

Southern Arizona Regional Business Assistance and Benefits Opportunities

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- Small Business Technology Transfer Program (STTR)

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Sun Corridor Inc. assistance

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Southern Arizona Business Assistance and Benefits Opportunities

Federal Incentives

Foreign Trade Zone: A foreign trade zone is a designated location in the US where companies can use special procedures to delay or reduce duty payments on foreign merchandise. Benefits include duty exemption, duty deferral, inverted tariff, and logistical benefits.

Work Opportunity Tax Credit (WOTC): The Work Opportunity Tax Credit is available to employers who hire people from specific target groups that experience barriers to employment. WOTC can provide up to \$2,400 in tax relief for each qualifying hire, and up to \$9,000 for long term family assistance recipient hires. Employers can claim a tax credit on an unlimited number of qualifying new hires.

Small Business Innovation Research Program (SBIR): SBIR is a competitive program that encourages small businesses to explore their technological potential, as well as, providing incentive to profit from its commercialization.

Small Business Technology Transfer Program (STTR): STTR is an important small business program that expands funding opportunities to meet the nation's scientific and technological challenges in the 21st century.

Pima County Incentives

Pima County One-Stop Career Center: The Pima County One-Stop Career Center is nationally recognized for pioneering training initiatives and aggressive fund development that has resulted in a rich menu of services for local employers. In addition to approximately \$5 million in formula Workforce Investment Act funds, the One-Stop administers \$20 million in discretionary grants for Veterans, youth and other special populations, education funds and basic assistance programs. Following the 120 day period mandated by federal statute regarding use of federal training funds for businesses laying off or closing in one region of the U.S. and hiring in another region, Pima County One-Stop will make available to Client Businesses its full menu of employer services, including:

- Job order registration, applicant screening and job matching conducted in person and online
- One Stop facilities for mass recruitment and hiring
- Screening and placement of youth and/or adult interns

- Skill training classes to upgrade the skills of existing employees, available for delivery at the company site and customized to fit company needs
- On-the-job training opportunities
- Supportive services for training participants

Property Tax Abatement through Foreign Trade Zone designation: Pima County might abate a portion of the property tax liability for companies located in a designated FTZ, depending on number of new jobs, wage levels and capital investment. Reclassification is dependent on successful FTZ activation.

Government Property Lease Excise Tax (GPLET): A GPLET agreement option is available for negotiation with local governmental agencies. GPLET is typically utilized to attract potential job-creating businesses into community (re)development areas. GPLET removes the business's obligation to pay property taxes and instead negotiates an excise tax and a lease rate; the two combined are significantly less expensive within the terms of the agreement than the normal property tax that would be applicable without the GPLET agreement. The lease and excise tax are usually standard, but are subjected to negotiation depending on a variety of circumstances: how many jobs, the financial standing of the company, the location of the development, and so forth.

Industrial Development Authority of the County of Pima: The IDA of Pima County is a non-profit corporation designated as a political subdivision of the State of Arizona with primary interests to include the promotion of economic development and the development of affordable housing. The Authority is empowered to issue bonds to provide funds for the financing or refinancing of the costs of the acquisition, construction, improvement, rehabilitation or equipping of a project as defined in the Act. The business and affairs of the Authority are managed by a board of directors appointed by the Board of Supervisors of Pima County.

City of Tucson Incentives:

Financial Incentives

Government Property Lease Excise Tax (GPLET): The GPLET can provide up to eight (8) years of property tax abatement. This incentive is available for projects located in the Central Business District and result in property value increase to at least 100%. The amount abated cannot exceed the economic benefit created by the project. To become "government property" the City will take ownership of the property for the duration that the owner wishes to be

relieved of tax obligations. Actual abatement may begin after April 17, 2013. Applications for this incentive are currently being accepted.

Central Business District map: www.tucsonaz.gov/business/cbdmap

Primary Jobs Incentive (PJI): The Primary Jobs Incentive assists Tucson in its efforts to bring quality jobs and investment into the region. The incentive provides up to a 100% credit of construction sales tax to qualifying expenses such as job-training, the project's public infrastructure improvements and/or offsets to impact fees. The City will also waive building permit fees. Any project is eligible if it: a) invests a minimum of \$5 million in facilities or equipment, b) creates 25 jobs that pay average wages of at least \$60,000, and c) the employer covers at least 75% of employee health premiums.

Retail Sales Tax Incentive: For retail projects that might not otherwise locate in the city of Tucson, the City can apply ongoing project-generated retail sales tax revenues to qualifying public expenses such as job training or public infrastructure improvements. Projects must create significant and quantifiable economic benefits to be considered. The amount of sales tax revenue applied cannot exceed the economic benefit created by the project. These incentives are only available for projects which, in the absence of the incentive, the business would not locate in the city of Tucson in the same time, place or manner.

Loan Programs

Tucson Community Development Loan Fund: The City of Tucson has a \$20 million loan fund that can be used as gap financing for projects that create jobs for low and moderate income persons, eliminate blight or meet urgent community needs. Tucson Community Development loans carry a highly competitive interest rate. Eligible activities include real property acquisition, rehabilitation of real property, relocation, clearance and demolition, site preparation, public facilities improvements, issuance costs, capitalized interest and reserves.

* Available for projects that create significant and quantifiable economic benefit for the city of Tucson. Applicants must meet certain screening criteria. A third-party economic impact analysis will ultimately determine eligibility. Interested candidates may contact the Economic Development Manager for a consultation.

Tucson Industrial Development Authority (TIDA) Bonds and Loans: The TIDA may provide financing of projects whenever appropriate and where traditional sources of funding may not be available. Projects must serve a

public purpose while sustaining the long-term fiscal viability of the TIDA. The TIDA places an emphasis on new and expanding businesses where sources of traditional capital are not available.

Business Assistance Programs

Green Business Certification Program: The City of Tucson can help businesses operate more sustainably *and* save money on utility bills. The program provides businesses in the city of Tucson with free energy/transportation, water use, waste production and pollution prevention/purchasing audits. Businesses can then use this information to reduce resource consumption. Businesses that complete the program receive certification that can be used in their marketing programs.

Historic Preservation Tax Credits: There are 566 designated historic buildings in commercially-zoned areas in the city of Tucson and another 1,040 buildings that are potentially eligible for historic designation. Approved rehabilitations of these properties are eligible for significant federal and state tax credits.

Map of Historic Properties: www.tucsonaz.gov/business/historicmap

Small Business Enterprise Program (SBE): The SBE program offers opportunities to small businesses in Tucson interested in submitting bids for contracts administered by the Procurement Department. Benefits include bid preferences and subcontracting goals for construction, goods, services, and materials. SBE applicants may represent of any and all ethnic and gender groups.

Development Services Programs

Certificate of Occupancy Relief: A new Certificate of Occupancy is not required for a new tenant of an existing building unless the occupancy classification changes for any portion of the building. This policy significantly facilitates development by reducing permit fees and enabling a new tenant to use existing site and/or floor plans.

Cross-Trained inspectors: The City has cross-trained building inspectors so that, for routine inspections, one inspector can inspect all areas, including structural, electrical, plumbing, heating, ventilation and air conditioning. These combination inspections allow for a smoother, more efficient inspection process, saving businesses time and money.

Development Package Review: The Development Package Review provides simultaneous reviews for Site Development and Grading Plan review. Applicants use a development package menu to select the types of

reviews needed and the review agencies required for review. The Development Package Review process greatly reduces the review time and increases review consistency. This greatly benefits field contractors and inspectors.

Impact Fee Deferral: Impact fees for roads, parks and public facilities may be deferred until the Certificate of Occupancy is received in exchange for a contribution to the City's Housing Trust Fund.

Ombuds Program: The Ombuds program ensures that significant projects provided with the resources needed to move as effectively and swiftly as possible to completion. At the City Manager's direction, an Ombuds person will be assigned to a project to help coordinate and manage City processes until the project is finished.

Planned Area Development (PAD): Within the Infill Incentive District, rezoning can occur that enables a developer to submit a simplified site analysis document.

Solar Fee Waiver: Solar installation companies may receive \$1,000 single or \$10,000 subdivision permit fee credit for solar system or water heater.

Incentive districts and areas

Downtown Core District: A \$10,000 building permit fee waiver per project and a construction sales tax credit for public right-of-way improvements are available for developments in this district. The downtown core district is defined by Union Pacific Railroad to the north and east, Cushing street, 14th Street and 12th Street on the south and Meyer Avenue on the west

Sun Corridor Inc.

Soft Landing Program: Sun Corridor Inc. is committed to provide valuable information to you and your team during the stressful time of relocation. We understand the importance of a local contact with information about school systems, desirable areas to live and other Tucson specific aspects that are important to you, your employees and their families.

Shovel Ready Program: Shovel Ready and Fast Track Permitting Programs involve the certification of Shovel Ready sites for fast track permitting and development processes. The programs will make the Tucson region more competitive in attracting and expanding new high-skilled/high-wage jobs.

Certified Shovel Ready sites are parcels that are on the market for sale or lease, appropriately zoned, pre-qualified to meet local planning requirements, served by utilities, and with identified access to transportation linkages. The certification requirements are designed to assure the ability of a firm to proceed immediately to the building permit phase *and* be able to receive approval of plans within 90 days.

Broker Community Integration and Research Assistance: Sun Corridor Inc. will connect you with the local broker community to assist with relocation efforts.

Preliminary Project Review and Delta Team Process: Sun Corridor Inc. is available to conduct customized research and analysis to fit your needs. Sun Corridor Inc. has comprehensive demographics and statistics about Tucson and the Southern Arizona region, including population trends and projections; employment growth rates, trends and projections; demographic snapshots; cost of living including housing statistics and trends; workforce analysis and profiles; and more.

Offering an integrated approach to programs and services, Sun Corridor Inc. is a "one stop shop" available to assist new and existing companies in their efforts to grow within or locate in the Tucson region.

Sun Corridor Inc.'s staff is available to assist businesses in determining program eligibility and to answer any questions regarding program specifics. The staff is also available to go out and meet with businesses, listen to their specific problems, and then provide a list of available resources in the community or Sun Corridor Inc. programs that are available for further assistance.

Gateway Tucson: Sun Corridor Inc. and the University of Arizona launched the Gateway Tucson Program to benefit both the executive and his/her accompanying partner and family. This form of cooperative community engagement and connectivity with local leadership for select, executive-level spouses and partners will increase chances of attracting sought- after talent from out of town by offering "soft landing" support for the spouse.