

REGENERATING EMPLOYMENT AND ECONOMIC OPPORTUNITY ALONG THE SANTA CRUZ RIVER CORRIDOR

This **Recompete Plan** proposes to serve the Santa Cruz River Corridor’s 16,439 unemployed prime-age individuals and their households through a culturally-responsive continuum of training and services for job placement and creation; strategies to diversify and strengthen the business ecosystem; and the development of equitable and sustainable infrastructure, leveraging \$50M to create income streams generating ROI for future, person-centered work.

Rating Factor 1: Regional Conditions and Needs

The Santa Cruz River Corridor extends from the US-Mexico border to Tucson’s southside along US Interstate 19. It is a fast growing, 63-mile employment corridor bisecting Santa Cruz County (a federally designated persistent poverty county) and Pima County. The corridor includes the

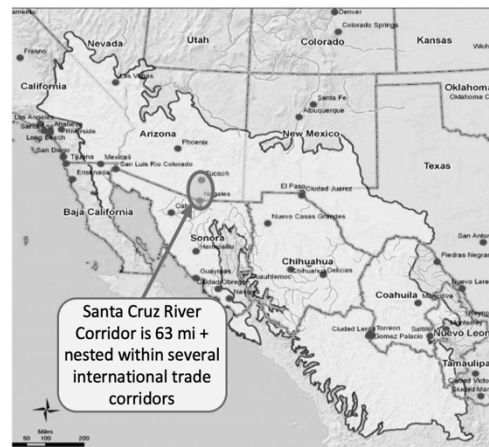
	Total Corridor	Santa Cruz County	Tracts in Pima/Tucson
Persons	163,000	47,463	111,251
Prime-age persons	51,743	16,114	35,629
Prime-age unemployed	16,439	4,780	11,659
PAEG rate	32%	30%	33%

Table 1: Employment + Income: Prime Age Population for Eligible Areas
Source: US EDA, 2023 – Prime Age Unemployment Eligible Census Tracts

Tohono O’odham nation and some of the most economically stressed exurban, highly Hispanic neighborhoods in Tucson. Eligible areas along the corridor show an area population of 163,000 with approximately 16,439 unemployed prime-age persons (Table 1).

Decades of disinvestment and federal policies burdening local communities along the corridor with the ongoing, overwhelming costs of US Mexico migration and trade have fueled declining economic conditions that contribute to a high prime-age employment gap (PAEG). Climate change (extreme temperatures, water scarcity, flooding) is also increasing the vulnerability of regional infrastructure and households.¹

The region was settled in the 1690s as a series of missions, which became military outposts. With the completion of the Transcontinental Railroad, the region became an important commercial hub. Today, it remains a corridor of bi-national, export-based employment within globally-nested regional trade corridors (Figure 1). Like many US-Mexico border communities, the corridor has high poverty² and an insufficient tax base³ to secure bond financing for needed investments. This hinders key sectors such as produce and binational trade which supports 4,000 jobs in Santa Cruz County and has been



- Logistics + Trade:**
Sun Corridor to Guaymas
- Custom Retail:**
C. Obregon to PHX
- Wineries:**
PHX to Hermosillo
- Tourism:**
Global / emerging
- Produce:**
Global



Figure 1: Globally Nested Regional Trade

¹ [Climate Assessment for the Southwest for Santa Cruz River Watershed](#), CLIMAS, Univ. of Arizona, May 2022.

² The corridor has 10 highly-concentrated pockets of poverty, known as federally designated [colonias](#), communities without basic infrastructure (source: US Dept of HUD and USDA Rural Development)

³ Santa Cruz County lacks bonding capacity for infrastructure until 2036; Pima County lacks sufficient resources to serve exurban settlements, and conditions have worsened since key reports were issued: [Impact of Unregulated Development](#) (Feb 2000) and [Community and Watershed Level, Sonoran Desert Conservation Plan](#) (2000)

losing market share to global supply chains.⁴ Currently, the corridor is projected to face 23-24% job displacement by the end of the decade due to advances in tech and automation.⁵

	 Barriers	 Needed Support
Prospective Employees	Employment skills + economic stability (stable, affordable housing, health services, education access)	Paid training/certifications; child + elder care; reliable transport; wraparound services
Existing Employers (seeking to fill jobs)	Qualified applicants with basic + business English, math, digital and technical skill readiness	Accessible, continuum of training pathways for basic to technical skills acquisition
Small Businesses + Entrepreneurs	Access to capital, digital upskilling, financial + innovation know-how	Digital skills; broadband access; character-based loan fund; business coaching/TA
Service Providers + Government	Sufficient employers to engage in cross-sector supports for transferable skill sets	Flexible financial resources to provide wraparound supports + resources to scale

The region’s diverse mix of employers—fresh produce, transportation and logistics, avionics, manufacturing, nature-based activity⁶, renewable energy, green construction and health services—all offer quality jobs that do not require a 4-year degree. Yet employers struggle to find local residents with the

requisite skills. Entrepreneurs and small, minority-owned businesses also seek to grow and create jobs but need culturally-responsive digital, financial, and business skills training as well as access to capital. Table 2 shows the employment barriers and needs expressed by 26 community stakeholder groups in the development of this application. There is consensus that to leverage, preserve, and grow existing community assets (economic, natural, cultural), the corridor requires regional infrastructure that supports training for local residents who can fill and grow jobs that present *equitable alternatives to historically extractive economic models*.⁷

Rating Factor 2: Strategy and Quality of Potential Investments

The coalition of Santa Cruz County (lead applicant), Pima County, and the City of Tucson has collaborated on prior workforce interventions, but never at this scale. The coalition seeks, along with regional stakeholders (Rating Factor 6), to invest in **people and place-based infrastructure** through three regional priorities: Regional Climate Resiliency, Digital Equity and Inclusion, and Industry Re-investment (Figure 2). The strategy incorporates the interests of community stakeholder groups (n=26) who participated in application development, and it addresses the specific needs of industries forming the backbone of the regional economy and who offer alternatives to heavily-resourced, extractive industries that would perpetuate historic inequity.

⁴ [The Fresh Produce Industry in Santa Cruz County, Arizona: Local, State, & National Economic Contributions](#). July 2022. University of Arizona, Dept of Agricultural & Resource Econ, Univ of Arizona

⁵ [After the Storm: The Jobs and Skills that Drive the Post-Pandemic Recovery](#). Feb 2021. Burning Glass Technologies.

⁶ The “Nature-Based Restorative Economy” provides 1,200 jobs in Santa Cruz County and contributes \$41 million in labor income ([The Nature-Based Restorative Economy in SCC, U of Arizona, 2021](#)). The Nature Conservancy has named its land holdings in Santa Cruz County its most important land globally, essential to preservation of North American environmental assets and biodiversity. The region’s globally-important, environmental assets can be preserved through industries such as heritage tourism.

⁷See: [The U.S. needs minerals for green tech. Will Western mines have enough water?](#) NPR, Sep 26, 2023.



Figure 2: Strategic Priorities Identified by Santa Cruz River Corridor Stakeholders

These three strategic priorities 1) counter job displacement and 2) connect people to quality jobs with household sustaining wages in sustainable industries. As shown in Figure 3, the proposed strategy will provide a continuum of employment skills and support infrastructure that respects and honors the heritage of the region. Coalition partners submitting this application propose to build, test, and evaluate the effectiveness of person-centered workforce supports, and to leverage them with additional financial capital (Rating Factor 6) to save and reinvest resources for self-sustaining wrap-around supports, as Pima County has already done with its 2016 criminal justice reform initiative (see Pima County’s letter of support).

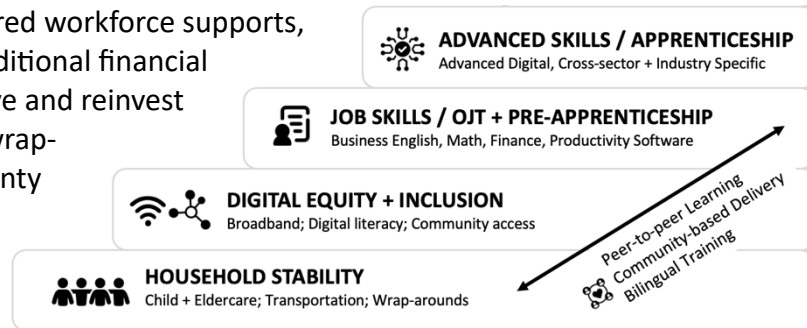


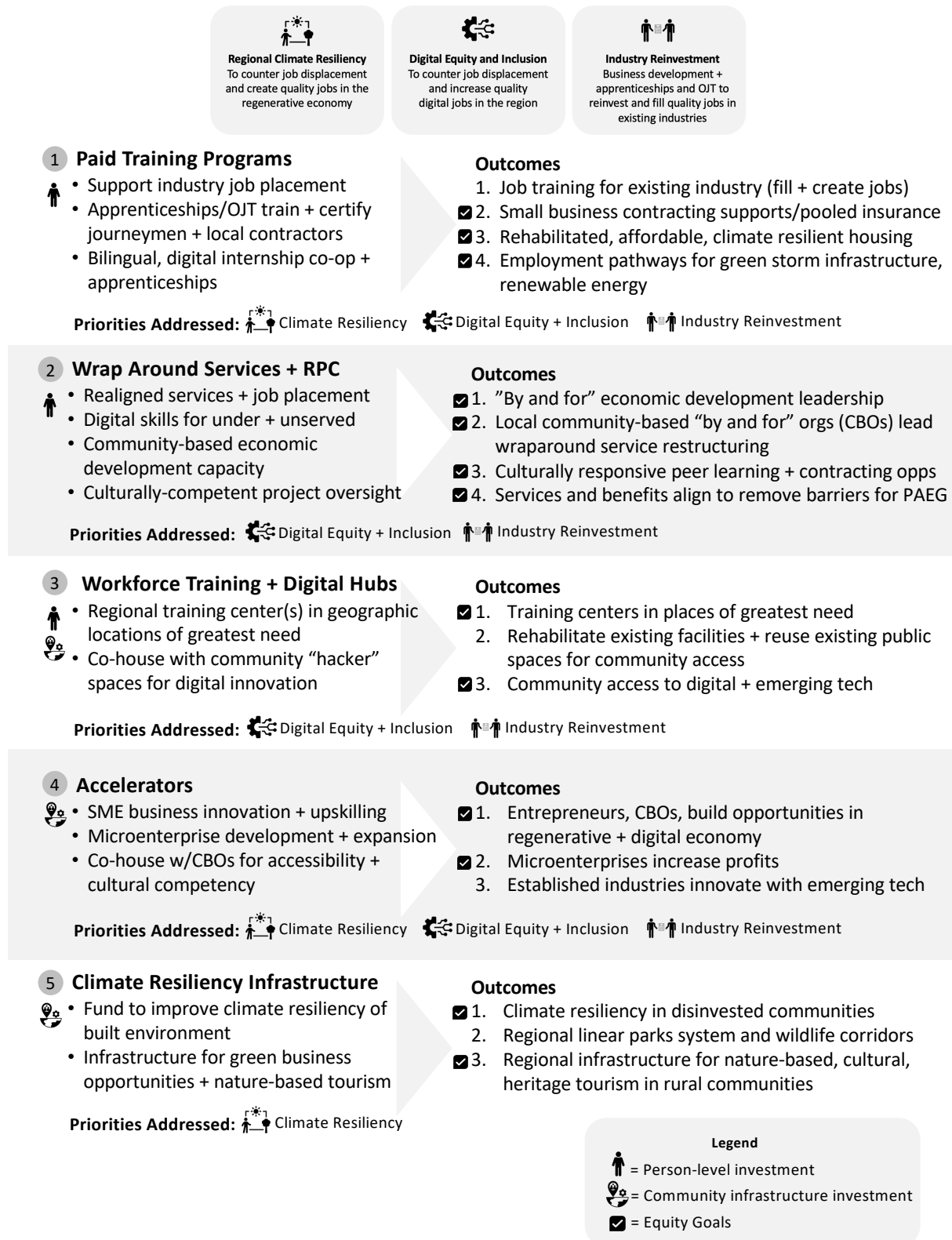
Figure 3: Continuum of Employment Skills and Support Infrastructure

Currently, coalition partners have been unable to scale programs, due to inflexible federal workforce funding that often creates barriers, such as prohibiting certain trainees from accessing childcare services. The proposed strategy will offer more flexibility as resources are saved and reinvested in services. Proposed services (Table 3) will be cooperatively adapted with community-based orgs to ensure cultural responsiveness and relationship-based outreach.

City of Tucson	<ol style="list-style-type: none"> 1. Bilingual Small Business Navigator Program 2. Character-based Lending (partnership with Avanza, Tucson IDA) 3. Climate Resiliency Workforce Development (CEWL in partnership with Tucson Clean and Beautiful)
Pima County	<ol style="list-style-type: none"> 1. Pima Early Education Program Scholarships initiative (PEEPs) 2. Emergency Eviction Legal Services (EELS) 3. JobPath (non-profit job training assistance program) 4. Office of Digital Inclusion, digital access and literacy programs
Santa Cruz County	<ol style="list-style-type: none"> 1. Digital youth apprenticeships/internships to support local businesses (pilots funded by USDA Rural Development, Google.org and JFF) 2. Public health outreach/Promotorx model for culturally responsive peer learning for relationship-based outreach that follows the person

Table 3: Examples of Proposed Supports to Adapt and Test and Build \$ Return on Investment

Table 4 illustrates five investment projects that align with strategic priorities (Figure 2). Each investment will be capitalized with a \$10 million dollars over five years to leverage additional capital through partners identified in Rating Factor 6.



Rating Factor 3: Equity, inclusivity, accessibility, and diversity

The proposed strategy promotes DEIA in three ways (Fig 4): 1. Santa Cruz County serving as lead applicant, 2. community-based economic development, 3. an innovative investment model.



Figure 4: Measures to Promote DEIA in Recompete Strategy

Santa Cruz County is the lead applicant, and it is the partner most in need of capacity building and administrative economies of scale; the entity most capable of informing best-practices for culturally responsive peer-to-peer and

community-based service implementation;⁸ and an eligible micropolitan labor market that needs access to urban labor markets with quality jobs.

As lead applicant, Santa Cruz County has actively engaged underserved populations in the preparation of this plan (Rating Factor 2) through conversations with community-based organizations, service providers, and rural underserved communities not previously invited participate in economic development. Similarly, each coalition partner has experience and established relationships with “by and for” community organizations who partner to co-create and deliver services. Furthermore, coalition partners have supported local asset and wealth building by incubating community-led initiatives⁹ (see letters of support). This track record is foundational to economic development that is equitable, democratic, counters extractive policies (smokestack chasing), and keeps wealth (and control) in local communities.

As budgets reflect values, the Phase 2 investment projects outlined in Table 4 (page 4) is guided by the Pima Prosperity Initiative and reflects the coalition’s commitment to DEIA. The proposed budget allocates five equal investments to support community-identified priorities (Rating Factor 2). These investment activities will be paired with and leverage supplementary funding streams that build skills and assets at the household level (person-centered services) and community level (infrastructure development). As shown in Table 4, the five investment projects identify both policy and practice changes aligned to outcomes that promote equity.

Budget implementation, coordinated the RPC (Table 4, Item 2), would engage a series of dialogues with community stakeholders and the coalition and be administered by the three coalition applicants as fiscal agents. The coalition will conduct extensive outreach to recruit a locally-based RPC that reflects “by and for” representation from the community (including underserved highly-Hispanic census tracts, Spanish language speakers, and tribal communities).

⁸ Santa Cruz County successfully supported households with health worker outreach models through a \$2 million grant in 2012-2015 through US HUD, published as a [HUD Exchange Case Study: Nogales Community Development Rural Innovation Fund Colonia Continuum of Services](#)

⁹ Recent initiatives include SC County [Morley Arts](#), City of Tucson’s [SOMOS UNOS](#), [Budget de la Gente](#) and Pima County’s intergovernmental [Prosperity Initiative](#).

Rating Factor 4: Regional Assets

The plan leverages a variety of regional assets complementing EDA investments. Those investments will enable partners to collaborate in new ways, through convening infrastructure that leverages the assets of minority owned and Santa Cruz County nature-based sectors.

Diverse Mix of Engaged Regional Employers	Fresh produce, transportation and logistics, avionics, manufacturing, nature-based activity, renewable energy, green construction, and health services + innovation, retail, tourism industry—all offer quality jobs (without a bachelor’s degree) that require digital and professional skills that are transferable, enabling further diversification of the economy.
By-and-for Community-based Organizations	Existing relationships with CBOs that can co-design and deliver peer-learning networks (training and interventions) and relationship-based outreach. The region is rich in grassroots organizing. Peer outreach models have been employed extensively here for decades, generating deep knowledge about empathic, culturally-competent outreach, trust-building, engagement, and problem-solving with vulnerable residents.
Successful Employment + Wraparound Services	Sectoral initiatives have attracted diversified investment and Pima Community College has transformed facilities, equipment, and programs around regional industry sectors. Interventions proven to work will be adapted and scaled for regional implementation with EDA funding.
Plans + Policies Supporting Equitable Outcomes	The Pima County/City of Tucson Prosperity Initiative and Boosting Upward Mobility Initiative will help support Santa Cruz County’s new plans, including SCC Housing Strategy, 5-year tourism plan, and Economic development strategy.
Santa Cruz Valley National Heritage Area	A 4,000-year continuous history of permaculture, adaptation and resilience is being recovered and preserved in this region that is home to rich biodiversity. The federally designated Heritage Area can leverage dozens of unique cultural and historical assets, connecting them to planned linear trail/wildlife corridor assets: Nature Conservancy Sonoita Creek Preserve, De Anza Trail, Pima County Conservation Lands System including easements and open-space land acquisitions.
Financial Resources + Grant-funded Initiatives	Financial resources and grants can help scale this work: <ul style="list-style-type: none">• Santa Cruz County’s \$300,000 US EDA Tourism grant for a regional cuisine tourism strategy/ implementation plan• Santa Cruz County Broadband grant to provide access for 60 miles for I-19 between Tucson and Nogales• Pima County’s Middle Mile Grant \$30M Broadband Middle Mile grant from the NTIA to develop a fiber-optic ring around the county• Arizona’s 2023-2028 Five Year Broadband Equity, Access and Development (BEAD) Program (\$1 billion) Digital Equity Plan supporting rural areas

Rating Factor 5: Targeted Geographic Approach

The approach for the service area (Table 1, Rating Factor 1) prioritizes placement of community-level investments, such as regional training centers, small business accelerators and services infrastructure (Table 4, Rating Factor 2) in the areas of highest economic distress along the corridor. Table 5 illustrates areas that early analysis identifies as needing of investment. The identified locations are examples of communities that have very low incomes and very high rates of geographic mobility (those having moved within the previous year). Investments will be critical in communities like these as they need services with low barriers to entry (Figure 3, Rating Factor 2) that also “follow the person” as their lives and stories unfold.

		Santa Cruz County		Pima County		Tucson
	U.S.	Nogales	Rio Rico	Helmet Peak ZIP: 85629	Three Points ZIP: 85736	Sunnyside ZIP: 85706
Population	-	19,505	20,703	28,857	4,462	57,000
Mobility Rate	9%	24%	16%	28%	15%	34%
Below 100% Poverty	12%	30%	18%	7%	15%	25%
Income <\$35K (15+ years)	25%	54%	50%	37%	50%	56%

Table 5: Potential Areas for Community-level Infrastructure Investments

Source: American Community Survey 5-year estimates (2017-2021)

While the communities in Table 5 have not been selected for investment, they illustrate variables that will be used in a targeted geographic analysis. Median income-level data often skew on-the-ground reality. Geographic mobility creates significant, often invisible, barriers to workforce participation. Relocation (even within a few miles) changes access to critical services and infrastructure, such as public transportation, childcare, or supportive community. Identifying areas for place-based investment begins with community-level data analysis (mobility rates, income, proximity of services, transportation), weaves in local needs assessments and culturally-appropriate community visioning (facilitated by the RPC) and arrives at co-created recommendations for person-level and infrastructure-level activities in each of the five Recomplete Plan investment categories (Table 4, Rating Factor 2).

Rating Factor 6: Partnerships and Potential Commitments

As discussed in Rating Factors 2 and 3, the coalition engaged a wide range of community stakeholders in the development of this application. Employers, industry associations, service providers, governments, state + national orgs, and CBOs have all contributed their ideas.

LOCAL GOVERNMENT	ROLES + RESPONSIBILITIES
 <p>Coalition Applicants:</p> <ul style="list-style-type: none"> • Santa Cruz County • Pima County • City of Tucson <p>Regional Partners:</p> <ul style="list-style-type: none"> • Pascua Yaqui Tribe • City of Nogales, AZ • Town of Sahuarita, AZ 	<p>Mobilize employers in automotive tech, aviation tech, advanced and binational manufacturing, building and construction trades; nature-based industries and entrepreneurship to create cross-sector pathways for entry-level and prime-age workers; deploy funding/ services/space for workforce services; leverage existing federal programs; change existing policies + practices.</p>

Table 6: Local Government Partners + Roles and Responsibilities

In addition to the three coalition partners, there are 32 local, regional, and national partners who have provided letters of support outlining their commitments and activities (Table 6 + 7). Listed in bold are partnership activities that enact new policies and practices promoting equity for underserved PAEG populations.





<p>Leveraged Financing</p> 	<p>Federal, state-level and philanthropic finance for reinvestment in person-based workforce interventions housing, character-based lending, green infrastructure lending.</p> <p>Partners: SoAZ Sports Film and Tourism Authority; Tucson IDA; Groundswell Capital; Lincoln Institute; Arizona Commerce Authority</p>
<p>Employers + Industry Associations</p> 	<p>Skills development planning/support; office space; reduce seasonal unemployment; marketing to industry groups and employers; employer outreach and engagement; philanthropic and volunteer support for low-income residents, education, environmental protection.</p> <p>Partners: Fresh Produce Assn; Greater Nogales-Santa Cruz County Port Authority; Martinez Group; Nogales-Santa Cruz County Chamber of Commerce; Tucson-Metro Chamber; Arizona Chamber of Commerce and Industry; Ascent Aviation Services; Unisource/Tucson Electric; Aerospace Maintenance and Regeneration Group (AMARG)</p>
<p>Education + Training</p> 	<p>Paid job training/educational system and apprenticeship integration for wraparound case management and student financial support; customized curriculum for industry sectors; apprenticeship intermediary for employers who wish to hire apprentices; certificates and training in applied technology: FAA-licensed Aviation Technology Center, Automated Industrial Technology (AIT), Computer-Aided Design (CAD), Machining (MAC), and Welding (WLD) programs; asset mapping, needs assessment and development of a regional framework for existing industry sectors.</p> <p>Partners: Tucson Electrical Joint Apprenticeship & Training Program (Union); JobPath; Pima Community College; Arizona State University; AZ Cyber Initiative</p>
<p>Community + Environmental</p> 	<p>Wraparound service restructuring; outreach and engagement of hard-to-reach populations; digital support; develop a culturally responsive, climate resilient economic infrastructure; Train-the-trainer and digital internship co-op training. Mapping heritage based and natural assets to linear and wildlife corridors; support RFP development with technical assistance.</p> <p>Partners: La Linea; Mat Bevel Co; Nogales Community Development (CDFI); Sunnyside Foundation; Tubac Community Center Foundation, Santa Cruz Valley Heritage Area; The Nature Conservancy; Borderlands Restoration Network; Tucson Clean and Beautiful</p>

Table 7: Non-governmental Partners + Roles and Responsibilities