

## **TUCSON, ARIZONA - Empowerment Zone Round III APPLICATION SUMMARY**

The Tucson, Arizona Empowerment Zone area consists of 13 census tracts and three Developable Sites. The Developable Sites are as follows: (1) Park Place/Williams Center, parcels of developable land located in midtown Tucson, (2) the University of Arizona Science and Technology Park, developing high technology buildings, and (3) Bombardier Aerospace and Raytheon Defense Industries facilities. In conjunction with Bombardier Aerospace site, Tucson detailed how the use of the Empowerment Zone Tax Incentives will be utilized to attract current manufacturing operations from Canada. The designee stated that it has commitments from all three industries to not only provide entry-level and mid-level jobs to nominated area residents, but also to undertake training programs for them as well.

Tucson's designated area is characterized by very high rates of poverty. Almost half of the area consists of census tracts with poverty rates well over 50%. At an unemployment rate of 15.31%, the designated Empowerment Zone area is well above the national unemployment rate of approximately 4.0%.

The nominated area is one of cultural diversity with a substantial portion of its population consisting of Hispanics and Native Americans. Coupled with this diversity are the challenges of language isolation, low high school achievement, few homeownership opportunities and the lack of decent and affordable housing. The Arizona Department of Commerce lists technology, manufacturing, aerospace, optics, education and tourism as the major industries in Pima County. The University of Arizona is the largest single employer in the Empowerment Zone area. Most businesses in Pima County and Tucson are small-to-medium-sized companies with the exception of the University of Arizona and Raytheon Missile Systems. Minority (Hispanic) owned businesses comprise over 50% of all businesses along the south side corridor.

Tucson's marketing proposal includes an overview of seven EZ Tax Incentives and how each will be used in the designated area. In marketing the incentives, Tucson will provide technical assistance and staff time through the formation of a team that will work to enlist the support of 12 to 15 major organizations already serving 6,000 EZ businesses. For example, the Industrial Development Authority, the Tucson Small Business Association, Chamber of Commerce, Arizona Small Business Commission, and the Arizona Commission on Economic Conversion are some of the organizations that will execute the marketing plan.

Tucson will have substantial support also from other Federal, state and local initiatives in its marketing efforts; its partners will include the Pima County One Stop System, Youth Opportunity Movement, Hope VI, Stone Avenue Corridor and the MRB Program, which will increase Hispanic homeownership in the Zone area. Also, the City will educate Zone residents of their personal status and marketability, as a resident of the TIUP.

Prospective employers that hire these residents will be eligible for the Work Opportunity Tax Credit and Welfare-To-Work Tax Credit. Tucson also refers to the entire package of incentives, which will be customized for each business, combining training and tax incentives with partnerships among lenders, businesses and government institutions. Because Arizona is a commercial gateway to Mexico, tax incentive marketing also will target key international business leaders and coalitions.

The Tucson EZ has detailed the venues for marketing tax incentives ranging from seminars to international tradeshows in Mexico. Tucson demonstrated innovation in developing the area's international trade program by creating an Intermodal Transportation Center, which matches local businesses with international needs. The University of Arizona's Science and Technology Park, a D-Site, will collaborate with the Tucson International Airport Authority to expand international trade and development to capitalize on the Foreign Trade Zone.