#### SANTA CRUZ RIVER CORRIDOR PROSPERITY INITIATIVE

Request: \$52.1M | Leverage: \$141M | Coalition Lead: Santa Cruz County AZ

The Santa Cruz River Corridor (SCRC) extends from the US-Mexico border to Tucson's southside along the I-19, bisecting Pima and Santa Cruz County (a federally designated persistent poverty county). The corridor's eligible communities include the Pascua Yaqui Tribe of Arizona, the San Xavier



District of the Tohono O'odham nation, rural colonias, as well as the region's most distressed border and urban neighborhoods. Eligible SCRC communities show a population of 163,000 with 16,439 unemployed prime-age persons. EDA's investment will 1) provide services to 50% of eligible PAEG population by year 5, improving the projected life-time earnings of 8,220 individuals + their loved-ones and 2) will expand the region's emergent co-governance capacity.

|                          | Nogales  | Rio Rico  | Sonoita/<br>Elgin | Tubac     | Green<br>Valley | Pima<br>Rural/<br>Exurban | San<br>Xavier | Pascua<br>Yaqui | Southside<br>Tucson |
|--------------------------|----------|-----------|-------------------|-----------|-----------------|---------------------------|---------------|-----------------|---------------------|
| Population               | 21,659   | 23,868    | 3,318             | 2,577     | 18,766          | 27,038                    | 4,957         | 3,959           | 64,210              |
| No internet              | 18%      | 16%       | 8%                | 8%        | 12%             | 7%                        | 26%           | 19%             | 13%                 |
| Shade equity score       | 50       | n/a       | n/a               | n/a       | 100%            | 94                        | n/a           | 89              | 84                  |
| Median income            | \$38,844 | \$ 57,438 | \$ 48,142         | \$ 68,382 | \$ 52,343       | \$ 53,470                 | \$ 35,852     | \$ 42,330       | \$ 43,694           |
| Prime age unemployed_    | 34%      | 23%       | 33%               | 40%       | 60%             | 32%                       | 46%           | 34%             | 32%                 |
| Remote workers           | 3%       | 8%        | 19%               | 4%        | 19%             | 10%                       | 2%            | 1%              | 6%                  |
| 1st language not English | 83%      | 76%       | 15%               | 40%       | 6%              | 40%                       | 36%           | 35%             | 61%                 |
| Persons with disability  | 14%      | 11%       | 19%               | 18%       | 31%             | 17%                       | 19%           | 19%             | 15%                 |

Table 1. Snapshot of Eligible Community + Household Data for SCRC Region

The updated SCRC Plan accomplishes this through activities integrated across seven SCRC Component Projects that establish 1) a culturally responsive<sup>2</sup> continuum of training and support services for quality job placement; 2) strategies to diversify and strengthen the business ecosystem; and 3) initiation of an equitable regional co-governance infrastructure.

EDA Recompete investments will work as Series A funding for each component project. The Recompete award will allow the Coalition to grow proven programs, test, and leverage targeted innovations that address the workforce/market needs across a stressed border region.



Figure 1. SCRC component projects and cross-cutting goals

<sup>&</sup>lt;sup>1</sup> The corridor has 10 highly-concentrated pockets of poverty, federally designated *colonias*, without basic infrastructure (HUD and USDA) <sup>2</sup>Services provided that are culturally appropriate/responsive/relevant are effective, equitable, understandable, and respectful to diverse cultural beliefs and practices, preferred languages, literacy, and other communication needs.

#### **SCRC REGIONAL PRIORITIES**

SCRC Plan addresses critical regional priorities identified by the Coalition during the Phase 1 and subsequent Strategy Development. These priorities speak to underlying factors impacting regional PAEG.

Industry Reinvestment
To create needed infrastructure
to fill quality jobs in existing
industries and grow rural
employment





Figure 2. SCRC Regional Priorities identified in Phase 1 stakeholder interviews (n=32)

- Industry Re-investment is necessary as the continual, overwhelming costs of US Mexico migration and loss of trade during Covid-19 have fueled declining economic conditions. Like many US-Mexico border regions, the corridor has high poverty and an insufficient tax base<sup>3</sup> to make needed investments. This hinders key sectors such as regional tourism and binational trade (which has been losing global market share).<sup>4</sup> These conditions further strained by a regional skills mismatch,<sup>5</sup> a private sector employer base of small businesses,<sup>6</sup> and the lingering impacts of financial redlining<sup>7</sup> hamper the expansion of existing business and industry, driving up PAEG.
- Climate Resiliency is critical for the long-term economic health of the SCRC. The Nature-based restorative economy is a fast-growing regional sector,<sup>8</sup> while changing local climate conditions (extreme temperatures, heat islands, water scarcity, flooding) have increased the vulnerability of regional infrastructure and households.<sup>9</sup> The Santa Cruz River is on the American Rivers Most Endangered Rivers list, reflecting the significance of the river and threat to the associated communities.<sup>10</sup> Coalition partners have taken critical action in the last few years to address economic impacts of climate change;<sup>11</sup> however, the region needs to expand its workforce to address the growing NBRE sector and need for climate resilient infrastructure.
- Digital Inclusion is an increasing driver of regional PAEG. By 2030 the SCRC is projected to face 23-24% job displacement to tech /automation.<sup>12</sup> In 2019, nearly ½ of all rural residents in Santa Cruz and Pima County were under or unserved by broadband access.<sup>13</sup> While broadband availability has improved, digital equity (participation) has not, leaving the regional workforce underprepared. Many employers offer jobs that do not require a 4-year degree, and they still struggle to find local employees with the requisite digital<sup>14</sup> skills. This digital divide is also apparent in the small, minority-owned businesses along the corridor.

<sup>&</sup>lt;sup>3</sup> Santa Cruz County lacks bonding capacity until 2036; Pima County lacks sufficient resources to serve exurban settlements..

<sup>&</sup>lt;sup>4</sup>The produce sector supports 4000 jobs. Source The Fresh Produce Industry in Santa Cruz County, Arizona. July 2022. University of Arizona.

<sup>&</sup>lt;sup>5</sup> The region as a whole is underemployed and key training centers are not accessible for most SCRC residents outside the urban core.

 $<sup>^6</sup>$  80% of private sector employers in Santa Cruz and Pima County have fewer than 20 employees. EMSI data 2022.

<sup>&</sup>lt;sup>7</sup> Big Banks Shutter Border Branches to Avoid Dirty Money. Wall Street Journal, May 2015.

<sup>&</sup>lt;sup>8</sup> The "Nature-Based Restorative Economy" provides 1,200 regional jobs and contributes \$41 million in labor income The Nature Conservancy named its holdings in Santa Cruz County its most important land globally, to preserve of North American environmental assets + biodiversity.

<sup>9</sup>Climate Assessment for the Southwest for Santa Cruz River Watershed, CLIMAS, Univ. of Arizona, May 2022.

<sup>10</sup> https://www.americanrivers.org/

<sup>&</sup>lt;sup>11</sup> See City of Tucson Climate Action Hub.

<sup>&</sup>lt;sup>12</sup> After the Storm: The Jobs and Skills that Drive the Post-Pandemic Recovery. Feb 2021. Burning Glass Technologies

<sup>13 54%</sup> of rural Santa Cruz and 46% of rural Pima County did not have access to high-speed broadband The Center for the Future of Arizona.

<sup>&</sup>lt;sup>14</sup> After access to capital, small businesses note that digital retail needs and access to talent are the two top barriers to growth. <u>The Economic Impacts of Covid 19 and Pathways Forward</u>. <u>Santa Cruz County</u>. May 2023.

#### SCRC ECONOMIC INCLUSION

The Coalition's Phase 1 plan identified three foundational factors to ensure economic development is equitable, democratic, counters extractive policies + practices (smokestack chasing), and keeps wealth (and control/self-determination) in local communities. These

Community-based **Lead Applicant** Innovative Santa Cruz County Economics Investment Model Centers voice of Strategy co-creation Equitable seed rural, 89% Latinx. + service delivery is funding in people persistent poverty by and for local and infrastructure stakeholders with ROI

Figure 3. SCRC Phase 1 strategies for economic inclusion

elements remain at the core of the updated SCRC Plan. To ensure fidelity of implementation, the Coalition treated the factors as design constraints when updating the SCRC Plan. To this end, from January through April, the Coalition led a cooperative Strategy Development process that

engaged more than 90 regional organizations. The process (+ work products developed by participants) is documented at https://www.azrecompete.org/strategy-development.

The process was anchored in a "net contribution" framework adopted from the Heron Foundation<sup>15</sup> and applied emergent strategies to identify geographically targeted interventions to address root cause issues driving regional PAEG. Through this process, participating CBOS,



Figure 4. Proposed interventions by cross-cutting goal

employers, tribes, and EDOs<sup>16</sup> leveraged lived experience and content expertise to co-create a strategy that centers economic inclusion, equitable access, and self-determination. The

process revealed interventions to address structural barriers were the most needed (Figure 4). Participant insights + interventions are reflected in each component project and its corresponding activities.

Strategy Development also seeded cross-network connections for regional co-governance. 96% of organizations, who responded to the final exit survey (n=36), indicated that they had made new network connections through the process. The majority made 4 or more new connections.



Figure 5. New connections from Strategy Development

Similarly important, approximately one-third of participating CBOs said that they have not received prior federal funding. Both findings are indicators of the need for inclusive, community-based economic + workforce systems. They also point to market conditions that are



Nearly a 1/3 of participating CBOs have not received federal funding.

Figure 6. # of participating CBOs w/out fed funding

dictated by policy + practice that silo resources and power, driving up the

PAEG in distressed communities + creating harmful knock-on effects region-wide.

Through the Strategy Development process, the Coalition identified CBO leadership + a cogovernance plan that: 1) centers the voices of the most impacted communities + individuals, 2) places design + delivery in hands of trusted, local networks; and 3) seeds regional equity and seventh generation thinking<sup>17</sup> for long-term regional ROI. This approach centers by + for

<sup>15</sup> The Heron Foundation is a national public bond financing leader. Their framework considers the net contribution of an investments or enterprises on four types of capital: human (person-level), natural (local + global environment), civic, and financial. SC County's economic development steering committee (guiding SC County's new economic dev plan) has embraced this framework for measuring long-term ROI. 16 Industry associations participated in Strategy Development workshops. Employers and tribes (Tohono O'odham SX district + Pascua Yaqui) were engaged in one-on-one meetings. Apparently, you can't change "standard practice" in 3 months. ©

<sup>&</sup>lt;sup>17</sup> Seventh generation thinking and economics considers the impact of our actions in the present and on future generations.

organizations with deep community trust, the track-record to achieve results, and the leadership to manage systems change. Key leadership (see Bios) includes the following by + for organizational leaders complementing EDO leadership.

## SCRC by+for CBO Leadership

#### **Rural + Exurban Communities**

<u>Sahuarita Food Bank</u> – Carlos Valles, CEO Services and programs to address family support, health/nutrition, and workforce skill development, and economic well-being.

#### **Border Communities**

<u>NCD</u> – Evan Kory, Vice-chair + IEDC Fellow Community-based economic development for downtown Nogales and greater Santa Cruz County through small business supports, financial coaching, community investments.

#### **Justice-involved Communities**

<u>Pillars & Bridges</u> – Aaron Scott, Executive Director Facilitates relationship between public officials and justice-involved individuals + households to create a better future.

#### **Urban Communities**

<u>Sunnyside Foundation</u> – Liz Soltero, CEO

Advancing an intergenerational culture of learning by investing in projects rooted in courage, community, equity and imagination on Tucson's southside.

Table 2. SCRC By + For CBO Leadership

# **SCRC COMPONENT PROJECTS**

The SCRC Plan has seven (7) integrated Component Projects that address a continuum of regional needs and PAEG drivers, from gaps in infrastructure and services to limited OJT to



Figure 7. Integrated + nested SCRC component projects to address PAEG

employer readiness, and rural workforce training centers. These seven building blocks respond to employer demand<sup>18</sup>. Throughout Phase 1 and consultation in the Strategy Development phase, employers have pledge to engage and hire, as these integrated components will help build a workforce with skills and supportive services for good job pathways<sup>19</sup>.

Each component project is designed to build on the activities of adjacent projects, creating a nested system of geographically targeted interventions to support job seekers and employers throughout the SCRC region.

# Component Project 1: Co-governance<sup>20</sup>

*Lead:* Santa Cruz County | \$8.9M | *Recompete Client* = job seekers, employers, communities Component Project 1 invests in the structures to institute community-based economic development and co-governance for regional workforce investments. This project

- 1. integrates worker voice into decision-making,
- 2. provides leadership pathways for those who have been left out (individual + CBO),
- 3. normalizes co-governance + accountability practices at local and regional levels.

<sup>&</sup>lt;sup>18</sup> Employer demand is documented in 34 letters of support. Industry sectors and employers have provided multiple types of commitments, including hiring and developing pathways for underrepresented populations.

<sup>19</sup> Good jobs pathways integrate 8 principles for recruitment + hiring, benefits, wage, advancement and earning potential (see CP 5 and 6).

<sup>&</sup>lt;sup>20</sup> Co-governance is a formal decision-making power between a governmental institution and other entities, CBOs.https://nonprofitquarterly.org

This project provides guardrails for equity and sustainability <u>across all SCRC Component Projects (CP)</u>. Elements include project management + RPC, Stewardship Council + Work Groups, SCRC Fellows Programs, CBO accelerator, compliance coaching, and bridge loans.



Figure 8. Concept Map of Stewardship Council

The design of this project integrates best practices in systems change<sup>21</sup> across component projects, promoting transformational (mindset), relational (networks + power dynamics), and structural (policies, practices, resources) shifts that strengthen the long-term ROI of EDA's investment. Santa Cruz County is a strong lead for this project, given its four-year track record of applying participatory methodologies to federally funded projects,<sup>22</sup> launching an IEDC peer-led CBO

accelerator, <sup>23</sup> and ARPA co-governance grants. <sup>24</sup> See Bios for qualifications. 4-5 YRS. 10 YRS. **Timeline of Activities: Component Project 1** \* Strategy Development Activity \*Comprehensive strategy plan<sup>25</sup> SCC Econ Dev Plan + finance strategy adopted using Heron "net contribution" framework for investments + CEDS regional alignment and Recompete Projects \*Train CBOs to prepare grants to fed standards. Convene CBO partners post-RC grant submission in how to submit their work for for other federal opportunities (Senatesponsored workshop) \* Incorporate comprehensive public and stakeholder outreach in strategic planning to support transition to RPC \*Hire Recompete Plan Coordinator Bid + execute component partner contracts (within 6 mos.) \*Regional Property inventory - Needs inventory of public and private properties needing rehab, including substandard residential commercial opportunities for preservation \*Assemble and convene steering committees to agree on co-governance structure w/ RPC, CBOs + EDOs Contract with program evaluation for formative and summative evaluation; integrate ongoing evaluation findings; train partners in documenting outputs, outcomes and

# **Component Project 2: Community Infrastructure**

impacts at the individual, community and partnership level

Lead: Santa Cruz County | \$10.8M | Recompete Client = job seekers, employers, communities

 $\bigstar$  Regional Resiliency Work Group

Component Project 2 addresses <u>integrated infrastructure needs across all component projects</u> and facilitates regional economic resiliency through 1) SCRC information infrastructure, 2) rural tech-enabled classrooms, and 3) resiliency planning projects in four rural communities.

<sup>&</sup>lt;sup>21</sup> Kania, Kramer, and Senge. The Water of Systems Change. FSG (2018).

<sup>&</sup>lt;sup>22</sup> SCC has employed participatory design with <u>C-CREO Gear Up Program</u>, a <u>USDA Digital Capacity grant</u> and <u>EDA Cuisine Tourism Initiative</u>

<sup>&</sup>lt;sup>23</sup> Santa Cruz County in 2024 was named one of 65 national Economic Recovery Corp fellowship locations of more than 500 applicants nationally through the International Economic Development Council to revitalize economic conditions <a href="https://economicrecoverycorps.org/fellow-information/evan-kory/">https://economicrecoverycorps.org/fellow-information/evan-kory/</a>

<sup>&</sup>lt;sup>24</sup> SCC funded <u>14 co-governance ARPA grants</u> where organizations collaborated with each other to address Covid-19 recovery needs across the County. This effort led to follow on committees guiding the SCC Economic Development and Financing Strategy in 2023.

<sup>25</sup> Funded by EDA Phase 1 Strategy Development Grant + Just Transition \$100K funding, this item indicates readiness for Phase 2 investment.

- Information infrastructure for all component projects and regional ecosystem development include: a progress meters dashboard<sup>26</sup>, a workforce connection platform Learner Employment Records<sup>27</sup>, and data accessibility + sustainability planning.

  Linked Projects CP 1-7
- Rural classrooms<sup>28</sup> (traditional + mobile) provide access to: digital navigators, basic and digital skills development, job training pathways and Community Connectors, wraparound services, and micro-business training + supports. Linked Projects CP 3-6
- Resiliency planning projects<sup>29</sup> for rural employer hubs: Tubac (business growth);
   Sonoita/Elgin (climate resiliency, cuisine tourism); Rio Rico (floodplain mitigation, microenterprise + streetscape improvements); and downtown Nogales (commercial revitalization).

Santa Cruz County is the natural lead on this project as its Community Development Department has a strong understanding of the needs of its rural residents, community planning, and data-driven decision-making. The Community Development team is responsible for Recompete leadership, including data gathering and analysis, Strategy Development planning and facilitation, as well as phase 1 and 2 application development. See Bios for qualifications.

| Timeline of Activities: Component Project 2 * Strategy Development Activity  | PREP     | 6-18 MOS. | 2-3 YRS. | 4-5 YRS. | 10 YRS.  |
|--|----------|-----------|----------|----------|----------|
| * Linear parks and wildlife corridors scoping document - Scoping document for regional linear parks system with integration of wildlife corridors + heritage assets through SCRC   | ✓        | <b>√</b>  | <b>√</b> |          |          |
| Bid + execute component partner contracts - within 6 months of award Complementary investment: SCC Affordable housing plan implementation strategy and 0% down payment loan product; coordination with credit unions, CDFIs Pima County affordable housing plan implementation   | <b>√</b> | ✓         |          |          |          |
| Port Authority Role - support CBO + EDO engagement in federal investment in 30-year US Mexico Border Port of Entry realignment/improvement and impact in downtown Nogales  |          |           |          |          |          |
| <ul> <li>\$175,000 US Government Services Administration visioning study</li> </ul>  | 1        | 1         |          |          |          |
| <ul> <li>\$500,000 US Government Services Administration study for footprint realignment         <ul> <li># new lanes, facilities, space needed and impact on downtown Nogales - guides             implementation strategies for US Customs and Border Patrol investment of at             least \$400 million in federal budget within next 5 years</li> </ul> </li> </ul> | •        | •         |          |          |          |
| Regional GSI + EV needs assessment → training program implement  |          |           | ✓        | ✓        |          |
| Pre-development infrastructure feasibility studies conducted   |          | ✓         | ✓        |          |          |
| Mobile classrooms deployed   |          | ✓         | ✓        |          |          |
| *Data access and integration + long term strategy for cooperative data ownership; engage American Manufacturing Communities Collaborative in business ecosystem metrics mapping/host Roadshow  | ✓        | ✓         | ✓        | ✓        | ✓        |
| Infrastructure planning; development projects financed + completed   |          |           |          | ✓        | <b>√</b> |
| Linear parks and wildlife corridor projects financed and completed   |          |           |          | ✓        | <b>√</b> |

<sup>&</sup>lt;sup>26</sup> SCRC will develop a customized regional dashboard that integrates community-level <u>Arizona Progress Meters</u> with additional SCRC data. <sup>27</sup> <u>Pipeline AZ</u> will provide a white-labeled SCRC workforce connection platform with local training pathways, employer customized landing

<sup>28</sup> Mobile classrooms will be an expansion of the <u>Sahuarita Foodbank's highly successful Project Azul</u>.
<sup>29</sup> Each planning project leverages prior and future investments (<u>Rio Rico Vitality District</u>, <u>Cuisine Tourism Initiative</u>, <u>GSA DeConcini LPOE</u>) to extend the impact of Recompete investment. These infrastructure projects are reflected in the regional Southeastern Arizona Council of Governments Comprehensive Economic Development Strategy (2021-2025).

pages, calendar, wrap-around referrals, a case-management feature, and LER integration in years 3-5.

# Component Project 3: Household Stability

Lead: Tucson IDA | \$10M | Recompete Client = job seekers, employers

★ Wrap Around Work Group

This Component Project is focused on removing barriers to employment through 1) wrap around support expansion grants to take successful interventions into new markets and meet place-based needs; 2) direct interventions to bridge benefit cliffs and provide targeted short-term support for workers from training to transition to employment; 3) micro-transit solutions for exurban and rural workers/job seekers; and 4) paths to generational wealth creation.

The Tucson Industrial Development Authority (as authorized fiscal agent for the City of Tucson) is an appropriate lead for this project as the city has made significant commitments to mobility justice, economic inclusion, justice reform and equity-centered projects

|                    | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
|--------------------|---|---|---|---|---|---|---|--|
| Wrap Around Grants |   | ✓ |   | ✓ | ✓ | ✓ |   |  |
| Benefit Bridges    |   | ✓ |   | ✓ | ✓ | ✓ |   |  |
| Micro-transit      |   | ✓ |   | ✓ | ✓ | ✓ | ✓ |  |
| Indv Dev Accounts  | ✓ |   |   | ✓ | ✓ | ✓ |   |  |
|                    |   |   |   |   |   |   |   |  |

Table 3. CP 3 element integration with CP 1-7

and policy work.<sup>30</sup> The city and Tucson IDA have delivered innovative solutions to promote inclusion and integrate services across domains. See bios for additional qualifications.

| Timeline of Activities: Component Project 3 * Strategy Development Activity   | PREP | 6-18 MOS | 2-3 YRS. | 4-5 YRS. | 10 YRS. |  |
|---|------|----------|----------|----------|---------|--|
| *Mindset disability enrollment + client data tracking; benefits for those in justice system   | ✓    |          |          |          |         |  |
| * Policy/Practice Integration Plan - Develop integration plan for coalition partners (Pima County, Santa Cruz County, and City of Tucson) to map long-term strategies for sustainability of regional workforce supports | ✓    | ✓        |          |          |         |  |
| Wrap around service creation and expansion plan + deploy \$2 million in direct service to bridge benefits cliffs + \$3 million in Individual Development Accounts with service expansion grants                         | ✓    | ✓        | ✓        | <b>√</b> | ✓       |  |
| SEAGO Transportation Feasibility Study for Santa Cruz County to identify need in Santa Cruz for fixed route services and integrate with micro-transit provide   | ✓    | ✓        | ✓        | ✓        |         |  |

### Component Project 4: Digital Inclusion

Lead: Pima County | \$6M | Recompete Client = job seekers, employers, communities

★ Digital Inclusion Work Group

Digital inclusion is a cross-cutting need to address regional PAEG. This Component Project addresses the digital skills gap for job seekers + employers by leveraging national best practices and state-wide initiatives<sup>31</sup> to implement programming through geographically targeted interventions across component projects. A regional network of EDO (gov, schools, + libraries) and trusted CBO partners<sup>32</sup> will provide digital inclusion activities.

- Emerging tech awareness + education through community activations and mobile units.
- Bilingual, culturally responsive digital navigators housed with EDO + CBO partners,

<sup>&</sup>lt;sup>30</sup> See City of Tucson household stability investments: mobility justice <u>Free and Fair Transit</u>, economic inclusion <u>SomosUnos</u>, <u>Community Safety</u>, and <u>Financial Empowerment Centers</u>, as well as equity work <u>Prosperity Initiative</u>.

<sup>&</sup>lt;sup>31</sup> State of Arizona Digital Equity Plan: <u>arizona-digital-equity-plan\_updated-132024.pdf (azcommerce.com)</u>

<sup>&</sup>lt;sup>32</sup> The network of community organizations supporting this effort include faith-based, grassroots, and neighborhood orgs to education and service providers. This network of partners was identified through county and state-level work, the Pima Prosperity Initiative, and SCRC Strategy Development.

- Device and broadband access through checkout + low-cost programs,
- Incentivized skills training for job seekers and employers to promote digital job readiness.

Pima County will be a strong lead for this project as they have created a county Office of Digital Inclusion and made a \$30M broadband expansion investment in a county-wide Fiber Ring. The Prosperity Initiative, a cross-governmental initiative to address poverty through policy also includes digital inclusion as a core component. See bios for qualifications.

| Timeline of Activities: Component Project 4  * Strategy Development Activity                                      | PREP | 6-18 MO | 2-3 YRS. | 4-5 YRS. | 10 YRS. |  |
|---|------|---------|----------|----------|---------|--|
| Establish + launch digital navigator program with CBO; device check out; incentivized training for job readiness; |      |         |          |          |         |  |
| Integrate with CBOs, financial empowerment centers, Tubac Community Center/SCC workforce space, and mobile units  |      | ✓       | ✓        | ✓        | ✓       |  |
| Launch + implement emerging tech mobile units   |      |         |          |          |         |  |

### **Component Project 5: Paid Pathways**

Lead: Santa Cruz County | \$6.75M | Recompete Client = job seekers, employers

★ Paid Pathways Work Group

Component Project 5 coordinates investments addressing PAEG by addressing existing and emergent employer workforce needs through **1)** paid pathways expansion grants to increase access and participation in existing OJT (healthcare, manufacturing<sup>33</sup>, trades) and to stand up nascent urban + rural pathways (cross-sector digital, green storm infrastructure)<sup>34</sup>; **2)** direct interventions to bridge training + job placement gaps (training stipends, employer readiness, equipment, materials); and **3)** a culturally-responsive and geographically-targeted Community Connectors<sup>35</sup> program to provide job navigation and case management. Linked Projects CP 2-4 + 6-7

Santa Cruz County is the lead on this project to ensure that rural job seeker and employer needs are prioritized in workforce investments related to Recompete. Pima County has a good working relationship with Santa Cruz County WIOA and as a Coalition member will offer expertise and participate in the Paid Pathways Work Group. See bios for qualifications.

| Timeline of Activities: Component Project 5 * Strategy Development Activity   | PREP | 6-18 MO  | 2-3 YRS. | 4-5 YRS. | 10 YRS.  |
|---|------|----------|----------|----------|----------|
| Paid pathways creation and expansion plan: deploy \$3 million in direct service to bridge benefits cliffs and award pathways expansion grants |      | <b>√</b> | <b>√</b> | <b>√</b> | <b>√</b> |
| Develop and implement Community Connectors program  |      |          |          |          |          |

<sup>&</sup>lt;sup>33</sup>Binational manufacturing is critically important to the regional economy. The wholesale trade, transportation and logistics industries are interconnected sectors contributing to 4,000 jobs in SCC and 71,000 jobs in Pima County (US Bureau of Labor Statistics 2022 + Pima County Economic Dev S Plan). Every 100 binational jobs created in Mexico creates 10 jobs in Santa Cruz County (Fresh Produce and Binational Production, UA, 2013).

<sup>&</sup>lt;sup>34</sup>The Nature-based restorative employment sector in Santa Cruz County contributes toward 1,200 jobs, including in conservation, preservation, and restoration, which is a growing industry sector (The Nature-Based Restorative Economy in Santa Cruz County, University of Arizona, 2021). <sup>35</sup>Nogales Community Development's work adapting a health worker program Promotorx (community connector program) integrates financial capability and connects residents to services. Its work has been featured as a best practice for the US Department of Housing and Urban Development at HUD Exchange

# **Component Project 6: Accelerators**

Lead: Tucson IDA | \$7.5M | Recompete Client = employers, communities

★ Accelerators Work Group ★ Employer Work Group

The Accelerator Component Project invests in existing and new business development that help reduce PAEG through quality jobs creation. This investment addresses market conditions that limit business growth, 1) business size + capacity, 2) available services that support expansion, and 3) access to capital. Elements of the project provide expanded access to training + services and access to funds to offset barriers to growth.

- 1. Business services expansion grants to grow/adapt existing business development services into new markets and test interventions that address place-based needs (e.g. bilingual services, green jobs + tourism incubators). Linked Projects CP 2-7
- 2. Quality Job Supports + Business Development Funds for businesses to support job creation and employer readiness for both new and legacy businesses alike. Linked Projects CP 5

The Tucson IDA (as authorized fiscal agent for the City of Tucson) has a track record of innovation in culturally responsive small business support and has the capacity to offer low barrier access to capital. The Fiscal Lead will provide best practices, incubator and accelerator process and program structure, and serve as the umbrella organization so that smaller accelerator programs and CBOs can offer white-labeled and adapted programming for topics and support needed through partnership and community input. See Bios for additional info.

| Timeline of Activities: Component Project 6 * Strategy Development Activity   | PREP | 6-18 MOS | 2-3 YRS. | 4-5 YRS. | 10 YRS.  |
|---|------|----------|----------|----------|----------|
| * Community Assets + Needs Assessments - Community-level asset mapping and job seeker needs assessment through participatory research.                                    |      |          |          |          |          |
| Engage Chambers of Commerce and community-based organizations in design and data collection; potential learners and learners can be hired and trained for data collection | ✓    | ✓        |          |          |          |
| Accelerator creation and expansion plan: Service expansion grants + \$2.5 million in direct services to support employers   |      | ✓        | <b>√</b> | <b>√</b> | <b>√</b> |
| Expansion of the <u>Foreign Trade Zone</u> + binational training capacity Pooled benefits and insurance plans   |      |          |          | <b>√</b> | ✓        |

## Component Project 7: Rural Workforce Development Projects

Lead: Santa Cruz County | \$2.2M | Recompete Client = job seekers, employers, communities

★ Regional Resiliency Work Group

Component Project 7 is a construction project that will reduce SCRC PAEG through rural workforce readiness investments in two place-based projects: improvements to the SCC Emerging Tech Training Center (Rio Rico area) and the Foxworth Incubator for Workforce Innovation (downtown Nogales). These projects address disparities in access to paid training pathways, digital skills, and business innovation services in southern Santa Cruz County.

<sup>&</sup>lt;sup>36</sup> The City of Tucson and Tucson IDA have partnered on several programs to bring access to coaching and capital to underrepresented businesses through Connect Tucson Small Business Program and the Avanza Loan Fund. See City of Tucson and Tucson IDA LOS.

This investment provides access to space that is greatly needed but not available. Both projects will activate existing, underdeveloped buildings for community, employer and job training purposes. Linked investments in CP 2 will be used to enhancing the spaces with new infrastructure including tech-enabled learning labs. Linked Projects CP 2-6

| Timeline of Activities: Component Project 7 * Strategy Development Activity   | PREP | 6-18 MO  | 2-3 YRS. | 4-5 YRS. | 10 YRS.  |
|---|------|----------|----------|----------|----------|
| Activate community spaces with infrastructure for workforce training in rural SCC:  • SCC Emerging Tech + Innovation Workforce Center |      | <b>√</b> | <b>√</b> | <b>√</b> | <b>√</b> |
| Foxworth Incubator for Digital Access + Innovation  |      |          |          |          |          |

#### LONG-TERM ROI

The Santa Cruz River Corridor Prosperity Initiative represents a powerful investment opportunity. Not only will EDA's investment uplift communities along the corridor (improving the lives of over 8,000 individuals + families), but the investment will also create a roadmap of best practices for federal funding to catalyze meaningful place-based change – guided by those most directly impacted by lack of economic opportunity.

| * = already in place        | without \$52M Recompete investment  | Comp.<br>invest | EDA<br>invest | Equity | Climate |
|-----------------------------|---|-----------------|---------------|--------|---------|
| CO-GOVERNANCE               | *Harvard's Lincoln Institute hosts convening with national impact investors to coach the coalition to leverage private capital (see Lincoln Institute see letter of commitment)  *Prosperity Initiative |                 |               | 0      |         |
|                             | Pipeline AZ workforce platform, progress meter dashboard (best  |                 |               |        |         |
| COMMUNITY<br>INFRASTRUCTURE | practice), + data sustainability plan; part of \$500K planning grant will start work with existing website in summer 2024   |                 |               |        |         |
|                             | Green bank for climate infrastructure - (Tucson IDA/Groundswell)  |                 |               |        |         |
|                             | *GSA \$400M and \$125K EPA downtown investment for US MX<br>Border climate resilient infrastructure for realignment of port +<br>downtown Nogales   |                 |               | •      | 0       |
|                             | *Regional Wildlife and linear parks corridor: Wilderness Society \$110K investment facilitating wildlife and linear parks system + land protection package for US BLM extending santacruzriver.org      |                 |               |        |         |
| HOUSEHOLD                   | *Mindset disability enrollment + client data tracking; benefits for those in justice system   |                 |               |        |         |
| HOUSEHOLD<br>STABILITY      | *SEAGO Eldercare services expansion + sustainable transportation (SEAGO Transportation Feasibility Study grant for Santa Cruz County + micro-transit follow on services)                                | $\Theta$        |               | $\Box$ | $\odot$ |
| DIGITAL INCLUSION           | Digital navigators housed with CBO for outreach, awareness, and delivery of services through trusted local network + mobile units   |                 |               | 0      |         |
| PAID                        | Community Connector by+for staffing   |                 | _             |        |         |
| PATHWAYS                    | Tribal + urban + rural integrated regional workforce development planning and C0-governance   |                 |               | U      |         |
| ACCELERATORS                | Cross sector accelerator, access to capital + ecosystem building for small business growth and job creation   |                 |               | 0      |         |
| RURAL<br>WORKFORCE          | Rural EV charging facilities owned by local govt; multi-purpose accelerator and training model for distressed areas   |                 |               |        |         |

Table 3. Description of SCRC commitments and activities that model national best practices