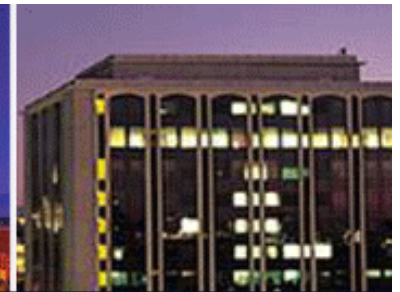


Momentum



TREO, Southern Arizona's newest regional economic development organization, was created to provide leadership, resources and business development efforts that will accelerate economic prosperity throughout the region.

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TUCSON RANKS NATIONALLY

Recent Rankings Put Tucson on the National Radar

Tucson is Inc. Magazine's 13th Hottest Midsize City (among all cities with an employment base of 150,000-450,000) **in 2006.** The ranking is based on job growth data, and listed Tucson's high tech presence and climate as attractions.

Inc. Magazine, May 2006,
<http://www.tucsoncitizen.com/ss/local/10607>

Tucson & Pima County ranked among America's Top 10 Places for smart conservation by the Conservation Fund, which provides recognition to communities working to integrate land protection,

President's Message

Austin Inspires

After 20 years of economic development experience, there is still nothing more inspiring, and fun, than to visit another city and see all the same elements and community players at work – education, politics, business leaders, students, arts – in an entirely different venue and place. What makes other cities successful in the creation of wealth for its citizens, and where does it fall short? Who drives that success? Most importantly, what can Tucson learn when we open our eyes and benchmark best practices in similar communities?

Inspire, Not Imitate

TREO chose to travel to Austin, Texas, well-known for its high tech successes and hometown heroes (Michael Dell, John Mackey and Willie Nelson) amidst a thriving live music scene and a huge population between ages 25-44. Why Austin? Austin shares many of the same similarities and challenges as Tucson and Southern Arizona:

- regionalized economic development
- leveraging the strengths of a strong research university by building intellectual capital and entrepreneurial infrastructures
- desire to keep students in the community after graduation
- a shared vision and an amazing level of cooperation within a diverse population
- high population growth with strong Hispanic influences



Economic development is a community effort. It can also be a complicated picture, with many factors that must complement and support each other to achieve the right balance. Although the Leadership Exchange experience was new to Tucson, the practice taking community leaders to another community isn't a new concept. Austin has had over 30 communities visit this past year. It is common practice with the best economic developers to benchmark and learn from those who achieve success.

Some claim we want to imitate Austin. Truth is, no community can imitate another. Austin is a unique place. The folks there know what makes them different and can't wait to tell you what they are. Tucson went to Austin to listen, see comparisons and come to an agreement about what could – and definitely should – work here under the same conditions in order to raise all boats in the economic tide.

Strategic Growth

In 1980, Tucson and Austin had the same population. In the years that followed, they grew younger, while we grew older. They spearheaded growth in high tech, we travel the high tech path in fits and starts. They grew private sector leaders. We need private sector leadership. Hmmm....seems like we could learn a lot about harnessing our opportunities from these Texans and committing to move forward.

development, infrastructure planning and smart growth.

Tucson Citizen, May 2006,
<http://www.tucsoncitizen.com/daily/local/13374.php>



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What did the 40 Tucsonans learn? The power of a collaborative, community-based vision created by grass roots, organized efforts and shared and effectively communicated by the Mayor and cabbie alike. The power of having a research-based university right in our own backyard - how we need to help to get more money *into* it and more technology *out* of it. The power of relationships and "human capital" - keeping those very students you have educated integrated into the community, so that they never want to leave. The power of resiliency – mistakes are made but you must pick yourself up, leave your ego at the door, quit blaming others, and create a new plan. We learned all of this, and so much more. Visit www.treoaz.org/articles for a complete wrap up of our lessons learned.

This won't be Tucson's first and last Leadership Exchange. We're already discussing where we want to go next. I hope you'll join us next time.

Joe Snell
 President & CEO
 520-243-1970
Joe.Snell@treoaz.org

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TREO BOARD OF DIRECTORS:

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 Mayor, City of Tucson

Sharon Bronson, Co-Chair
 Pima County Board of Supervisors

Elizabeth Gonzalez-Gann, Treasurer
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 Mayor, Town of Oro Valley

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Shaping Our Economic Future TREO Launches Economic Blueprint Project



TREO is embarking on a major planning effort -- a long range Economic Blueprint (strategic plan) to identify which industries will shape our economic future for several years, backed by a roadmap for making the Tucson region of the future an economically viable, distinctive, global competitor. This long range strategic plan will:

- Firmly align the core capabilities of the community with long term opportunities to provide economic sustainability and strategic economic diversity
- Become the critical driver for TREO's efforts, focusing our business development priorities and shaping our actions
- Bring the community together to define and embrace the vision, roadmap and milestones that will fundamentally guide the Tucson region into a successful future

The Economic Blueprint will provide a strategy and action plan that matches the region's assets and sustainable competitive advantages with global opportunities consistent with the community's overarching vision. The final plan will include executable objectives and reliable, achievable outcome projections. On our current course, the Tucson region will have a plan in place by the end of the 2006 calendar year.

To learn much more about the Economic Blueprint, attend TREO's First Annual Luncheon. For more information, contact Nancy Smith, VP of Strategic Services, at 243-1914 or nancy.smith@treoaz.org

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TREO LAUNCHES COUNCIL OF TRUSTEES

This select group of Investor CEOs and regional business/community leadership acts as a top advisory board and meets as needed to discuss regional competencies, future issues affecting regional economic development and challenges impacting local business at the leadership level. Currently at 14 members, the Council of Trustees assists TREO in the development of a sound long-term strategic direction for the greater Tucson area. To find out how to join the Council of Trustees, contact BJ Smith, Vice President of Investor Relations, at 243-1916 or bj.smith@treoaz.org

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INVESTOR PROFILE: Tucson Electric Power Company

Electric power came to Tucson in the 1880s, but it wasn't until 1892 that a handful of business and community leaders formed a company that grew into the enterprise of today known as Tucson Electric Power, the principal subsidiary of UniSource Energy Corporation.



Today, UniSource Energy is parent to a growing family of energy

companies serving more than 1.5 million Arizona residents. As TEP enters its third century of operations, it continues to discover innovative ways to provide safe, reliable energy to homes and businesses while maintaining its historic commitment to community service.

For more information, visit www.tep.com

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La Costeña Opens U.S. Headquarters Arizona Canning Company, LLC Occupies Former SlimFast Building

Arizona Canning Company LLC, a subsidiary of La Costeña (a major Mexico-based food manufacturer) has purchased the former SlimFast building and estimates hiring up to 175 employees within 3 years. Available positions will include operation/maintenance technicians, building utilities, logistics, and management positions, with the majority of the employees recruited from the Tucson region.



For the full text of the news release, visit www.treoaz.org/articles/

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Glass Fiber, Inc. New to Town Fiberglass Insulation Supplier Announces New Location in Tucson

Arizona Glass Properties, LLC, has purchased the former Imation building and will lease the property to Glass Fiber, Inc. of Chino, CA. Glass Fiber, Inc. (GFI) will begin operations with an estimated 90 employees and increase to 190 employees as sales demand increases. The business is expected to generate an annual payroll of \$2.6 million with the majority of the employees recruited from the Tucson region.

For the full text of the news release, visit www.treoaz.org/articles/

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BusinessLINC Generates 4.7 million in Sales for Local Business Program Matches Buyers and Suppliers

BusinessLINC, a free TREO program, creates sales in Southern Arizona. BusinessLINC matches the products and services provided by local sellers with the procurement requirements of buyers, both inside and outside of the region. The BusinessLINC program increases revenues for local companies by increasing sales to buyers outside of the region and by retaining sales to local buyers that would have otherwise gone outside the Tucson business community. This results in increased regional employment, capital investment and wealth. The BusinessLINC program has generated over \$4.7 million in cumulative sales since July 1, 2005.

Businesses can participate in this program, as a buyer or seller, at no expense. Sellers can register their companies and list their products, services and capabilities in a computerized database that is accessible to buyers. Buyers may directly search the BusinessLINC database for products and services or contact BusinessLINC staff for confidential assistance in fulfilling their purchase requirements. For more information call 243-1900 or visit our website at www.treoaz.org.

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SAVE THE DATE

Events & Meetings

TREO Board of Directors Meeting

July 21, 2006
8:30 am to 11:00 am
TREO Office
120 N. Stone Ave., Suite 200
520-243-1900

TREO Annual Luncheon

"Shaping Our Economic Future"
Sponsored by Cox Communications
September 14, 2006
11:00 am to 1:30 pm
Westin La Paloma Resort & Spa
3800 E. Sunrise
520-243-1900

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NEWSLETTER FEEDBACK

Let us know what you think!

Your feedback is important to us! Send us an email and tell us what you think.

If you wish to be removed from this distribution list, please send an email to Catherine.Strickland@treoaz.org

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Eric Nielsen Named Director of U.S. Commercial Service Arizona Operations

In March, the U.S. Commercial Service announced that Eric Nielsen of the Tucson U.S. Export Assistance Center (located in TREO's offices) has been named Director of the department's Arizona-wide operations.



The Tucson U.S. Export Assistance Center is one of more than 250 worldwide U.S. Commercial Service posts offering companies customized, end-to-end business solutions to help them compete and win in the global marketplace. In the last 18 months, Arizona's U.S. Export Assistance Centers have reported 260 export successes valued at over \$22 million. These export sales represent work with 110 different customers selling products in over 50 countries.

For more information, contact Eric at 243-1912 or enielsen@mail.doc.gov

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