

# The City of Tucson PRIMARY JOBS INCENTIVE PROGRAM



## PROGRAM PURPOSE AND RATIONALE

The purpose of the economic incentive program is the creation of new primary, high-wage, non-retail jobs within the City of Tucson. Primary or basic jobs are those jobs which produce goods and services in excess of what can be consumed by the local market, thereby creating the flow of new wealth into the community. Basic sector jobs on the other hand “import” income to the community. Analysis conducted by TREO documents the anticipated economic benefits that will result from this program.

## EMPLOYER QUALIFICATIONS

In order for an employer to qualify for the Primary Jobs Incentive Program, they must meet the following criteria and thresholds:

- Employer invests at least \$5 million in new or expanded facilities within City limits.
- Employer creates a minimum of 25 new, primary, non-retail jobs that pay average wages of at least 150% of mean annual earnings for the Tucson MSA (currently this would establish a pay threshold of \$60,000), and at least 51% of all local company employees earn at least this wage.
- Employer must pay 75% of each employee’s healthcare premium.

## INCENTIVE PROGRAM

Employers that meet the above qualifications will qualify for the following incentives:

1. City building permit fees will be waived (includes electrical, plumbing, mechanical, grading permit and site review) and
2. The City will allocate an amount equal to up to 100 percent of construction sales tax revenue generated by the project to any or all of the following program elements:
  - On or off-site public infrastructure improvements associated with construction of or investment in the facility
  - Job training programs for new or existing employees
  - Offsets to impact fees

## INCENTIVE IMPLEMENTATION PROCESS

The incentive program would be available to all employers who qualify based on the above criteria. The program could be used by TREO as a marketing tool in recruiting businesses to locate in Tucson and encouraging expansion of employers in Tucson. TREO would assist the City in helping to screen and conduct an economic analysis of potential incentive recipients. For qualifying employers, the incentives will be formalized through a development agreement between the City and the employer that would need to be approved by the Mayor and Council.

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