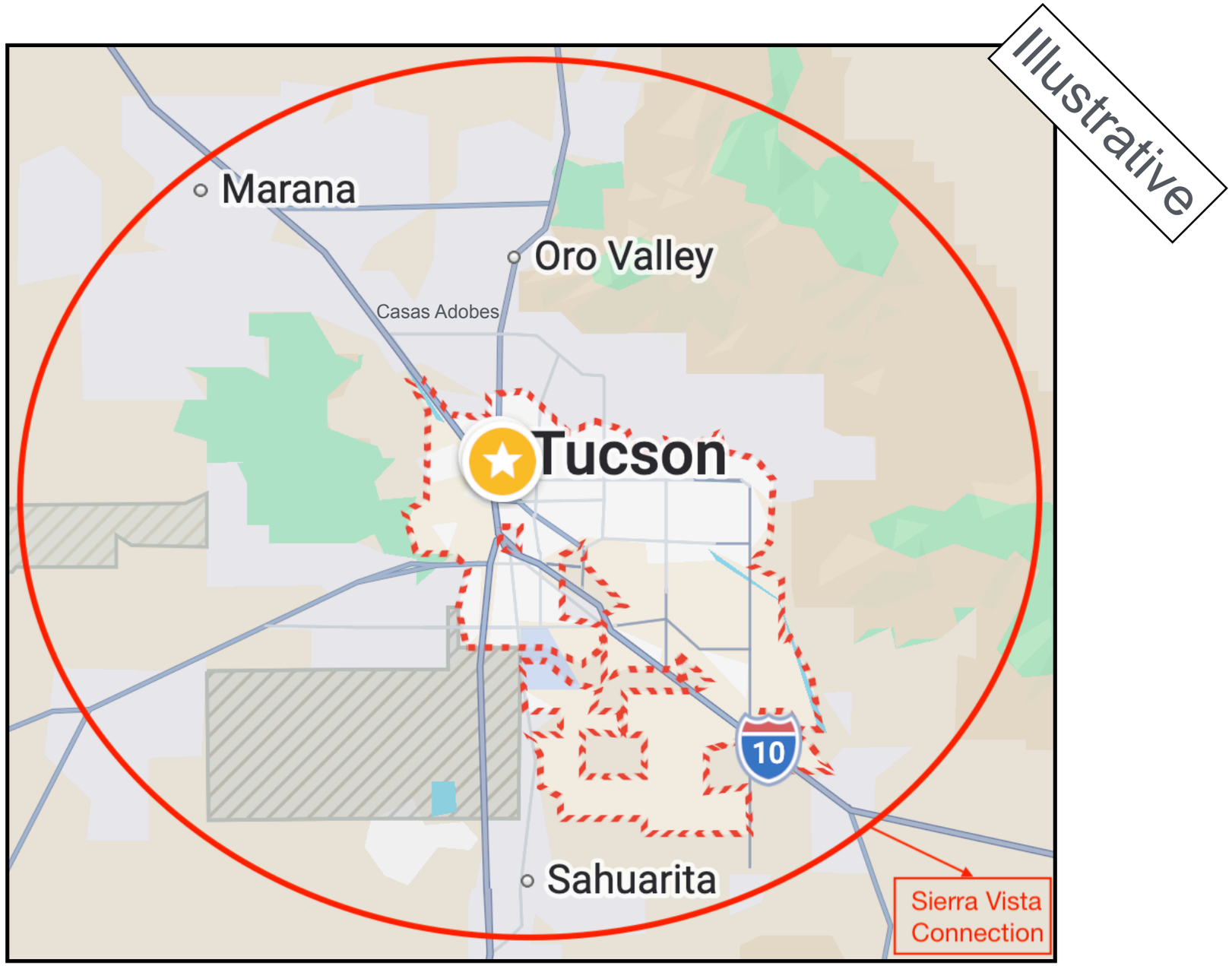
Illustrative
TUCSON
A taste of Tucson ‘mole’ style

Greater Tucson Business Loop

The Greater Tucson Business Loop is a proposed economic area within the Tucson Metropolitan Area, but outside of the City limits



Source: Google

Greater Tucson Business Loop

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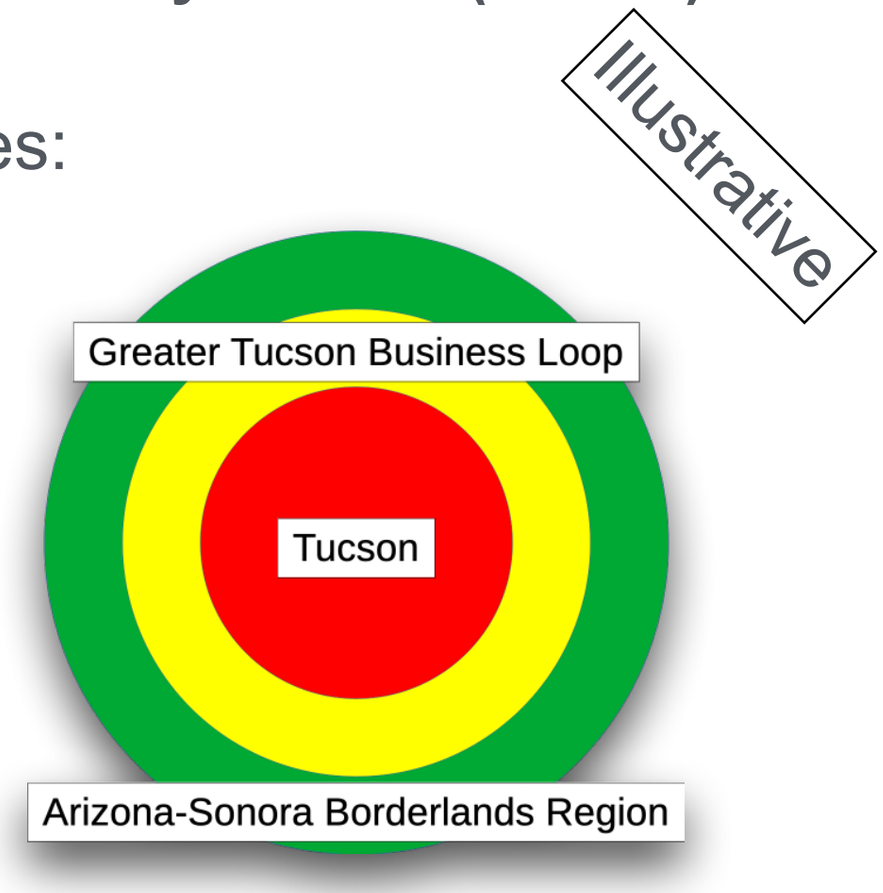
The Greater Tucson Business Loop is a proposed economic area within the Tucson Metropolitan Area, but outside of the City limits…(cont'd)

- The Greater Tucson Business Loop embraces:
  - Casas Adobes - Foothills Mall area
  - Marana - airport and I-10 proximity
  - Oro Valley - Innovation Park
  - Sahuarita - I-10 proximity



- Its purpose is to attract businesses that wish to locate in the Tucson Metropolitan area, but not necessarily within the incorporated limits of the City of Tucson

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The Greater Tucson Business Loop is a proposed economic area within the Tucson Metropolitan Area, but outside of the City limits…(cont'd)

Illustrative

- Candidate industries and potential locations
  - Aerospace and defense
    - ➡ Marana - airport and I-10 proximity
    - ➡ Sahuarita - I-10 proximity
  - Biosciences - professional community proximity: Oro Valley - Innovation Park
  - Natural resources and renewable energy - mining industry proximity: Sahuarita
  - Knowledge-based and high-tech industries - professional community proximity
    - ➡ Casas Adobes - Foothills Mall area
    - ➡ Marana - I-10 proximity
    - ➡ Oro Valley - Innovation Park
  - Transportation and distribution: Marana - airport and I-10 proximity

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The Greater Tucson Business Loop is a proposed economic area within the Tucson Metropolitan Area, but outside of the City limits…(cont'd)

Illustrative

- Candidate industries and potential locations…(cont'd)

  - Business services - all areas

  - Defense contracting - airport proximity

    ➡ Marana

    ➡ Sahuarita

  - Management and information technology consulting - professional community proximity

    ➡ Marana

    ➡ Oro Valley - Innovation Park

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The Greater Tucson Business Loop is a proposed economic area within the Tucson Metropolitan Area, but outside of the City limits…(cont'd)

Illustrative

- Sierra Vista connection:

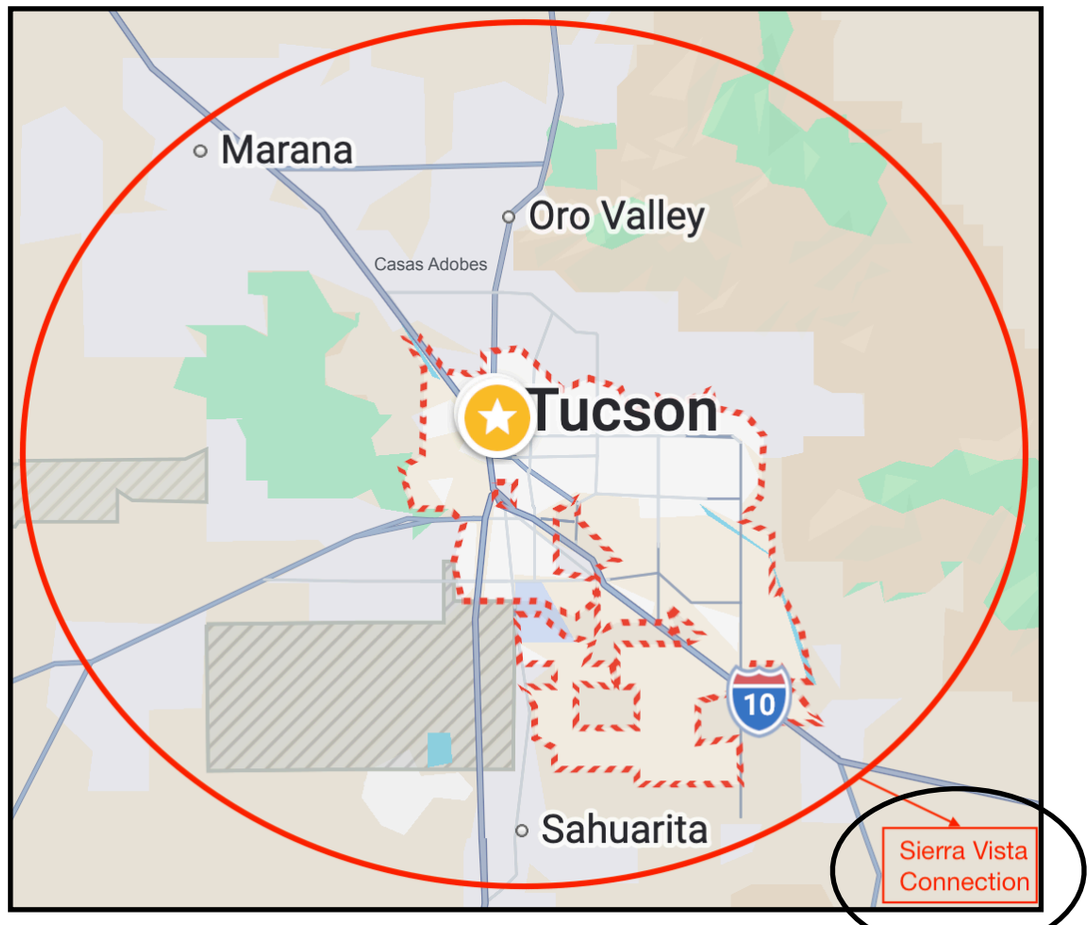
  - Because many large defense consulting and contracting firms have a presence at Fort Huachuca, Sierra Vista is connected to the Greater Tucson Business Loop

  - Firms with a presence in Sierra Vista include:

    ➡ Booz Allen

    ➡ CACI

    ➡ SAIC



260930

The Regional Plan

The Players

- “W3” - Ward 3 leadership
- “City” - City of Tucson leadership
- “Visit Tucson” - Visit Tucson leadership
- “Tucson” - the combined community leadership in the metro area, including existing programs such as “Thrive in the ’05"
- Arizona-Sonora Borderlands Development Corporation (“ASBD Corp”) - a for-profit consulting firm to facilitate and realize opportunities within the region
- “Arizona-Sonora Borderlands Partners” (“Borderlands Partners”) - the combined community in Baja Arizona and Alta Sonora, including jurisdictions, trade associations, and businesses:
  - Counties, cities, and towns
  - For-profit businesses
  - Non-profits, including the Chamber of Southern Arizona, Southern Arizona Hispanic Chamber of Commerce, Arizona Technology Council, Southern Arizona Leadership Council, tourism and travel organizations, and other interested parties
- “UofA” - University of Arizona
- “College” - Community Colleges across the Arizona-Sonora Borderlands Region
- “SBC” - Small Business Center leadership
- “IDA/G” - Tucson Industrial Development Authority/Groundswell Capital leadership
- “Entrepreneurs” - Individuals seeking opportunity as a consequence of this plan

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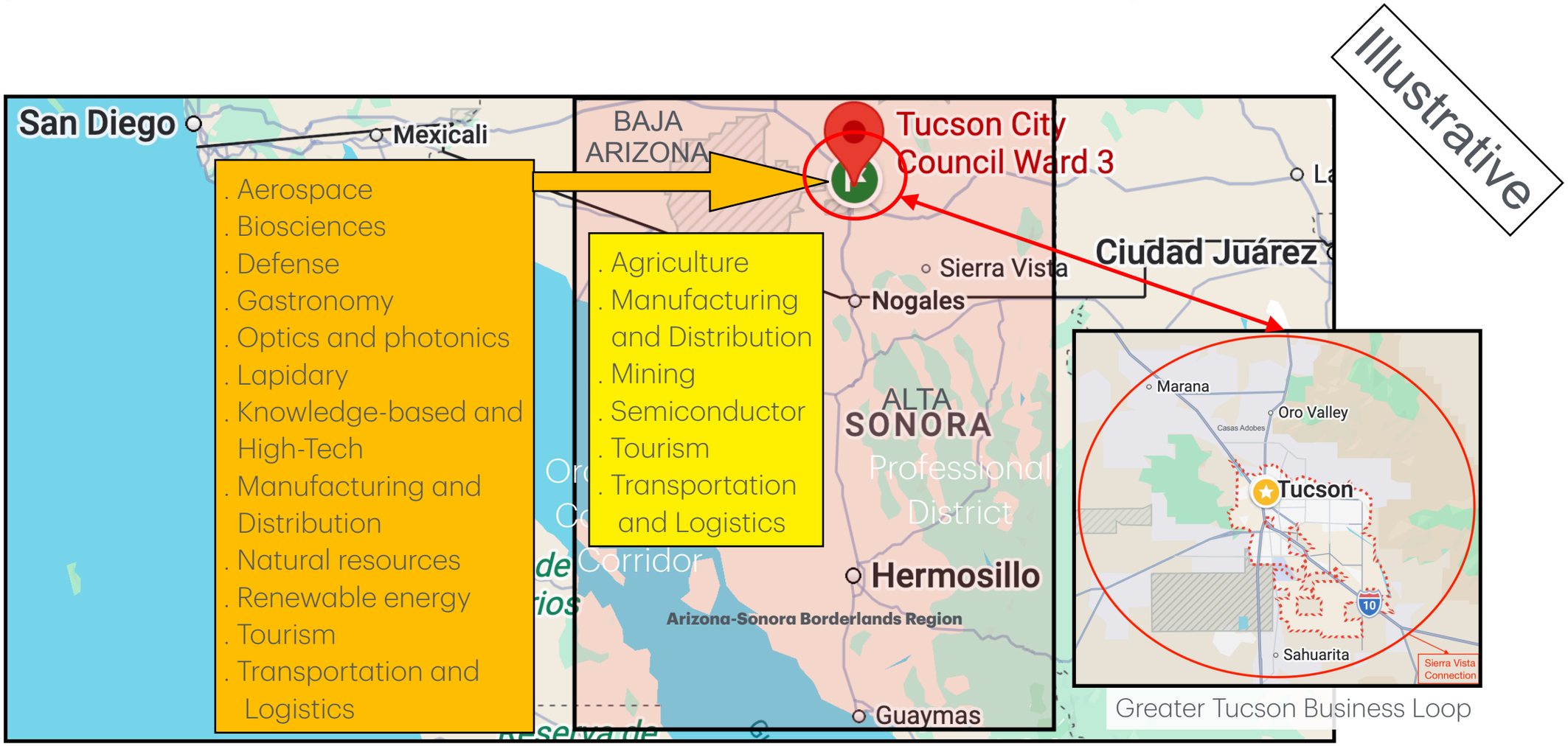
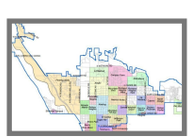
A collaborative plan for the Arizona-Sonora Borderlands Region and the Ward 3 hub within the City of Tucson



- A diverse set of industries across a biculturally related geographic region
- Rich in agriculture, gastronomy, lapidary, manufacturing, mining, and tourism
- Collaborative and cooperative opportunities exist within the region and across the border
  - Collaborative - relationships operating dependently for mutual advantage and value
  - Cooperative - relationships operating independently for mutual advantage and value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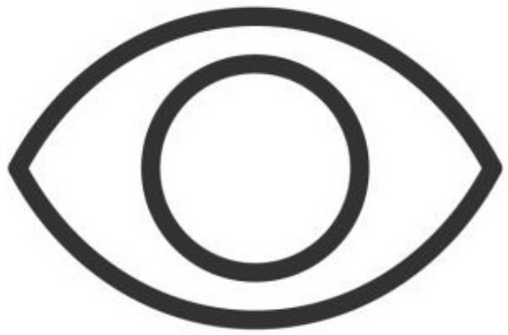
A collaborative plan for the Arizona-Sonora Borderlands Region and the Ward 3 hub within the City of Tucson…(cont'd)

Illustrative

All Player Involvement in Development

A unified vision for Tucson and the Arizona-Sonora Borderlands Region



Embracing shared values for the community-at-large:

- The economy
- Equity, inclusion, and social welfare
- The environment, including sustainability and climate change resilience

Ongoing Maintenance and Enhancement

To be developed jointly by the "Arizona-Sonora Borderlands Partners"

260930

A collaborative plan for the Arizona-Sonora Borderlands Region and the Ward 3 hub within the City of Tucson…(cont'd)

- A potential framework for the disciplines of a vision is STEAM:

  - Science - physical, life, and earth
    → agriculture, food processing and gastronomy, healthcare, optics

  - Technology - information and process control

  - Engineering - civil, chemical, electrical, industrial, and mechanical
    → infrastructure, manufacturing, and mining

  - Arts - literary, performing, and visual
    → entertainment and culture

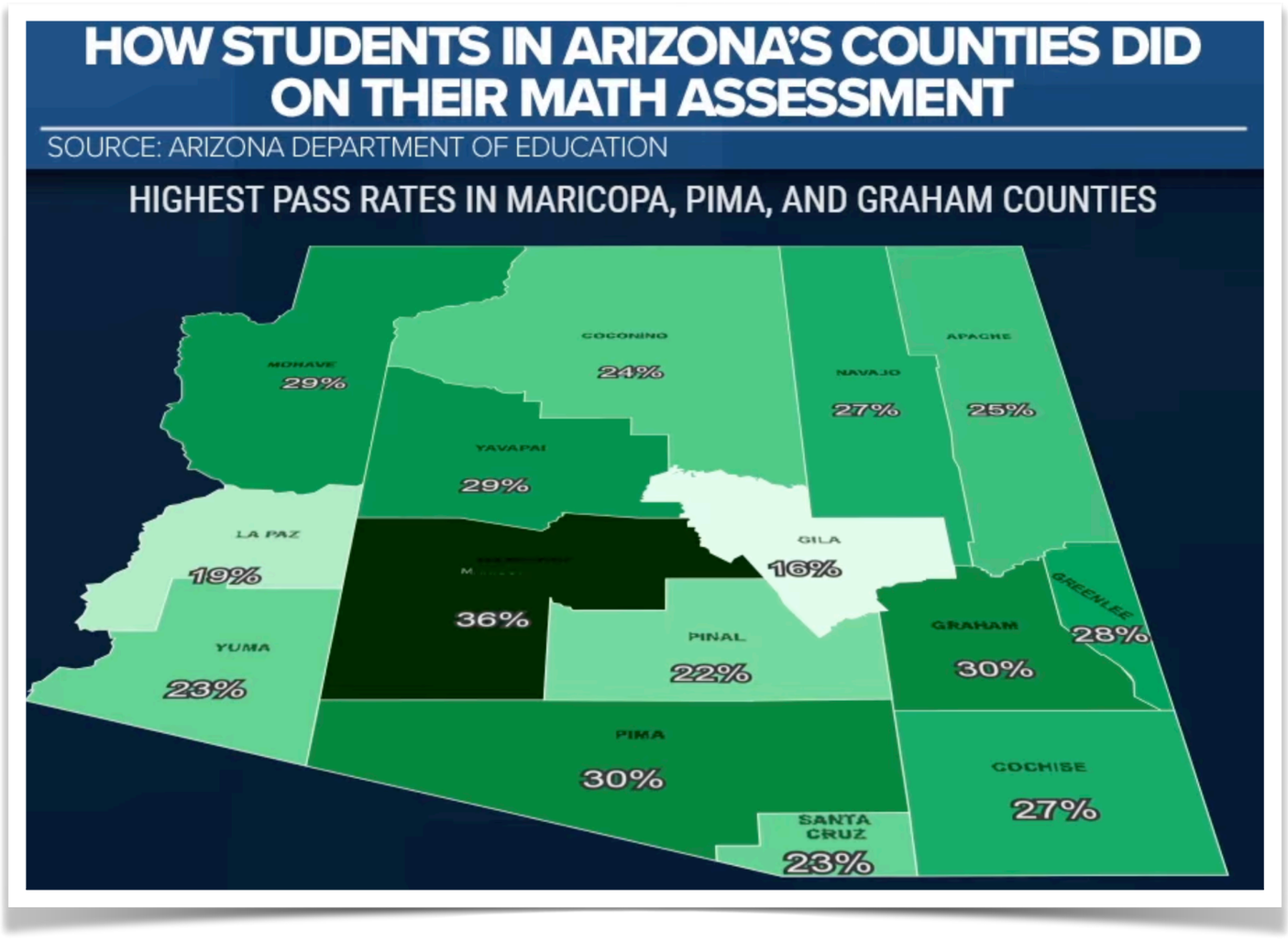
  - Mathematics - pure and applied → foundation for all disciplines

- This framework, used by academic institutions, can be used to tie commercial and industrial needs in the Arizona-Sonora Borderlands Region to the curricula in local academic and vocational educational institutions

260930

A collaborative plan for the Arizona-Sonora Borderlands Region and the Ward 3 hub within the City of Tucson…(cont'd)

- Mathematics is the foundation for the STEAM disciplines; however, pass rates are low in Arizona



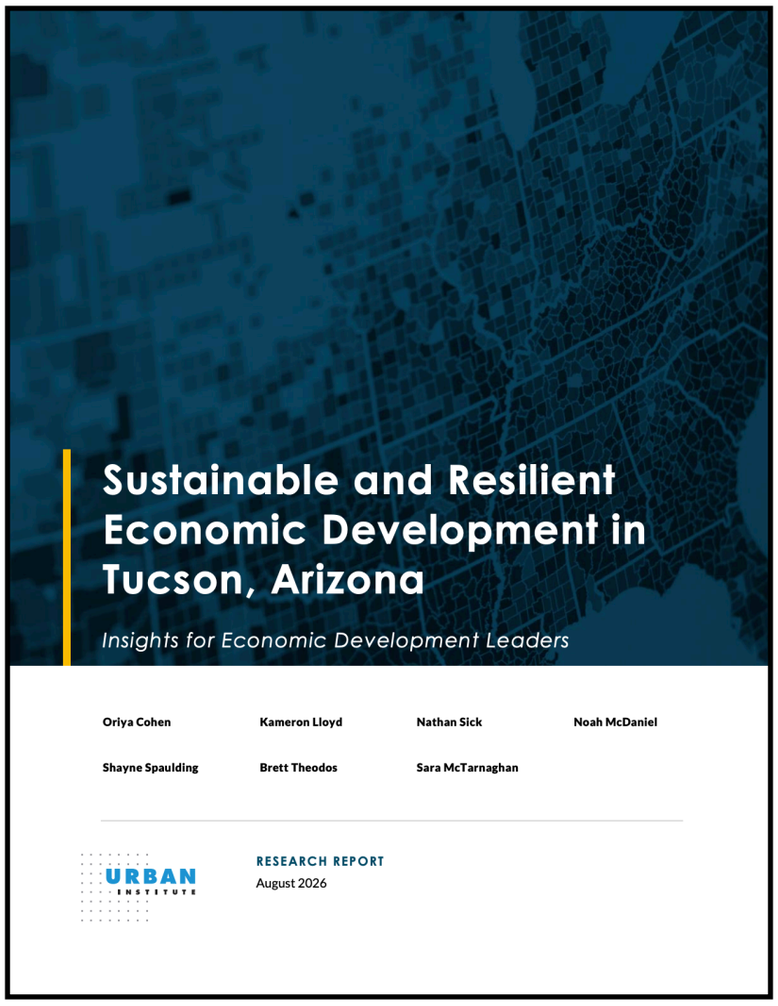
Source: ABC15 - 2023-24 school year

- The implication is to find methods to improve because everything else depends on it

260930

A collaborative plan for the Arizona-Sonora Borderlands Region and the Ward 3 hub within the City of Tucson…(cont'd)

- The recent report from the Urban Institute provides principles for climate resilience, sustainability, and inclusivity that can be applied to the initiatives described this this report.



Source: Urban Institute

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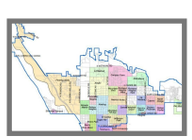
Plan Activities - Ward 3 specific

Illustrative

Who	Why/what	When
W3	Host "Roundtables" with local business owners and managers on an ongoing basis, initially focusing on key industries in Ward 3: . Lapidary-related . Manufacturing and Distribution/Transportation . Food Processing	September 2026
W3/ City	Develop plans, policies, and procedures for adminstering "business neighborhoods" within Ward 3	TBD
W3/ City	Meet with Small Business Center/Tucson Industrial Development Authority/Groundswell Capital to discuss investment opportunities	TBD



260930

Plan Activities - Ward 3 specific…(cont'd)

Illustrative

Who	Why/what	When
W3/ City	Host "Roundtables" with Angel and Venture Capital Groups to brainstorm innovative investment opportunities	TBD
W3/ City/ Visit Tucson	Host "conference" with Gem Dealers to discuss promotional opportunities and strengthened relationships - continue on a quarterly basis	October 2026
W3/ City	Meet with Commercial Real Estate developers to examine redevelopment opportunities in Ward 3 and beyond, especially for hotels and restaurants in the Mineral Discovery District/Mineral Mile areas	TBD

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Plan Activities - Region

Illustrative

Who	Why/what	When
City	Promote a business liaison function with local businesses to expedite inquiries through the City, especially for licenses and permits	TBD
Entrepreneurs	Form “Arizona-Sonora Borderlands Development Corporation” (ASBD Corp)	TBD
Borderlands Partners	Form a coalition of related community parties to promote the “Arizona-Sonora Borderlands Region” in conjunction with the Arizona-Mexico Commission	TBD
ASBD Corp	Form a relationship with the coalition of community parties	TBD
Borderlands Partners	Develop the Unified Vision for Tucson and the Arizona-Sonora Borderlands Region	TBD
Visit Tucson	Frame future marketing plans for the “Gem, Fossil, and Mineral Showcase” based upon market segmentation	TBD
City	Improve awareness of business license requirements	TBD

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Plan Activities - Region…(cont'd)

Illustrative

Who	Why/what	When
City	Review opportunities to streamline permitting processes	TBD
Borderlands Partners	Firm up names for "Arizona-Sonora Borderlands Region," "Baja Arizona," and "Alta Sonora" on both sides of the border	TBD
Borderlands Partners/ ASBD Corp	Organize tour of maquiladoras in Sonora	TBD
Visit Tucson/ Borderlands Partners	Develop the "Tucson product" brand to be used on products manufactured locally (not to be confused with Tucson's own brand)	TBD
Visit Tucson	Enhance local, regional, and national marketing campaigns to promote businesses in the Metro area	TBD

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Plan Activities - Region…(cont'd)

Illustrative

Who	Why/what	When
Visit Tucson/ Borderlands Partners	Encourage local businesses to use "Tucson" brand on products	TBD
Borderlands Partners	Build list of out-of-area candidate companies to establish operations within the region (ongoing)	TBD
Borderlands Partners/ Entrepreneurs/ UofA	Examine technology transfer opportunities from the University of Arizona into the local marketplace to encourage local entrepreneurship and talent retention	TBD
W3/ Borderlands Partners/ Visit Tucson/ Entrepreneurs	Promote opportunities in the gastronomy, lapidary, mining, travel and tourism industries, knowledge-based, and high-tech industries, especially to develop "centers of excellence"	TBD

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Plan Activities - Region…(cont'd)

Illustrative

Who	Why/what	When
W3/ City/ Borderlands Partners	Establish a set of key performance indicators to measure changes in employment, business revenue, tax revenue, equity and social welfare impact, and environmental impact - review on a regular basis	TBD
Borderlands Partners/ ASBD Corp	Host "Arizona-Sonora Borderlands Region Opportunities Showcase" for local business leaders in Arizona and Sonora on a semi-annual basis, rotating the location	TBD
Borderlands Partners	Hold regional meetings across the Arizona-Sonora Borderlands Region to identify and realize specific business opportunities	TBD
Borderlands Partners/ CC/ UofA	Ensure that academic institutions are offering programs that are consistent with the needs of the Arizona-Sonora Borderlands Region	TBD

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Friends of Ward 3 Educational Project

Plan Activities - Region…(cont'd)

Illustrative

Who	Why/what	When
Borderlands Partners/ ASBD Corp	Host first "Arizona-Sonora Borderlands Region Summit" - an international event to showcase what the Arizona-Sonora Borderlands Region can offer businesses and investors from Asia-Pacific, Europe, and Latin America	TBD

It is essential to promote the Tucson Metropolitan Area as the ideal place for business relocation

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Plan Components

Illustrative

- Local entrepreneurs - Form “Arizona-Sonora Borderlands Corporation (“ASBD Corp”)
  - A for-profit corporation
  - Domiciled in Ward 3 as a role model for economic development there
  - Primary sources of revenue related to implementation projects associated with economic development:
    - ➡ Business and technology strategy formulation
    - ➡ Management consulting
    - ➡ Maquiladora consulting
  - Secondary sources of revenue - articles, books, conferences, seminars, including hosting:
    - ➡ “Arizona-Sonora Borderlands Region Opportunities Showcase”
    - ➡ “Arizona-Sonora Borderlands Region Summit”
  - Clients include start-ups and established businesses domiciled in the Region looking to expand, and out-of-area businesses looking to relocate or establish operations within the Region
  - Vision: a unified Arizona-Sonora Borderlands Region

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Plan Components…(cont'd)

Illustrative

- Borderlands Partners - Form a coalition of related community parties to promote the "Arizona-Sonora Borderlands Region" in conjunction with the Arizona-Mexico Commission

  - Community partners include:

    ➡Chambers of Commerce

    ➡Leadership groups

    ➡Government agencies

  - Establish organizational charter, guiding principles, etc.

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Plan Components…(cont'd)

Illustrative

- ASBD Corp - Form a relationship between the coalition of community parties
  - Consulting agreement
  - Scope of work
  - Review economic plans and make adjustments accordingly
- Borderlands Partners - Create the Unified Vision
- Visit Tucson - frame future marketing plans for the "Gem, Fossil, and Mineral Showcase" based upon market segmentation
  - Targeted marketing and advertising programs by demographic and geographic region beyond the Tucson Metro area
- City - improve awareness of business license requirements
  - Clear up confusion between a business license and a tax license
  - Clear up confusion between being domiciled in the City and doing business in the City

260930

Plan Components…(cont'd)

Illustrative

- City - Review opportunities to streamline permitting processes

  - Improve awareness of what the permitting process entails in the real estate development design and build communities

  - Review best practices for permitting in other jurisdictions

- Borderlands Partners - Firm up names for "Arizona-Sonora Borderlands Region," "Baja Arizona," and "Alta Sonora" on both sides of the border

  - Currently:

    ➡Umbrella name: Arizona-Sonora Borderlands Region

      ✓Arizona side: Baja Arizona

      ✓Sonoran side: Alta Sonora

  - Future: names that are acceptable to all parties

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Plan Components…(cont'd)

Illustrative

- Borderlands Partners/ASBD Corp - Organize tour of maquiladoras in Sonora
  - Identify the lead contact in Sonora working with the Arizona - Mexico Commission
  - Determine the appropriate cities and entities:
    - ➡ Agua Prieta
    - ➡ Hermosillo
    - ➡ Guaymas
    - ➡ Nogales
  - Liaise with clients of entities in the Arizona-Sonora Borderlands Region
  - Invite participants
  - Organize travel plans and accommodations
  - Have fun!!!

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Plan Components…(cont'd)

Illustrative

- City - Promote a business liaison function with local businesses to expedite inquiries through the City, especially for licenses and permits

  - Work in conjunction with specific needs in Wards 3, 4, and 5 for the manufacturing community

- W3 - Host "Roundtables" with local business owners and managers on an ongoing basis, initially focusing on key industries in Ward 3:

  . Lapidary-related
  . Manufacturing and Distribution/Transportation
  . Food processing

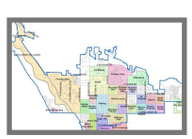
  - Participants selected by cluster - meaning businesses with their suppliers

  - Topics include:

    ➡ Working with the City

    ➡ "Business showcase" presentations

    ➡ Leadership and managerial topics



260930

Friends of Ward 3 Educational Project

Plan Components…(cont'd)

Illustrative

- Visit Tucson/Borderlands - Develop the "Tucson product" brand to be used on products manufactured locally (not to be confused with Tucson's own brand)

  - Develop branding package

  - Develop licensing agreements and fees

  - Determine disposition of fees, such as to charitable causes

  - Develop promotional campaign

- Visit Tucson - Enhance local, regional, and national marketing campaigns to promote businesses in the Metro area

Plan Components…(cont'd)

Illustrative

- W3/City - Meet with Small Business Center/Tucson Industry Development Authority/Groundswell Capital to discuss investment opportunities

  - Examine opportunities to work together to promote programs for businesses in Ward 3

  - Identify candidate businesses in Ward 3 for lending programs

- W3/City - Host "Roundtables" with Angel and Venture Capital Groups to brainstorm innovative investment opportunities

  - Understand industry preferences for capital investment

  - Present potential business venture opportunities within Ward 3

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Plan Components…(cont'd)

Illustrative

- W3/City/Visit Tucson - Host a "conference" with Gem Dealers to discuss promotional opportunities and strengthened relationships (meeting scheduled for October 21, 2026)

  - Discuss infrastructure improvements to "Mineral Discovery District" and "Mineral Mile"

  - Discuss marketing and promotional opportunities outside of the Tucson metropolitan area

  - Discuss development opportunities for expanded retail, hospitality, and entertainment centers along the Oracle Commerce and Stone Avenue Corridors

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Plan Components…(cont'd)

Illustrative

- Visit Tucson/Borderlands Partners - Encourage local businesses to use "Tucson brand" on products
  - Manage license applications
  - Approve the intended use of branding on specific products
  - Monitor the use

- W3/City - Meet with Commercial Real Estate developers to examine redevelopment opportunities in Ward 3 and beyond, especially for hotels and restaurants in the Mineral Mile area
  - Explore commercial and industrial real estate development opportunities, especially in the Miracle Mile/Grant Road areas
  - Match with potential business opportunities

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Plan Components…(cont'd)

Illustrative

- Borderlands Partners - build list of out-of-area candidate companies to establish operations within the region (ongoing)

  - Identify candidates within and beyond Arizona that fit with planned development opportunities with Ward 3, the City, and the Arizona-Sonora Borderlands Region

  - Determine economic impact opportunities

  - Approach target companies to discuss potential benefits of relocation

- Borderlands Partners/Entrepreneurs/UofA - Examine technology transfer opportunities from the University of Arizona into the local marketplace to encourage local entrepreneurship and talent retention

  - Align University research activities with economic development opportunities and business needs

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Plan Components…(cont'd)

Illustrative

- W3/Borderlands Partners/Visit Tucson/Entrepreneurs - Promote opportunities in the gastronomy, lapidary, mining, travel and tourism, knowledge-based and high-tech industries, especially to develop "centers of excellence"

  - Locally within the region to entrepreneurs and existing businesses

  - Beyond the region as part of the "Tucson" branding initiatives

  - Position entrepreneurial resources such as the Tucson Small Business Center and capital sources to provide support

  - Seek technology transfer opportunities from the University of Arizona

- W3/City/Borderlands Partners - Establish a set of key performance indicators to measure changes in employment, business revenue, tax revenue, social welfare impacts, and environmental impact - review on a regular basis

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Plan Components…(cont'd)

Illustrative

- Borderlands Partners/ASBD Corp - Host "Arizona-Sonora Borderlands Region Opportunities Showcase" for local business leaders in Arizona and Sonora on a semi-annual basis, rotating the location

  - An opportunity for:

    ➡ Transborder commerce information sharing

    ➡ Local cities and businesses to showcase their capabilities

    ➡ Encouraging investment from Mexico

  - Coordinated in conjunction with the Arizona - Mexico Commission, the Arizona Commerce Authority, and the Government of Sonora

- Borderlands Partners - Hold regional meetings across the Arizona-Sonora Borderlands Region to identify and realize specific business opportunities

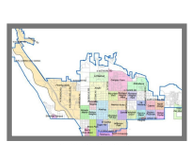
Plan Components…(cont'd)

Illustrative

- Borderlands Partners/CC/UofA - Ensure that academic institutions are offering programs that are consistent with the needs of the Arizona-Sonora Borderlands Region

- Borderlands Partners/ASBD Corp - Host first "Arizona-Sonora Borderlands Region Summit" - an international event to showcase what the Arizona-Sonora Borderlands Region can offer businesses and investors from Asia-Pacific, Europe, and Latin America

The Methodology



This document has been prepared from multiple sources in the Arizona-Sonora Borderlands Region

- Interviews and meetings with community leaders in business and government in Tucson and Southern Arizona
- Surveys of leaders and managers in businesses of various sizes and industries
- Ideation (“brainstorming”) with community members, including academics, entrepreneurs, business owners and managers, employees, government officials, trade associations, and members of the general public
- Presenting ideas and issues to the business and local communities-at-large on a regular basis as the project proceeds from March to July, 2026
- Discussions are in confidence unless otherwise requested

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This document has been prepared from multiple sources in the Arizona-Sonora Borderlands Region…(cont'd)

Survey covering letter

Friends of Ward 3

An Arizona Nonprofit Corporation
405 East Wetmore Road, #117-178, Tucson, Arizona 85705

Dear Business Leader,

Ward 3 Economic Development Opportunities Survey

Friends of Ward 3, an Arizona nonprofit corporation, is conducting a survey in Ward 3 and the related geographic area for educational purposes. The scope is to better understand the current business climate in Tucson and to examine future economic development opportunities. The survey is anonymous.

Friends of Ward 3 values your feedback.

The survey questionnaire is attached, and is in four parts:

- Page 1 collects some basic demographic data
- Pages 2 - 5 seek agreement or disagreement regarding the present business climate
- Page 6 seeks opinions regarding the strengths, weaknesses, opportunities, barriers, and threats regarding Tucson's business community
- Pages 7 and 8 seek agreement or disagreement regarding the future business climate

As a minimum, please express opinions on page 6, and answer the remaining questions that are relevant to your business, and/or for which you have an opinion.

If you wish to be interviewed instead or in addition to responding to the survey questionnaire, please contact me directly at nigelbrooks@fow3.org or at (415) 430-5218.

The results of the survey will be discussed with Ward 3 Councilmember Kevin Dahl and other members of the City of Tucson as appropriate.

If you wish to receive the results, please attach a business card. We expect that the results will be available in the summer of 2026.

Thank you in advance for your participation. Please enclose your response in the attached envelope and contact me directly at nigelbrooks@fow3.org or at (415) 430-5218 to arrange for pick up by two weeks after drop off.

Best wishes,

Nigel A.L. Brooks
President - Friends of Ward 3

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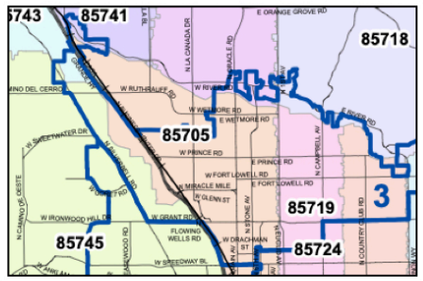
This document has been prepared from multiple sources in the Arizona-Sonora Borderlands Region…(cont'd)

Survey

Ward 3 Economic Development Opportunities Survey

Friends of Ward 3, an Arizona nonprofit corporation, is conducting a survey in Ward 3 and the related geographic area for educational purposes. The scope is to better understand the current business climate in Tucson and to examine future economic development opportunities. The survey is anonymous.



Ward 3 geography and zip codes (primarily 85705, 85718, and 85719)

Respondent's demographics

Headquarters location? Industry and products?

Markets:

- ☐ Local (Arizona)
- ☐ Regional (Southwest)
- ☐ National
- ☐ International - Canada
- ☐ International - Mexico
- ☐ International - Other Latin American and Caribbean
- ☐ International - Asia/Pacific
- ☐ International - Europe/Middle East/Africa

Supply chain sourced: ☐ Domestically ☐ From foreign sources

Gross revenue range:

- ☐ Less than $1,000,000
- ☐ $1,000,000 to $9,999,999
- ☐ $10,000,000 to $99,999,999
- ☐ $100,000,000 to $999,999,999
- ☐ $1,000,000,000 or greater

Total number of employees: _____ Total number of employees in Tucson: _____

This document has been prepared from multiple sources in the Arizona-Sonora Borderlands Region…(cont'd)

Survey

Ward 3 Economic Development Opportunities Survey

"City of Tucson" means the government; "Tucson" means the business community.

With respect to the following statements, do you:

- Strongly agree: 5
- Agree 4
- No opinion 3
- Disagree 2
- Strongly disagree 1

1. Tucson is a business-friendly city _

   Comment:

2. Tucson has potential as a business center in the future _

   Comment:

3. The City of Tucson encourages entrepreneurship and business development _

   Comment:

4. Resources are readily available in Tucson for:

   1. Entrepreneurship and business development _

      Comment:

   2. Workforce development _

      Comment:

   3. Infrastructure development _

      Comment:

   4. Operating capital _

      Comment:

   5. Investment capital _

      Comment:

5. The City of Tucson offers sufficient tax and other incentives to encourage economic development _

   Comment:

6. Business activity in Tucson is not burdened with excessive regulations _

   Comment:

2

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Friends of Ward 3 Educational Project

This document has been prepared from multiple sources in the Arizona-Sonora Borderlands Region…(cont'd)

Survey

Ward 3 Economic Development Opportunities Survey

7. Talent is abundant in Tucson _

   Comment:

8. Businesses in Tucson have the capacity to employ all available workers _

   Comment:

9. Tucson is the best gateway for business in Latin America _

   Comment:

10. Tucson is a major business center in Arizona _

    Comment:

11. Services at Tucson International Airport require upgrades to meet business demands _

    Comment:

12. Industry and trade associations, including chambers of commerce, in Tucson are effective in economic development _

    Comment:

13. Unions are effective contributors to economic development _

    Comment:

14. The trades (construction, electricians, HVAC, landscapers, plumbers, roofers, etc.) are effective in supporting Tucson's economy _

    Comment:

15. Business services, such as accounting, advertising, consulting, legal, and marketing, are effective in supporting Tucson's economy _

    Comment:

16. Tucson's competitive advantage for its economy is based on:

    1. Geographic location _

       Comment:

    2. Access to road transportation _

       Comment:

    3. Access to rail transportation _

       Comment:

3

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This document has been prepared from multiple sources in the Arizona-Sonora Borderlands Region…(cont'd)

Survey

Ward 3 Economic Development Opportunities Survey

4. Access to the internet and telecommunications services _
   Comment:
5. Proximity to a major university _
   Comment:
6. The Aerospace and Defense industry _
   Comment:
7. The Biosciences industry _
   Comment:
8. The Business Services industry _
   Comment:
9. The Information Technology Services and Software industry _
   Comment:
10. The Optics and Photonics industry _
    Comment:
11. The Renewable Energy industry _
    Comment:
12. The Natural Resources industry - agriculture _
    Comment:
13. The Natural Resources industry - mining and lapidary (processing minerals) _
    Comment:
14. The Transportation and Logistics industry (including wholesale) _
    Comment:
15. The Healthcare industry _
    Comment:
16. The Hospitality and Travel industry _
    Comment:

4

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Friends of Ward 3 Educational Project

This document has been prepared from multiple sources in the Arizona-Sonora Borderlands Region…(cont'd)

Survey

Ward 3 Economic Development Opportunities Survey

17. The Commercial and Industrial Real Estate industry _
    Comment:
18. The Residential Real Estate industry _
    Comment:
19. The Gastronomy industry
    including processing, wholesale, retail, and restaurants _
    Comment:
20. Access to the Port of Tucson intermodal gateway _
    Comment:
21. Access to maquiladoras in Mexico _
    Comment:
22. Access to a bilingual workforce _
    Comment:
23. Being relatively free of natural disasters _
    Comment:
24. Quality of life _
    Comment:
25. Affordability _
    Comment:
26. Arts, entertainment, and heritage culture _
    Comment:
27. Quality of educational institutions _
    Comment:
28. The Gem Show _
    Comment:
29. Hosting business conferences and conventions _
    Comment:

5

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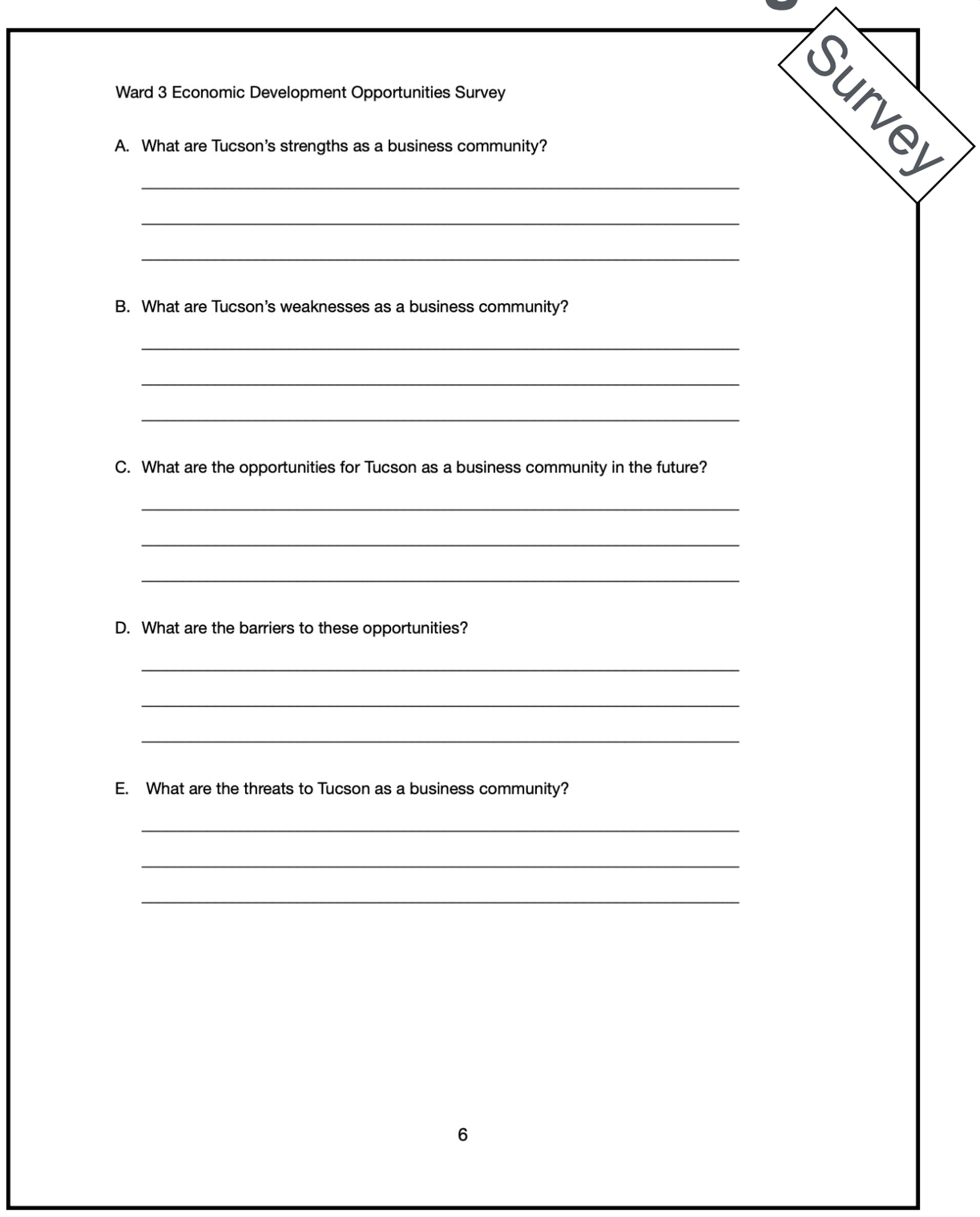
This document has been prepared from multiple sources in the Arizona-Sonora Borderlands Region…(cont'd)



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This document has been prepared from multiple sources in the Arizona-Sonora Borderlands Region…(cont'd)

Survey

Ward 3 Economic Development Opportunities Survey

With respect to the following statements, do you:

- Strongly agree: 5
- Agree 4
- No opinion 3
- Disagree 2
- Strongly disagree 1

17. Tucson should attract and/or develop:

    1. Knowledge-based industries

        1. Research, design, engineering, and development _

            Comment:

        2. Information-based industries _

            Comment:

        3. Financial-based industries _

            Comment:

        4. Professional services-based industries _

            Comment:

        5. Call centers _

            Comment:

    2. High-tech industries - resource-efficient data centers _

        Comment:

    3. High-tech industries - semiconductor-related _

        Comment:

    4. High-tech industries - emerging technologies, such as artificial intelligence (including technology transfer opportunities from the University of Arizona) _

        Comment:

    5. Entertainment such as movie making _

        Comment:

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This document has been prepared from multiple sources in the Arizona-Sonora Borderlands Region…(cont'd)

Survey

Ward 3 Economic Development Opportunities Survey

6. Lapidary - leveraging the impact of the Gem show _

   Comment:

7. Gastronomy - leveraging Tucson's ethnic culinary scene _

   Comment:

F. What other industries should Tucson attract/invest in?

_____

_____

_____

G. What is the one thing that the City of Tucson could do to improve the economy of Tucson?

_____

_____

Other comments and suggestions:

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How the survey participants responded

Statement	Score
Tucson is a business-friendly city	2.7
Tucson has potential as a business center in the future	3.9
The City of Tucson encourages entrepreneurship and business development	2.8
Resources are readily available in Tucson for:	
. Entrepreneurship and business development	2.8
. Workforce development	2.3
. Infrastructure development	2.3
. Operating capital	2.5
. Investment capital	2.6
The City of Tucson offers sufficient tax and other incentives to encourage economic development	2.5
Business activity in Tucson is not burdened with excessive regulations	2.5
Talent is abundant in Tucson	2.7
Businesses in Tucson have the capacity to employ all available workers	2.9
Tucson is the best gateway for business in Latin America	3.6
Tucson is a major business center in Arizona	2.8
Services at Tucson International Airport require upgrades to meet business demands	4.1
Industry and trade associations, including chambers of commerce, in Tucson are effective in economic development	2.9
Unions are effective contributors to economic development	2.9
The trades (construction, electricians, HVAC, landscapers, plumbers, roofers, etc.) are effective in supporting Tucson's economy	4.1
Business services, such as accounting, advertising, consulting, legal, and marketing, are effective in supporting Tucson's economy	2.9

How the survey participants responded…(cont'd)

Statement	Score
Tucson's competitive advantage for its economy is based on:	
. Geographic location	4.1
. Access to road transportation	3.6
. Access to rail transportation	3.3
. Access to the internet and telecommunications services	3.9
. Proximity to a major university	4.3
. The Aerospace and Defense industry	4.5
. The Biosciences industry	3.8
. The Business Services industry	3.2
. The Information Technology Services and Software industry	3.3
. The Optics and Photonics industry	3.7
. The Renewable Energy industry	4.0
. The Natural Resources industry - agriculture	3.5
. The Natural Resources industry - mining and lapidary (processing minerals)	4.1
. The Transportation and Logistics industry (including wholesale)	3.5
. The Healthcare industry	4.1
. The Hospitality and Travel industry	3.9
. The Commercial and Industrial Real Estate industry	3.5
. The Residential Real Estate industry	3.6
. The Gastronomy industry, including processing, wholesale, retail, and restaurants	4.2

How the survey participants responded…(cont'd)

Statement	Score
Tucson's competitive advantage for its economy is based onm (cont'd):	
. Access to the Port of Tucson intermodal gateway	3.6
. Access to maquiladoras in Mexico	4.0
. Access to a bilingual workforce	4.3
. Being relatively free of natural disasters	4.0
. Quality of life	3.9
. Affordability	3.4
. Arts, entertainment, and heritage culture	4.0
. Quality of educational institutions	3.2
. The Gem Show	4.6
. Hosting business conferences and conventions	3.8
Tucson should attract and/or develop:	
. Knowledge-based industries	
.. Research, design, engineering, and development	4.4
.. Information-based industries	4.2
.. Financial-based industries	4.0
.. Professional services-based industries	4.3
.. Call centers	3.8
. High-tech industries — resource-efficient data centers	3.8
. High-tech industries — semiconductor-related	3.9
. High-tech industries — emerging technologies, such as artificial intelligence (including technology transfer opportunities from the University of Arizona)	4.1
. Entertainment, such as movie making	3.9
. Lapidary — leveraging the impact of the Gem Show	4.4
. Gastronomy — leveraging Tucson's ethnic culinary scene	4.5

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What the survey participants have said

- Summary:

  - Tucson is not currently in a strong position in its relationship with the business community

  - It has many opportunities to grow and expand as a link between the United States and Latin American business communities, focusing on many different industries such as:

    ➡ Gastronomy,

    ➡ Lapidary

    ➡ Research, design, engineering, and development in knowledge-based and high-tech industries

  - Before that happens, to overcome the negative view of the Mayor and City Council by the business community, Tucson must invest in itself by improving its own infrastructure, support, and resources for businesses

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What the survey participants have said…(cont'd)

- Tucson as a business community:
  - Highest scoring: Tucson has potential as a business center in the future
  - Lowest scoring: Resources are readily available for workforce and infrastructure development

  Conclusion: Tucson needs to invest heavily in workforce and infrastructure development to reach its potential as a business center in the future

- Tucson is well placed because of its geographic location and as a gateway to Latin America; however, the airport requires service upgrades and improvements for it to be treated as a bona fide business center

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What the survey participants have said…(cont'd)

- Contributors to supporting the business community:

  - Highest scoring: The trades and business services organizations are effective:

    ➡ Trades include: Construction, electricians, HVAC, landscapers, plumbers, roofers, etc.

    ➡ Business services organizations include: Accounting, advertising, consulting, legal, marketing, etc.

  - Lowest scoring: Unions and trade associations, such as chambers of commerce, are not effective

What the survey participants have said…(cont'd)

- Tucson's advantages as a business community:
  - Hosting the Gem, Fossil, and Mineral Showcase
  - Center for the Aerospace industry
  - Proximity to a major university
  - Access to a bilingual workforce
- Industry attraction opportunities:
  - Gastronomy
  - Lapidary
  - Research, design, engineering, and development opportunities in knowledge-based and high-tech industries

What the survey participants have said…(cont'd)

- Hindrances to business growth and expansion:
  - Poor perception of the Mayor and the City Council
  - Poor response to crime
  - Poor permitting process
  - Bad roads and infrastructure

Comments from the survey and interview participants

- Business, permitting, and policies:
  - "The permitting process is too slow and complicated."
  - "I didn't know that I required a business license in addition to a transaction privilege tax license."
  - "The University is great for the community - little help to growing small businesses."
  - "Avoid increasing fees and taxes that impact businesses negatively."
  - "Inconsistent enforcement policies create friction, especially in the construction industry."
  - "Access to affordable credit for equipment-based businesses is limited. Need better access to asset-based finance lending opportunities."
  - "It is tough for small businesses to compete with large franchise systems. The City should do more to promote the uniqueness of the small business culture of Tucson - even for hamburgers!!!"
  - "It's hard for small businesses to compete with Amazon and large corporations."
  - "Incentives are only offered in the Rio Nuevo area."
  - "Limited tax base."
  - "Chambers of Commerce help only if you are a large employer."
  - "Although the City has resources to assist small businesses, they are not well publicized."

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Comments from the survey and interview participants… (cont'd)

- Infrastructure, roads, and transportation:
  - "The roads aren't designed for commercial vehicles."
  - "There is no traffic enforcement whatsoever, making it extremely difficult to drive a delivery truck."
  - "Clean up the streets and river beds - not good for outside businesses. Our town is not attractive anymore. Finish the streets."
  - "Availability of parking is a huge problem."
  - "Housing affordability is a problem."
  - "Aging infrastructure is a problem for commercial and industrial development, especially the water systems."
  - "Affordable housing for lower-income members of the workforce is a priority."
  - "Direct flight service from major cities needs to be enhanced."
  - "The public transportation network needs to be expanded so that there are more opportunities for employees to take public transportation."

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Comments from the survey and interview participants… (cont'd)

- Growth opportunities:

  - "There are no luxury hotels or fine dining restaurants downtown or near any of the major 'Gem, Fossil, and Mineral Showcase' events to accommodate the needs of 'high net worth' out-of-town visitors who are willing to spend large amounts of money in Tucson."

  - "Movie production can help with short-term economic growth - it does help showcase the natural beauty of the area."

  - "Remember that a lot of people in Southern Arizona and Northern Sonora earn their livelihoods from the mining industry. Don't condemn mining."

  - "The more the growth in commercial and industrial industries, the better for the trades - thus, there should be job creation for everyone."

  - "Professional services businesses create stable higher-paying jobs over the long-term."

  - "The Gem show is Tucson's major economic driver - it promotes tourism, which helps local hospitality and food-service businesses."

  - "Bring more business conventions and conferences to Tucson as a way to attract larger businesses."

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Friends of Ward 3 Educational Project

Comments from the survey and interview participants… (cont'd)

- Workforce development:

  - "Limited talented workforce - the current workforce skills need to be upgraded. Need to attract more workers to the area."

  - "Unions help create higher-paying jobs."

  - "Call centers provide an opportunity to employ those who are disadvantaged, such as the disabled and those with criminal records. However, high turnover provides instability."

  - "The City should provide more opportunities for vocational training and sponsor apprenticeship programs with the unions."

Comments from the survey and interview participants… (cont'd)

- Public Safety Concerns and Appearance:

  - "Crime and vandalism is a barrier to business expansion and is effectively a tax."

  - "Tucson is friendly in culture, but challenging in execution."

  - "The parking rules are not conducive to businesses, and there is no traffic enforcement - the roads are not safe for pedestrians."

- "Whereas the City may spend a lot on attracting visitors from all over the world, the reality is that it has an image of being poor and unsafe."

- "There are not nearly enough police."

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Comments from the survey and interview participants… (cont'd)

- Sustainability:
  - "More investment in shade and solar power."
  - "Tucson is and must be a leader in water management."
  - "Tucson can be a leader in the future in water-efficient landscaping and green infrastructure with urban cooling."
  - "Is there an opportunity in Tucson to develop water recycling opportunities for call centers and data centers?"

Comments from the survey and interview participants… (cont'd)

- Future Vision:

  - Tucson is a regional market, which is unusual for a city of its size - it should either grow into a major market or shrink."

  - "Proximity to Mexico and Phoenix should be an advantage, but it does not seem that the City is benefiting from it."

  - "Tucson being free of natural disasters should be a major selling point to promote business relocation."

  - "Tucson is being recognized as an artistic 'hot-spot' - keep promoting it."

- "It appears that the Mayor and the City Council do not care about the business community, unlike Phoenix and Tempe."

- "The current threat to Tucson may be ourselves by not being willing to change with the times."

- "There must be more coordination between governments on a regional basis."

- "The Economic Development Office helps. However, there is no strategic plan for the Tucson area."

- "Tucson needs to build stronger relationships with other cities in Southern Arizona."

- "Local First does a great job!!!"

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Appendix 1 - City of Tucson - Office of Community and Economic Impact

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Announcement

Tucson, Arizona, and Mayor Regina Romero have actively participated in the Bloomberg Harvard City Leadership Initiative. This program provides executive education, leadership training, and data-driven problem-solving tools to mayors and senior municipal officials.

The program's involvement and associated impacts in Tucson include:

- Executive Participation: Mayor Romero participated alongside an international cohort of mayors in the initiative's ninth class, completing the program and graduation at Harvard.

- Global Leadership Forum: Mayor Romero joined a panel at the Harvard Institute of Politics (IOP) to discuss how Tucson is navigating global pressures—such as extreme heat and housing strains—at the local level.

- Local Restructuring: Insights and organizational training from the program have influenced city operations, leading Tucson to launch a new "Economic Impact" office to streamline strategic alignment, business attraction, and service delivery.

Through the Bloomberg Harvard City Leadership Initiative, leaders are equipped with research-based insights to strengthen city halls and improve resident outcomes.

Source: Bloomberg Harvard City Leadership Initiative

MAYOR & COUNCIL MEMORANDUM

June 9, 2026

Subject: Introduction of the Office of Community and Economic Impact (City Wide) Page: 1 of 3

Issue – Time has been set aside to introduce and discuss the creation of the Office of Community and Economic Impact.

City Manager's Office Recommendation – No action is required by the Mayor and Council as part of the Study Session item; however, the Mayor and Council may provide feedback and direction on the update.

Present Consideration(s) – I am establishing the Office of Community and Economic Impact (OCEI), a new division of the City Manager's Office designed to integrate and advance the City's efforts to create a more resilient, equitable, prosperous, and culturally vibrant Tucson. The creation of this office is the direct result of conversations we have had, including at this year's Mayor and Council Retreat, our work with the Bloomberg Harvard City Leadership Program, and community feedback. We have a shared understanding that climate resilience, economic opportunity, cultural vitality, and equity are not separate policy goals, but interconnected drivers of long-term prosperity and quality of life for all Tucsonans.

The Office of Community and Economic Impact brings together key functions that have historically worked across multiple departments and initiatives, including Climate Action, Cultural Affairs, Economic Initiatives, Prosperity Initiative, and Equity Programs. By uniting these functions under a single organizational structure, the City will strengthen collaboration, improve strategic alignment, enhance service delivery, and better position Tucson to address the complex challenges and opportunities facing our community.

The Office will serve as the organizational home for implementation and coordination of several of the City's most important strategic frameworks, including Tucson Resilient Together, Somos Uno, Equity By Design (the newly adopted Equity and Inclusion Action Plan), the Prosperity Initiative, and the Comprehensive Economic Development Strategy. Together, these plans provide a roadmap for creating a city that is environmentally sustainable, economically competitive, culturally rich, and inclusive in both opportunity and outcomes.

Rather than viewing these priorities as separate work programs, the Office will look for the intersection between these areas and coordinate programs. Improving coordination across these related strategic initiatives will result in innovative new projects, strengthen accountability for plan implementation, align resources, advance data-informed decision making, promote inclusive economic growth that benefits all residents, and enhances collaboration with community groups, educational institutions, business organizations, nonprofits, and other regional partners.

Source: City of Tucson

Memorandum: SS/JUN09-26-134

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Friends of Ward 3 Educational Project

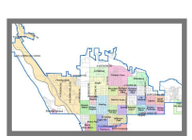
Based on community feedback and staff's work under Mayor Romero's selection for the Bloomberg Harvard program, the City of Tucson is exploring a strategic shift in its economic development approach by investing in innovative programs that directly address poverty and expand pathways to economic mobility. OCEI will continue traditional business retention and attraction efforts and the pursuit of direct foreign investment, particularly from Mexico. However, the City will also create new initiatives that connect residents to employment, nontraditional workforce training, entrepreneurship opportunities, and supportive services that help individuals achieve long-term financial stability. Community survey results consistently identified poverty reduction, affordability, and access to good-paying jobs among Tucson's highest priorities, with residents expressing strong support for programs that create sustainable economic opportunities and improve quality of life for vulnerable populations. This evolving approach recognizes that economic development is most effective when economic success is broadly shared throughout the community. Recent community conversations have also highlighted the importance of aligning economic growth with Tucson Resilient Together and ensuring that economic investments support community health and environmental sustainability. OCEI will work to balance economic development with our community's climate goals.

The Office of Community and Economic Impact represents an important evolution in how the City organizes its work to meet community needs and achieve long-term goals. By bringing together climate action, cultural affairs, prosperity, economic initiatives, and equity under a unified vision, Tucson is creating a stronger framework to build a resilient economy, foster community well-being, and ensure that every resident has the opportunity to thrive. I have appointed Lane Mandle from my office to lead OCEI.

Plan Tucson and other Adopted City Policy Consideration(s) – The creation of the Office of Community and Economic Impact supports *Plan Tucson 2025* under Goal 1: Foster Inclusive, Transparent, Efficient and Equitable City Governance; Goal 2: Support the Development of an Equitable Community; Goal 3: Be a Leader in Carbon Reduction and Resiliency to Extreme Heat and Climate Impacts; Goal 7: Promote the Responsible Management and Use of Water; Goal 8: Promote a Clean Community and Reduce the Harmful Effects of Pollutants in Our Environment; Goal 9: Preserve, Protect, and Enhance Natural Ecosystems and Open Spaces; Goal 10: Preserve and Protect the City's Unique Historic and Archaeological Resources; Goal 11: Foster and Promote Tucson's Arts, Culture, and Heritage; and Goal 12: Strengthen the Local and Regional Economy to Provide Opportunities for All Tucsonans to Thrive. Additionally, the Office will advance Tucson Resilient Together, The Prosperity Initiative, Somos Uno, the CEDS, and Equity By Design.

Financial Considerations – None at this time. All vacancies indicated in the Office of Community and Economic Impact are budgeted for FY27 and have been reallocated to advance these initiatives.

Source: City of Tucson



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Friends of Ward 3
Educational Project

Operating Cost and Maintenance Input – None at this time.

Legal Considerations – None at this time.

Respectfully submitted,

Timothy M. Thomure, P.E. ENV SP
City Manager

Attachment(s): Exhibit 1 – Updated Economic Development Focus Areas
Exhibit 2 – Initial Organizational Chart for OCEI

Source: City of Tucson

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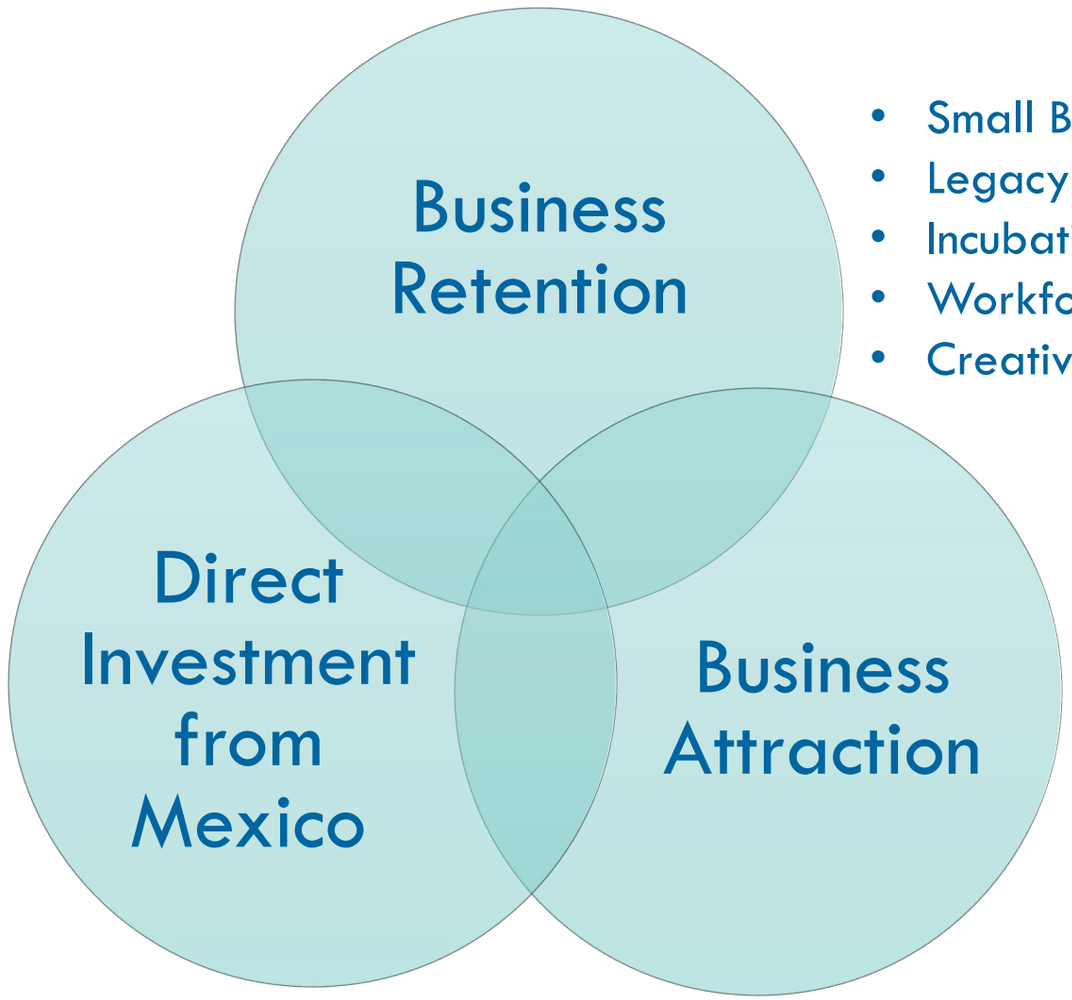
Exhibit 1

Three Categories of Economic Mobility for Tucson



- Small Business
- Legacy Business
- Incubation
- Workforce
- Creative Economy

- U.S. Logistics
- U.S. Location
- Collaboration

- Annexation
- Site Selection
- Arizona Commerce Authority
- Regional Partners | UA
- Non-Mx International

CITY OF TUCSON

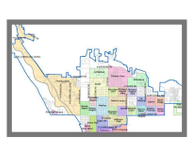


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Exhibit 2

CITY OF TUCSON

OFFICE OF COMMUNITY & ECONOMIC IMPACT ORGANIZATIONAL CHART

City Manager
Timothy M. Thomure P.E

Lane Mandle
Executive Management Professional

Irene Messina
Executive Assistant

Stephen Addison
Project Manager

Equity

Vacant
Chief Equity Officer

Laura Sharp
Project Manager

Sarah Sherman
Project Manager

Neighborhood Services

Sustainability

Fatima Luna
Chief Resilience Officer

Nicole Gillette
UFPM

Karina Molina
Engagement

Carlos Coutino
Intern

Climate Action Team

Prosperity

Vacant
Chief Prosperity Officer

Gisele Coronado
Small Business

Vacant
Solutions Navigator

Vacant
Legacy Business

Lena Porell Prosperity Initiative (HCD)

Economy

Francisca Villegas
Mexico Partnerships & Investments

Mike Czechowski
Economic Development Officer

Jacquelyn Vega
Project Manager

Alma Peralta
Project Manager

Vacant
Project Developer

Tucson IDA

Culture

Kelly Wiehe
Cultural Affairs Officer

Joshua Rothschild
Special Events

Historic Preservation Office

Insight Services

- Mapping
- Analysis
- Dashboarding
- Engagment
- Innovation

Source: City of Tucson

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Appendix 2 - City of Tucson Shared Values

- **Conservation:** The community's commitment to protecting and responsibly managing natural resources, particularly water, while balancing urban growth and development needs. Conservation emphasizes sustainable practices, environmental stewardship, and the preservation of green spaces to ensure long-term ecological health and community well-being.
- **Cultural diversity:** Recognition, celebration, and active promotion of the varied cultural backgrounds, traditions, and perspectives within the community. Cultural diversity encompasses the commitment to inclusivity, the support for cultural programs and events, and the integration of diverse voices in community decision-making processes to enrich the social fabric and foster a more vibrant, equitable society.
- **Equity:** The principle of ensuring fair access to resources, opportunities, and services for all community members, regardless of their background or circumstances. Equity involves actively addressing disparities, removing barriers, and implementing targeted support for underserved populations to create a more inclusive and just community where everyone has the opportunity to thrive.
- **Holistic urban development:** An integrated approach to city planning that recognizes the interconnectedness of various urban systems and prioritizes balanced growth. Holistic Urban Development encompasses sustainable land use, diverse housing options, multi-modal transportation, economic vitality, and environmental stewardship, while emphasizing community well-being, cultural enrichment, and equitable access to resources to create livable, resilient, and inclusive urban environments.
- **Inclusivity:** An active commitment to creating a community where all members, regardless of their backgrounds, abilities, or circumstances, feel welcomed, valued, and empowered to participate fully in civic life. Inclusivity involves designing policies, spaces, and services that accommodate diverse needs, promoting representation in decision-making processes, and fostering an environment of mutual respect and understanding among all community members.
- **Innovation:** The community's embrace of creative, forward-thinking approaches to address urban challenges and enhance quality of life. Innovation involves leveraging new technologies, fostering entrepreneurship, and encouraging novel solutions in areas such as sustainable development, transportation, economic growth, and public services, with the goal of creating a more adaptable, efficient, and vibrant community.
- **Resilience:** The community's capacity to adapt, recover, and thrive in the face of environmental, economic, and social challenges. Resilience in the context of the General Plan update encompasses proactive planning, sustainable resource management, diverse economic strategies, and strong social networks, enabling the community to withstand and positively respond to stresses and changes while maintaining its essential functions and character.
- **Safety:** The fundamental priority of ensuring physical and psychological well-being for all community members through comprehensive strategies and collaborative efforts. Safety encompasses creating secure public spaces, implementing effective law enforcement practices, designing safe transportation systems, and fostering community connections, all aimed at promoting a sense of security and trust that enables residents to fully engage in and enjoy community life.

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Source: City of Tucson

Appendix 3 - City of Tucson Background Material

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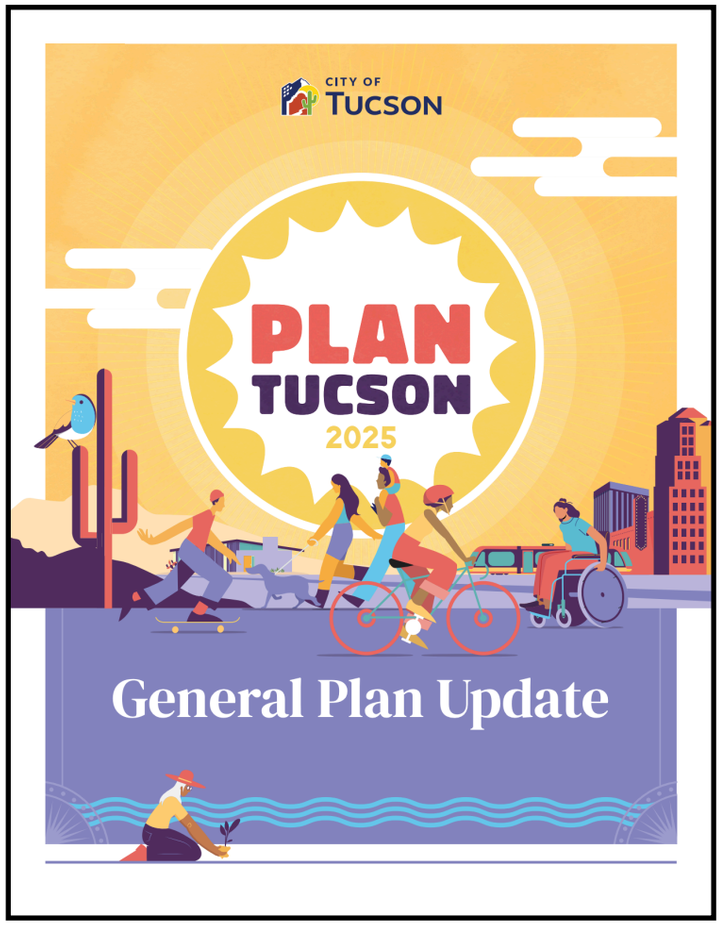
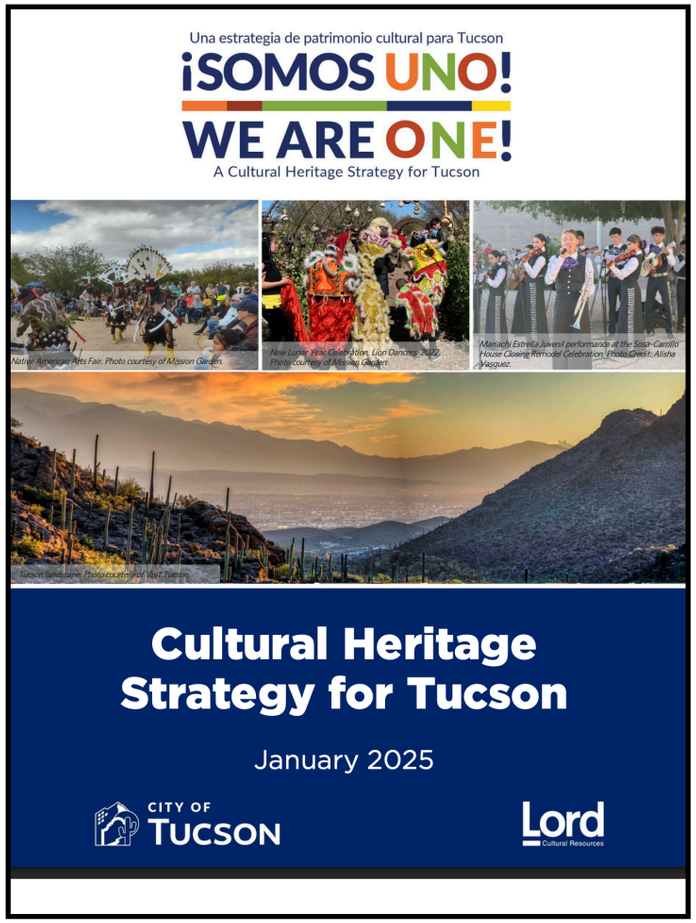
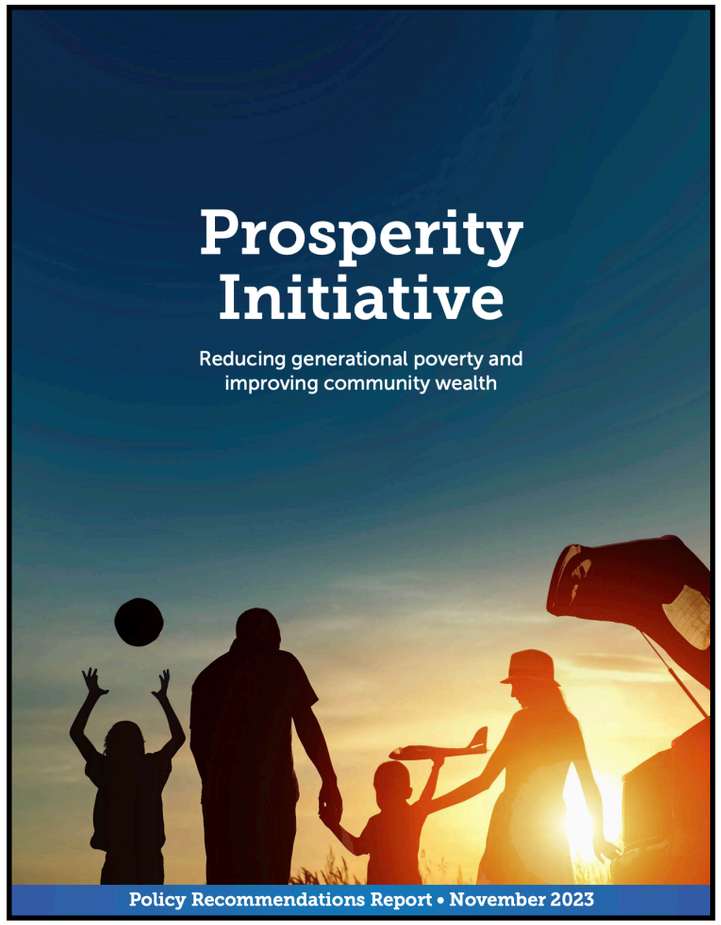
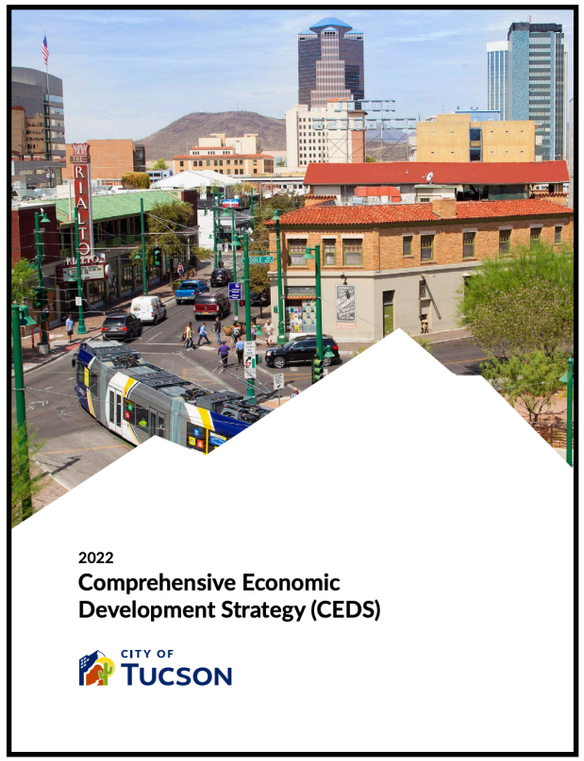
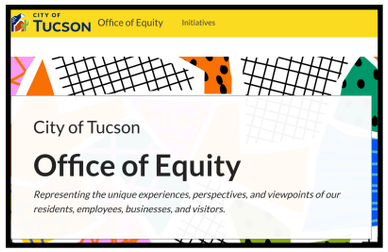
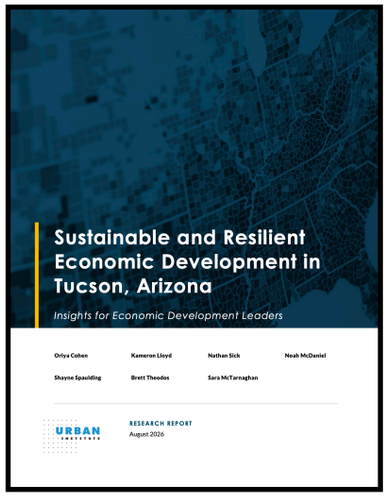

CITY OF TUCSON
PLAN TUCSON 2025
General Plan Update

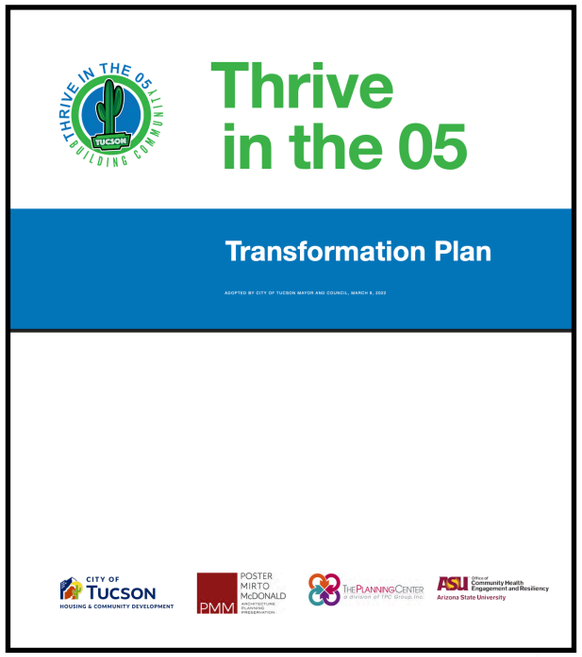

Una estrategia de patrimonio cultural para Tucson
¡SOMOS UNO!
WE ARE ONE!
A Cultural Heritage Strategy for Tucson
Native American Arts Fair. Photo courtesy of Mission Garden.
New Lunar Year Celebration, Lion Dancers, 2022. Photo courtesy of Mission Garden.
Mariachi Estrella Juvenil performance at the Sosa-Carrillo House Closing Remodel Celebration. Photo Credit: Alisha Vasquez.
Tucson landscape. Photo courtesy of Visit Tucson.
Cultural Heritage Strategy for Tucson
January 2025
CITY OF TUCSON
Lord Cultural Resources


Prosperity Initiative
Reducing generational poverty and improving community wealth
Policy Recommendations Report • November 2023


2022
Comprehensive Economic Development Strategy (CEDS)
CITY OF TUCSON


CITY OF TUCSON Office of Equity Initiatives
City of Tucson
Office of Equity
Representing the unique experiences, perspectives, and viewpoints of our residents, employees, businesses, and visitors.


Sustainable and Resilient Economic Development in Tucson, Arizona
Insights for Economic Development Leaders
Oriya Cohen
Kameron Lloyd
Nathan Sick
Noah McDaniel
Shayne Spaulding
Brett Theodos
Sara McTarnaghan
URBAN
RESEARCH REPORT
August 2026


THRIVE IN THE 05 BUILDING COMMUNITY
Thrive in the 05
Transformation Plan
CITY OF TUCSON
HOUSING & COMMUNITY DEVELOPMENT
POSTER MIRTO McDONALD
PMM
THE PLANNING CENTER
ASU Community Health Engagement and Resiliency
Arizona State University

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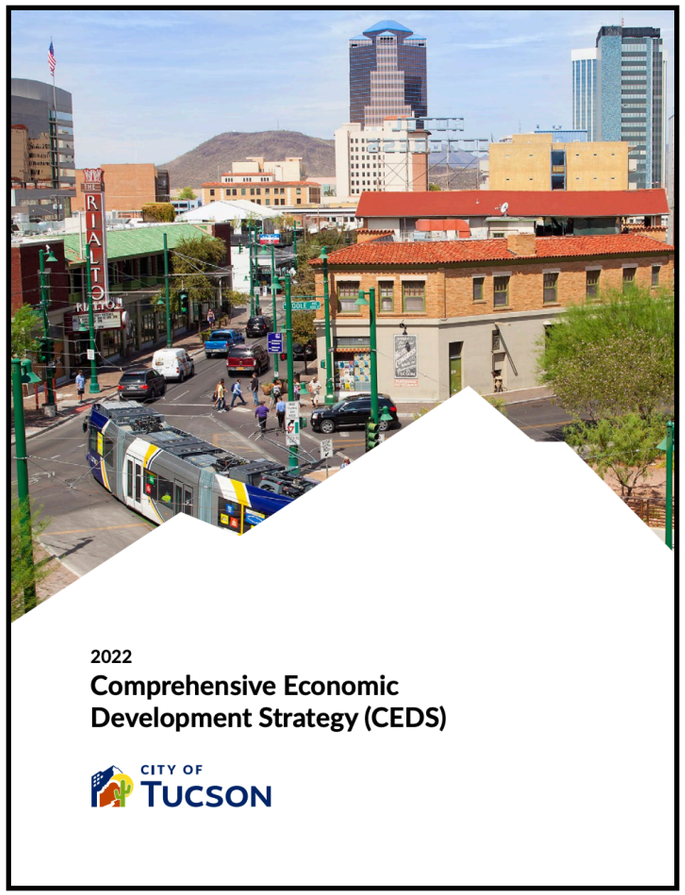

Plan Tucson 2025 Chapters Goals

Goal 12: Strengthen the Local and Regional Economy to Provide Opportunities for All Tucsonans to Thrive

Economic Conditions in Tucson

As of 2022, the Tucson Metropolitan Statistical Area (MSA) had an estimated Gross Domestic Product (GDP) of $55,799.638 million, an increase of 1.4% from the previous year, according to the U.S. Bureau of Economic Analysis. Tucson's workforce grew by 12% from 2013 to 2022, according to the Census's American Community Survey. By comparison, the state of Arizona saw an increase of 23%, with the majority of new jobs created in the Phoenix metropolitan area, which saw a 24% rate of change from 2013 to 2022. Tucson has grown faster than other cities of similar size, such as Albuquerque, NM, and El Paso, TX, which both saw their workforces grow at a rate of 8% over the last decade. The largest job increases were in professional, science, and technical services. The chance to expand and grow these sectors of the local economy are promising in the next ten years.

The City has seen wage rates trend generally upward since 2013, though the growth has been moderate and has at times, lagged behind national averages. The City has seen incremental increases in median wages, driven partly by Arizona's rising minimum wage, which has been adjusted annually since a voter-approved measure in 2016. Sectors such as healthcare, education, and technology have typically seen faster wage growth compared to service and retail industries. Tucson's overall wage growth has been tempered by factors such as a relatively high proportion of service sector jobs and the presence of a large student population. The post-pandemic recovery period saw accelerated wage growth in many sectors due to labor shortages and increased competition for workers. Despite these increases, Tucson's wages have generally remained below the national median, reflecting the City's lower cost of living compared to larger metropolitan areas. Notably, the wage gap between the highest income earners and the lowest in Tucson is smaller than the national average and the City's focus on equity in economic development strives to continue the trend.

Appendix 4 - Tax Returns for Different-Sized Businesses

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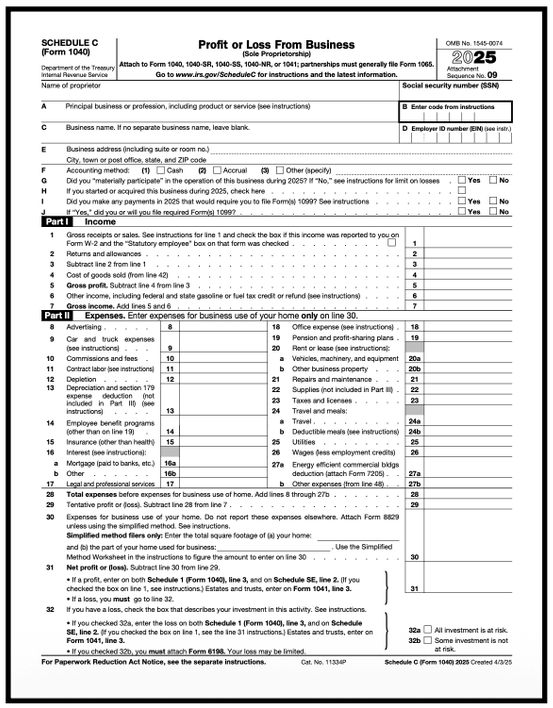
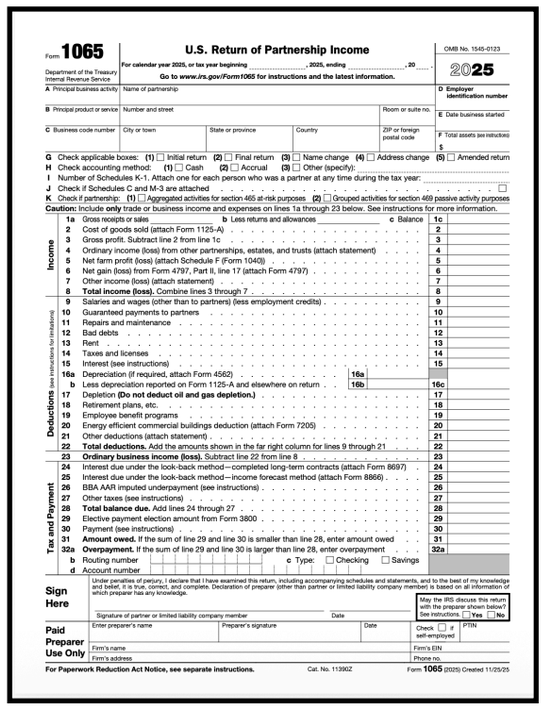
Tax Returns for Different-Sized Businesses



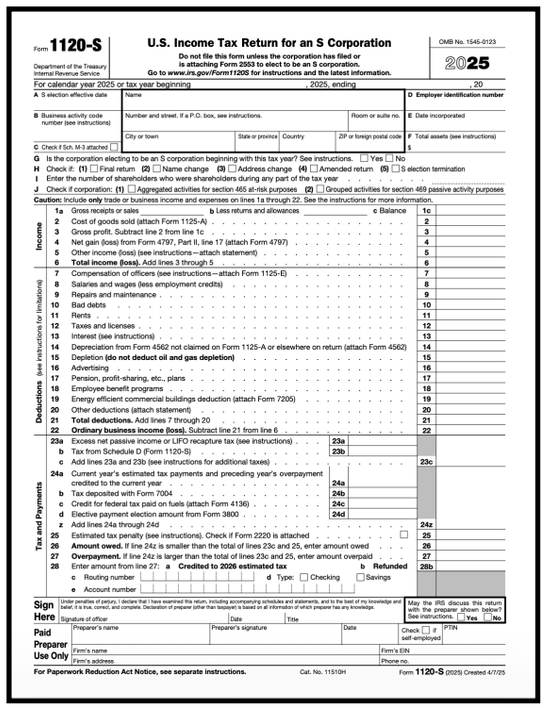
Owner-managed

Single-member Limited Liability Company or Sole Proprietorship

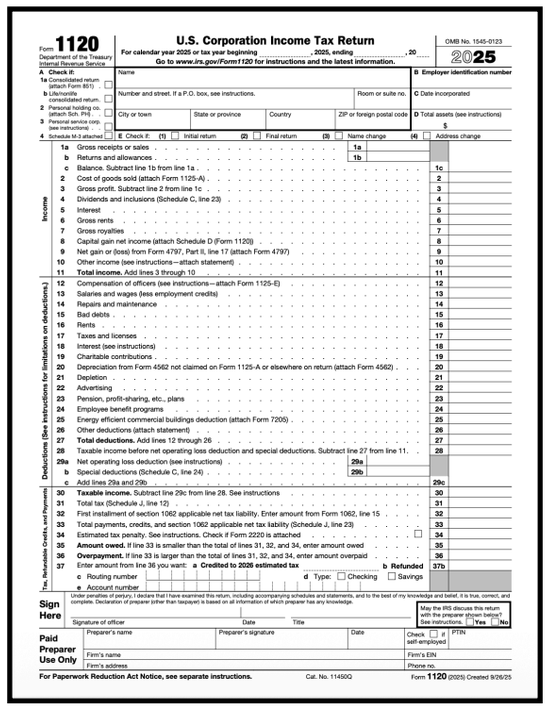


Pass through to members or partners

Multi-member Limited Liability Company or Partnership



Pass through to shareholders



Stand alone

Small business

Small business to mid-sized

Mid-sized to large

Appendix 5 - Communities within the Arizona-Sonora Borderlands Region

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Arizona Communities in the Borderlands

- Cochise County - population (estimate): 126,332

  - Bisbee - county seat, tourism related to mining history in copper, gold, and silver
    population: 4,923

  - Douglas - border city with a history of mining and famous for the Gadsden Hotel
    - construction of a new commercial port of entry is underway
    population: 16,531

  - Sierra Vista - Fort Huachuca - US Army installation; main commercial, cultural, and recreational hub of Cochise County
    population: 45,308

  - Tombstone - tourism related to silver mining industry and the gunfight at the OK Corral
    population: 1,308

  - Willcox - agriculture, tourism, especially for Rex Allen and the Chiricahua Mountains, and wine making
    population: 3,213

- Graham County - population: 38,533

  - Safford - county seat, agriculture (cotton) and mining
    population: 10,129

- Greenlee - population: 9,563

  - Morenci - largest copper mining operation in North America
    population: 2,028

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Arizona Communities in the Borderlands…(cont'd)

- Pima - population: 1,043,433

  - Casas Adobes - an unincorporated suburban community in the Tucson Metropolitan area with growing medical, residential, and retail activities
    population: 70,973

  - Marana - suburban community in the Tucson Metropolitan area, with growing commercial and residential activity, airport, and the Silverbell mine
    population: 51,908

  - Oro Valley - suburban community in the Tucson Metropolitan area, with growing high-tech and health care industries, and residential activity
    population: 47,070

  - Sahuarita - suburban community in the Tucson Metropolitan area, with growing residential activity, and the Mission Complex mine
    population: 34,134

  - Santa Rita Mountains - HudBay Copper World mine

  - Tucson - county seat, de facto capital of Baja Arizona, home of the University of Arizona, Davis-Monthan Air Force Base, and the world's largest Gem, Fossil, and Mineral showcase, tourism related to culture, gastronomy, and history - industries include aerospace and defense, biosciences, optics and photonics, renewable energy, and natural resources
    population (estimated): 548,571

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Arizona Communities in the Borderlands…(cont'd)

- Pinal - population: 425,264

  - Casa Grande - distant suburban community of Phoenix and Tucson, agriculture (cotton and dairy), electric car manufacturing, food processing, and pharmaceuticals
    population (estimated): 70,156

  - Eloy - plastics and steel processing, prison management
    population: 15,635

- Santa Cruz - population: 47,669

  - Nogales - cross-border trade: agribusiness - the bioeconomy - value chains in agriculture, especially produce
    population: 20,072

  - Patagonia - South32 Hermosa Mine
    population: 804

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Sonora Communities in the Borderlands

- Agua Prieta - cross-border trade: maquiladoras
  population: 91,029

- Bacadéhuachi - agriculture (livestock), lithium mine (nearby)
  population (estimate): 1,000

- Cananea - Buenavista mine (second largest in North America), maquiladoras
  population: 32,936 (general area)

- Guaymas - agriculture (honey), fishing, livestock, maquiladoras, tourism (twin city candidate for Tucson?)
  population (metro): 156,863

- Hermosillo - top city for quality of life in Mexico, capital of Sonora, agriculture, manufacturing, maquiladoras
  population (metro): 944,000

- Nogales - cross-border trade: manufacturing, maquiladoras, agriculture (produce), tourism
  population: 264,782

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United States-Mexico-Canada Agreement

- In effect on July 1, 2020, to replace the North American Free Trade Agreement
- Tri-lateral free trade agreement
- Highlights:

Agreement highlights include:

- Creating a more level playing field for American workers, including improved rules of origin for automobiles, trucks, other products, and disciplines on currency manipulation.
- Benefiting American farmers, ranchers, and agribusinesses by modernizing and strengthening food and agriculture trade in North America.
- Supporting a 21st Century economy through new protections for U.S. intellectual property, and ensuring opportunities for trade in U.S. services.
- New chapters covering Digital Trade, Anticorruption, and Good Regulatory Practices, as well as a chapter devoted to ensuring that Small and Medium Sized Enterprises benefit from the Agreement.

Source: Office of United States Trade Representative

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CANAMEX Corridor

- A series of improvements to transportation infrastructure linking Canada to Mexico through the United States including:
  - Freeways
  - Railroads
  - Fiber optic telecommunications infrastructure
- In the Arizona-Sonora Borderlands Region:
  - Arizona
    - ➡I-10 - Phoenix to Tucson
    - ➡I-19 - Tucson to Nogales
  - Sonora
    - ➡Federal 15 - Nogales to Guaymas

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Appendix 6 - Incentive Programs

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Incentive Programs

- Arizona Commerce Authority

The Arizona Commerce Authority offers comprehensive programs and resources to support small businesses, including access to capital, training and streamlined business operations

- Qualified Facility Tax Credit Program
- Angel Investment
- Research & Development Tax Credit
- AZ STEP Grant
- Quality Job Tax Credit

- Pima County

Pima County supports employers by linking them with workforce development programs, economic incentives and training opportunities to foster business growth.

- Pima County One-Stop Career Center
- Government Property Lease Excise Tax
- Industrial Development Authority (IDA)
- Quality Job Tax Credit

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Incentive Programs…(cont'd)

- City of Tucson

The City of Tucson provides essential business services such as licensing, tax assistance and procurement support to help local businesses thrive.

- Primary Jobs Incentive
- Government Property Lease Excise Tax
- Site Specific Sales Tax Incentive
- Downtown Financial Incentive District
- Global Economic Development District
- Tucson Industrial Development Authority

- Chamber of Southern Arizona

The unified organizations leverage strategic partnerships and regional strengths to create a dynamic and competitive market for businesses in Southern Arizona.

- Foreign Trade Zone Grantee FTZ-174
- Shovel Ready Program
- Preliminary Project Review and Delta Team Process

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Appendix 7 - Business Constituency Model

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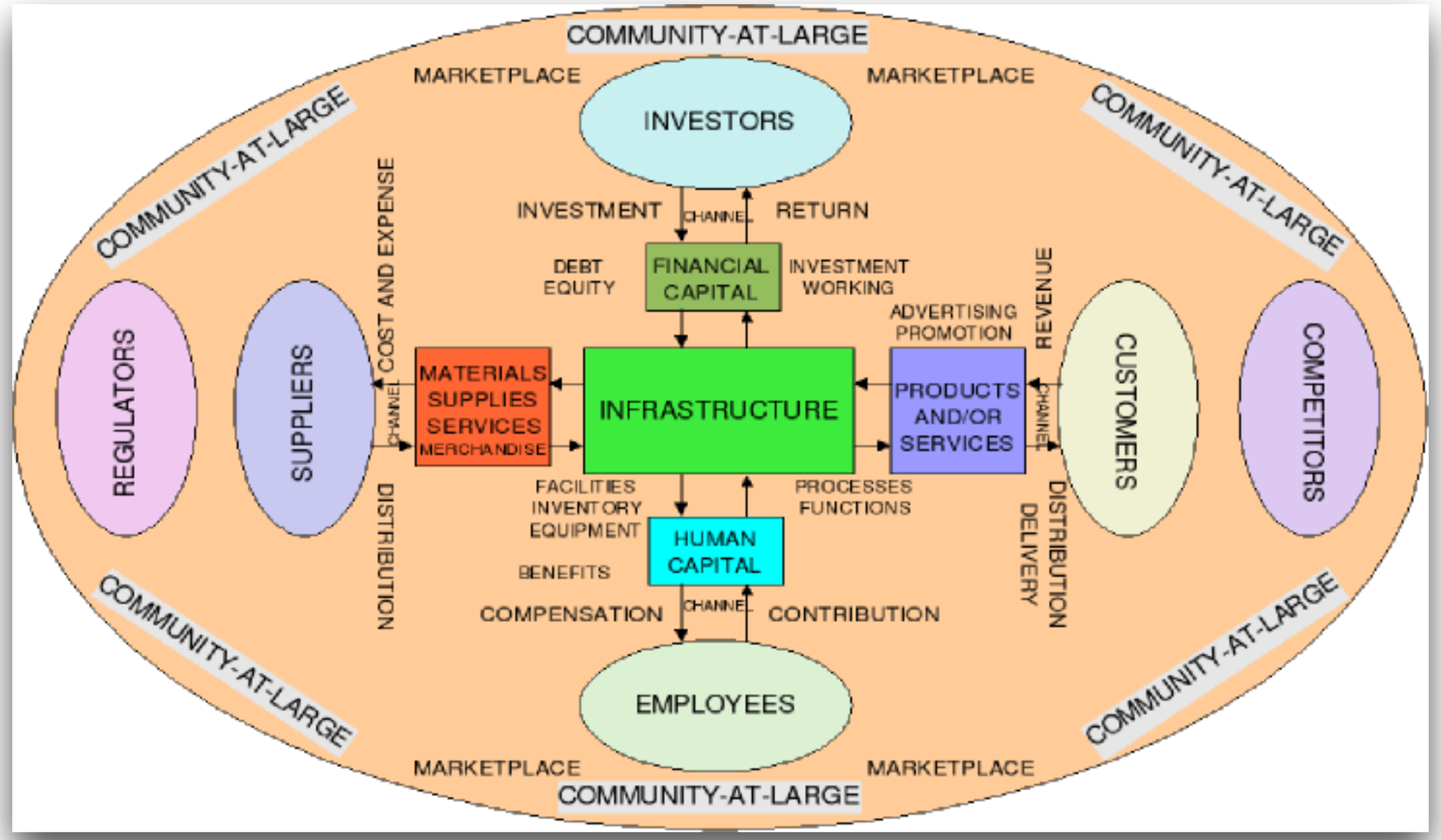
Business Constituency Model



Source: The Individual as an Enterprise

- The “Business Constituency Model” shows the relationship between employees, suppliers, customers, investors (owners), regulators, and competitors within the community-at-large

- It provides a useful framework for designing and understanding the relationships between constituencies and the processes that connect them, and has been used in strategic planning and business development activities in Arizona

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Business Constituency Model…(cont'd)

- From an economic development perspective, it is important to understand the needs of each constituency - for example:

  - Enabling ease of building supply chains between customers and suppliers in a cluster, such as a bakery to a coffee shop, or an axle manufacturing plant to a vehicle assembly line

  - Building efficient infrastructure, such as designing roads to allow for commercial vehicles and bicycles to coexist

  - Providing sufficient parking areas for retail establishments

- It is also important that the needs and concerns of the "community-at-large" are listened to as opposed to "ramming economic development ideas down their throats" - for example, aligning economic growth with environmental sustainability and equity

Business Constituency Model…(cont'd)

- In a strong economy:
  - Investors - source capital for entrepreneurship and business expansion, which enables the economy to grow
  - Employees - represent a strong, well-qualified workforce
  - Suppliers - exist in clusters in proximity to their customers to provide strong centers of excellence in product manufacturing and service delivery
  - Customers - support local businesses and provide the revenue that enables the community-at-large to grow and prosper
  - Regulators - provide a sensible, but not overburdened, regulatory environment
  - Competitors - strive for the best through healthy competition
  - Community-at-large - working relationships between businesses and individuals

Appendix 8 - Technology Transfer Opportunities

Technology Transfer Opportunities

- Centers of Excellence identified in this plan:

  - In data, information, and artificial intelligence in agriculture, biology, and machine learning (aligns with the University of Arizona)

  - For the design and engineering of resource-efficient large-scale data centers regardless of location around the world

    The intent is not to build large-scale data centers in the Tucson Metropolitan area for environmental and resource management reasons, but to become a recognized leader in their design, engineering, and management on a global basis

  - For specific modern mining practices that consider environmental preservation and energy-efficient operations to be employed in the Arizona-Sonora Borderlands Region, and around the world (aligns with the University of Arizona)

  - In developing transportation technologies for the desert region

  - For health, biosciences, and pharmaceuticals (aligns with the University of Arizona)

Technology Transfer Opportunities…(contd)

- Other research areas at the University of Arizona that offer potential in the future:
  - In the area of energy, mining, and environmental sustainability:
    - ➡Mitigating the impacts of extreme heat and wildfires
    - ➡Leading transformations in agriculture, water and energy technologies
  - The Human Experience:
    - ➡Using technology for language and cultural heritage preservation
    - ➡Improving the human experience through studies on loneliness, aging, and interpersonal communication
  - National Security
  - Space Sciences

Source: University of Arizona

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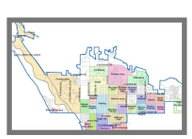
Appendix 9 - Textile Industry Position Paper Addendum

Download:

Economic Opportunities for the Textile Industry within the Arizona-Sonora Borderlands Region With a Hub in Ward 3, City of Tucson



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Appendix 10 - Glossary of Terms

Glossary of Terms

- CANAMEX - a designated trade and transportation route between Canada, the United States, and Mexico

- Center of excellence - an organizational unit that provides leadership in a subject area or discipline, strives for innovation, and establishes best practices

- Maquiladora - a manufacturing facility (in Mexico) that imports raw materials and manufactures products for export under a duty-free arrangement

- Sole proprietor - someone who owns an unincorporated business (can include married couples) - most small businesses, especially restaurants and retail, are sole proprietorships

- Technology transfer - channeling intellectual capital developed in research institutions in the commercial or industrial sector to develop marketable products and/or services

Friends of Ward 3

Educational Project

Thank you
to all those who have
participated and contributed

Friends of Ward 3 (FoW3) is a 501 (c) (3) charitable network serving the needs of residents of Ward 3 in the City of Tucson.

FoW3 also performs educational projects in areas related to neighborhood development and mathematics teaching.

econo3@fow3.org

Annual Report:

https://fow3.org/20260701fow3ar.pdf

Volunteer project - public domain material

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