



**TUCSON  
METRO  
CHAMBER**

*Growing Businesses. Building Communities.*

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# **BEAR**

**BUSINESS EXPANSION AND RETENTION**

**SURVEY SUMMARY**

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**MARCH 2014**



## BUSINESS EXPANSION AND RETENTION (BEAR) PROJECT

According to the Morrison/Dodd Group LLC, a leading economic development consulting firm, **70-90% of new jobs come from the expansion of existing companies within a community.** In order to help facilitate the creation of new jobs and to promote business growth and expansion in Southern Arizona, the Tucson Metro Chamber conducted a survey of local companies to identify the advantages and disadvantages of doing business in our region. Knowing these preferences and challenges will help private and public sector entities shape policy, prioritize investments and expenditures and mobilize the resources necessary to enhance economic vitality and job growth.

It should be noted that this survey was intended primarily to identify respondent perceptions and gauge their level of importance. Based on respondent sentiments, leaders at the Tucson Metro Chamber have made specific recommendations about setting priorities for the growth and expansion of the local economy and will work in partnership with all of the appropriate public and private entities necessary to achieve successful outcomes.

### METHODOLOGY

The survey instrument was created by the executive staff of the Tucson Metro Chamber after examining similar surveys created by universities, economic development and business organizations in other cities in the United States. A copy of the actual survey instrument may be found in Appendix A.

The Chamber recruited a team of volunteers from its membership to serve as advisors regarding survey methodology and to conduct survey interviews. The volunteer group is known as the Business Expansion and Retention (BEAR) Task Force. The BEAR Task Force was chaired by Andrea Abney, assistant vice president of Randstad USA, a local employment agency.

In order to survey companies with the greatest potential for impacting employment growth, the BEAR Task Force identified the 570 companies that employ 100 or more full-time employees in Pima County.<sup>1</sup> (When surveyed, several of those companies noted that their employees totaled less than 100 since the publication of the resource.) Those companies then comprised the universe of companies that would be targeted for survey administration.



Volunteers scheduled appointments with senior executives at companies in the target group and met with them to complete the survey interviews. Company executives from a cross-section of industry categories were selected and contacted randomly based largely on their availability to complete the survey. Survey respondents were guaranteed anonymity and were offered confidentiality agreements to facilitate candid responses upon request.

Surveys were administered over a period covering July 2012 - November 2013. Individual surveys were then entered into a database of aggregate responses by the task force chair.

The BEAR Task Force completed 129 surveys within the target group of 570 companies, resulting in a confidence level of 95% and a confidence interval of 7.6%. (See Appendix B.)

Respondents were provided with an opportunity to "rate" their perceptions and opinions about the questions posed in the survey using a provided numerical rating scale. Respondents also had the opportunity to provide personal comments, which many chose to do.

The following pages of this summary contain raw survey data, commentary by survey respondents and analysis by the author of this summary, Tucson Metro Chamber President & CEO Michael Varney.

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<sup>1</sup>According to Infogroup's ReferenceUSA

## SURVEY QUESTION #1

***"Overall, the business climate in the Tucson Metro Area and Pima County is a good one."***

Respondents rated the statement above as follows:

Rating	Strongly Agree				Strongly Disagree	
	5	4	3	2	1	
# Responses	2	12	54	51	10	
<b>Weighted rating: 2.57</b>						

### RESPONDENT COMMENTS:

1. Very mediocre at best
2. Business is booming, people feel more comfortable spending money
3. Tucson hates business
4. We need a more diverse economy. We should support the mine and other job-creating opportunities and do a much better job of commercializing ideas coming from the UA and keeping graduating entrepreneurs in Tucson.
5. Rothschild and McCusker helping process
6. No problems so far - called licensing program and received great support
7. Business is still slow in Pima County. There is a lot of competition for small local firms with large national firms. It makes it difficult to do business when the competition is not apples to apples.
8. Good for a few select industries but not overall
9. Have not had issues
10. Overall good - lot of little things to attract new businesses
11. We are slowly recovering from the economic downturn
12. Because the economy in general is struggling; financing is struggling overall US economy issue
13. Look at Tucson and compare with Maricopa County and cities
14. The current is the worst in 25 years (worst because they are in construction and housing market specifically so it has been tough)
15. Good labor base, opportunity to get more small business support
16. City changed code to "amusement" so as to charge sales tax on dues, city downzoned when annexed 10 yrs ago
17. We need to promote business growth and emphasize growing the companies and industries that are already here.
18. Not a good climate for business
19. Tucson not run as "pro-biz" city/county
20. I disagree. The business climate in Tucson and Pima County is still weak, but improving. Due to the Great Recession, many businesses have closed their doors and new businesses still don't



appear to be moving in to those vacant spots, despite the fact that commercial real estate prices have dropped dramatically over the last four years. That said, there are signs that things are improving. My local bank officer recently advised me that small businesses are taking out equipment loans or doing remodeling projects.

21. The economy is still tough. Have had to lower rates to stay competitive. Get hamstrung on signage code issues (A frame) once in a while
22. Pluses and minuses for everything they want to do - getting government approval/on board
23. a. Lack of critical mass of business locally  
b. Divisive politics of state and local  
c. Poor national perception of Arizona (politically)
24. Local businesses try very hard to survive and excel. Many local businessmen are fully engaged in improving the business economy. However, if I were to start a new business and it was not a local business but with a larger footprint, I would not do it again in Tucson.
25. The economy has been tough and rising taxes aren't helping.
26. Neutral - qualified people - permit ok (benign), double standard for washes and has concerns about the cost of annual fire inspection
27. Because the economy in general (my company) is struggling; financing is struggling, overall US economy issue
28. Tucson – 2  
Pima Co – 2  
Marana/Oro Valley – 4

## CHAMBER ANALYSIS

Respondent sentiment about the business climate in the Tucson metro area and Pima County has few opinions at the extreme of agreement or disagreement. There are more responses disagreeing with the above statement than agreeing with it. This may suggest a tone of malaise, stagnation and economic pessimism brought on by the Great Recession. It may also signal localized problems and perceptions. What is necessary, of course, is a sense of strong forward movement and optimism.

That said, the weighted average rating of 2.57 indicates a bias toward disagreement with the notion that the local business climate is a good one. Actual commentary from respondents provides a spectrum of reasons for both positive and negative sentiment. Some individual companies indicate their individual enterprises are doing well or not doing well while many more seem to be generally negative for reasons including the national economy, their industry sector, political forces and relative comparisons between the local economy and the economy of other jurisdictions.

## SURVEY QUESTION #2

***"Overall, I believe that government bodies in the Tucson Metro Area and Pima County understand business."***

Respondents rated the statement above as follows:

Rating	Strongly Agree 5	4	3	2	Strongly Disagree 1
# Responses	1	5	49	51	21
<b>Weighted rating: 2.32</b>					

### Respondent Comments:

1. Generally they do not
2. Not a clue
3. Local government could do a much better job of supporting and nurturing local businesses. Let's consolidate duplicate legal and regulatory burdens at county and city levels.
4. They don't support local business - buddies hired instead of giving business to smaller firms
5. Pay over \$1 million in sales tax and \$250K in property tax and every month the tax docs from the city is wrong (wrong codes listed on docs)
6. Understand aviation: AF, Hamilton, Evergreen
7. Can't really say
8. Not all businesses are the same. The nocturnal economy, which is part of our model, is interwoven and complex. I know for example that our patrons frequent other businesses when visiting us, be that bars or restaurants. We have a more holistic relationship with other businesses.
9. Pima County 4  
City 3
10. I think they are making efforts to understand small business and local business but there is still a long way to go.
11. We do a lot of work with city and county and they've always been pretty responsive
12. While larger enterprises have the ability to navigate the regulatory/bureaucratic environment, small businesses do not.
13. Because they have never been in/run a business; they don't know what a biz entails
14. Look at Tucson and compare with Maricopa County and cities
15. They don't support local businesses (perceive that times have gotten bad - instead of doling out projects to smaller firms, seems like jobs go to one source and then they hire all their buddies)
16. Problems with Rosemont Copper Mine - many road blocks - closing of I-10 affects their business
17. Not only do they not understand business, they don't understand the importance of business to the welfare of our community. They are totally focused on individuals and special interest groups.



18. Government structure in Southern Arizona uniquely designed to prevent making progress: weak mayor, city-wide elections, ward system, need "metro government"
19. He doesn't have much direct exposure to them
20. Have an understanding but not excellent and not horrible
21. Have had positive interactions specifically with Oro Valley (Hiremath) but second hand accounts of business having trouble with local government impacts this score.
22. It is pretty evident to me that government bodies in the area are not geared to understanding what would improve the community that would drive new business, initiate growth in existing business and re-energize Tucson. The problem is leadership and not government employees. Sadly, I believe government bodies and their leaders are accelerating Tucson as a dying community.
23. Passing new taxes or even proposing them does not solve economic issues - it exacerbates them

### **CHAMBER ANALYSIS**

A weighted average score of 2.32 indicates an overall negative opinion about local government bodies understanding business. Remarks describing negative sentiments were varied, but seemed to coalesce around the following themes:

- Government leaders are described as being detached from truly understanding and appreciating business
- Taxation
- The structure of governance
- Government procurement being conducted on an uneven playing field
- Government not doing enough to help business or at least get out of the way of business

### SURVEY QUESTION #3

*"Overall, I believe that government bodies in the Tucson Metro Area and Pima County understand the challenges business owners face."*

Respondents rated the statement above as follows:

	Strongly Agree				Strongly Disagree
Rating	5	4	3	2	1
# Responses	3	5	34	51	28
<b>Weighted rating: 2.20</b>					

#### Respondent Comments

1. Generally they do not
2. They have no clue on the government
3. How about tying local government salaries to sales tax revenue or some other measure of local economic success?
4. Five years ago there was more outreach - how many times have they reached out to local business during the recession (except downtown)
5. Don't seem to understand based on level of service they are providing to city business - wouldn't be so chaotic if they really understood
6. I don't think they have a clue
7. Don't understand how to make it easy to grow -- example: Rosemont
8. Government can tax, businesses cannot tax for money, so mindset between the two is very different
9. Don't care
10. It would seem that government in the Tucson Metro area and Pima County promote and facilitate tourism and retirement but does not encourage a positive business climate.
11. Should industries "cater to" and understand those in a deep level in order to attract and retain biz in those clusters
12. Look at Tucson and compare with Maricopa County and cities
13. Insufficient outreach to support business model, help promote growth of business
14. They think the greedy business owners only care about money and profits, not understanding that money and profits allow them to stay in business. They also think that business owners are not present at their meetings they don't care, when in reality business owners are not present because they are trying to run their businesses.
15. Only as a reaction
16. Have not seen government officials showing presence at business events and connecting with biz community





17. I strongly disagree. While it appears that the new mayor wants to improve the business climate by simplifying the design and development process, there are plenty of city council members and county officials who seem to be unfriendly to business (i.e. Rosemont Copper) and who seem to be more interested in the special interest groups who have elected them. My personal feeling is that the environmental "threat" posed by Rosemont Copper is overblown and that this city and county desperately need the 400+ jobs, +1,500 ancillary jobs that Rosemont Copper would bring to Southern Arizona.
18. They probably do and likely are sincere in their understanding but do not care or know what to do about it.
19. Don't care
20. Good recent positive experience w/ Pima – 3  
COT 2-3  
Rosemont mine an issue w/ both - 2
21. At some degree but not in depth

### **CHAMBER ANALYSIS**

If perception is reality, the comments above seem to indicate that the City of Tucson and Pima County have significant room for improvement in their policies, practices and attitudes regarding business. The weighted average score of 2.20 is a negative bias indicative of a business community that sees government (especially the City of Tucson and Pima County) as being more of a problem than a problem solver.

Again, comments from respondents suggest that there is a lack of identity and pathos with the business community -- a disconnection and unwillingness to understand or empathize. This distance between parties may be a contributor to the overall sense that our region is not as friendly to business as it might be.

#### SURVEY QUESTION #4

*"Overall, I believe that government bodies in the Tucson Metro Area and Pima County help to promote the growth of business."*

Respondents rated the statement above as follows:

Rating	Strongly Agree 5	4	3	2	Strongly Disagree 1
# Responses	3	4	37	57	26
<b>Weighted rating: 2.22</b>					

#### Respondent Comments

1. Disagree. They give too many reasons to discourage business growth.
2. I think they want to but aren't actively doing much
3. They want nothing to do with growth
4. Look at an aerial map of Marana Marketplace - a 29 acre shopping center began in 2006 that is 1/2 in Tucson and 1/2 in Marana - notice anything different about the half in Tucson?
5. Getting better
6. They talk the talk but don't walk the walk - had small biz initiatives but it didn't go anywhere - no real big incentives to help local business
7. Seems like city and county turf warfare
8. Don't really know how but do know there's TREO & MTCVB - but are we getting return from investment?
9. He's only aviation engineer in Tucson and could work to get business done
10. Not much help to a high-tech business such as ours. Could help by improving road conditions, adding bike lanes, pedestrian crossings on Valencia/Palo Verde.
11. I am not qualified to answer this
12. Pima County 5  
City 2
13. I wholeheartedly disagree. The county could contract out services to the business community instead of trying to hold on to staff internally. There are many services that could be privatized easily reducing the taxpayer burden and stimulating small business. For instance during the last few years when the economy has been in dire straits, the county brags about doing construction projects in house themselves and thus not laying people off. If they had done layoffs like everyone else, these services could have been contracted outside and the people that were laid off would most likely have been hired in the private sector had the work been let out instead of held in house. This would have reduced the tax burden to the taxpayers and stimulated the economy. This is the same for the real estate division. Most services can be contracted out, but the county is holding onto staff and doing the work in house. The County held onto almost all of the Development Services staff when the economy was bad and just moved them around to

other departments. They need to make cuts just like the private sector. The City on the other hand maintains a smaller staff and contracts out to the private sector more often than the County. It is responsible government.

14. Seems to be a "slow growth" or "no growth"
15. Don't think they do a lot to attract new businesses or give smaller ones the opportunity to grow
16. They could do more
17. Just looking to maintain; not grow
18. Three or four years ago his answer would have been 1 for each of the responses so while there has been some progress it is still an unsatisfactory business climate.
19. Not creative enough. Tax incentives only one piece of puzzle... they could use other incentives like land.
20. Look at Tucson and compare with Maricopa County and cities... The reason: it's obvious - Liberal Bureaucracy vs. Conservative
21. They talk the talk but don't walk the walk (had small biz incentives but it didn't go anywhere - no real big incentives to help local business)
22. Tucson is more pro-business  
Pima is not
23. Limited to no incentives to bring business in area
24. They provide little or no assistance to helping businesses grow and prosper. In many cases they are an obstacle to business growth.
25. Government and citizens have "draw bridge mentality", our GDP is below average. We need more "basic" industries (defined as industries that export and import dollars).
26. Have not seen visible "pro biz" stance in selling Tucson
27. I disagree. If they are effectively promoting the growth of business, I'm unaware as to how they're doing this. They're certainly not helping me grow my business.
28. Never have government bodies asking about ways to help w/ biz growth. Don't seem to be proactive in reaching out to help grow biz; just get involved in ways that involve codes, etc.
29. You might give the credit on occasion; no one is bad 100% of the time, but when projects like Grant Road, downtown "whatevers", road improvements, access/egress into the city just don't move forward, you feel government bodies do not take pride in their city or their jobs. These are the type of efforts that revitalize a community and contribute to overall business growth and we don't see those initiatives in Tucson.
30. Rosemont Copper for example
31. TREC
32. Maintain - looking just to maintain; not grow
33. Tucson – 2  
Pima Co – 3  
Marana/Oro Valley –4
34. More streamlining and reduce cost for permitting for new or expansion projects



## CHAMBER ANALYSIS

Local businesses seem not to perceive local government to be an ally in promoting the growth of business (and by extension their business). The weighted average score of 2.22 is negative. Comments by respondents did not include a single example of government involvement viewed as positive to business in general or their business in particular.

The Chamber congratulates Pima County for its Quarterly Stakeholders Meetings to connect with the development community and for its attempts to develop a defense and aerospace park. Likewise, the Chamber salutes the City of Tucson for its recently-formed Small Business Assistance Hotline, its newly reorganized Office of Integrated Planning and its Mayor-Manager Action Team. While these and other programs have been created by local governments to address perceived gaps, it would seem that negative inertia from past years of neglect has left many businesses with a sense that more needs to be done to warm up the relationship between local businesses and local government.

Opposition by Pima County to the Rosemont Copper project has sent a major negative signal to the business community. Ditto for the City of Tucson's silence on the issue. While the City of Tucson proclaims support for Davis-Monthan AFB, it is noticeably silent on welcoming the F-35 Joint Strike Fighter to the 162nd Air National Guard station (and potentially as a mission-saving element to the future of Davis-Monthan AFB). This is an often-quoted example of how far the City of Tucson must go to "walk its talk" about economic development. Pima County is a staunch supporter of the F-35, Davis-Monthan Air Force Base and the 162nd ANG station, but opposes the commencement of operations at the Rosemont Copper facility. Both jurisdictions say they want to develop the local economy, but both balk at major opportunities to demonstrate more pro-business postures. These messages are resonating in the business community.

## SURVEY QUESTION #5

*"Every company has challenges it must deal with in operating and growing. Please circle the number that best represents the degree of challenge faced by your company in each category."*

Respondents used the following scale to rate the degree of challenge they face in each area:

Rating	Extremely Challenging				Not at all Challenging		NA	Ranking*
	5	4	3	2	1			
Healthcare Costs	62	46	25	3	3	3	<b>1 (108)</b>	
Recruiting qualified workers	50	35	23	16	4	0	<b>2 (85)</b>	
Growing sales	34	29	44	13	3	4	<b>3 (63)</b>	
Land use/building restrictions	17	38	26	24	13	10	<b>4 (55)</b>	
Regulatory compliance -federal	25	24	46	15	11	9	<b>5 (49)</b>	
Fuel prices	19	30	31	22	13	13	<b>5 (49)</b>	
Regulatory compliance - local	11	23	43	27	17	7	<b>7 (34)</b>	
Access to capital/financing	15	16	22	18	36	21	<b>8 (31)</b>	
Regulatory compliance - state	7	13	53	29	19	8	<b>9 (20)</b>	
Marketing	6	14	48	37	20	5	<b>9 (20)</b>	

\*Ranking based on sum of "5" and "4" responses (Extremely Challenging/Very Challenging) on each row above.

### Respondent Comments:

1. Related to development of projects in construction the city and county still make it difficult.
2. No bus route for employees
3. Expect healthcare costs to increase 50-60%
4. Our capital comes from our parent bank, but we are making financing for small business easier than ever.
5. We are over-taxed from every direction.
6. How about creating some sort of scorecard or report on the ease or difficulty of local business efforts to secure building permits, license, etc.? One that identified government employee by



name or department. We've had some terrific experience and some bad ones. Instead of badmouthing the entire system, how can we recognize helpful people/departments and those that are not?

7. As a professional service business we have lost market share to major international companies moving into Tucson and shipping work out of town and state.
8. Difficult to expand without funding (referring to a new business this respondent started)
9. Can't find skilled labor
10. Healthcare costs NA now, but about to change
11. I suspect our organization falls between the cracks of these questions. For example, we can employ actors from anywhere in the USA but finding a local fundraising person or box office manager is extremely difficult.
12. Lease rates lower would be helpful
13. Specific to fuel prices, TEP secures very long-term contracts, which smoothes out the volatility
14. Tough to find good workers
15. Land use/permitting was a huge hurdle
16. Hurdles here in Tucson and costs for attorneys, etc. were unbelievable compared to offices in Phoenix
17. Phoenix attitude is let's grow and make biz - Tucson is the opposite
18. Regulatory compliance at state and local levels are great at providing citations and collecting revenue but poor at facilitating solutions
19. Finding qualified workers is always difficult in Tucson
20. It is still extremely difficult for companies to access financing through traditional methods in Pima County
21. As a professional service business we have lost market share to major international companies moving into Tucson and shipping work out of town (and state).
22. Finding skilled labor and tradesmen is hard
23. As gas rises business rises (stay at home)
24. As a service business many of the above are not challenging for us, but they are for our clients.
25. Immigration issue casts negative light on Arizona. "Tech Transfer" from UA is lost opportunity for the community
26. Unskilled labor is plentiful, but skilled labor is hard to find
27. Visibility of city officials is important - they are invited but don't come to events
28. Fuel prices/state regulations are better than MA and CA
29. Easy to find interested and qualified people nationally/globally, but very hard to convince them to move to Tucson. Why?
  - Tucson only known for being hot
  - Poor public education system
  - Lack of critical mass in business community
30. Growing sales will happen once election passes/US mood relaxes
31. Tough to find good workers

32. Make it too cumbersome to try to do things in Tucson vs. Phoenix.  
Phoenix attitude is let's grow and make biz, in Tucson it's the opposite
33. Growing sales (rents) Immigration SB 1070
34. NIMBY attitude w/ local HOA's regarding zoning, F-35 & Rosemont are killers of growth in Tucson

## CHAMBER ANALYSIS

Anyone who is still undecided about what kind of a factor healthcare costs have on business needs to look no further than this survey. While few respondents provided actual comments about healthcare cost challenges, healthcare did rate as the most formidable challenge to local businesses. Also not known is whether it is the costs themselves or uncertainty and concern with the new Patient Protection and Affordable Care Act (PPACA or "Obamacare") provisions.

On February 3, 2014, the Congressional Budget Office, a well-respected and historically neutral agency of the federal government announced that it projects more than two million jobs will be lost due to the Patient Protection and Affordable Care Act and its provisions.

A survey by Public Opinion Strategies<sup>2</sup> documents that 31% of franchise businesses and 12% of non-franchise businesses have already trimmed workers' hours as a result of the enactment of PPACA . Other data from the same study documents that 27% of franchise and 12% of non-franchise businesses have already replaced full-time positions with part-time positions as a direct result of the law. Another red flag is a survey finding that 28% of franchise and non-franchise businesses plan to eliminate their health insurance altogether in favor of simply paying the penalty associated with doing so.

Second on the list of challenges is the availability of qualified workers. The fact that recruiting qualified workers is seen as a major challenge to local companies is not surprising since this is a national concern most communities have recognized and are trying to deal with. Locally, our challenges may be more acute due to a high school dropout rate (30%) that is higher than the national average (22%).

Growing sales is always a concern for most companies. Respondents did not provide substantial commentary describing their challenges in this area, so it is difficult to describe the exact nature of their challenges in any depth.

In terms of regulatory compliance, federal compliance is seen by respondents as being the most challenging. Compliance with local regulations was seen as less challenging, followed by compliance with state regulations, which was seen as the least onerous of the three compliance categories.

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<sup>2</sup>U.S. Chamber of Commerce,  
<https://www.uschamber.com/sites/default/files/legacy/reports/IFACHamberFinal.pdf>

## SURVEY QUESTION #6

*"Please circle the number that best represents your rating of public services/infrastructure related to your business operation."*

Respondents used the following scale to rate the degree of challenge they face in each area:

Rating	Extremely Good 4	3	2	Extremely Poor 1	NA	Weighted Rating
Fire	61	48	3	0	13	3.53
Police	52	51	10	2	11	3.33
Sewer	11	49	22	2	24	2.82
Water	13	60	23	7	16	2.76
Inspection process	8	49	49	7	14	2.51
Permitting process	4	34	54	21	16	2.19
Public schools	3	23	46	32	23	1.97
Roads	6	13	30	69	6	1.63

## CHAMBER ANALYSIS

Survey respondents consider their public safety providers to be the best of the public service categories surveyed. Overall, fire and police services were very highly rated compared to other choices offered in Question #6.

Not surprisingly, the condition of streets and roads in our area was deemed to be the area of greatest dissatisfaction. Second from the bottom is the performance of area public schools, where the Chamber believes a strong correlation exists with the need for more qualified employees identified in the responses to Question #5.

It is important to note that the condition of streets and roads are not only seen as strong negatives by existing local businesses, they are often cited as immediate negatives by visitors to our area, including executives here on site selection trips.



The Tucson Metro Chamber reached out to Pima County to see if it has a plan for pavement repair and preservation. A November 18, 2013 document called *Transportation Funding Needs and Facts* from County Administrator Huckelberry seems to be a fairly complete summary of revenues and expenses related to road repairs and maintenance. In the document Mr. Huckelberry states, "There are no remaining monies (after calculating FY 2013/14 Revenues and Expenses for the DOT) to perform any type of pavement preservation, other than a General Fund transfer." He further states, "...in formulating the budget for Fiscal Year 2014/15, I will again place in the County Budget for Board consideration over the base budget of the General Fund, \$5 million for the DOT to use for pavement preservation. This will require the Board to affirmatively vote for an approximate \$0.07 increase in the property tax primary rate."

A similar request went to the City of Tucson, but no reply was ever provided by the Transportation Department. The City of Tucson recently passed a \$100 million bond measure to fix its streets and roads. Estimates say that it will take \$800 million to bring our streets and roads up to a satisfactory condition.

In a February 8, 2014 article in the *Arizona Daily Star*, it was noted that the City of Tucson measures its response time to pot hole complaints in days (18) compared to the response times in cities across the state that measure their response times in hours -- like 24-48. This is simply unacceptable.

Highway User Revenue Funds (HURF) being swept by the State of Arizona are often cited by public officials as the reason that local streets and roads are in disrepair. Statistics tell a different story. HURF sweeps by the state seem to represent a very small fraction of funds provided to each jurisdiction for streets and roads.

Entity	FY 03-13 (Actual)*	"SWEPT"**	TOTAL (Theory)	% "SWEPT"
Pima County	\$440,667,567	\$127,870	\$440,795,437	0.03%
Marana	\$20,046,793	\$1,745,941	\$1,782,794	8.02%
Oro Valley	\$27,530,396	\$2,048,076	\$29,578,472	6.92%
South Tucson	\$4,154,963	\$4,282,259	\$4,437,222	6.36%
Tucson	\$499,139,790	\$25,974,420	\$525,108,210	4.95%
Sahuarita	\$9,395,443	\$1,261,426	\$10,656,869	11.84%
*Funds distributed to jurisdictions by ADOT				
**Data From League of Cities & Towns Report 2013				



Citizens across Southern Arizona expect to drive on safe, smooth roads. Broken and unsafe roads are a blight on our community and can do nothing but hurt our ability to be perceived as a fully functioning metro area by visitors. The Tucson Metro Chamber urges the City of Tucson and Pima County to make street and road repair its highest priority. The time for creative solutions is now. The time for a Manhattan Project or Apollo 13 plan is now. The condition of our streets and roads is THE highest negative for business and certainly must be so for taxpayers as well.

Crumbling streets and roads only get worse over time. It is time that local citizens and business executives are provided with written plans that will give them confidence that street and road repairs are a high priority for our elected leaders and that they have plans to restore streets and roads to satisfactory condition -- and keep them at that level. Business has spoken -- fix our streets and roads!

## SURVEY QUESTION #7

*"Please take a moment to describe two things you like most about doing business in Southern Arizona."*

### Respondent Comments:

#### FIRST ANSWERS (total of 92)

##### PEOPLE/COMMUNITY/LIFESTYLE

1. People in the business community (existing businesses) love this community and take care of it.
2. Like the casual nature/laid back atmosphere and natural environment
3. Good place to live for employees
4. We are generally an open, welcoming community.
5. Friendly people
6. The Tucson community in general
7. Being in Tucson
8. Very friendly atmosphere -- people very welcoming and community oriented
9. Home town feel of doing business. People tend to be friendly.
10. Small community feel
11. Small town business atmosphere
12. I get to live here.
13. We are still a relationship town - can do some things on a handshake
14. The people
15. Small town feel - local supporters of small business
16. People are gracious
17. The people we work with are really great!
18. Quality of life attracts people
19. The people
20. People care about Tucson
21. Small town business relationships
22. Born in Pima County - is familiar and feels comfortable living and operating business here
23. People and community and ties everywhere. Small community in a big city.
24. Large city with small town cooperation among business
25. Quality of life
26. Southern AZ in general values the contribution that early childhood makes to successful education.
27. "Committed" base of people here that genuinely care about Tucson and want to make Tucson a better place
28. Good people want to help
29. Easy to get to know people and develop relationships
30. Lifestyle




31. In our line of business, the natural environment - landscape and biota - are incredible assets to us
32. Tucson is a small enough community where you can stand out as a leader in your industry and make a difference when helping in the community.

#### **CLIMATE/WEATHER**

1. Climate
2. The weather gives us tremendous flexibility as a manufacturing operation. We can stock outside and we can do lots of work outside. We start pretty early to make it easier on our workers in the summer.
3. Attractive winter climate
4. The people
5. I live here, climate, scenery
6. Excellent weather
7. Weather
8. Climate
9. Beautiful weather
10. Climate
11. Great climate; year round nice weather
12. The climate is good so construction work can be done year round without having to schedule around seasonal work.
13. Weather
14. Sunshine
15. Sunshine
16. Climate/weather
17. Weather
18. Weather
19. Year round weather
20. Weather attractive to senior clientele
21. Sunny weather
22. Weather

#### **BUSINESS**

1. Small locally owned and operated businesses that are family owned
2. The easy access to find what you need to run a business, like parts, paint and other such general supplies. Once you have a relationship w/ a vendor it's easy to get service easily (not a hassle for procurement).
3. Business leaders are mostly great to interact with; enjoy the interactions with them.
4. Suppliers are very accommodating
5. Willingness of people to work
6. Most businesses share a common goal for the betterment of the region.
7. The close-knit business community

- 
8. Strong business - business relationships and support
  9. Overall businesses work well together & collaborate - at least in health industry
  10. Cohesive business owner community
  11. Opportunities to grow business
  12. Easy to attract clients
  13. The accessibility of potential clients in regard to their willingness to share their time
  14. Strong, loyal customer base that appears interested/engaged in diversity of energy sources (i.e. renewable)
  15. Business leaders know one another
  16. Good networking capabilities

#### **GOVERNMENT/CIVIC**

1. Fewer regulations than Southern California
2. Right to work state
3. Have a supportive local government for (their organization's) work (both at Tucson City Council and County Board of Supervisor levels)
4. Local agencies, Pima County and City of Tucson give points for local office presence on Professional Services bids

#### **WORKFORCE**

1. Ability to hire from a highly qualified, large workforce
2. General labor workforce
3. Plentiful labor force, but many in need of a lot of training
4. Diverse workforce
5. Reliable workforce

#### **OTHER**

1. Access to U of A
2. Easy access to major metro Phoenix area
3. Remove city and county officials that are not business-friendly (both appointed and elected)
4. Community
5. Diversity of customers
6. Avoiding the more competitive PHX culture
7. No natural disasters here to disrupt business
8. All of our business is out of State/Country, none in Arizona
9. Clients high retiring areas are positive 55-65 not insured snowbirds
10. Access to the University of Arizona and the tremendous talents of the professors and administration of a leading research facility
11. World class research university
12. Raised in AZ and done business here whole life
13. U of A (nothing related to City) (ties to UA big reason have stayed here)



## SECOND ANSWERS (total of 71)

### **PEOPLE/COMMUNITY/LIFESTYLE**

1. The environment (not as congested as in big cities)
2. The Tucson lifestyle
3. People like to work together for the benefit of all
4. Small feel to community
5. Scenery is unbelievable - great restaurants
6. Casual environment
7. Good restaurants
8. Good size market w/ benefits of small town populace
9. Environment
10. Lifestyle community assets make Tucson a good place to live.
11. Strong community with a number of challenges however
12. It is not Phoenix
13. People
14. Perfect size of community and cohesive business community
15. Cost of living (helps in terms of wages that pay not as high)
16. The geography
17. Cost of living
18. Ability to connect and network is easy because it is a smaller community
19. Low cost of living
20. Lots of hip, aware customers
21. Ability to get around Tucson quickly (could always be better)
22. Small college town which creates nice sense of community
23. General culture of Tucson is interesting (diversity, Hispanic flavor) versus just vanilla
24. Friendly citizens
25. The people - customer wise and overall Tucson people are nicer and enjoys doing business with the people here more than PHX

### **BUSINESS**

1. Few unions
2. Lower cost of labor
3. Easy access to international
4. There are abundant competitive sub-suppliers in Tucson. I am not sure this is fully appreciated for manufacturing companies. For us that means things like fasteners, packing crates, smaller steel components and customer machining.
5. Informal nature of business here
6. Cooperation between/among businesses
7. Access to Mexican market
8. Cost of doing business is relatively low - advertising and so forth, great and inexpensive

9. Ability to connect and network is easy because this is a smaller community
10. The companies we work with are very ethical
11. Large pool of potential employees
12. Proximity and historical lines to mining
13. The diversity of our business environment
14. Great private sector leadership
15. I like the fact that the large business owners in the community such as Jim Click, Don Diamond, Raytheon, Cox Communications are involved in the community, take pride in the community and give back to the community.
16. In general quality does matter here vs. competitiveness
17. Business community with new leadership such as: Metro Chamber, MPA, TAR, TREO show promise in their potential of efficiency
18. Ability to partner with other business to solve community problems
19. Closely-held business community
20. The people we do business with are caring, considerate, ethical and loyal.
21. Short commute and proximity to Mexico
22. Fraternity of small businesses
23. Low tax burden
24. Proximity to border but more accessible than Nogales

#### **CLIMATE/WEATHER**

1. Climate
2. Climate
3. Great climate for attracting employees
4. Weather and outstanding natural assets for tourism
5. The climate allows for uninterrupted business all year long.
6. Weather
7. Climate
8. Weather and desert
9. Weather

#### **WORKFORCE**

1. Reasonable cost of labor force
2. Motivated, positive workforce
3. Diversity of workforce (cultural, life experience, demographics, age, etc.)

#### **GOVERNMENT/CIVIC**

1. Make sure roads (not government worker pensions) are the top priority for next 10 years
2. We have a great relationship with our governing body, Pima County and benefit greatly from their support of our organization.



## **OTHER**

1. University trained training programs available
2. Easy access to clients
3. Benefit from bilingual workforce when needed
4. Diversity in southern Arizona
5. Tucson Visitor and Convention Bureau
6. U of A and the people here
7. Government leaders are accessible and participate in local decisions
8. Quick access to major highways

## **CHAMBER ANALYSIS**

No surprises here. The character of our community and our neighbors are what make living in Southern Arizona appealing to business owners and executives. Many respondents also noted that doing business with other companies and local consumers is generally a pleasant experience and comparatively better than states with higher taxes and states that are not right-to-work states.



## SURVEY QUESTION #8


*"Please take a moment to describe two things you would most like to see change about doing business in Southern Arizona."*

### Respondent Comments:

#### FIRST ANSWERS (total of 90)

##### GOVERNMENT

1. Lower taxes
2. Business savvy from governmental facilities
3. For sure would like to see property, inventory and income taxes reduced. I doubt the state raises that much money from business taxes but I am not sure the overall impact. For sure it is irritating to hear about tax benefits offered to large or certain types of companies as an enticement to locate in Arizona although I understand and possibly agree with the reasons.
4. Political climate
5. Fast track for permitting!
6. Real honest government assistance, not lip service or at least a neutral government
7. County and city need to get more business friendly. More harmony among public utilities.
8. Health care costs etc are huge
9. Government must have a better understanding of what it is like to be in business.
10. More support from government for cost breaks
11. Better understanding by public officials re: challenges of doing business
12. Southern AZ politicians seem more concerned about the short term issues brought up by their uneducated constituencies than well throughout strategic planning for the betterment of the region.
13. Higher taxes on the public coupled with ongoing cutbacks to schools and police (that's wrong!). Lower taxes on businesses as hiring incentives and (cut back?) super high retail tax areas like Marana and Sahuarita.
14. Tax credits/dividends for hiring dislocated workforce
15. Better business empathy from city officials
16. Increase local business preference at all levels - similar to "Tucson First" campaign several decades ago.
17. The roadblocks put up in getting projects approved. Neighborhoods wield far too much power and there is rarely thought about the greater good. If one person/group disagrees, progress is stopped.
18. I want a more pro-business climate.
19. Support business growth
20. Pay less attention to NIMBY issues and more about job creation and economic development
21. Stop using public money to employ people in government to do the work of the private sector. Use the money to hire staff to procure and manage the projects for small business to perform the work.

- 
22. Taxes - property taxes, pay too much taxes or pay attorney fees to get money back
  23. Taxes - pay a lot of taxes, state, federal and city - approx 60% between the three
  24. A step change politically towards culture and the wider impacts on the local and, specifically, downtown economy
  25. More Southern AZ voice in statewide discussions, law making, regulations creation, etc. (so decisions for state do not have as harmful of an impact for the local Southern AZ community)
  26. Local government favorable to positive business climate
  27. Pro-growth focus on small business
  28. A more connected and consistent effort at integration of government agencies & business working together to bring tourism and clean industry to the greater Tucson area
  29. Pro-business attitude from the government
  30. Tucson is not pro-business, does little if anything to attract business and seems content to retain its image as a retirement and tourism town.
  31. Reduce/eliminate unnecessary regulations (EPA) then rewrite them in one single page 8.5x11/regulations (no lawyer's lingo)
  32. Quicker results in dealing with county and city officials for building permits etc. for smaller businesses
  33. More pro-business council
  34. Local political leadership (city and state) seems to have no idea how to grow business and foster up-and-coming companies. No real vision for the future.
  35. Less red tape and regulations
  36. Cohesive government leadership that presents a united front
  37. I believe that the process used to modify and/or construct a building is too complex. It needs to be simplified so that a business owner, who wants to expand his/her facility, can understand what the process is. Right now the rules are so complex that even architects seems to make costly mistakes when attempting to interpret the rules. In a recent building situation, such a mistake cost my company \$10,000. This shouldn't be the case. My suggestion is that City and County could hire someone who would be available to educate business owners as to the process that is required during any expansion process. In summation, Governments and small business need to work together to develop tools that make it easier to understand what will be required to expand our business facilities.
  38. Ease land restrictions while still being environmentally responsible
  39. Notably poor at being able to get things done (Phoenix bus/government action)
  40. Pro business attitude from the government
  41. Tucson needs a "strong mayor" to get anything done
  42. More reasonable government regulations and less costly permits; especially when performing expansions or new building projects.
  43. Have a more liberal signage code for small business
  44. Adopt a pro-growth stance at the local level akin to that of Phoenix



## **ROADS AND INFRASTRUCTURE**

1. City needs more attention with regards to services (keeping the city clean, better infrastructure, better roads, benches, lighting)
2. This town is dirty and ugly. I am ashamed to bring clients, customers and recruits from the airport to my business.
3. Improve transportation infrastructure
4. Neighborhood interior road improvement/replacement plan
5. Better roads
6. Road maintenance and infrastructure
7. Real infrastructure put in place to promote growth and expansion
8. Better roads!!
9. Greater investment in infrastructure: rail/railways
10. Aggressive pro-growth and repair of roads, neighborhood clean up
11. Address transportation issues and traffic
12. Roads and medians being repaired/remediated (take care of weeds & make them look nicer)
13. Freeways

## **BUSINESS**

1. Growth of locally owned and operated businesses that make buying decisions in Southern AZ
2. Easier access to supply chain
3. Quality of workforce
4. See more manufacturing business in southern Arizona
5. More diverse economy
6. Increase venture capital presence here, increase discretionary income here
7. Few top level decision-makers within local operations/companies actually live in our community. We need to promote local start-ups to change that dynamic.
8. Local biz should get a chance vs. large chains
9. We have no leverage of Southern Arizona assets across US which could bring money to the region.
10. Become less dependent on government jobs. Bring in clean industry to help kids educated in Southern AZ to stay working in Southern AZ
11. More big business to come here. Promote job growth and bring more clients.

## **WORKFORCE/EDUCATION**

1. Being able to attract quality employees - better education
2. Better workforce
3. Would like to see more jobs in higher educated fields to attract students to stay in town (related to workforce issues)
4. Improve education (basic, high school, university)
5. Would like to see more jobs in higher educated fields to attract students to stay in town (related to workforce issues)
6. Higher level of investment, both public and private, into education

7. More dedication to public health and improvement - education and funding vital
8. Education
9. Better utilize the resources of a large research based university

#### **OTHER**

1. Downtown economy
2. Better trailing spouse access to employment
3. Re-visit some old state laws re: advertising and ADOT
4. Change in attitude about capitalism and profit in business
5. Winter visitors - increase economy \$ from outside
6. Continuing improvement regarding public response to SB1070
7. I would like to see the large utilities such as TEP and Century Link use local businesses that can do work and not the large out of state companies that open offices and hire local staff after they get the jobs. There are local companies who do the same services.
8. I feel we are losing higher paying jobs which hurts our market.
9. Air travel to east coast usually must go out of Phoenix for lower rates
10. Need Rosemont!
11. From aerospace industry - EAA office
12. Involvement and proactive support from economic counsel
13. Cost of healthcare would be lower

### **SECOND ANSWERS (total of 77)**

#### **GOVERNMENT**

1. Better incentive structure to attract business investment
2. Incentives to attract more large business
3. Prevailing attitude towards business needs to change. Jealousy towards success is fostered by government and print media.
4. Government needs a reality check.
5. Instill development incentives in city and county
6. A greater understanding of the part of local policy makers as to what is required to provide people with jobs!
7. More lenient sign code
8. I don't feel that many of the politicians ie. US Rep. Raul Grijalva and most of the City's Council really understand what it takes to run a business. Too many barriers!
9. Political entity cooperation (City/County/State)
10. City and county working together on all aspects from roads to codes
11. Elect local politicians who truly value the economic growth of our region.
12. Government programs to help new businesses get established
13. Adopt a pro-growth policy to encourage more businesses to relocate here
14. Streamlined bureaucracy

15. The public sector needs to reduce cost (staff) and stop growing by contracting more to the private sector. The tax base here will hurt our changes for economic recovery. We are a small business but do not qualify because we are employee owned.
16. Incentives for tech companies who invest heavily in R&D and are big exporters (as a portion of total business)
17. Better support of Tucson business by local government
18. Adopt a pro-growth policy to encourage more businesses to relocate here
19. Reduced regulations (local and state) regarding new businesses (i.e. Rosemont)
20. Challenging to work with the myriad technologies that are required (i.e. all of the various types of renewable)
21. More funds go to private sector
22. Clear messaging of incentives/benefits of doing business/hiring in Tucson
23. Local government incentives for increasing job growth
24. Public sector competing with health clubs
25. The cities and county need to join with the business community to create a positive atmosphere with a "can do" attitude.
26. Various codes that apply to early childhood centers - able to get waivers/exceptions based on needs in low income areas (e.g. city bldg codes) - you can currently apply but it's a long and tedious process and cannot always get approved
27. Higher level of cooperation amongst government officials by party and by jurisdiction
28. Pima and Tucson politicians need to get their act together and project a unified regional support for new business development
29. Lower taxes (city, payroll, sales)

#### **ROADS AND INFRASTRUCTURE**

1. Road improvements
2. Better roads, more flights and a nicer corridor from the airport to the freeway. Visitors always see the first five minutes out of the airport and remember that more than our beautiful mountains and other pretty parts of Southern Arizona.
3. The city needs to be more cognizant regarding first impressions for visitor i.e. landscape maintenance imposing a small development fee for public art, in short improve Tucson's curb appeal.
4. Improved roads and a better corridor from the airport
5. Improvement in road conditions
6. Stronger commitment to contemporary transportation system - it is taking too long to get around the county (costly)
7. Infrastructure (freeway system)
8. Transportation structure is poor and the government planning is minimal and not solution-oriented.
9. Better mass transit system
10. I believe that the number one problem in Pima County is the deterioration of our roads. There is hardly a road in Tucson or Pima County that does not have major "pot holes" or "cracks". This

not only is hazardous to vehicles, but also to those who ride bikes and walk. In addition, the poor roads are also a major community eyesore, which makes it harder to attract new business. State sucked the money out.

11. Infrastructure i.e. freeway system
12. Public transportation is a big issue also

### **WORKFORCE/EDUCATION**

1. Improved high schools
2. Improve the schools and education by offering business-friendly tax rates so we have more homeowner base.
3. Improve education regarding customer service and communication skills
4. Primary and secondary public education
5. Improvement in the public education system, which has to start with business pushing for it.
6. Improve the school system
7. Collective effort to increasing our focus on improving the workforce
8. Better talent pool for employees/hiring - hard to find people with skills and background needed for senior living environment

### **BUSINESS**

1. More manufacturing type businesses
2. Improved professionalism in business in general
3. I would like to see the mines spread the work around the diverse companies and not focus on doing business with the same "good old boys" as they always do.
4. Better focus on retention and growth of business - rather than just courting new high-profile business - care/concern for those who have been here for decades.

### **OTHER**

1. Repeal Obamacare
2. Support Davis Monthan
3. Funding. Ability to capital funds for start of new business or expanding a business.
4. Quit doing problematic projects like Rio Nuevo.
5. Would like to see the area where the hotel is (Speedway and Alvernon) be revitalized. Seems like it has been forgotten.
6. Prefer to do business in Phoenix but live in Tucson
7. More vision for the future of Tucson, business, schools, etc.
8. I want to see a growing thriving community vs. what I see now.
9. We air our dirty laundry throughout the country
10. More downtown development
11. Airport being more utilized - more flights in and out
12. Need more independent and conservative voter participation - they seem to be more supportive of small business vs. large

13. Recognition by both government and for profit sector that non-profit sector exists and is an important part of biz community that is crucial and contributes to the local economy (not just a safety net, welfare type sector).
14. A step change in local business to support the arts and arts economy. Invest in your home.
15. Southern Arizona is "unknown" to a majority of the country.
16. Green Valley and Sierra Vista much more expensive in leasing rates
17. More organization around recruiting of talent from U of A
18. Not tearing up all of downtown for months with no access to businesses on street car route
19. Be more aggressive in tourism and attracting and keeping minor league baseball. Development of a stadium/complex either downtown or northwest would be a great impact.
20. A switch to technology driven growth rather than being so dependent on construction and tourism
21. Decrease community's "inferiority complex"
22. Be more business friendly with Northern Mexico. It's a growing market and you can see ways that Texas is demonstrating it understands the relationship and market potential/opportunities.
23. No one to tell our story. We need another Wyatt Earp type of figure. The Southern Arizona "spokes folks" we have do not strike me as inspirational.
24. Airline situation leaves a lot to be desired (lack of flights to Mexico, more direct flights accessible)

## CHAMBER ANALYSIS

Government entities clearly have work to do to demonstrate that they can be an ally instead of an enemy to local business. Whether respondent comments are perception or reality, the City of Tucson and Pima County brands do not hold up well in supporting a strong local economy. Private sector respondents cited difficulty in using government services and government actions and attitudes that they perceive as anti-business. The Tucson Metro Chamber recommends that both the City of Tucson and Pima County do more to listen to the business community and perform in ways that enhance their customer service delivery and streamline their operations. The Chamber asks that both government entities go further in identifying barriers to business development and remove onerous practices that delay or retard business growth and expansion.

The condition of local streets and roads is again a major issue. (See commentary associated with Question #6 for further perspectives.)

## SURVEY QUESTION #9

*"Please check the box that most accurately describes your feelings about continuing to do business in Southern Arizona."*

Answer Options	Response Rate
I plan to continue doing business in this area no matter what.	62%
I have occasionally considered what it would be like to move my company to another city/region.	10%
I am seriously considering moving my company to or growing my business in another city/region.	18%
I am seriously considering moving my company to or growing my business in another city/region.	5%
I have been approached by representatives of another city/region to move or expand my company there.	3%

### Respondent Comments:

1. Not a type of business that can move
2. Not a type of business that can move, but won't grow or open another store in Tucson unless the business climate changes/improves
3. Plans to stay here, but has been approached
4. Not moving HQ but may expand elsewhere
5. Won't grow or open another store in Tucson unless the business climate changes/improves

### CHAMBER ANALYSIS

The good news is that the majority of local businesses (62%) plan to continue operations in Southern Arizona no matter the circumstances. That said, almost a quarter of respondents (23%) have considered expanding in other communities or outright moving or growing their business in another city/region. Ideally, all expansion of local companies would take place locally rather than in other markets unless entry into other markets were the only way to expand.





## CHAMBER SUMMARY

Respondents to the BEAR Project survey were clear in stating that having a great community with a great climate are at the top of their lists of reasons to do business in Southern Arizona. Community and climate are regarded as great assets.

At the same time, respondents spoke clearly and decisively about their dissatisfaction with local government. Delivery of government services, structure of governance in the City of Tucson and attitudes toward business were strongly criticized by respondents. Government officials who are sincere about making improvements in these areas should act quickly and decisively to identify specific areas of concern and take corrective measures.

Government officials are quick to point out that they believe negative impressions about their brand are the result of previous administrations or what may have happened before they implemented recent programs and policies. Responses to this survey clearly indicate that concerns about the public-private interface remain today.

Government is given extremely sharp criticism for the condition of local streets and roads and for sub-par education. Repairing and maintaining streets and roads MUST become a top-tier priority. Poor roads are unsafe and an everyday nuisance to all citizens. Poor roads are also a very obvious sign of a community that cannot or does not handle this most basic expectation of government performance effectively.

We must also improve our local education in order to ensure local employers have a qualified workforce. Nationally, 22% of high school students do not graduate, which is a disgraceful statistic. Locally, 30% of high school students do not graduate. That number is 40% in the Hispanic community and 44% in the Native American community. Improving P-20 education is an imperative if Southern Arizona is going to maintain its workforce and (by extension) its local economy. Clearly, change is necessary. The Tucson Metro Chamber welcomes new Tucson Unified School District Superintendent H.T. Sanchez and pledges to support policy and operational change that will lead to important improvements. The Chamber will also continue to work on its own programs to improve workforce readiness and its interface with local education. Without better roads and P-20 education, it will be infinitely more difficult for our local economy to compete with cities and regions that perform better in both areas.

The Tucson Metro Area is close to the bottom of the top 500 MSAs in terms of poverty. Approximately one quarter of our population lives below the poverty line. Nothing transforms poverty into paychecks better or faster than a job. Indeed, as the Tucson Metro Chamber has said on repeated occasions, "The best weapon in the war on poverty is a job." We must do everything possible to nurture businesses because businesses are where jobs are created.

The Chamber has another phrase that speaks to our local government. "If you want more tax revenue, create more taxpayers." More tax revenue is the key to better roads and schools. This is not a difficult equation.

The economy in the Tucson Metropolitan Statistical Area (MSA) lags in a comparison with 11 peer MSAs. The table below compares the Tucson MSA with the five MSAs immediately bigger than Tucson and the five MSAs immediately smaller than Tucson. Tucson's Gross Metro Product (the sum of all goods and services produced in an MSA) rates #10 out of this 11-cohort comparison, about 34% less than the average for this group.

MSA RANK (1)	CITY	GMP (2)	GMP RANK
48	Birmingham, AL	\$58,992,000,000	3
49	Buffalo-Cheektowaga-Niagara Falls, NY	\$47,057,000,000	7
50	Salt Lake City, UT	\$72,072,000,000	2
51	Rochester, NY	\$47,317,000,000	6
52	Grand Rapids-Wyoming, MI	\$43,862,000,000	8
<b>53</b>	<b>Tucson, AZ</b>	<b>\$33,353,000,000</b>	<b>10</b>
54	Honolulu, HI	\$56,561,000,000	4
55	Tulsa, OK	\$47,891,000,000	5
56	Fresno, CA	\$31,890,000,000	11
57	Bridgeport-Stamford-Norwalk, CT	\$86,338,000,000	1
58	Worcester, MA-CT	\$33,826,000,000	9
<b>12/2/2013</b>	<b>Average</b>	<b>\$50,832,636,364</b>	
<b>1- The MSA rank by population as of July 1, 2012, as estimated by the U.S. Office of Management and Budget</b>			
<b>2- Gross Metro Product statistics: 2012 U.S. Bureau of Economic Analysis</b>			

**So the bottom line is this:**

- We live in a beautiful area with a great climate.
- We like our communities and our neighbors.
- We need a more robust economy to pull out of our slump before it turns into a death spiral.
- Government and healthcare costs and complexities are seen as the reasons for business difficulties. Locally, this is especially true in the areas of streets, roads and education.
- The Tucson Metro Chamber calls on the City of Tucson, Pima County and all local school boards to set priorities accordingly. The Tucson Metro Chamber and the business community will support reasonable initiatives to bring about the necessary changes.



## CREDITS

The following Tucson Metro Chamber volunteers contributed to the BEAR Project process and collected surveys:

Andrea Abney (chair)	Randstad U.S.A.
David Blanchette	CBRE
Sherry Downer	Fennemore Craig PC
Linda Fahey	Dark Horse Media
David Gallaher	Tucson Industrial Realty
Jessica Galow	Carondelet
Deborah Hall	3 Gorillas Moving & Storage
Kevin Henry	Northern Trust
Will Hunter	Film Creations
Adriana Kong Romero	Bank of America
Robert Lenhard	Hallmark Business Consultants
David Leon	Agero
Larry Lewis	LandWIRE LLC
Glenn McDaniel	Office Smart
Kristyn Meza	Strongpoint
Darlene Morone	Lovitt & Touche
Thomas Nieman	PICOR
Leon Punt	Copper State Bolt & Nut
Brandon Rogers	PICOR
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Lowell Thomas	Snell & Wilmer
Doraliz Vega	Nextrio
Margie Wright	Pima County One Stop
Alma Yubeta	Pima Community College Foundation



## APPENDIX "A"

### BUSINESS EXPANSION AND RETENTION NEEDS ASSESSMENT SURVEY

Business Visitation Team:	
BEAR Project Members Attending Meeting:	
Date of Meeting:	
Business Name:	
C-Level Manager's Name:	
Manager's Email Address:	

#### **SECTION I**

Please circle the number that best represents your opinion of or level of agreement with the following statements.

1. Overall, the business climate in Tucson Metro Area and Pima County is a good one.

5                      4                      3                      2                      1  
 Strongly agree                      Agree                      Strongly disagree

Comments \_\_\_\_\_

2. Overall, I believe that government bodies in the Tucson Metro Area and Pima County understand business.

5                      4                      3                      2                      1  
 Strongly agree                      Agree                      Strongly disagree

Comments \_\_\_\_\_

3. Overall, I believe that government bodies in the Tucson Metro Area and Pima County understand the challenges business owners face.

5                      4                      3                      2                      1  
 Strongly agree                      Agree                      Strongly disagree

Comments \_\_\_\_\_



4. Overall, I believe that government bodies in the Tucson Metro Area and in Pima County help to promote the growth of business.

5                      4                      3                      2                      1  
 Strongly agree                      Agree                      Strongly disagree

Comments \_\_\_\_\_

**SECTION II**

Every company has challenges it must deal with in operating and growing. Please circle the number that best represents the degree of challenge faced by your company in each category.

	Very Challenging	Somewhat Challenging			Not Challenging	
	5	4	3	2	1	
Growing sales	5	4	3	2	1	NA
Recruiting qualified workers	5	4	3	2	1	NA
Regulatory compliance - local	5	4	3	2	1	NA
Regulatory compliance - state	5	4	3	2	1	NA
Regulatory compliance – fed.	5	4	3	2	1	NA
Healthcare costs	5	4	3	2	1	NA
Access to capital/financing	5	4	3	2	1	NA
Marketing	5	4	3	2	1	NA
Fuel prices	5	4	3	2	1	NA
Land use/building restrictions	5	4	3	2	1	NA

Comments \_\_\_\_\_

\_\_\_\_\_



**SECTION III**

Please circle the number that best represents your rating of public services/infrastructure related to your business operation.

	Excellent	Good	Fair	Poor	
Police	4	3	2	1	NA
Fire	4	3	2	1	NA
Public schools	4	3	2	1	NA
Permitting	4	3	2	1	NA
Inspections	4	3	2	1	NA
Sewer	4	3	2	1	NA
Water	4	3	2	1	NA
Roads	4	3	2	1	NA

**SECTION IV**

Please take a moment to describe the two things you like most about doing business in Southern Arizona.

1.

2.

Please take a moment to describe the two things you would most like to see change about doing business in Southern Arizona.

1.

2.

## **SECTION V**

Please check the box that most accurately describes your feelings about continuing to do business in Southern Arizona.

I plan to continue doing business in this area no matter what.

I have occasionally considered what it would be like to move my company to another city/region.

I have occasionally considered expanding my business in another city/region.

I am seriously considering moving my company to or growing my business in another city/region.

I have been approached by representatives of another city/region to move or expand my company there.

## **BUSINESS CATEGORY**

Agriculture

Construction/Real Estate/Building Trades

Financial Services

Healthcare and Social Assistance

Hospitality

Manufacturing

Professional, Scientific or Technical Services

Retail

Service Provider

Transportation/Logistics/Warehousing

Other \_\_\_\_\_

## **NATURE OF COMPANY**

Locally owned and operated

Locally operated with out-of-market ownership

Regional or national chain

## **NUMBER OF FULL TIME EMPLOYEES**

100-199

200-499

500+

## **NUMBER OF YEARS OPERATING IN SOUTHERN ARIZONA**

0-5

6-10

11-20

21+



## APPENDIX "B"

Find Confidence Interval	
Confidence Level:	<input checked="" type="checkbox"/> 95% <input type="checkbox"/> 99%
Sample Size:	129
Population:	570
Percentage:	50
<b>Confidence Interval:</b>	<b>7.6</b>

Source: [www.surveysystem.com](http://www.surveysystem.com)