SPECIAL REPORT

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Alignment

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A summary of the Trend Report Growth Council roundtable discussions from June 2, 2026

GROWTH

SPECIAL REPORT

From the Editor: The Peirce Report and the Case for Alignment

INSIGHTS • COLLABORATION • REGIONAL IMPACT

SHAPING THE FUTURE OF COMMERCIAL REAL ESTATE IN SOUTHERN ARIZONA

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THE 2025 PEIRCE REPORT ON GREATER PHOENIX IS NOT A REPORT ABOUT TUCSON, but it should be read carefully by anyone who cares about Southern Arizona's future. Nearly four decades after Neal Peirce first examined the Valley of the Sun, the updated report finds a region that has grown into one of the nation's most powerful metropolitan economies, while still wrestling with the basic questions that come with growth: where it should go, how it should be served, who benefits, and whether civic leadership can keep pace.

For the Growth Council, the lesson is not that Southern Arizona should copy Phoenix. Tucson and Southern Arizona have their own assets, identity, scale, history, and constraints. The more important lesson is that regions do not mature by accident.

Greater Phoenix made some of its greatest gains when business, civic, university, philanthropic, and public-sector leaders began aligning around long-term priorities, especially transportation, economic diversification, downtown reinvestment, and the development of industry clusters. That alignment did not eliminate disagreement, but it gave the region a stronger framework for action.

Southern Arizona is now facing its own version of that question.

The region has the University of Arizona, defense and aerospace activity, proximity to Mexico, logistics corridors, medical and research assets, outdoor quality of life, available land, and a deep entrepreneurial base. Yet those assets do not automatically become jobs, housing, infrastructure, investment, or opportunity. They must be organized. They must be supported by policy. And they must be communicated through a clearer, more unified business voice.

That is why alignment matters.

The Growth Council was created to bring market reality into the regional conversation and to help connect the people who see, every day, where opportunities are being created and where they are being lost. Brokers, developers, employers, investors, chambers, trade groups, and civic leaders may not always approach issues from the same place, but the region cannot afford for its pro-growth voices to remain scattered, quiet, or reactive.

The Peirce Report shows what happens when a region takes itself seriously enough to examine its weaknesses as well as its strengths. It also shows that growth, left unmanaged, brings real consequences: housing pressure, infrastructure strain, water questions, workforce gaps, heat, traffic, and public resistance.

The answer is not to stop growth. The answer is to shape it before it shapes us.

This second Growth Council discussion, focused on what growth should look like, is part of that larger effort. It is an attempt to move Southern Arizona from reaction to readiness, from isolated project debates to regional strategy, and from fragmented business concerns to a more confident and constructive voice for responsible growth.

If Southern Arizona wants primary employers, higher-wage jobs, talent retention, attainable housing, infrastructure investment, and a stronger tax base, it will need more than good intentions.

It will need alignment.

:: Karen Schutte
Editor
TREND report

Introduction

Against that backdrop, the second Growth Council discussion moved from the question of what is holding Southern Arizona back to a more forward-looking question: If the region is going to grow, what should that growth look like?

Participants emphasized that responsible growth should be intentional, infrastructure-supported, market-informed, and tied to private-sector job creation. The discussion focused on how to define good growth, what types of investment should be prioritized, where the tensions exist, what barriers continue to slow progress, and what public-sector, private-sector, and civic leaders could do differently over the next five years.

A recurring theme was that Southern Arizona cannot afford to remain reactive. Employers, developers, investors, and housing providers make decisions on real-world timelines, and those timelines often move faster than local approval processes, infrastructure planning, or public debate.

The goal was not to advocate for growth at any cost, but to move the conversation toward responsible growth that strengthens Southern Arizona's economy while protecting the qualities that make the region worth investing in.

Part 1: Confidence Is Part of Competitiveness

THE DISCUSSION AROUND "GOOD GROWTH" CENTERED ON THE NEED FOR SOUTHERN ARIZONA TO BE MORE INTENTIONAL ABOUT THE KIND OF GROWTH IT PURSUES. Growth should not be measured only by population increases, government hiring, or short-term construction activity. It should strengthen the private-sector economy, expand the tax base, improve incomes, support housing supply, and make the region more competitive over the long term.

A key point was that government job growth alone is not enough to define a healthy regional economy. *Tucson's April employment numbers showed the metro area added about 1,400 jobs from March to April, but roughly 1,200 of those were in government. At the same time, Tucson remained below its year-earlier employment level, down about 1,600 jobs from April 2025. The jobs the region most needs — manufacturing and construction—declined during the month. Public-sector employment can provide stability, but it does not create the same economic momentum as private-sector expansion.*

Brokers emphasized that responsible growth requires private-sector job creation, especially jobs that bring outside dollars into the region, raise household incomes, and create demand for housing, retail, services, industrial space, office space, and support businesses. Growth that relies too heavily on government payrolls, or simply shifts existing local activity, does not have the same multiplier effect as business expansion, company attraction, manufacturing, logistics, defense suppliers, technology, health care innovation, and other export-oriented industries.

There was also a distinction between ***"proactive growth and reactive growth."*** Proactive growth is tied to infrastructure, land-use readiness, workforce development, housing affordability, and permitting certainty. It means deciding where growth should occur and putting the necessary conditions in place before an employer or project arrives. The region should not wait for opportunities to appear and then scramble to respond. It needs prepared sites, roads, water, power, zoning, housing, and public-sector coordination before companies are ready to make decisions.

Housing was also a major part of the conversation. "Job growth and housing growth cannot be separated." Southern Arizona cannot attract employers if workers cannot find attainable housing near job centers. At the same time, housing without quality employment risks turning parts of the region into bedroom communities instead of building a stronger regional economy.

Infrastructure was another central theme. Roads, utilities, water planning, sewer capacity, power availability, and broadband need to be aligned with where the region wants investment to go. Without that alignment, Southern Arizona loses time, increases costs, frustrates developers and employers, and becomes less competitive with Phoenix, Pinal County, Casa Grande, and other fast-moving markets.

The group also discussed quality of life as both an asset and a responsibility. Southern Arizona's lifestyle, climate, outdoor amenities, university presence, and relative affordability are competitive advantages. ***"But quality of life is not protected by stopping growth. It is protected by managing growth well—with infrastructure, public safety, housing choices, strong employment centers, and a tax base large enough to support services."***

Part 2: What Growth Should We Prioritize?

THE DISCUSSION AROUND PRIORITY GROWTH FOCUSED ON A BASIC BUT IMPORTANT DISTINCTION: Southern Arizona needs both job growth and population growth, but they are not the same. ***Population growth creates demand for housing, retail, services, schools, roads, and public safety. But without stronger private-sector employment, the region risks becoming more dependent on lower-wage service jobs, government employment, retirees, and commuters rather than building a more durable economy.***

The group identified primary employers as the top priority because they create the greatest long-term value. In commercial real estate terms, ***"this aligns with the market-analysis principles taught in CCIM 103 coursework: a region's economic strength depends heavily on industries that bring new dollars into the local economy, not just businesses that recirculate existing local spending."***

That distinction matters. Retail, restaurants, services, housing, tourism, redevelopment, and small business expansion are important, but they are usually supported by the strength of the underlying employment base. Primary employers—such as advanced manufacturing, aerospace and defense suppliers, logistics, bioscience, optics, mining technology, corporate operations, and other export-oriented companies—bring outside money into the region. That outside income supports secondary job creation, household formation, housing demand, retail sales, office and industrial absorption, and a stronger tax base.

A major concern was talent retention. Southern Arizona produces talent through the University of Arizona, Pima Community College, trade programs, military transitions, health care institutions, and the entrepreneurial community. But too often, that talent leaves for Phoenix, Texas, Colorado, California, or other markets because stronger career opportunities exist elsewhere. Prioritizing primary employers would help keep more graduates and skilled workers here by creating career ladders, higher-wage jobs, and reasons to build their futures in this region.

The brokers' takeaway was that retail growth tends ***"to follow rooftops, income, and employment rather than lead them."*** Retail strengthens quality of life and sales tax revenue, but it should not be mistaken for a primary economic-development strategy. The foundation has to be private-sector jobs, incomes, housing, and infrastructure.

Housing was viewed as both a priority and a support system for economic development. The region needs more housing choices—entry-level homes, workforce housing, apartments, infill housing, and higher-quality mixed-use projects—***"because employers cannot grow without workers, and workers cannot stay without attainable places to live."*** But new housing should be better aligned with job centers, transportation corridors, utilities, and long-term infrastructure planning.

There was also concern that growth is not as coordinated as it needs to be. Instead of identifying where jobs, housing, logistics, redevelopment, and mixed-use investment should occur, projects often happen wherever they can make it through the process. That creates friction, delays, infrastructure gaps, neighborhood conflict, and missed opportunities.

Infill and redevelopment were seen as important, but not as the only answer. Infill can strengthen existing neighborhoods, reuse underutilized properties, support transit, and reduce outward pressure. But it is often harder, slower, and more expensive because of site constraints, outdated infrastructure, neighborhood opposition, and entitlement complexity. The region still needs large employment sites, logistics locations, industrial land, and suburban housing growth where infrastructure can support it.

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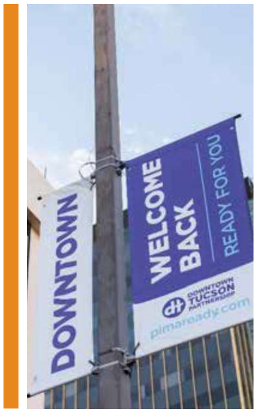
Part 3: Where Are the Tensions?

THE DISCUSSION AROUND TENSIONS CENTERED ON THE CONCERN THAT SOUTHERN ARIZONA DOES NOT YET HAVE A SHARED GROWTH ATTITUDE. Water, traffic, infrastructure costs, public safety, workforce availability, housing affordability, entitlement timelines, and community resistance are all real issues. But the larger concern was that the region often treats those issues as reasons to stop or delay growth, rather than as problems to solve in support of responsible growth.

A recurring theme was the ***divide between growth and no-growth viewpoints.*** Brokers recognized that not all growth is good, and that concerns about water, traffic, neighborhood character, infrastructure capacity, and affordability deserve honest discussion. However, they also noted that ***when every project is viewed with suspicion, the region sends a discouraging message to employers, developers, investors, and entrepreneurs considering Southern Arizona.***

Several participants felt the public conversation has become too reactive and adversarial. On public forums and social media platforms such as Reddit, new development proposals are often met with immediate skepticism. Housing, retail, industrial, logistics, and mixed-use projects can all be framed as harmful before the details are fully understood. That skepticism may be expected online, but participants expressed concern when the same reflexive resistance appears to influence decision-making.



One of the strongest concerns raised was that Southern Arizona often says it wants investment, but its processes and public tone communicate the opposite. If investors hear that the region lacks infrastructure capacity, resists rezoning, questions every new project, and does not have a coordinated growth strategy, they will choose markets where the path to approval is clearer and the civic attitude is more welcoming.

The entitlement process was a significant point of frustration. One broker described the experience by saying, in effect, ***"It's illegal to plan here!"*** The point was not that planning is literally illegal, but that the process can make proactive planning extremely difficult. In the example discussed, a property owner or broker sought to rezone land to prepare it for future development but was told the rezoning could not move forward without a specific end user identified.

From a broker and development perspective, that creates a serious problem. Many employers and users cannot wait for a lengthy rezoning process after they identify a site. They need locations that are already properly zoned, infrastructure-ready, and available within their decision timeline. If land cannot be positioned in advance for employment, industrial, commercial, or mixed-use opportunities, Southern Arizona is forced into a reactive posture. By the time a real user appears, the region may already be too late.

This connects directly to competitiveness. Greater Phoenix and the West Valley are increasingly able to present companies with large, strategically located sites where zoning, infrastructure, utilities, political support, and a path to construction are already substantially in place. Major projects such as TSMC and the rapid industrial expansion around Buckeye illustrate the advantage of offering companies a clear, ready path rather than asking them to begin with years of uncertainty. The question for a company becomes simple: ***why choose Tucson and work through prolonged entitlement and infrastructure challenges when another Arizona market can offer a site that is ready to move?*** Investors and companies do not look only at land prices or demographics; they look at speed, predictability, political support, infrastructure, and community attitude.

Part 4: What Gets in the Way?

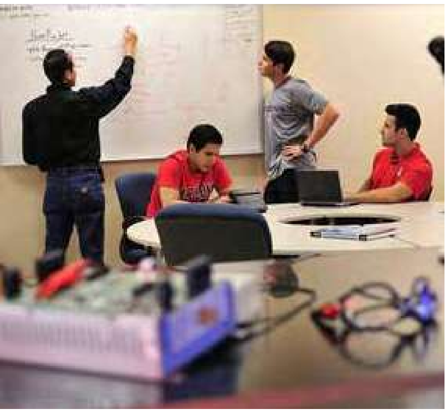
THE DISCUSSION AROUND BARRIERS FOCUSED LESS ON WHETHER SOUTHERN ARIZONA HAS ASSETS AND MORE ON WHY THE REGION STRUGGLES TO TURN THOSE ASSETS INTO RESULTS. The region has many of the ingredients for growth—land, talent, climate, the University of Arizona, major employers, proximity to Mexico, defense and aerospace activity, and quality of life—but too often the systems around development are slow, fragmented, reactive, or uncertain.

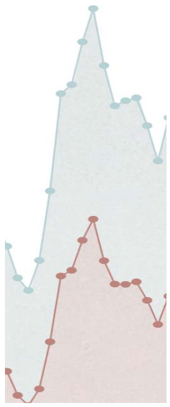
One of the biggest barriers identified was process uncertainty. Brokers and developers can work with clear rules, even when the rules are demanding. What makes investment difficult is not knowing how long approvals will take, what issues will surface late in the process, whether staff direction will change, or whether a project that appears to meet adopted plans will still become politically difficult. That uncertainty adds cost, time, and risk.

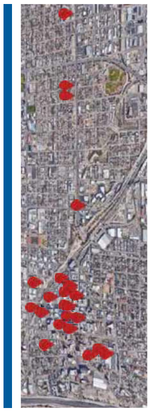
Entitlement timelines were a major concern. One broker summarized the frustration bluntly: ***"The era of rezoning is dead."*** His point was that rezoning has become so slow, uncertain, and expensive that it no longer functions well as a practical tool for responding to market opportunities. In some cases, it can take two to three years to rezone a property even after a user has been identified. Most companies, tenants, and employers cannot wait that long for a site to become usable. ***They are making location decisions on business timelines, not government timelines.***

This creates a competitive trap. If jurisdictions discourage proactive rezoning before a user is identified, but rezoning takes years after a user appears, property owners cannot prepare sites in advance and users cannot wait once they are ready. That leaves Southern Arizona reacting to opportunities instead of preparing for them.

Another barrier was the lack of ***large, truly shovel-ready sites.*** Southern Arizona may have land, but land alone is not enough. Competitive sites need the right zoning, road access, utilities, water, sewer, power, broadband, drainage solutions, environmental work, and a realistic path to construction. Participants discussed the need for at least one major site or coordinated project area that could be offered to a large employer with far less uncertainty and delay. Without that readiness, the region can say it wants primary employers while failing to provide what those employers need to make a timely location decision.







Fragmentation among jurisdictions was also identified as a challenge. Tucson, Pima County, Marana, Oro Valley, Sahuarita, South Tucson, school districts, utility providers, transportation agencies, and regional organizations all affect growth in different ways. But from the outside, an employer or investor sees one region. If the region is not aligned, the market becomes harder to navigate.

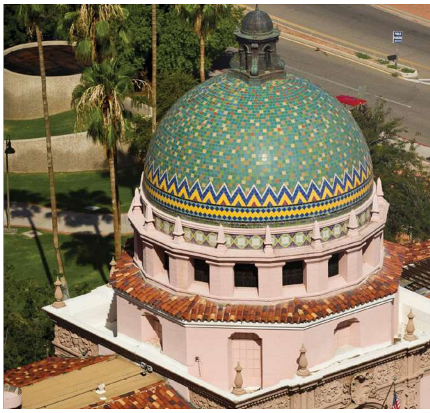
Funding gaps were another issue. Infrastructure is expensive, and ***the region often struggles with who pays, when it gets built, and whether public investment will occur early enough to support private development.*** Roads, sewer, water capacity, drainage, public safety, and utilities all affect whether projects can move forward. ***"If infrastructure is only addressed after demand arrives, the region remains behind the market."***

Transportation planning was cited as a clear example of the cost of remaining reactive. Southern Arizona missed earlier opportunities to build major freeway connections through the urban area, and those options are now far more difficult, expensive, or impossible. Yet population continues to increase, traffic worsens, and the road network has limited ways to provide meaningful relief. As a result, growth is pushed outward because there are few other practical choices, while the region remains behind in providing the corridors and capacity needed to support it. Each delay compounds the next problem: congestion affects development patterns, outward growth creates new infrastructure demands, and the region must then solve larger problems at greater cost.

Attitude may have been the most difficult barrier to define, but one of the most important. The group felt Southern Arizona often lacks a confident, pro-growth posture. That does not mean approving every project. It means recognizing that quality growth is necessary for jobs, tax base, housing, and long-term competitiveness. ***When the default public conversation begins with skepticism or opposition, the region sends the message that growth is something to be managed down rather than strategically welcomed.***

Workforce availability and housing affordability were also discussed as barriers. Employers need confidence that the workforce exists at the scale and skill level required. They also look at whether workers can live in the market. ***If housing costs rise faster than wages, or if new housing is resisted, the region's competitiveness weakens. Housing is not separate from economic development; it is part of the infrastructure of growth.***

Part 5: What Would Help Over the Next Five Years?

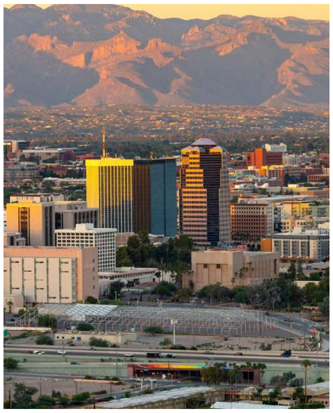


THE DISCUSSION AROUND WHAT WOULD HELP OVER THE NEXT FIVE YEARS focused on the need to move from a reactive growth model to a forward-planning model. ***The region cannot continue waiting for users, employers, housing demand, or infrastructure problems to appear before deciding what it wants to do.*** By then, the market opportunity is often already gone.

A major theme was the need to identify where growth should occur before the next wave of demand arrives. That means planning employment corridors, industrial sites, housing areas, redevelopment opportunities, utility capacity, transportation improvements, and infrastructure priorities in advance. ***"Because the urban core has limited ability to add major new roadway capacity, participants suggested becoming especially proactive in the outer areas where new corridors can still be planned and protected."*** Those areas offer an opportunity to align jobs, housing, roads, utilities, and public services before development patterns become fixed. Forward planning does not mean approving every project or ignoring community concerns. It means creating a realistic framework so the region is prepared when quality opportunities come forward.

Public-sector leaders need to make planning more market responsive. Employers, users, developers, and investors make decisions on timelines that are often much faster than public approval processes. If the region wants primary employers, advanced manufacturing, logistics, housing, mixed-use redevelopment, and private investment, it needs zoning, infrastructure, and entitlement pathways that match real-world market timing.

A key recommendation was ***"to create more shovel-ready sites,"*** including at least one large site or project area capable of competing for a major employer. Over the next five years, the region should identify locations appropriate for employment, industrial, commercial, housing, and mixed-use growth, then work through zoning, infrastructure, utilities, transportation access, environmental requirements, and public expectations in advance. The objective should be to make it possible for a company to evaluate Southern Arizona and see a credible, timely path to construction—not a multiyear sequence of unresolved questions. That would allow the region to compete for users instead of losing them to Phoenix-area markets that are already prepared.


Another important point was that the business community needs to speak more collectively and clearly. Brokers, developers, employers, investors, chambers, trade groups, and civic organizations often understand the cost of delay and uncertainty, but that perspective is not always communicated effectively. The private sector needs to push back—respectfully but firmly—against the assumption that all growth is harmful.

That does not mean dismissing legitimate concerns about water, traffic, public safety, infrastructure costs, neighborhood impacts, or affordability. It means reframing the conversation, so growth is not treated as the enemy. ***Responsible growth is how the region expands the tax base, funds infrastructure, creates jobs, supports housing, retains talent, and improves quality of life.***

The group also discussed the need for a more confident public message. Southern Arizona should be able to say where it wants investment, what kind of growth it values, and how it will manage the impacts. Too many conversations begin with a defensive posture. A more competitive region would lead with readiness, clarity, and welcome, especially for primary employers and high-value private investment.

Part 6: Closing Question

IF SOUTHERN ARIZONA COULD GET ONE THING RIGHT OVER THE NEXT FIVE YEARS, WHAT SHOULD IT BE?

The closing discussion brought the conversation back to the larger purpose of the Growth Council: moving beyond whether growth is good or bad and instead defining what kind of growth Southern Arizona should pursue, where it should happen, and what it will take to support it.

The strongest theme was strategic alignment. That means connecting land use, infrastructure, housing, workforce, public policy, and economic development around a shared regional direction. The region does not need growth everywhere, and it does not need to approve every project. But it does need to decide where growth makes sense, what types of investment create long-term value, and how public and private leaders can support those outcomes.

Participants recognized that the consequences of not getting this right are serious. If Southern Arizona remains reactive, uncertain, or divided, it risks losing primary employers, private investment, young talent, housing opportunities, and tax-base growth to faster-moving markets. Phoenix, Pinal County, Casa Grande, the West Valley, Texas, Colorado, and other competitive regions are preparing sites, expanding infrastructure, courting employers, and presenting a clearer message to investors.

The discussion also acknowledged that inaction is still a choice. ***"If the region does not plan for growth, growth will still happen—but it may happen in a scattered, inefficient, or lower-value way."*** Housing may be built farther from jobs because there are no better options. Employers may continue to bypass the region. Infrastructure may remain behind demand. Young people may continue to leave. Public services may become harder to fund. This is the compounding result of a reactive approach: each unresolved problem narrows future choices, pushes growth outward, increases costs, and leaves the region even farther behind. The community may still experience traffic, affordability pressures, and change, but without the benefits of stronger wages, better jobs, and a broader tax base.

The likely consensus was that ***Southern Arizona needs to stop treating growth as an abstract debate and start treating it as a practical regional strategy.*** Good growth should be intentional, infrastructure-supported, market-informed, and tied to long-term competitiveness. That requires public-sector leaders, private-sector leaders, civic organizations, and the broader business community to speak more clearly about why responsible growth matters.

The region needs to decide whether it wants to compete.

The **Growth Council's** Purpose

THE GROWTH COUNCIL serves as a market-informed forum for alignment, bringing the experience of commercial real estate professionals, employers, investors, developers, and other business leaders into the broader civic conversation.

Its purpose is to:

- Bring real-time commercial real estate market intelligence into regional decision-making.
- Help business and civic organizations identify shared priorities before disagreements become public disputes.
- Identify barriers that are costing Southern Arizona jobs, investment, housing, and economic opportunity.
- Support a more confident and positive narrative about Southern Arizona's assets, opportunities, and momentum.
- Encourage business leaders to address differences candidly in private while aligning publicly around shared regional goals.
- Give elected and public-sector leaders credible information—and visible business-community support—to advance responsible growth.

The Growth Council is not a replacement for the chambers, SALC, trade associations, municipalities, or other organizations already working to advance the region's future. We encourage everyone to participate actively in these groups and share the Growth Council's reports. The Growth Council's role is to connect those efforts more closely with real-time market intelligence and help build greater clarity, consistency, and alignment around Southern Arizona's most important growth priorities.

FREE TO SHARE

This special report is free to share with anyone interested in Southern Arizona's growth, competitiveness, and future.

We believe everyone should be part of the solution—business leaders, public officials, developers, employers, educators, and residents who care about strengthening the region's economic foundation.

FOR MORE INFORMATION

The Trend Report provides commercial real estate intelligence, market context, and business growth reporting for Southern Arizona decision-makers.

To learn more about Trend Report, Growth Council participation, sponsorship opportunities, or custom market visibility, contact:

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"Southern Arizona still has time to choose growth, strengthen its economic identity, and avoid a future shaped more by inertia than intention."