

Just announced in December 2014, Ajo was selected as one of 26 communities by the Obama Administration to participate in Local Foods, Local Places, a federal initiative providing technical support to integrate local food systems into community economic action plans. Ajo will receive technical assistance to develop and implement an action plan promoting local foods and entrepreneurship in order to create an economically vibrant community.

### Small-scale Community Agriculture



The Pima County Health Department (PCHD) has also supported expanded urban agriculture through support of the Community Food Bank urban farm programs. Under the same initiative, PCHD helped develop and launch Las Milpitas de Cottonwood urban farm. Located in south central Tucson, Las Milpitas features a large community garden, instructional settings, several resources for small producers, composting, and youth farm education programs. This working farm provides opportunities for the community to learn and

participate in food security while helping established small producers manage and expand their crops.

Advocacy for sustainable food sources and regional food security continues to be a primary goal of the Community Food Bank, and PCHD is supportive of this mission. The Health Department has provided for regulatory reviews and guidance regarding urban livestock such as chickens and goats, providing information to community residents on allowances under existing city, county or state codes and ordinance. Additionally, PCHD continues to provide guidance on the handling of animal food products such as eggs and honey.<sup>34</sup>

The Pima County Zoning Code appears to be fairly liberal in provisions for keeping of livestock, poultry and small animals, and beekeeping. Beekeeping is permitted in all zones subject to development standards. The raising of ratites (emus and ostriches) is permitted in the IR, RH, GR-1, SR, SR-2, and SH zones and are conditional uses in the CR-1 and CR-2 zones. Raising of hogs is permitted in the IR, RH, GR-1, SR, and SH zones. Birds (chicken and poultry) are permitted in the IR, RH, GR-1, SR, SR-2, SH, TR (no roosters), CR-1, CR-2, and CR-3 (no roosters) zones with few limitations. Raising of livestock (cattle, horses, goats, and sheep) is permitted in the IR, RH, GR-1, SR, SR-2, SH, CR-1, and CR-2 zones.<sup>35</sup>

<sup>34</sup> Pima County Department of Health (Don Gates)

<sup>35</sup> Pima County Development Services Department (David Petersen)

Exhibit 5.2.a: Fire Districts

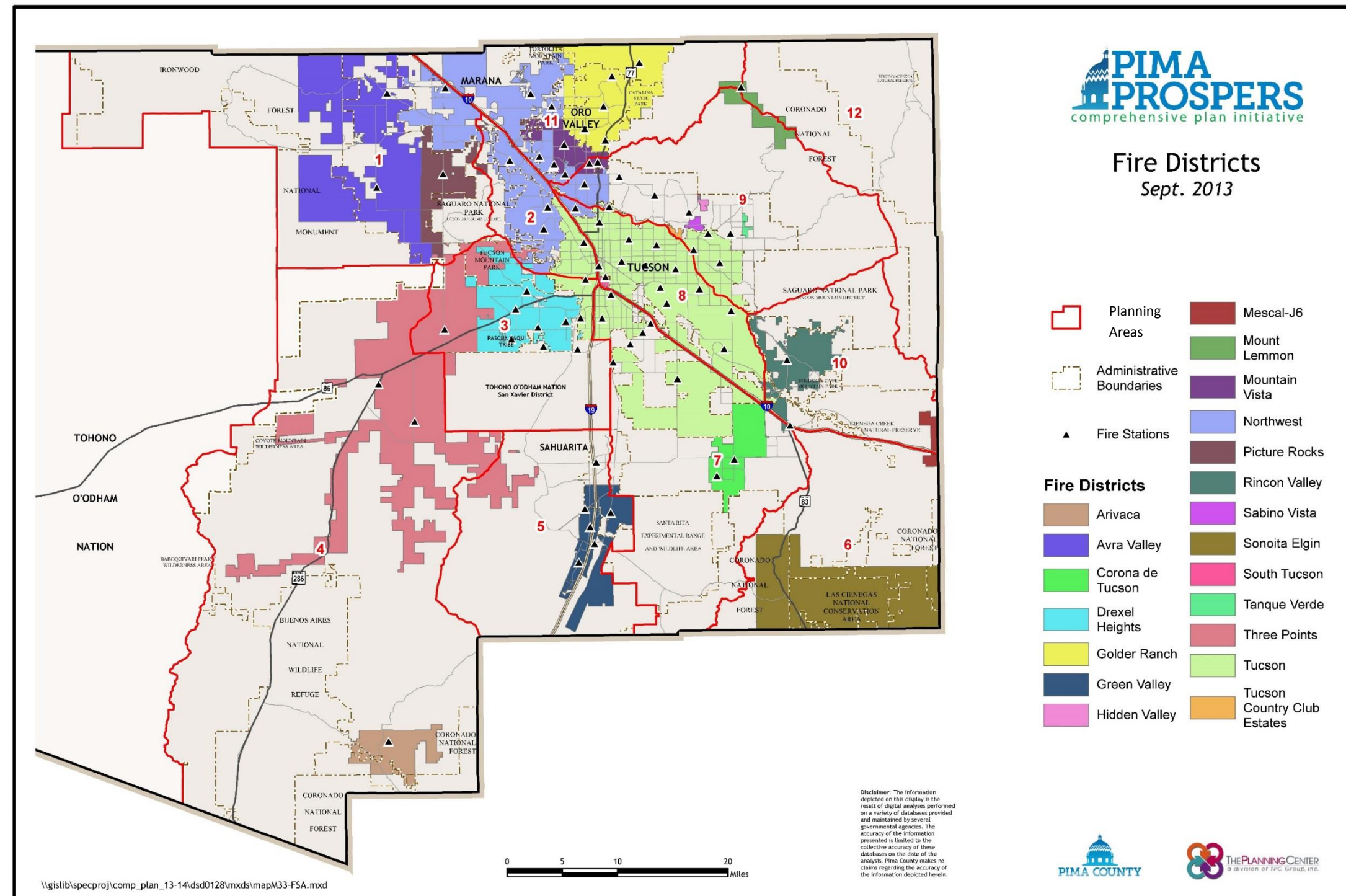
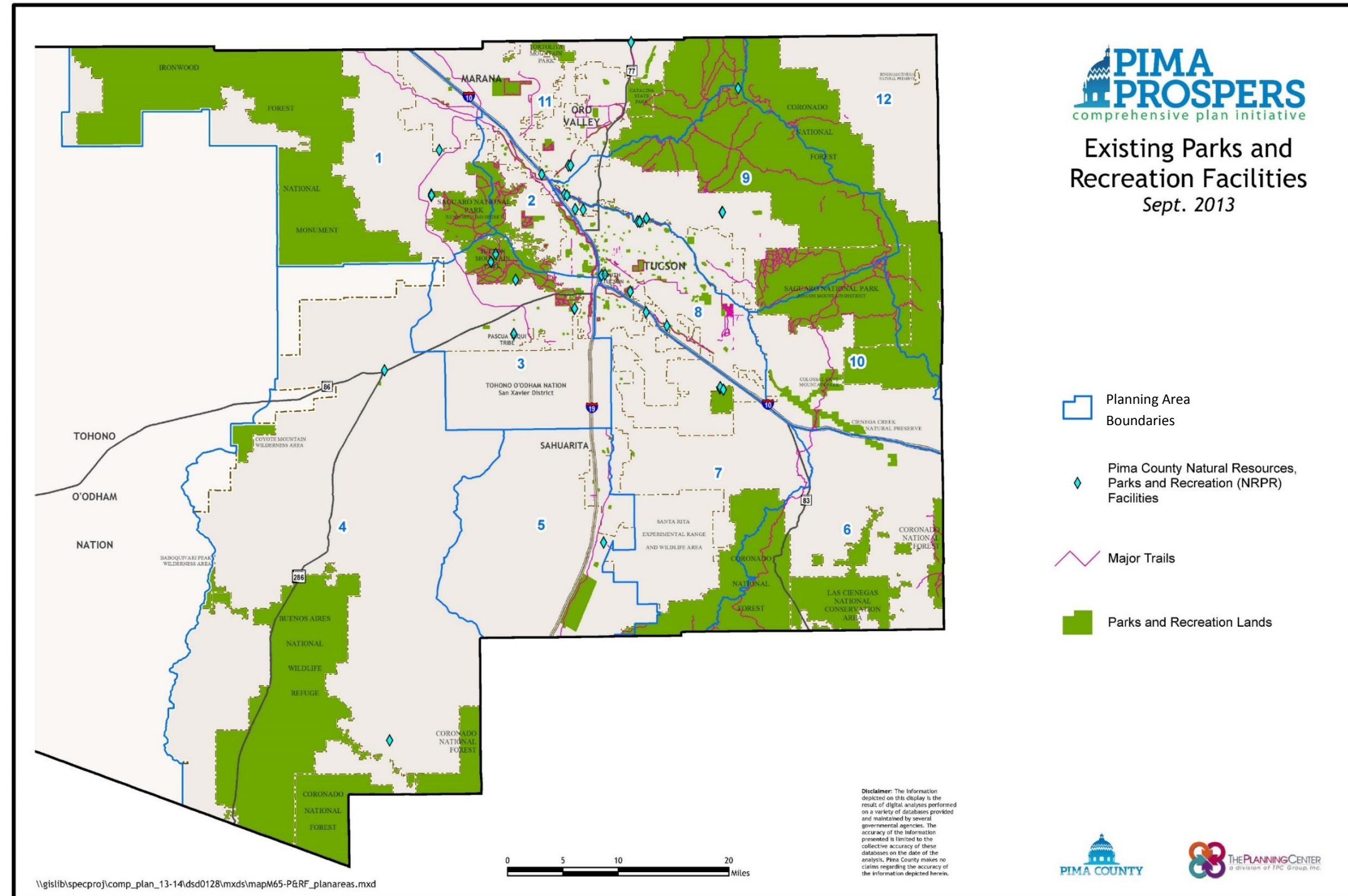


Exhibit 5.3.a: Existing Parks and Recreation Areas



**Exhibit 5.3.b: Existing Parks and Recreation Areas**

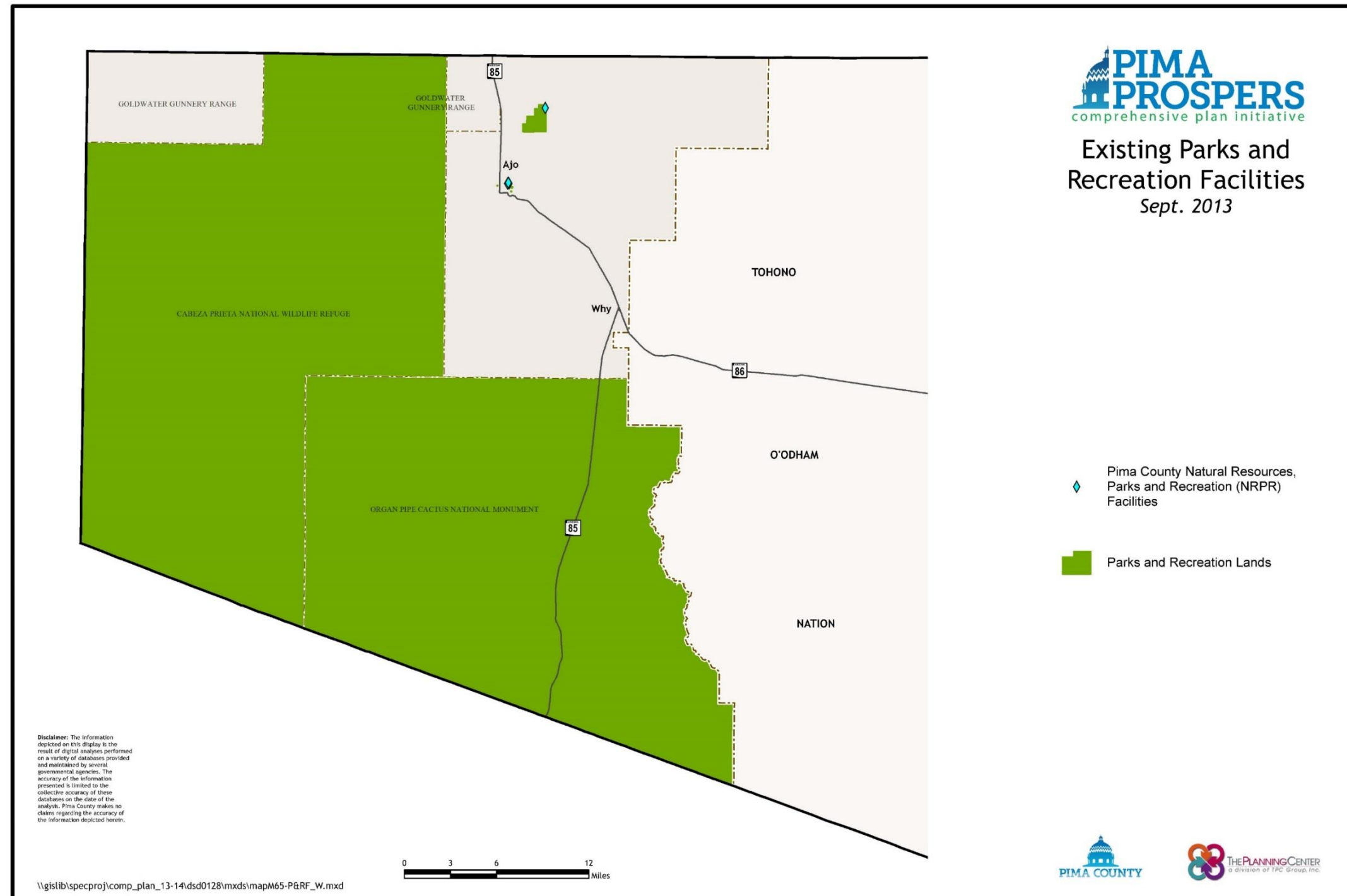


Exhibit 5.3.c: Open Space

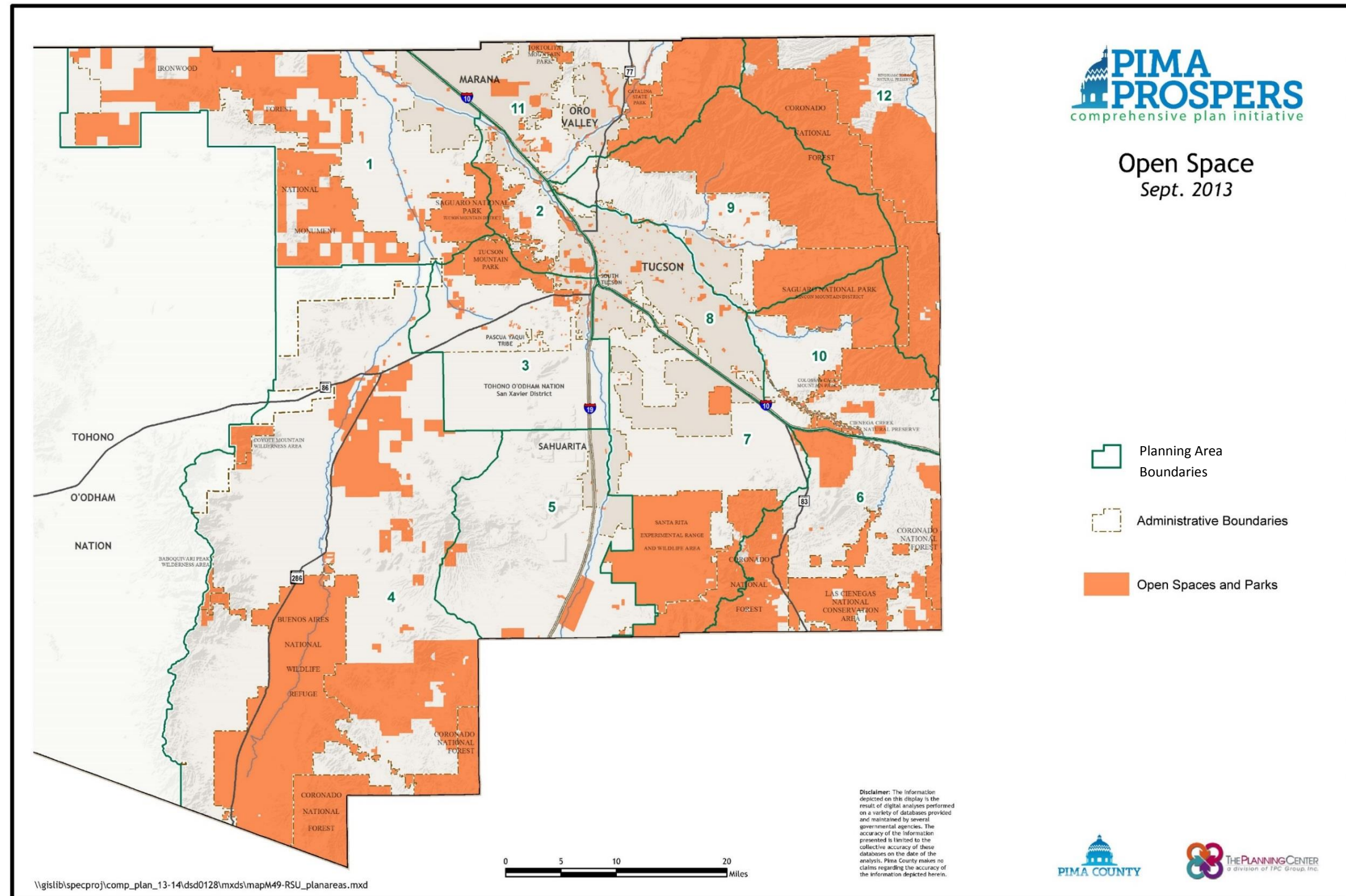


Exhibit 5.3.d: Open Space

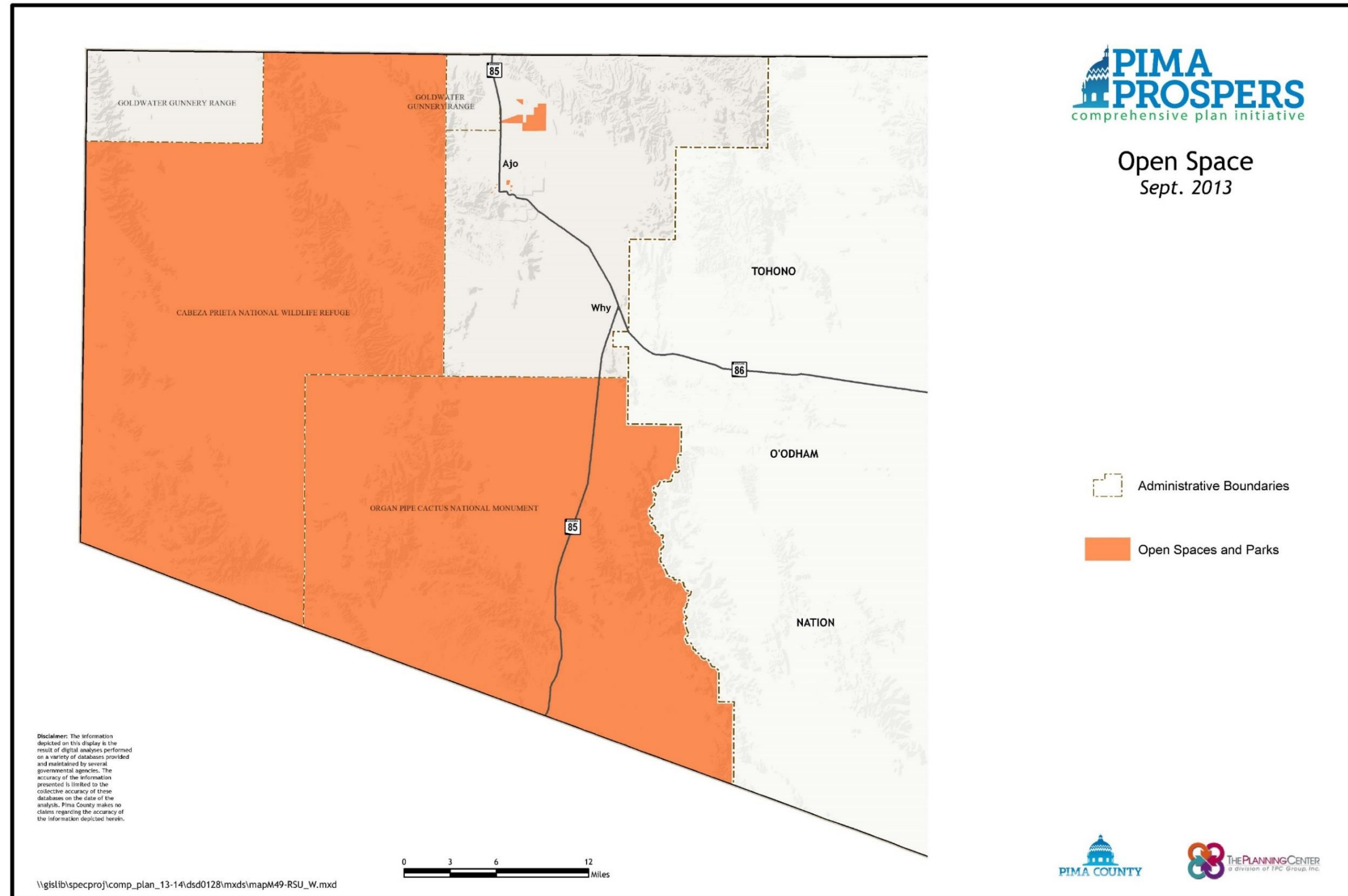
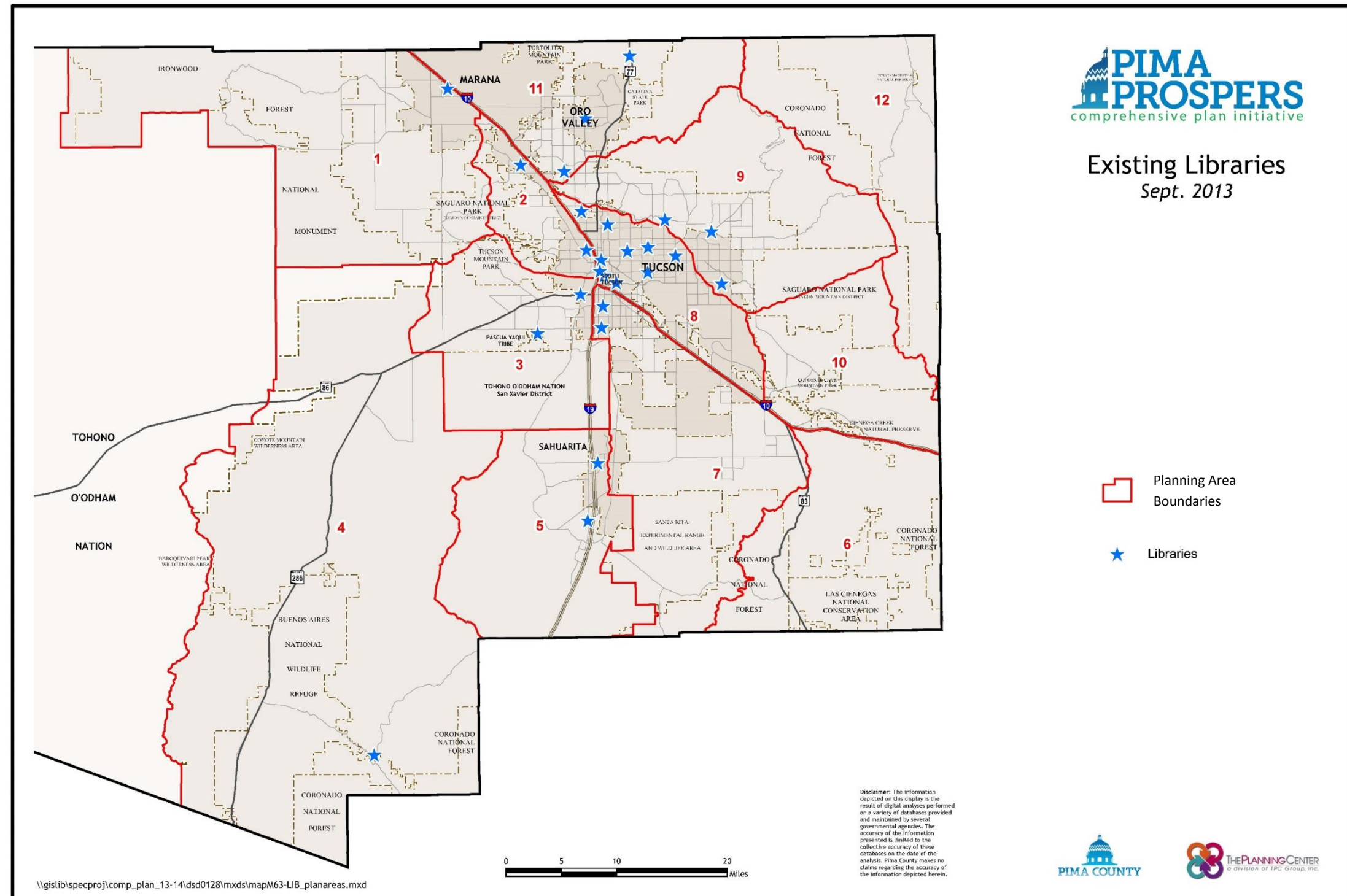
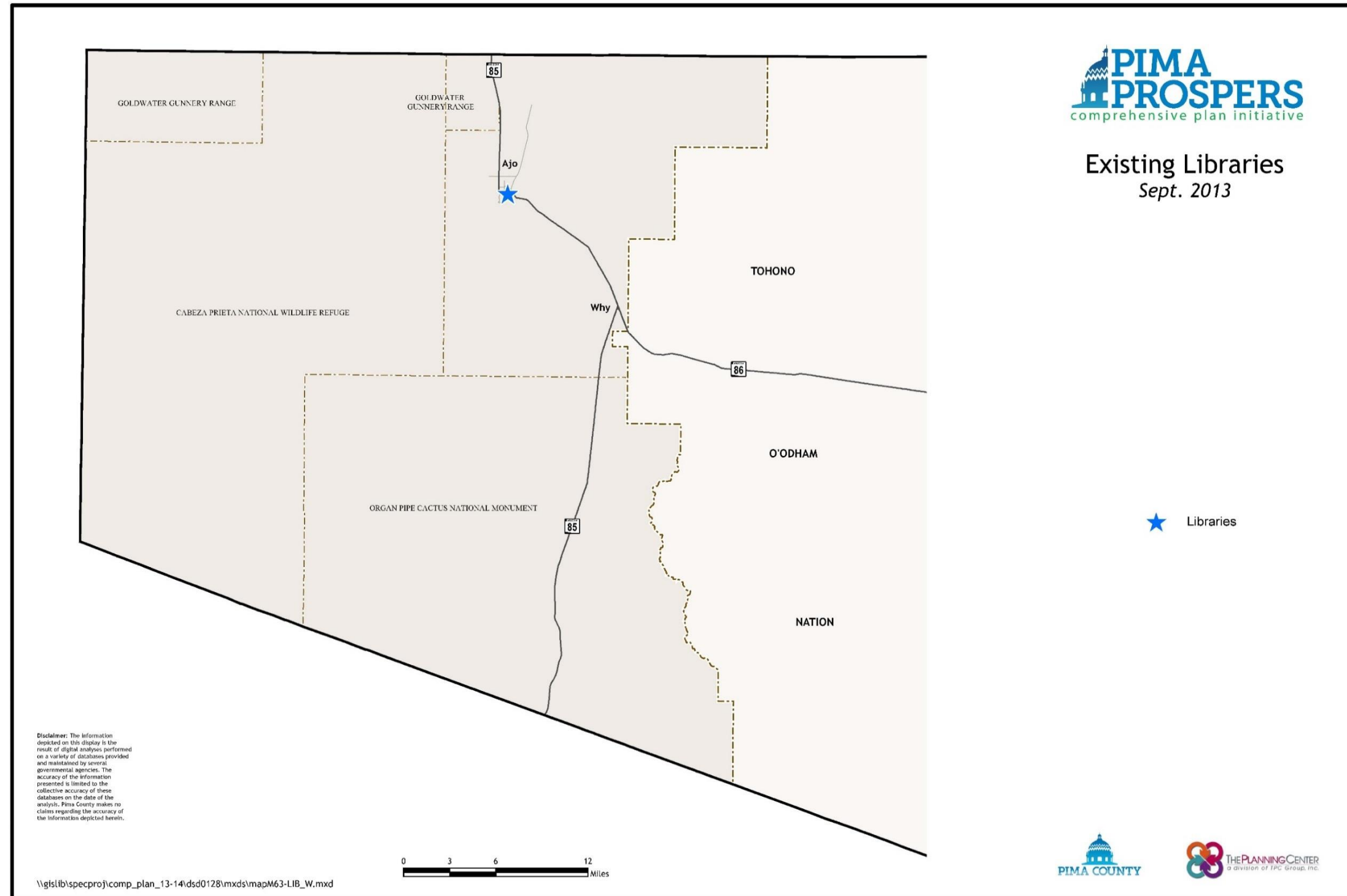


Exhibit 5.6.a: Existing Libraries



**Exhibit 5.6.b: Existing Libraries**



# Economic Development

## Chapter 6: Economic Development Background



### Key Points

- ✓ Identification of Key Economic Development Corridors
- ✓ Current strategies in place to develop or strengthen industry clusters
- ✓ Exploration of tourism, revenues, and other opportunities

## 6.1 Economic Development

Every community has a goal to build prosperity. Economic Development is the set of programs and strategies that aid the development of these different aspects of prosperity and seek to strengthen them. Pima County, Sun Corridor Inc. and the state all play key roles. The differing types of a community's capital include:

- **Intellectual capital** Incubation facilities for business startups, angel funds, new ideas or labs for researching should be readily available.
- **Financial capital** "Rainy day funds" are an example of public stewardship of financial capital, designed to help society weather risks and uncertainties.
- **Social capital** is the stock of trust, relationships, and networks that support civil society. These connections are facilitated through broadband access, access to recreation and gathering spaces, and organized community events.
- **Individual capital** is the stock of skills and physical and mental healthiness of people in a region.

- **Natural capital** is the stock of unimpaired environmental assets such as the Arizona Sonoran Desert, its non-renewable resources and renewable resources, as well as climate.
- **Political capital**, is evidenced by the ability of an individual or a group to influence the distribution of resources, including helping set the agenda of what resources are available.<sup>1</sup>

### Sun Corridor Inc. Economic Blueprint for the Region

Sun Corridor Inc. (formerly Tucson Regional Economic Opportunities, Inc. (TREO)) was formed in 2005 to be the lead economic development agency for the region. In early 2007, TREO released **Securing Our Future Now: An Economic Blueprint for the Tucson Region**. The Blueprint, as it's known, combined quantitative analysis of metro Tucson with focus group conversations, interviews, and surveys. The report highlighted the region's strengths and weaknesses in the various areas of wealth, mentioned above, and suggested concentrating on five areas to develop a more competitive economy: **TREO's "Power of Five"**:



<sup>1</sup> Wealth Creation in Rural Communities, Funded by the Ford Foundation Revised 9/11

This blueprint was updated and released by Sun Corridor Inc. Board of Directors on April 30, 2014. Pima County funds Sun Corridor Inc. and has representation on the Board of Directors. That update recommended the following:

- Establish one goal for job growth that the region will work towards: 40,000 new jobs over the next 5 years.
- Concentrate on creating export-based jobs.
- Focus on the military assets such as extending the industries for aerospace and defense.
- Align education to meet the industry demand for talent and skills.
- Focus on education to build a talent pipeline.
- Achieve seamless connectivity to Mexico, Canada and other southwest business markets through infrastructure investment and funding.
- Focus on entrepreneurship to grow our own industry.
- Build a Healthy Community with a focus on healthcare industry.

### Pima County's Economic Plan

Pima County expanded its role in regional economic development efforts beyond the existing programs geared to managing workforce training, managing tourism attractions, and contributing to the funding of Sun Corridor Inc. Faced with a regional economic slump as the impacts of the Great Recession lingered, the Pima County Board of Supervisors adopted a plan from the County Administrator in January 2012 to address a series of initiatives to spark economic recovery through the retention and recruitment of industry to the region. The adopted plan forms the foundation of the policy plan in the comprehensive plan. Most of the initiatives centered on infrastructure projects to support existing industry, changing the business climate, and a continued focus on workforce development efforts. The Economic Plan was supplemented with an action plan. The 2015-2017 action plan will include the following 13 central initiatives:

1. Primary job center development
2. Regional infrastructure investment for job creation
3. Existing employment base protection
4. Logistics Hub of the Southwest
5. University of Arizona intellectual capacity leveraging
6. Tourism promotion
7. Mining – Traditional industry modernization
8. Relationship with Mexico enhancement
9. Relationship with Canada enhancement
10. Relationship with South Korea enhancement



## Economic Development Background

11. Job training and workforce skillset enhancement
12. Downtown redevelopment
13. Investing for an economically competitive future

## 6.2 Existing Economic Development “Corridors of Opportunity”

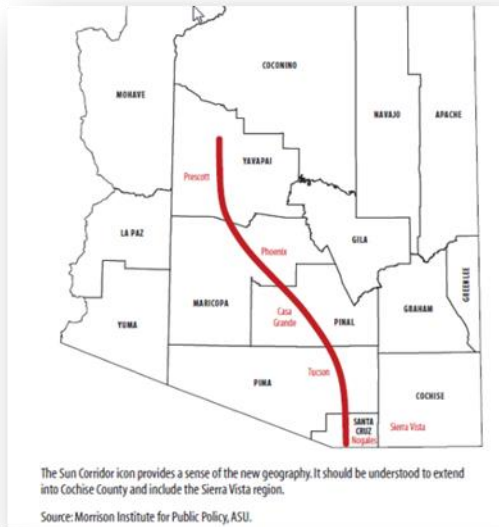
Traditionally, the I-10 corridor has also served as an economic development corridor with much of the industrial base of the region located adjacent to that corridor. This co-location with the interstate has also led to congestion and further widening to accommodate not only regional trade and commerce but office commuting. Other corridors should be considered to join major employment centers and satellite supply chain providers. Such corridors could join health care centers and hospitals to bioscience industry, the ports and warehouses with airports and rail, and aerospace and defense industry with protected corridors for airports, Davis Monthan, and supporting facilities. The Sonoran Corridor proposes to connect aerospace and defense uses and industry along with logistics and trade facilities. Economic development corridors integrate:

- Development principles;
- Transportation principles;
- Land Use principles;
- Economic principles;
- Environmental principles; and
- Social principles.

The intent of these corridors is to ultimately promote such principles to:

- Reduce travel times;
- Increase mobility, accessibility and affordability;
- Integrate multiple modes of transportation, compact and mixed land uses and job creation;
- Strengthen the development of prominent economic activity nodes;
- Increase recruitment and retention of major employers within the region;
- Enhance community integration, health and walkability through connectivity; and
- Protect natural and cultural resources.

## Sun Belt Corridor and What Arizona Wants



The Sun Corridor (roughly the size of Indiana) is the label for the emerging southwest megapolitan area. Megapolitan areas are defined as compact, with two or more metropolitan areas 50 or 200 miles apart, connected by commuting patterns, complex and bounded by key corridors. Anchored by Phoenix and Tucson, the Sun Corridor includes approximately 1/5th of Arizona's land mass but 80% of the population. Of the approximately 11.2 million acres within the Sun Corridor, private ownership accounts for more than a third of the land, roughly twice the percentage of the entire state.<sup>2</sup>

**Figure 34: The Sun Corridor**

### The Arizona We Want

The Center for the Future of Arizona (CFA) is leading a long-term project to define a vision of statewide goals and the strategies needed to achieve those goals. A survey conducted by the Center showed that Arizonans are highly attached to their community. The "Arizona We Want" initiative notes that Gross Domestic Product (GDP) growth is correlated with high levels of citizen attachment to community. The poll also shows that Arizonans rate their communities' natural environment highly, but are pessimistic about the availability of job opportunities.

As a statewide effort, the Arizona We Want project may be useful for defining a vision that can unify communities throughout the Sun Corridor (Figure 1). Used in combination with the results of Imagine Greater Tucson, this may provide a useful vision for the megapolitan region.<sup>3</sup>

<sup>2</sup> Megapolitan Arizona's Sun Corridor, Morrison Institute for Public Policy, May 2008

<sup>3</sup> Tucson's New Prosperity, Capitalizing on the Sun Corridor, Sonoran Institute, July 2010

## Canada, Arizona, Mexico (CANAMEX) Trade Corridor



The Canamex Trade Corridor was established by the North American Free Trade Agreement (NAFTA) as a high priority series of highways that will link Mexico with Canada. The corridor was proposed for use by railroads, pipelines and fiber optic communications. The route is depicted below, but a second proposal is being studied for Interstate 11 following a similar route, that will replace the non-highway portions of U.S. 93 and offer an alternate bypass around Phoenix and Tucson.

**Figure 35: CANAMEX Corridor**

The alternate route of I-11 is currently the subject of Southern Arizona Stakeholder partners meetings hosted by the Arizona Department of Transportation (ADOT). Pima County is in support of the proposed I-11 and has suggested route alternatives.

## The US/Mexico Border and Our Binational Economy

Ever since the enactment of the North American Free Trade Agreement (NAFTA) in 1994, bilateral trade has grown exponentially, reaching a record high of nearly \$535 billion in 2012. Mexico is now the third-ranked commercial partner of the U.S. and the second largest market for U.S. exports. Mexico spent \$163 billion on U.S. goods in 2010, and trade with Mexico sustains six million jobs in the U.S. U.S. sales to Mexico are larger than all U.S. exports to the BRIC countries (Brazil, Russia, India and China) combined, as well as all combined sales to Great Britain, France, Belgium and the Netherlands. 22 states count Mexico as their No. 1 or No. 2 export market, and it is a top-five market for 14 other states. In 2010, Mexico exported more than \$4.3 billion in vegetables; the U.S. accounted for 90% of this total, becoming Mexico's largest vegetable export market.<sup>4</sup>

<sup>4</sup> Realizing the Strategic National Value of our Trade, Tourism and Ports of Entry with Mexico, New Policy Institute, May 2013

In 2010, Mexico invested an unprecedented five percent of its GDP in infrastructure. With 76 seaports along its 11,000 kilometers of seashore on the Pacific and Atlantic Oceans, 85 airports, 26,700 kilometers of railroad and 366,000 kilometers of road, Mexico is one of the most “interconnected” countries in the entire hemisphere.

Goldman Sachs research on the Next 11 Emerging Markets estimates that the Mexican economy will become the world’s fifth largest economy by 2050, putting Mexico ahead of Brazil, Russia and China. And given its rapidly advancing infrastructure, increasing middle class and rapidly declining poverty rates, it is expected to have a higher GDP per capita than all but three European countries by 2050.

The resolution in July of a long dispute has allowed Mexican trucks to make deliveries in America. Once in place, the U.S. – Mexico cross-border trucking program is projected to produce savings of up to \$675 million annually for binational trading costs, according to the Mexican federal government. The automotive, electronics and aeronautic industries, among others, are examples of the highly integrated supply chains between U.S. and Mexican industries that have successfully faced global competition. Supply chains are critical to businesses’ underlying value, growth potential, and economic competitiveness.

Major challenges to supply chain economics are border delays, security concerns, and infrastructure constraints. These challenges create an environment of uncertainty in the business community, which deters investment, job creation and economic prosperity.

In May of 2010 the U.S. and Mexico signed the 21st Century Border Management Joint Declaration. Recognizing the importance of fostering the commercial relationship, both countries have agreed to coordinate efforts to enhance the economic competitiveness by expediting lawful trade. Today more than 75,000 trucks (carrying close to 80 % of our two-way trade) cross the border on a daily basis.<sup>5</sup>

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<sup>5</sup> Realizing the Strategic National Value of our Trade, Tourism and Ports of Entry with Mexico, New Policy Institute, May 2013

### The Tucson Tech Corridor

The Tucson Tech Corridor is cluster of industrial zoned or commercial properties (many shovel ready) located along Interstate 10 and is anchored by landowners and developments that are among the region's leaders in economic development and real estate development (Figure 4). Partners involved in this project include Diamond Ventures, University of Arizona Science & Tech Park, Ashland Group, and Port of Tucson located at Kolb and Valencia adjacent to I-10 and the Union Pacific Railroad.<sup>6</sup>



Figure 36: Tucson Tech Corridor from TTC Website

<sup>6</sup> Information and map from <http://tucsontechnologycorridor.com/vision.html>

### The Port of Tucson

Approximately one mile from the UA Tech Park Kolb entrance along Kolb Road, the Port of Tucson is a multi-faceted rail facility located in the Century Park Research Center in Tucson, Arizona. Companies throughout the region have easy access to this major intermodal hub. The Port of Tucson provides a wide variety of rail oriented transportation options in and around the southwest region (Figure 5). These options include intermodal container handling, boxcar access, and team track. In addition to intermodal container handling, The Port of Tucson provides the following services:

- Intermodal Team Track Services
- Rail Spur to Truck Cross-docking
- Transload / Reload services
- Container-Yard Storage
- Leased Warehouse Space
- Frozen Storage
- Build to suit Warehousing



**Figure 37: The Port of Tucson**

The Port of Tucson is a transportation and logistics center designed to assist businesses in Tucson and the southwest with access to rail and intermodal container transportation options. Its location near the US/Mexico border facilitates increased trade and business relationships between companies north and south of the border. The Port of Tucson is a facility that allows standardized shipping containers to be unloaded directly from ships in the ports of Long Beach and Los Angeles onto rail and transported to Tucson. No longer do international shipments from Asia, for example, have to be unloaded onto trucks at the port for transport over highways. That means lower handling costs for companies, but it also reduces truck traffic and its associated costs. An 80-car double-stacked train, for example, takes 160 trucks off the highway. Better yet for companies, it costs about the same to ship a container all the way from China to Tucson by ship and rail as it does to truck a container from Long Beach to Nogales.

The Port of Tucson's rail access consists of a two-mile siding complemented by an additional 3,000 foot siding. The 3,000 foot siding branches to grade level access, dock level access, intermodal container access, and team track facilities. The rail service has been designed with expansion in mind. Rail access to additional properties and warehouse space can be facilitated with ease. Recently, the Port of Tucson received a \$5 million federal grant to build an intermodal ramp that will allow the facility to handle increased international cargo.

The Century Park Research Center is also registered as a Foreign Trade Zone (FTZ 174, site 2), which allows the facility to ship and receive product in bond. Foreign Trade Zone transportation and storage can equate to savings on products or materials being imported.

### **The Port of Tucson and Pima County**

The federal government awarded Pima County and The Port of Tucson a \$5 million grant that will enhance businesses' direct rail access to West and Gulf Coast ports and help position this region as a major transportation hub. Of nearly 600 applications, fewer than 10 percent were selected for funding through the TIGER 2013 grant program.

Pima County has 140 miles of opportunity in the Sun Corridor, which stretches from Pima County to Maricopa County and is projected to have 85 percent of the state's population and 90 percent of the jobs. The Port, which already receives boxcars of Mexican beer and trainloads of pipelines, military equipment and other commercial shipments, opens global markets for manufacturers and exporters and is one more way for the region's businesses to ship to customers efficiently and at competitive rates.

The grant will speed up train transfers. Currently, trains entering the Port have to practically slow to a stop, causing delays for other trains and for motorists who have to wait for the cars to pass. The grant will allow for the equivalent of an "off-ramp" that will eliminate the need to slow and stop arriving trains.

Pima County has invested more than \$168 million in transportation improvements in the southern corridor of the community, as part of Pima County's vision to link the major employment centers on the south side. The development of the Port facility will require 40 heavy construction workers and the completed project should provide jobs for 100 logistics workers when the facility is fully operational. More importantly, the facility will serve as a catalyst for the development of additional jobs throughout the region, including in local warehouses and distribution centers.

## The Bio Industry Corridor

Tucson and Southern Arizona are home to an emerging biotechnology industry sector particularly focused on medical devices, diagnostics and pharmaceutical development. The Tucson region is home to two of the world's largest pharmaceutical companies: Roche and Sanofi-Aventis. There are also several leading institutes and organizations including the Critical Paths Institute (C-PATH) – a joint collaboration between the University of Arizona and the Food and Drug Administration and several emerging biotech companies. Pima County helped foster this industry by putting forth an innovative package to attract a budding bioscience firm to the region. Pima County lacks vacant wet lab space, so the county utilized vacant medical space to construct then lease wet lab space at the Abrams Health Building in August 2012. The wet lab space is the temporary home for Accelerate while Accelerate builds a permanent location and launches its bio- diagnostic product. After they move out, the wet lab space will be available for another company to locate to the region. The region's lack of wet lab space puts it at a disadvantage in competing with other areas in the county. The addition of Accelerate Diagnostics opening a lab at the Abrams Building created a corridor in alignment with the UA Bioscience Park.

### **The University of Arizona Bioscience Park**

The Bioscience Park encompasses 65 acres of land in central Tucson. It is located adjacent to some of Tucson's most historic and multi-cultural neighborhoods. The eastern boundary of the Bio Park is situated along Kino Parkway, one of the major north/south transportation corridors in Tucson. The northern boundary of the Park is located along 36th Street across from the Quincey Douglas Library Neighborhood Center and Silverlake Park.

Regionally, the Bio Park is strategically located 2.5 miles from the University of Arizona Main Campus, four miles from Tucson International Airport and three miles from downtown Tucson. It is within a five mile radius of 40 biotech companies and organizations, including three major research hospitals: University of Arizona Medical Center, University of Arizona Medical Center South Campus and Southern Arizona VA Health Care System.

### The Aerospace Defense Corridor

In a 2013 study by the International Trade Administration, WorldTradeStatistics.com revealed that Arizona's aerospace & defense total exports rose by more than 18% from 2011 to 2012, reaching \$2.87 billion total. The increase was primarily due to a near \$400 million increase in aircraft, engines and parts exports. According to a 2012 Deloitte study, Arizona ranks fourth nationwide in aerospace industry payroll and fourth in aerospace revenue at \$14.99 billion. More than 1,200 Arizona-based companies make this state America's third largest supply chain contributor for aerospace & defense.<sup>7</sup> TTEchAmerica's 2013 Cyberstates Report ranks Arizona fourth nationwide for jobs in the space and defense systems manufacturing industry, employing more than 8,700 people. A 2012 report by Brookings Metropolitan Policy noted that Tucson ranks fourth in the nation for the total percentage of manufacturing workforce dedicated to high-tech work, with more than 51% of it related to aerospace & defense. Four major research institutions in Arizona have been provided the NASA Space Grant: Arizona State University, Embry Riddle University (home of the nation's highest ranked aerospace engineering program among non-doctoral program schools, according to U.S. News & World Report), Northern Arizona University and the University of Arizona.<sup>8</sup> Among the companies taking advantage of Arizona's favorable aerospace & defense climate are:

- Raytheon
- Honeywell
- General Dynamics C4 Systems
- The Boeing Company
- Northrop Grumman
- Orbital Sciences
- United Technologies – includes Goodrich, Hamilton Sundstrand
- L3 Communications
- Standard Aero (MRO)
- Bombardier
- Nammo Talley

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<sup>7</sup> Arizona Commerce Authority Aerospace Industry <http://www.azcommerce.com/industries/aerospace-defense>

<sup>8</sup> Ibid.

Arizona's Aerospace & Defense (A&D) supply chain includes more than 1,200 small, medium and large-scale, world-renowned companies that contribute almost \$15 billion annually to the economy and are responsible for more than 150,000 jobs. These numbers reflect Arizona's long-standing history and success in aerospace and defense.<sup>9</sup>

In June 2013 the Pima County Board of Supervisors authorized a contract to begin the design for a new road realignment near Raytheon Missile Systems that will help protect jobs at our region's largest private employer, while allowing for possible future expansion. The contract is a \$1.7 million planning and design contract to start the process of realigning Hughes Access Road. Ultimately, the \$8 million project will relocate Hughes Access Road from Nogales Highway to Alvernon Way. (Figure 6)

Relocating a roughly four-mile segment of the existing road approximately 2,500 feet to the south has several benefits that will help address two ongoing concerns: a lack of buffer space for Raytheon operations and an inability to expand. It will also accommodate the addition of a second runway for Tucson Airport Authority expansion further north. (Figure 6)

In 2012, Pima County purchased nearly 400 acres south of the Raytheon facility to help address urban encroachment. Moving the road alignment helps address the issue of high volume of public traffic close to Raytheon's operation, while providing Raytheon additional flexibility to preserve or expand their programs in the future. (Figure 6)

The project will improve access throughout the general area and serve as the backbone for a new, 10-mile aerospace and defense parkway, while allowing for compatible development in a new potential aerospace and defense research and business park. Although a final route is not designed, it is proposed to link to I-19 to the West in possible alignment with a I-11 route and to I-10 to the east to further connect the interstate system and provide commerce and trucking routes.



<sup>9</sup> <http://www.azcommerce.com/industries/aerospace-defense/industry-impact>

## **Aerospace and Defense Corridor Economic Development Initiative Planning and Implementation Action Plan**

The Tucson International Airport (TIA) environs have been the major aerospace, defense and manufacturing job center in our region for decades. Presently, in the TIA environs and The University of Arizona Science and Technology Park, which is 10 miles east of TIA, there are 40,000 high technology/high wage jobs in aerospace, defense, manufacturing, scientific research and logistics.

Public infrastructure investment to support these job centers is nothing new. In 1980, transportation improvements known as the Kino/Campbell Corridor, Kolb Corridor and Palo Verde Corridor were initiated and completed, totaling over \$168.1 million of investment. These infrastructure investments substantially improved mobility between and among these job centers and the urban population of greater Tucson.

In 2010, the vulnerability of growing and sustaining these job centers was demonstrated when Raytheon chose to locate a component of their production and assembly facilities in Huntsville, Alabama in a new facility being constructed at Redstone Arsenal. Tucson could not compete for this line of business due to critical constraints on the Tucson manufacturing and production facilities of Raytheon.

From this lost opportunity for future jobs came the realization that our region needs to do a much better job of protecting the existing employment base and fostering an environment where existing private employers can grow and expand without constraint or restriction. After over a year of public review, a cornerstone of the newly adopted economic strategy of Pima County is to take steps necessary to provide a coordinated master planned approach that will allow for expansion of that base in place or within our region.

The primary objective of the Aerospace and Defense Corridor Economic Development Initiative is to retain and grow new high-technology aerospace and defense jobs in the vicinity of TIA and to encourage significant science and technology-based job growth in the Tucson Technology Corridor, including the University of Arizona Science and Technology Park.

Concentrating economic development planning on this corridor takes advantage of significant amounts of open space to avoid traditional conflicts between industrial and residential uses, incorporates existing assets such as the University of Arizona Science and Technology Park, Port of Tucson and TIA, and offers maximum benefit from a master planned approach. Also, there are complementary employers with diverse labor and material demands to attract supply chain growth and related or complementary industrial users. The Aerospace and Defense Corridor is a strategic investment that can be made at this time to retain the existing employment base, as well as provide the greatest opportunity for employment base expansion. Today, these regional job centers are not efficiently interconnected by surface transportation or the technology necessary for complementary growth.

Likewise, concentrating significant public infrastructure investments within this existing and future job corridor could be a sound economic development strategy. Focusing our economic development efforts on the Aerospace and Defense Corridor will allow this region to achieve multiple economic development objectives, job protection and creation, and other community objectives.

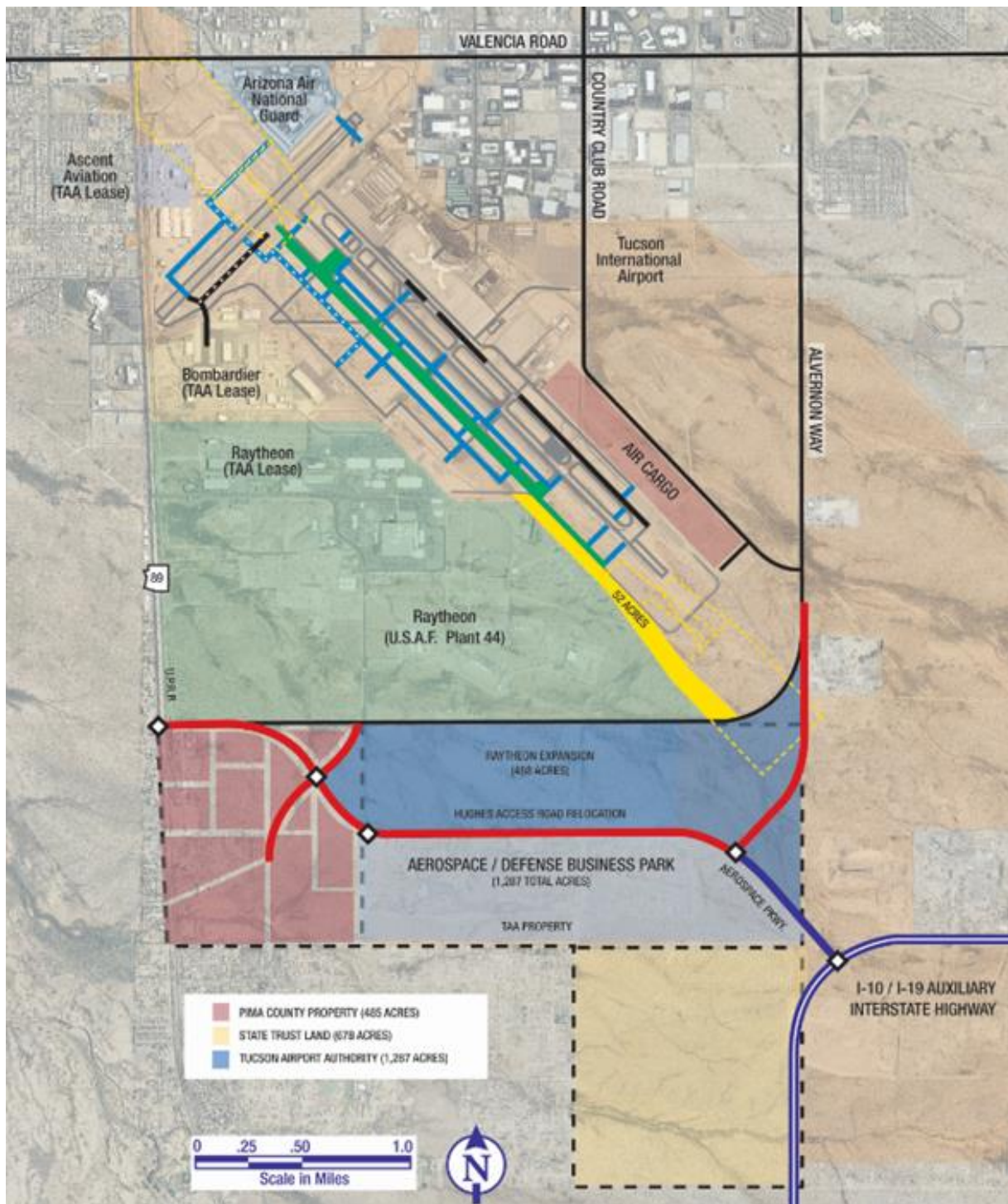


Figure 38: Proposed Aerospace and Defense Corridor Road Alignments

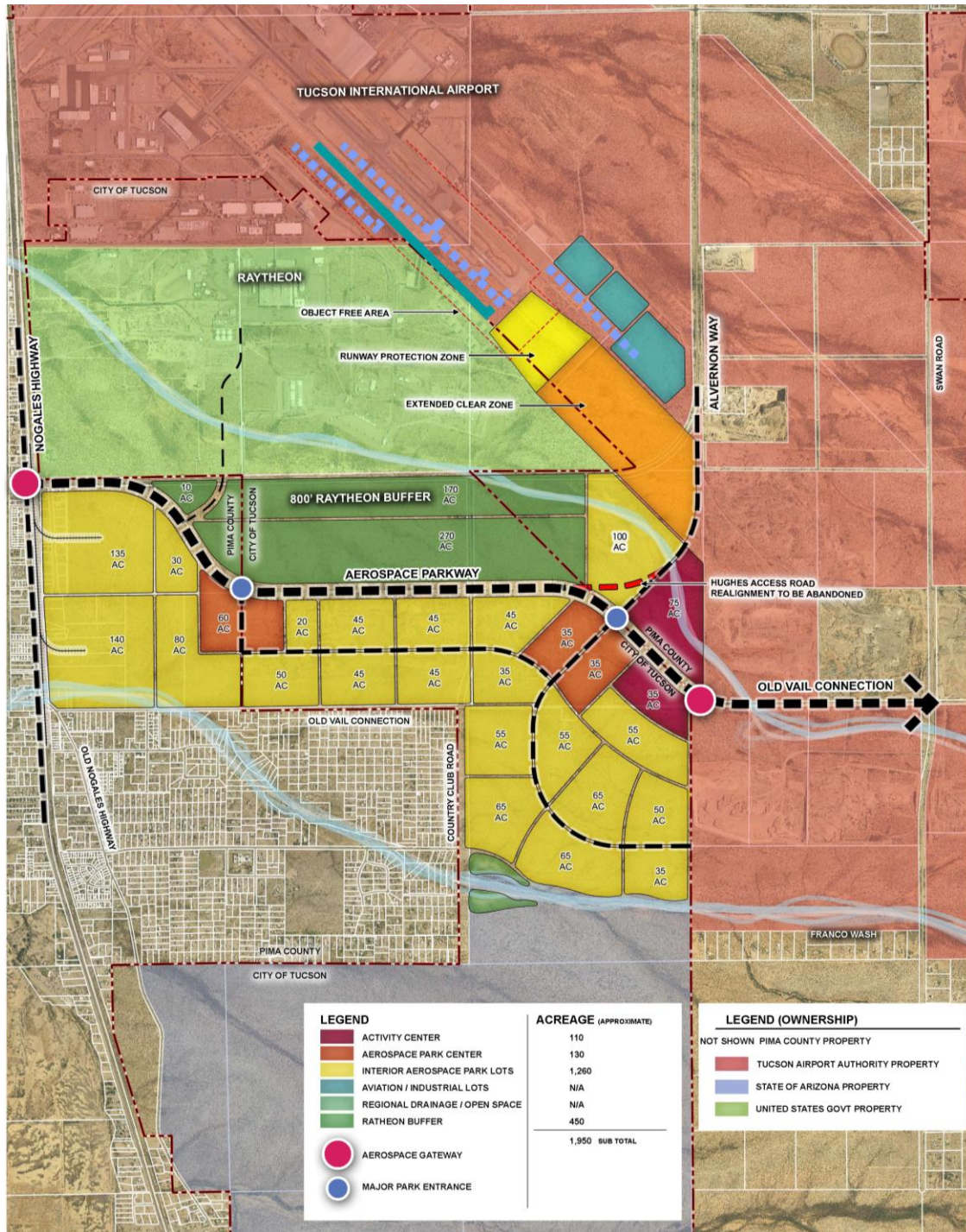


Figure 39: Aerospace Defense Parkway Plan and Research and Business Park

### The Tucson Modern Streetcar

It is not often that one major infrastructure improvement can have a dramatic impact on major retail and housing activity and job centers, but the Tucson Modern Streetcar (Sun Link) will create opportunity for housing and development along its path.

The 3.9-mile streetcar route connects major activity centers in the City of Tucson: the University of Arizona, Arizona Health Sciences Center, University Main Gate Business District, 4th Avenue Business District, Congress Avenue Shopping and Entertainment District, and the Mercado District. By connecting these neighborhoods and key employers, it has revitalized the downtown. This key public investment has led to further private investment critical to downtown renaissance and attracting the younger creative class workforce. Although located in the City, Pima County owns substantial amounts of real estate along the route and aids in the development and connectivity of the streetcar through redevelopment of its properties.

The Sun Link project has already triggered transit oriented development - new retail, office and residential development and redevelopment along the streetcar corridor. To date, more than \$800 million has been invested by the private sector. 50 new restaurants, bars and cafes, some 1,500 new student housing apartments plus 58 new retail businesses have popped up along the route over the past two years, and there are mixed-use housing developments in the works. Additionally, there has been significant corporate business expansion within the Sun Link route: new headquarters for UniSource Energy, with 400+ plus employees, and Providence Service Corporation, both publicly traded companies. More development is planned for the downtown area connecting to the university.



**Figure 40: Tucson Modern Street Car Route and Character Areas**

## 6.3 Existing Major Employment Centers

### Davis-Monthan Air Force Base

Davis-Monthan Air Force Base (DMAFB) is a key component of the Air Combat Command installation system of the United States Air Force. The base is staffed by 7,700 military and civilian personnel and is home to approximately 5,000 aircraft. The 355th Fighter Wing is the host unit at Davis-Monthan Air Force Base, however, other units also call the base home. Twelfth Air Force, the 563rd Rescue Group and the Aerospace Maintenance and Regeneration Group (AMARG) are all based out of DMAFB. The 162nd Fighter Wing Operation Snowbird detachment's mission is to provide support for U.S. military flying units and allied partners deployed for training. It is housed at the base.

It is a major contributor to the economic well-being of Southern Arizona. The Air National Guard is the region's 37th largest employer, generating more than \$280 million in annual economic benefit. Davis-Monthan, meanwhile, is the third largest public employer in the region, contributing \$1.1 billion a year to the local economy. According to DMAFB's Fiscal Year 2012 Economic Impact Analysis, released in April 26, 2013 Davis-Monthan and military retirees circulated approximately \$1.6 billion and helped create more than 4,600 jobs in the local area.<sup>10</sup>



DMAFB lies to the northwest of the UA Tech Park. The base operates and maintains 519 buildings, encompassing 4,409,801 square feet of space. The base's footprint includes 6,011 acres of government-owned land and 4,578 acres of easement, rights-of-way and leased land, totaling 10,589 acres.

Residential neighborhoods lie northwest of DMAFB. Recognizing that encroachment around the air base may endanger future missions, Pima County has authorized and spent \$10 million to purchase properties in the Davis-Monthan Air Force Base Departure Corridor, to ensure the long-term viability of the region's third-largest employer. The County placed a priority on lands under the primary flight paths to help prevent encroachment of inappropriate land uses upon the base.

<sup>10</sup> FY12 Davis-Monthan Air Force Base Economic Impact on Tucson

### The University of Arizona



Leveraging the intellectual capacity of the University of Arizona (UA) as a major economic development strategy is a large part of Pima County's Economic Development Plan. With a total of 10,846 employees in 2013, the University is ranked among the top 20 public research universities nationwide. The UA generates more than \$625 million in research. Together, the University of Arizona, the UA Tech Park and UA Health Network infuse billions of dollars into the state economy each year. The University system reaches every Arizona county and five tribal reservations, supporting one out of every 93 jobs in the state.<sup>11</sup> The Main campus encompasses 387 acres in central Tucson.

UA not only serves as a learning and research institution but also as an economic development catalyst for new technologies, science and business startups. The UA has three Communities of Innovation -- the Arizona Center for Innovation, the UA Tech Park, and the UA Bio Park -- that contribute significantly to the economic expansion of the community with the following goals:

- Attract new businesses
- Grow established businesses
- Launch new companies
- Commercialize new technologies
- Create high-paying, clean jobs

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<sup>11</sup> University of Arizona website, About the University

### The UA Tech Park



Annually, the UA Tech Park generates an economic impact of over \$3 billion in Pima County. The UA Tech Park is home to 40 tenant companies that employed 7,570 people in 2013. In total, the UA Tech Park created 14,803 jobs in the regional economy. The average annual salary for UA Tech Park employees was \$85,515, compared to the Pima County average of \$39,973. In total, an estimated \$77.9 million in tax revenues was distributed to state, county and city governments. The UA Tech Park generated a total impact of \$3.02 billion in Pima County.<sup>12</sup>

### Raytheon Missile Systems

Raytheon is a unique technology company and a world leader in defense electronics, with a broad range of products, service and capabilities. The proud legacies of Raytheon, E-Systems, Texas Instruments Defense, Hughes Aircraft and others have come together to form one company with one vision: to be the most admired defense and aerospace systems company through their world-class people, innovation and technology. The largest private employer in Southeastern Arizona, Raytheon employed 10,300 people in 2013.

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<sup>12</sup> UA Tech Park website: Economic Impact

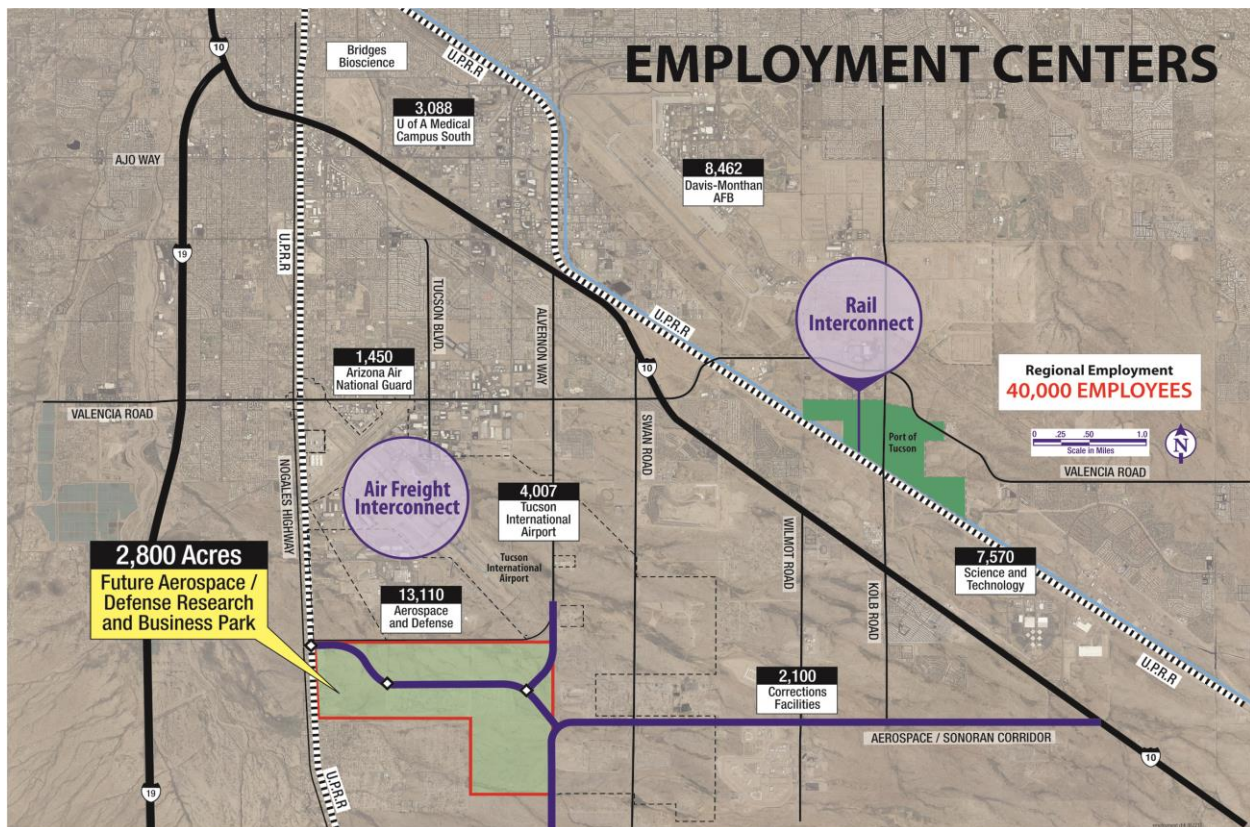


Figure 41: Employment Centers and Logistics

### Tucson International Airport (TIA)

Providing employment for 4,007 people in the region, the Tucson International Airport plays a key role in the region. The Tucson Airport Authority (TAA) completed their Master Plan update in 2013. This update includes five components. While a number of “air side” improvements will be made, the most significant will be the construction of a second main runway at TIA to enhance safety. This is a major undertaking that will require the relocation of some existing airport tenants and land acquisitions or restrictions from the United States Air Force on a portion of the second runway and extended clear zone. A significant investment is being made by the Federal Aviation Administration (FAA) at TIA in the development of a new control tower at a cost of approximately \$40 million. The County will work with and assist TAA in completing the Master Plan update, developing operational airport improvements necessary to enhance safety and improve operations, as well as development and completion of the second runway. In 2012, the Tucson International Airport traffic yielded 935,966 passengers.

## 6.4 Strengthening Economic Development Corridors and Employment Centers

The major emerging economic development corridors from multistate to regional include:

- **The Canamex Corridor** connecting trade from Mexico to Canada; this also includes discussion of a new interstate highway connecting Las Vegas to the border. ADOT is leading the study of routes with Mexican officials and the other states. A study group has formed here in southern Arizona and Pima County has proposed a route to mitigate environmental and residential disruption. Residents in Avra Valley, one of the potential routes, have voiced strong opinions.
- **The Sun Corridor** connecting interrelated routes and communities within Arizona stretching from Sierra Vista to Prescott. This consists of the transportation networks and solutions to transport goods. The market and job centers overlap in this corridor so united it can share resources, build capacity and transport its people.
- **The Aerospace and Defense Corridor** that connects defense related industries and land around the airports and will help connect I-19 and I-10 for trade and buffer from DMAFB, Raytheon, and TIA. This corridor will serve to attract additional industry as well as provide critical infrastructure to connect I-19 in the south and provide traffic alternatives to access to the east. It will buffer TIA and Raytheon from domestic traffic.
- **The Tucson Tech** corridor that connects the UA Tech Park with interrelated commercial and industrial lands and routes along I-10 includes rail access at the Port of Tucson. This corridor connects to Texas on the east and ports on the shores of California for Asian trade opportunities.
- Many districts exist in the form of Educational Districts (University of Arizona), Medical Districts (emerging Southern BioScience and medical campuses), Solar Districts, and Corrections District (at the end of Wilmot south.) These districts become major **employment centers** with associated offices, housing (senior) or workforce housing, or research or distribution facilities.

## Economic Development Programs in the Region

Economic development programs in the region include:

### **State of Arizona**

The State of Arizona is primarily responsible through legislative-adopted initiatives to give tax credits, tax waivers, grants, and loans funded by the state. Almost all financial incentives flow through the recently formed new Arizona Commerce Authority (ACA). The ACA is an economic development organization committed to attracting and retaining industry and to creating quality jobs for Arizona and its citizens. The authority is a partnership of public and private-sector individuals. In early 2011, the governor signed into law the Arizona Competitiveness Package, making Arizona more competitive on the global business landscape with loans, tax incentives and closing funds.

### **City of Tucson**

As the largest city within Pima County, Tucson plays a vital role in the region's economic development. Under its Economic Development department the city offers a package of 21 incentives that are categorized by the city as Development Services Programs, Financial Incentives, Loan Programs, Business Assistance and Incentive Districts. Most of the incentives are broadly available to businesses based on the type of business operation or its geographic location. Tucson provides critical infrastructure for the region's economic development including being the largest water provider. Tucson, like Pima County, actively supports tourism, international trade and other key areas of economic development.

### **Town of Oro Valley**

The town has no specific incentive programs but does offer an Economic Development Zone (EEZ) at Oro Valley's Innovation Park. Essentially an overlay district that was created in October 2012, the EEZ offers streamlined development review to companies developing or expanding in Innovation Park. The process consists of exemption from the town's conceptual design, architecture and conceptual public art plan approval processes. The town's planning and zoning administrator assures compliance with the town code in order to speed the development approval process. Oro Valley's Innovation Park is a critical bio-medical hub and the town is actively attempting to develop more high-tech industry.

### **Town of Marana**

Marana's incentives are part of its larger economic development strategic plan known as the "Economic Development Roadmap." The town offers internal incentives which include the Marana Job Creation Incentive Program (MJCIP) and the Expedited Development Review Incentive (EDRIP). The MJCIP incentive reallocates construction sales for new construction, expansion or renovation by non-retail companies who locate or expand within the town boundaries. The EDRIP provides qualifying companies expedited review

of development plans through the town's development services department. Marana's location along Interstate 10 and the Union Pacific rail lines has made logistics and manufacturing priorities in the town's economic development strategy.

#### **Town of Sahuarita**

The Town of Sahuarita's economic development department works closely with the Green Valley-Sahuarita Chamber of Commerce on issues of business expansion and retention. Sahuarita does not offer any incentives of its own. The town is geographically positioned near Interstate 19 and Pima County's planned Sonoran Corridor, and views Mexico trade, logistics and the manufacturing established in southern Tucson as economic development drivers.

#### **City of South Tucson**

The City of South Tucson does not have an economic development department and does not offer any incentives. A 2009 Economic Development plan for the city notes that South Tucson is within the Pima County Foreign Trade Zone administered by Sun Corridor Inc. The city has begun looking at developing a business park in order to diversify its primarily retail economy.

#### Other Economic Development Programs and/or Incentives in the Region

Besides the package of assistance programs that the ACA offers from the state, Pima County has experience with the following:

#### **Foreign Trade Zones**

Foreign Trade Zone designation is considered if requested by an industry. However this is usually in consultation with the school district so that no revenue is lost to that district. The Port of Tucson is registered as a Foreign Trade Zone (FTZ 174, site 2), which allows the facility to ship and receive product in bond. Foreign Trade Zone transportation and storage can equate to savings on products or materials being imported.

### **Shovel Ready and Infrastructure Programs**

Designed to build roads or critical infrastructure to facilitate the expansion or attraction of industry.

### **Open Space Programs**

Programs designed to buffer natural land from uses that would conflict with the industry.

### **Mitigation Programs**

Such as noise mitigation meant to mitigate sound issues and help the community adjust to changes in industry focus.

### **Workforce Training Programs**

Tax credits are offered to assist training and the hiring of employees. Matching of job skills with job training to prepare the workforce for emerging new industry and skills.

### **Business Climate Assistance Programs**

Business One Stop program that will assist employers with business startup, grants, permits, approvals, and guidance on community resources.

**TABLE 6.4.a: Economic Development Programs, Mechanisms and Strategies Currently Available at the County to Secure its Long Range Vision for Major Economic Development Corridors**

Major Corridor	Existing Economic Development Programs, Mechanisms and Strategies
Aerospace and Defense Corridor	<ul style="list-style-type: none"> <li>Infrastructure: Relocate Hughes Access Road. Initiate planning for the relocation of Hughes Access Road. Anticipated construction costs of \$8 million are to be shared equally by the City of Tucson and Pima County.</li> <li>Buffer and Protect Raytheon and provide for TIA expansion: This relocation will provide maximum protection for Raytheon Missile Systems and allow for possible Raytheon expansion, as well as facilitate long-term development of the Tucson Airport Authority’s plans for job expansion and economic development.</li> <li>Provide Open Space to Support Davis-Monthan Air Force Base and the 162nd Fighter Wing of the Arizona Air National Guard: Take those actions necessary to support the military functionality of Davis-Monthan Air Force Base and the 162nd Fighter Wing of the Arizona Air National Guard by supporting their growth and expansion, as well as new military missions that may be assigned, including continued voter-authorized bond investments of \$10 million to protect the Davis-Monthan Departure Corridor.</li> <li>Mitigate Impacts: Help Abate Aircraft Noise. Implement a new aircraft noise abatement program for Davis-Monthan Air Force Base and Tucson International Airport with an investment of \$20 million in voter-approved bond funding.</li> <li>Plan the Aerospace/Defense Research and Business Park: Allocate \$100,000 from the Board Contingency Fund to advance planning for an approximately 2,800-acre Aerospace/Defense Research and Business Park in partnership with the Tucson Airport Authority, Pima County and the City of Tucson.</li> </ul>
The Tucson Tech Corridor	<ul style="list-style-type: none"> <li>Infrastructure: Support the UA Tech Park. Support the Tucson Tech Corridor and the UA Science and Technology Park by allocating as much as \$10 million for public infrastructure to help make the UA Science and Technology Park “shovel ready” for new technology employers.</li> <li>Fund the Aerospace Parkway and Alvernon Way Improvements: Allocate up to \$90 million in general obligation bonds to be approved by the voters for completion of the aerospace parkway linking the job centers at Tucson International Airport with the Tucson Tech Corridor and the UA Science and Technology Park.</li> </ul>

**TABLE 6.4.b: Economic Development Programs, Mechanisms and Strategies Currently Available at the County to Secure its Long Range Vision and Support Jurisdictions, Emerging Clean Industries and Regional Economic Development Agencies**

Economic Development Categories	Existing Economic Development Programs, Mechanisms and Strategies
Jurisdictions	Support economic development in jurisdictions and regional job growth centers in Oro Valley, Marana, Sahuarita and South Tucson by inviting the submission of detailed economic proposals from these communities for infrastructure investments to make these regional centers attractive and competitive locations for job attraction.
Solar Renewable Energy Projects	Support Solar Renewable Energy Projects: Reserve and make available lands purchased by Pima County in the Davis-Monthan Departure Corridor for renewable energy solar facilities. A total of 460 acres have been acquired, which could provide as much as 50 megawatts of renewable solar energy.
Sun Corridor Inc.	Increase County Investments in Economic Development Agencies: Increase from \$350,000 to \$450,000 Pima County's annual contribution to Sun Corridor Inc. to promote job attraction to our region, with an optional additional \$50,000 allocation for job infrastructure investment, provided other local governments make similar contributions for infrastructure investments within their community to facilitate job attraction.



## County Economic Development Partnerships with Major Industry/Employers

### **Aerospace and Defense**

There are currently between 20,000 and 30,000 people employed in the Aerospace industry in southern Arizona. Tucson is ranked one of the top five areas in the U.S for this industry. Tucson is 8.35 percent more concentrated in the aerospace product and parts manufacturing industry than the average of all metropolitan statistical areas across the country.

Pima County provides assistance to Raytheon, one of the largest employers in Pima County and surrounding areas, in order to bring further economic growth, foster expansion, and protect jobs. Through open space purchases and road relocation, Pima County will not only partner with business to facilitate infrastructure but also help meet their training needs and workforce development.

### **University of Arizona**

Ranked among the top 20 public research facilities in the nation, the University of Arizona is one of the largest public sector employers in the region. Employing Nobel and Pulitzer Prize winners, the UA generates more than \$600 million in research and partners with businesses to help ensure innovative ideas come to fruition. Leveraging the intellectual assets of this community is key to fostering the clean, high-quality jobs Pima County wants to attract and build. Capitalizing on the intellectual assets of the University of Arizona is a central component of the current County economic development strategy.

1. **Physician training:** The University of Arizona Medical Center - South Campus University of Arizona not only provides lifesaving treatment in a medically-underserved area of the community, but also serves as a teaching medical campus, creating a qualified physician pool in the region.
2. **Community medicine:** County bond dollars are helping fund the development of a Family and Community Medicine facility and laboratories at the South Campus.

3. **Behavioral Health:** A unique partnership between several public and private organizations, including Pima County and the University of Arizona, led to the development of two new University of Arizona behavioral health facilities integrated into the South Campus. The Crisis Response Center provides triage for people in crisis and directs them to appropriate care, while the Behavioral Health Pavilion provides inpatient, outpatient, and emergency medical and behavioral health services.

### Public/Private Partnerships

Pima County taps into a diverse pool of talent, perspectives and financial resources to foster strong programs and initiatives that will weather tough economic times and provide quality service for the local community.

1. **Tucson Medical Center:** With 3,000 employees, the nonprofit TMC is Southern Arizona's largest community hospital and an important economic leader. The County partnered with TMC to bring back more than \$10 million in federal matching dollars to help bolster physician training efforts and to help the hospital recoup skyrocketing costs of charity care.
2. **Pima Community College:** The County, through its One-Stop Career Centers, partners with the college on medical job training efforts.
3. **YMCA of Southern Arizona:** The County has entered into a novel program with this provider of recreational and wellness services. By providing the land, equipment and facilities, it allows the YMCA to do what it does best: the direct delivery of services.
4. **Indoor Sports Center:** Pima County teamed up with Southern Arizona Community Sports to construct a 40,000 square foot facility that will provide young adults more opportunities to experience team sports, with the capacity for five basketball and eight volleyball courts.

**TABLE 6.4.c: Other Employers by Industry Type**

Other Employers	Industry Type	Location
Innovation Park	Start-ups, incubators, medical and Research and Development (R&D)	Town of Oro Valley
Tucson International Airport	Tucson International Airport and Ryan Airfield. TIA is a full commercial service airport serving the Tucson metropolitan area, southern Arizona, and northern Sonora, Mexico. Ryan Airfield serves as a general aviation reliever airport for TIA and is a popular recreation field for transient pilots.	City of Tucson
Catalina Foothills Resort District	Includes holistic healing destinations such as Miraval and Canyon Ranch and tourism destinations such as La Paloma and Ventana Canyon	Pima County
Corrections District	Department of Corrections	Pima County
St. Mary's Medical District	Medical and Health Care	City of Tucson
St. Joseph Medical District	Medical and Health Care	City of Tucson
UMC Medical District	Medical and Health Care	City of Tucson
TMC Medical District	Medical and Health Care	City of Tucson
Northwest Hospital Medical District	Medical and Health Care	Pima County
Oro Valley Hospital	Medical and Health Care	Town of Oro Valley
Downtown Government District	Government	City of Tucson
Veterans Affairs Medical District	Medical, Health Care/Veterans Affairs	City of Tucson
Pima Community College District	Education	City of Tucson
Tohono O'odham	Gaming/Tourism	Tohono O'odham Nation
Pascua Yaqui Tribe	Gaming/Tourism	Pascua Yaqui Tribe

Source: Pima County Development Services Department, 2013

## Major Private and Public Employers in Southern Arizona

Table 6.4.d lists major the top 25 private employers in southern Arizona in 2013. Table 6.4.e lists the top 10 public employers in southern Arizona in 2013.

**TABLE 6.4.d: Top 25 Private Employers in Southern Arizona in 2013**

Employer	Number of Employees	Industry Type
Raytheon Missile Systems	10,300	Aerospace and Defense
Wal-Mart Stores Inc.	7,450	Retail
UA Healthcare	6,099	Medical/Healthcare
Freeport-McMoRan Copper & Gold	5,463	Gold and Copper Production
Carondelet Health Network	3,668	Medical/Healthcare
TMC HealthCare	2,977	Medical/Healthcare
Fry's Food Stores	2,700	Retail Food
Corrections Corp. of America	2,314	Corrections
Asarco LLC	2,297	Minerals/Copper Mining
Afni Inc.	2,199	Customer Care
Southern Arizona VA Health Care	2,182	Medical/Healthcare
Citibank	2,000	Financial Services
Bashas' Inc.	1,800	Retail Food
APAC Customer Service	1,777	Customer Care Outsourcing
Northwest Medical Center	1,757	Medical/Healthcare
Safeway Inc.	1,685	Retail Food
Target Stores Inc.	1,640	Retail
Walgreens	1,420	Retail Pharmaceutical
IBM	1,375	Applications Innovation/IT Services
Sol Casinos	1,300	Casinos/Resort
TEP/UniSource Energy	1,232	Electric Utilities
Union Pacific Railroad	1,200	Transportation and Logistics
Circle K Stores	1,200	Convenience
GEICO	1,155	Insurance Services
Ventana Medical Systems, Inc.	1,150	Pathology Testing Laboratories (Medical Support)

Source: Arizona Daily Star, 2013

**TABLE 6.4.e: Top 10 Public Employers in Southern Arizona in 2013**

Employer	Number of Employees	Industry Type
University of Arizona	10,846	Education
Davis-Monthan Air Force Base	9,100	Aerospace and Defense
State of Arizona	8,807	State Government
Tucson Unified School District	6,790	Education
Pima County	6,500	County Government
U.S. Customs and Border Patrol	6,076	Federal Government
City of Tucson	4,585	Municipal Government
U.S. Army Intelligence Center and Fort Huachuca	5,096	Federal Government
Tohono O'odham Nation	4,350	Native Nation Government
Pima Community College	2,384	Education

Source: Arizona Daily Star, 2013

### Fiscally Appropriate Land Use Strategy

A fiscally appropriate land use strategy takes competitive advantage of and supports:

- Major economic development corridors
- Major employment centers
- Binational economy
- Governor's industry clusters initiative
- Innovation and new technology development
- Clean and energy efficient industry
- Mixed-use 24-hour neighborhoods
- Public/private partnerships

## 6.5 Tourism

Travel and tourism is one of the most important “export-oriented” industries in Arizona. Arizona is one of the six top tourism states in the nation along with Florida, New York, Hawaii, Las Vegas, and California, but spends the least of most states to promote tourism. Florida spends \$60 million a year on tourism promotion, California \$50 million, Hawaii \$75 million, New York \$160 million and Nevada and Las Vegas \$310 million. Arizona spends about \$20 million, and around \$15 million goes into advertising. Defining Arizona’s natural attractions to the traveling public is important.

Spending by visitors generates sales in lodging, food services, recreation, transportation and retail businesses – the “travel industry.” These sales support jobs for Arizona residents and contribute tax revenue to local and state governments. Travel is especially important in the non-metropolitan areas of the state, where manufacturing and traded services are less prevalent.<sup>13</sup>

The Arizona travel industry continued its moderate expansion in 2012. Although real spending (adjusted for inflation) and travel-generated employment remain below their pre-recession levels, both spending and employment levels improved – spending for the third consecutive year and employment for the second year. Continuing improvement in the broader economy should foster continued growth in the travel industry.<sup>14</sup> In “Arizona Travel Impacts 1998-2012”, the Arizona Office of Tourism summarizes Arizona travel:

- **Direct Travel Spending:** Total direct travel spending in Arizona was \$19.3 billion in 2012. Travel spending increased by 4.6 percent in current dollars compared to 2011.
- **Lodging sales:** A primary component in total visitor spending, lodging sales increased by 4.4 percent from 2011 to 2012 following a 3.9 percent increase the preceding year and a 4.6 increase from 2009 to 2010.
- **Travel Activity:** Visitor air travel arrivals on domestic flights increased by 0.5 percent in 2012, following similar increases the preceding two years. Air travel to Arizona declined by 8 percent per year in 2008 and 2009. Other indicators of room demand and visitor volume also showed modest increases.
- **Employment:** Direct travel-generated employment was 161,300 in 2012. This represents an addition of 4,200 jobs, an increase of 2.7 percent. This is the second consecutive year of employment growth in the travel industry since the decline in employment associated with the 2008-2009 recession.

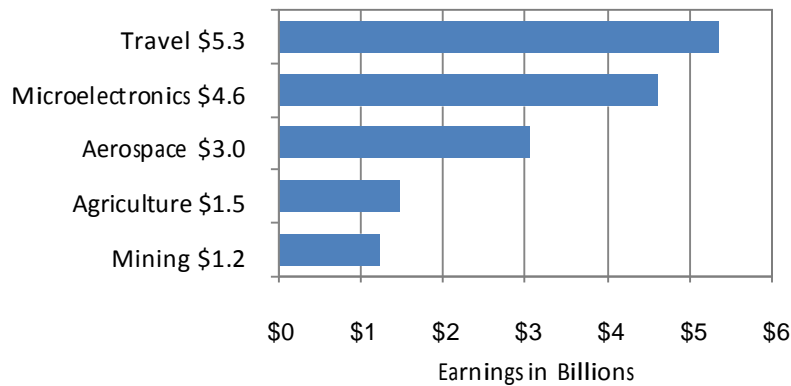
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<sup>13</sup> Arizona Travel Impacts 1998-2012, Arizona Office of Tourism, Dean Runyan Associates, June 2013.

<sup>14</sup> Ibid.

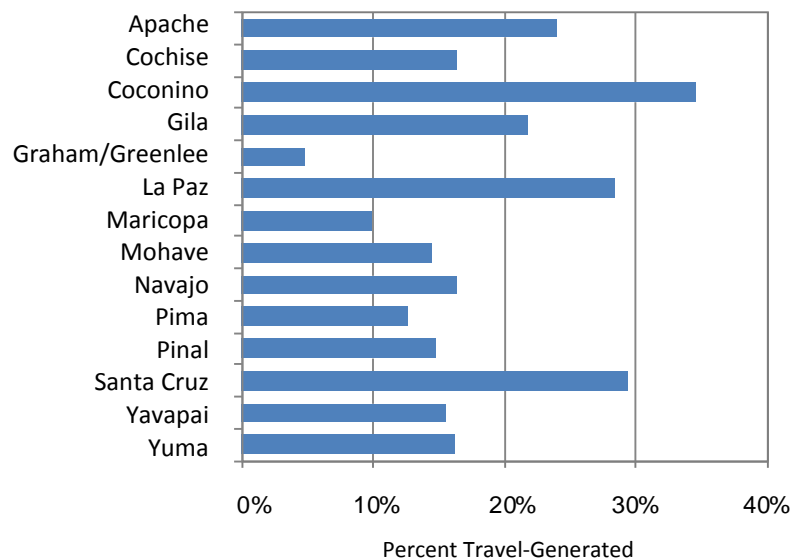
- **Re-spending of Travel Related Revenues:** The re-spending of travel-related revenues by businesses and employees supported 139,000 additional jobs outside of the travel industry with earnings of \$5.6 billion.
- **The Gross Domestic Product (GDP):** The GDP of the travel industry was \$7.6 billion in 2012. The travel industry and the microelectronics industry have been the top two export-oriented industries in the state in recent years.





Source: Preliminary 2012 estimates by Dean Runyan Associates. Agriculture includes food and beverage processing industries.

**Figure 42: Selected Arizona Export-Oriented Industries, 2012.**



Source: Dean Runyan Associates and Arizona Department of Revenue. These estimates represent the total state transaction privilege tax receipts generated by travel spending. Counties and municipalities generally are allocated a portion of these receipts based on resident population. Other county and municipal excise taxes are also imposed on visitors.

**Figure 43: State Transaction Privilege Taxes Generated by Direct Travel Spending, 2012.**

## Travel Generated Employment and Earnings

The following table provides estimates for individual counties. Total employment includes all full-time and part-time wage and salary employment and self-employment. Because total employment includes all jobs, regardless of the hours worked, the average annual earnings of the job or the number of individuals employed, this indicator is in some respects less useful than earnings estimates. Nonetheless, the distribution of counties is similar for earnings and employment.<sup>15</sup> As shown in this table, Pima County was second to Maricopa County in total travel generated employment and earnings in 2012.

**TABLE 6.5.a: Travel-Generated Employment and Earnings as Percent of Total 2012**

County	Employment			Earnings (Million)		
	Total	Travel	Percent Travel	Total	Travel	Percent Travel
Apache	30,510	1,590	5.2%	\$1,144	\$32	2.8%
Cochise	55,540	3,660	6.6%	\$2,843	\$75	2.6%
Coconino	83,020	10,870	13.1%	\$3,213	\$282	8.8%
Gila	21,580	2,990	13.9%	\$793	\$64	8.1%
Graham/Greenlee	17,050	980	5.7%	\$750	\$14	1.8%
La Paz	7,590	1,230	16.2%	\$345	\$30	8.8%
Maricopa	2,241,050	86,000	3.8%	\$114,167	\$3,558	3.1%
Mohave	61,020	5,950	9.8%	\$2,277	\$129	5.7%
Navajo	39,660	3,440	8.7%	\$1,466	\$80	5.4%
Pima	487,740	22,340	4.6%	\$21,424	\$577	2.7%
Pinal	80,710	5,590	6.9%	\$3,423	\$135	4.0%
Santa Cruz	17,770	1,960	11.0%	\$790	\$49	6.1%
Yavapai	82,060	8,090	9.9%	\$2,773	\$179	6.5%
Yuma	82,530	6,660	8.1%	\$3,765	\$153	4.1%
<b>Arizona Total</b>	<b>3,307,840</b>	<b>161,340</b>	<b>4.9%</b>	<b>\$159,173</b>	<b>\$5,357</b>	<b>3.4%</b>

Source: Dean Runyan Associates, U.S. Bureau of Labor Statistics, and U.S. Bureau of Economic Analysis. Total and Travel-Generated Employment Estimates by Dean Runyan Associates, 2013.

Note: Details may not add to totals due to rounding. Percentages calculated on unrounded numbers.

<sup>15</sup> Arizona Travel Impacts 1998-2012, Arizona Office of Tourism, Phoenix, Arizona, June 2013

**TABLE 6.5.b: Arizona County Travel Impacts 2012**

County	Travel Spending			Related Travel-Generated Impacts			
	Total (\$Million)	Visitor (\$Million)	Earnings (\$Million)	Employment (jobs)	Local Taxes (\$Million)	State Taxes (\$Million)	Total Taxes (\$Million)
Apache	127	110	32	1,590	3.6	5.6	9.1
Cochise	348	316	75	3,660	10.7	14.3	25.0
Coconino	1,045	1,000	282	10,870	29.7	43.3	73.0
Gila	282	270	64	2,990	5.0	11.5	16.5
Graham/Greenlee	77	66	14	980	1.8	3.4	5.1
La Paz	146	142	30	1,230	2.9	5.8	8.7
Maricopa	11,533	8,758	3,558	86,000	338.5	395.5	733.9
Mohave	536	471	129	5,950	10.6	21.4	32.0
Navajo	304	279	80	3,440	7.9	13.2	21.1
Pima	2,665	2,129	577	22,340	50.1	100.4	150.5
Pinal	628	537	135	5,590	11.7	26.7	38.4
Santa Cruz	271	260	49	1,960	5.0	10.0	15.0
Yavapai	699	638	179	8,090	15.6	28.5	44.1
Yuma	657	595	153	6,660	14.3	26.2	40.5
<b>Arizona</b>	<b>19,318</b>	<b>**</b>	<b>5,357</b>	<b>161,340</b>	<b>507.2</b>	<b>705.7</b>	<b>1,212.9</b>

Source: Dean Runyan Associates, U.S. Bureau of Labor Statistics, and U.S. Bureau of Economic Analysis, 2013.

Notes: Details may not add to totals due to rounding. Property taxes and sales taxes paid by travel industry employees not included in the county estimates due to data limitations. The local and state tax estimates for the state of Arizona (Sections II and III of this report) include property taxes and the sales taxes paid by travel industry employees.

\*\*The sum of county visitor spending is less than statewide visitor spending because a portion of county ground transportation is allocated to “other travel” at the county level.

**TABLE 6.5.c: Arizona County Total Travel Spending 1998-2012 (\$ Millions)**

County														Annual Percent Change	
	1998	2000	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012p	11-12p	98-12p
Apache	83	104	99	97	101	115	122	123	147	119	120	126	127	0.9	3.1
Cochise	226	269	271	281	311	331	340	367	375	352	365	361	348	3.4	3.1
Coconino	639	704	667	713	758	812	845	885	939	879	938	998	1,045	4.7	3.6
Gila	195	218	213	221	228	248	260	269	260	245	256	269	282	5.1	2.7
Graham/ Greenlee	36	44	40	41	42	49	62	65	67	52	61	69	77	10.9	5.9
La Paz	105	114	117	121	122	134	127	130	133	130	128	138	146	6.3	2.4
Maricopa	6997	8114	7570	8235	8960	9993	10659	10851	10584	9480	10292	10912	11533	5.7	3.6
Mohave	310	351	377	408	422	459	516	504	515	478	511	528	536	1.4	4.0
Navajo	195	249	231	229	232	256	280	281	308	262	272	291	304	4.6	3.2
Pima	1,832	2,110	2,098	2,170	2,362	2,618	2,697	2,649	2,550	2,380	2,481	2,588	2,665	3.0	2.7
Pinal	222	252	272	285	320	362	417	480	526	497	580	636	628	1.4	7.7
Santa Cruz	242	280	289	280	299	302	281	284	282	294	261	239	271	13.2	0.8
Yavapai	372	469	477	497	510	573	613	640	651	584	613	661	699	5.8	4.6
Yuma	377	439	458	478	518	556	585	590	624	611	603	650	657	1.0	4.1
<b>Arizona</b>	<b>11832</b>	<b>13716</b>	<b>13180</b>	<b>14055</b>	<b>15188</b>	<b>16809</b>	<b>17802</b>	<b>18118</b>	<b>17960</b>	<b>16364</b>	<b>17479</b>	<b>18467</b>	<b>19318</b>	<b>4.6</b>	<b>3.8</b>

Source: Dean Runyan Associates, U.S. Bureau of Labor Statistics, and U.S. Bureau of Economic Analysis, 2013.

Notes: Details may not add to totals due to rounding. Percentages calculated on unrounded numbers.

**TABLE 6.5.d: Arizona County Travel-Generated Earnings 1998-2012 (\$Millions)**

County														Annual Percent Change	
	1998	2000	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012p	11-12p	98-12p
Apache	20	24	24	23	23	25	27	29	32	31	30	30	32	5.8	3.4
Cochise	50	57	59	61	67	70	73	82	84	81	81	76	75	-1.6	3.0
Coconino	189	204	195	206	221	228	240	265	283	267	262	271	282	3.9	2.9
Gila	50	54	54	55	56	61	65	68	66	63	60	61	64	5.5	1.8
Graham/ Greenlee	8	10	9	9	9	11	14	15	15	12	12	13	14	6.3	3.9
La Paz	23	25	26	26	26	28	27	28	29	29	29	30	30	2.7	2.0
Maricopa	2,200	2,551	2,431	2,592	2,814	3,014	3,281	3,425	3,298	3,158	3,247	3,418	3,558	4.1	3.5
Mohave	85	94	104	110	110	116	133	133	136	133	127	124	129	4.1	3.0
Navajo	48	60	57	55	56	59	66	68	76	69	71	73	80	9.1	3.7
Pima	401	460	479	480	517	563	580	582	556	538	538	548	577	5.3	2.6
Pinal	54	58	65	66	73	81	94	112	122	121	126	132	135	2.5	6.8
Santa Cruz	44	49	52	50	54	54	52	54	54	54	50	44	49	9.3	0.8
Yavapai	105	129	133	137	139	152	165	177	180	164	162	168	179	7.0	3.9
Yuma	86	97	103	108	118	120	131	135	144	145	143	153	153	0.4	4.2
<b>Arizona</b>	<b>3,363</b>	<b>3,874</b>	<b>3,792</b>	<b>3,978</b>	<b>4,283</b>	<b>4,583</b>	<b>4,947</b>	<b>5,173</b>	<b>5,075</b>	<b>4,865</b>	<b>4,939</b>	<b>5,142</b>	<b>5,357</b>	<b>4.2</b>	<b>3.6</b>

Source: Dean Runyan Associates, U.S. Bureau of Labor Statistics, and U.S. Bureau of Economic Analysis, 2013.

Notes: Details may not add to totals due to rounding. Percentages calculated on unrounded numbers.

**TABLE 6.5.e: Arizona County Travel-Generated Employment 1998-2012 (\$Millions)**

County														Annual Percent Change	
	1998	2000	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012p	11-12p	98-12p
Apache	1,550	1,630	1,530	1,460	1,520	1,610	1,590	1,580	1,700	1,640	1,620	1,590	1,590	0.1	0.2
Cochise	3,690	3,930	3,800	3,760	3,930	4,030	4,110	4,380	4,340	4,120	4,070	3,820	3,660	4.0	0.1
Coconino	11,220	11,180	10,240	10,530	10,740	10,950	10,750	11,110	11,540	10,920	10,590	10,710	10,870	1.5	0.2
Gila	3,150	3,120	3,220	3,220	3,040	3,130	3,160	3,120	3,000	2,940	2,910	3,050	2,990	1.9	0.4
Graham/ Greenlee	40	40	40	40	40	50	60	70	70	50	60	70	80	4.1	2.7
La Paz	1,500	1,420	1,350	1,350	1,290	1,350	1,200	1,220	1,230	1,230	1,190	1,230	1,230	0.2	1.4
Maricopa	84,020	87,700	77,850	80,880	83,780	87,470	89,530	90,130	87,910	82,290	81,630	83,330	86,000	3.2	0.2
Mohave	5,500	5,680	5,950	6,060	6,020	6,250	7,070	6,500	6,380	6,170	6,090	5,870	5,950	1.3	0.6
Navajo	3,430	3,940	3,420	3,280	3,140	3,200	3,360	3,300	3,570	3,190	3,250	3,330	3,440	3.2	0.0
Pima	21,230	23,030	22,900	22,890	24,140	25,200	25,100	23,870	22,220	21,820	21,450	21,580	22,340	3.5	0.4
Pinal	3,160	3,130	3,780	3,880	3,960	4,270	4,680	4,880	5,250	4,930	5,100	5,550	5,590	0.7	4.2
Santa Cruz	2,430	2,520	2,550	2,470	2,560	2,530	2,400	2,330	2,270	2,230	2,060	1,870	1,960	4.8	1.5
Yavapai	6,370	7,100	8,120	8,220	7,900	8,060	8,180	8,280	8,460	7,710	7,340	7,670	8,090	5.5	1.7
Yuma	4,800	4,950	5,590	5,540	5,700	5,840	6,200	6,040	6,110	6,130	6,060	6,540	6,660	1.8	2.4
<b>Arizona</b>	<b>152,740</b>	<b>160,030</b>	<b>151,110</b>	<b>154,400</b>	<b>158,550</b>	<b>164,810</b>	<b>168,530</b>	<b>168,000</b>	<b>165,190</b>	<b>156,330</b>	<b>154,300</b>	<b>157,070</b>	<b>161,340</b>	<b>2.7</b>	<b>0.4</b>

Source: Dean Runyan Associates, U.S. Bureau of Labor Statistics, and U.S. Bureau of Economic Analysis, 2013.

Notes: Details may not add to totals due to rounding. Percentages calculated on unrounded numbers.