SPECIAL REPORT

TREND report Growth Council

Pavements, Public Safety, and Politics

SPECIAL REPORT | GROWTH COUNCIL

A summary of the Trend Report Growth Council roundtable discussions from April 22, 2026

GROWTH

SPECIAL REPORT

Tucson's Top Dealmakers Sound the Alarm—and Offer a Path Forward

INSIGHTS • COLLABORATION • REGIONAL IMPACT

SHAPING THE FUTURE OF COMMERCIAL REAL ESTATE IN SOUTHERN ARIZONA

IN THE FIRST TREND REPORT GROWTH COUNCIL ROUNDTABLE, commercial real estate leaders said Southern Arizona still has time to choose growth, strengthen its economic identity, and avoid a future shaped more by inertia than intention.

EDITOR'S NOTE: To encourage candor, participants in the first Trend Report Growth Council roundtable spoke on an anonymous basis in this recap. The participants consisted of top-performing commercial real estate brokers whose deal activity placed them among the leading producers in their respective specializations over the past four years. These top producers were invited as founding members of the Growth Council.

The first Trend Report Growth Council roundtable was designed to do something increasingly rare in public conversations about growth: create a space where people closest to the market could speak frankly and honestly. The single discussion item on the agenda was direct: ***"What's Blocking Growth in the Region Now?"***

The result was revealing.

Over the course of the discussion, participants—all highly active in Tucson-area commercial real estate—identified the barriers they believe are most affecting Southern Arizona's next chapter: infrastructure that has not kept pace, public-safety and service concerns, policy and governance challenges, fragmented business advocacy, weak public understanding of growth economics, and concern that Tucson could lose more economic ground to Phoenix if the region does not act with greater urgency.

After a complex and wide-ranging discussion, one participant reduced the region's challenge to three words: ***"Pavements, Public Safety, and Politics."***

Yet for all the concern expressed in the room, the underlying message was not pessimism. It was belief. Participants made clear that Tucson still has real assets, real market opportunity, and real staying power. Their point was that none of that should be taken for granted.

That perspective matters. These were not casual commentators. They were professionals whose day-to-day work puts them at the center of leasing, development, land, investment sales, and business expansion decisions across Southern Arizona. Their comments reflect what they are seeing on the ground.

:: Karen Schutte
Editor
TREND report

Pavements: Growth Cannot Outrun Its Foundation

IF THERE WAS ONE ISSUE THAT UNIFIED THE ROOM MORE THAN ANY OTHER, IT WAS INFRASTRUCTURE. Participants returned again and again to roads, sewer, water capacity, drainage, and the public framework needed to support long-term growth. Their point was practical: when the physical systems underneath a market fall behind, everything above them becomes harder—housing, industrial expansion, employer recruitment, affordability, and investor confidence.

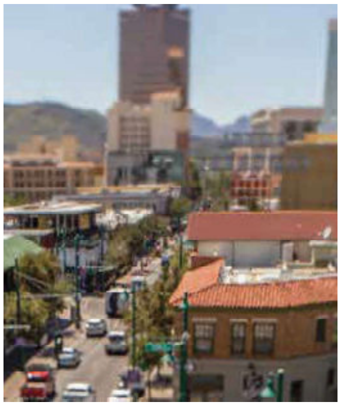
One participant stated the problem plainly: "We have a lack of infrastructure and lack a foundation when it comes to roads, sewer, water capacity, base foundation, right?"

That line captured a broader frustration. In the view of the group, Tucson and parts of Pima County have approved or encouraged growth without always making the foundational investments needed to support it. Participants described a post-COVID rush of projects and approvals that outpaced roadway upgrades, drainage planning, and utility readiness.

Another participant put it this way: "What you had was a huge rush after COVID of development and projects and approvals for a whole bunch of land development without upgrading any of this capacity, without upgrading any of the road system, without upgrading any of the drainage situation."

The concern was not abstract. Participants tied these issues directly to stalled projects, development friction, and rising costs. In their telling, the challenge is not a lack of land or market interest. It is that the systems needed to support investment are too often delayed, underbuilt, or constrained by years of lagging public response.

Participants pointed to City of Tucson water policy as one example of how infrastructure rules can reshape development patterns in unintended ways. After a change in city policy, only parcels of 20 acres or less—and surrounded by three water lines—could qualify for City water service in unincorporated areas. In response, some owners divided larger parcels into 20-acre or smaller lots arranged to meet those requirements. One participant described the result as a "jigsaw puzzle" workaround: a way to comply with the city's rules while still securing water service for land that otherwise might have been constrained.




Participants also pointed to Marana as one of the clearest examples of how infrastructure constraints are beginning to shape growth in real time. The discussion reflected concern that sewer capacity is tightening, particularly in North Marana, and that treatment facility limitations could restrict additional development until planned upgrades are completed. Several participants expressed skepticism that those improvements will arrive quickly enough to avoid near-term bottlenecks, noting that the timeline discussed in the room stretched out to 2029.

As one participant put it, "Now you have sewer/water issues, you weren't ready for that."

Interchange bottlenecks were another example of growth outpacing infrastructure. North Marana came up repeatedly in the discussion, with concerns about bad interchanges, unfinished road connections, and traffic systems that have not kept pace with development approvals. As one participant put it, the problem includes ***"bad interchanges, bad roads, the roads dead end, Tangerine dead ends and hasn't even been punched through."***

The frustration, participants said, is that even when the need is obvious, interchange fixes unfold on a painfully slow timeline. Funding must be assembled, agencies must align, design work must be completed, and in some cases railroad coordination is required before construction can even begin. The 22nd Street Bridge came up as a cautionary example, reinforcing the group's larger concern that by the time relief arrives, the market may already have spent years absorbing the consequences of delay.

Participants also raised questions about whether Southern Arizona is doing enough to pursue available roadway funding, including through state transportation channels. ***One participant said there are "hundreds of millions of dollars in roadway funds" that could potentially be unlocked if the region were better organized around infrastructure priorities.***

For the group, that point reinforced a broader frustration: the issue is not only whether infrastructure needs exist, but whether the region is aligned and aggressive enough in pursuing the funding, coordination, and political support needed to move major transportation improvements forward.

"Southern Arizona does not lack opportunity. It needs alignment, investment, infrastructure, and predictability to keep opportunity here."

Participants pointed to the drop in single-family residential permitting as a measure of how much local housing production has slowed. One participant noted that the region issued fewer than 3,000 SFR permits last year, compared with roughly 5,000 to 6,000 permits 30 years ago and as many as 12,000 annually at a previous peak. For the group, that contrast reinforced a broader argument: Southern Arizona is not producing housing at the pace it once did, even as the need for supply has only become more pressing.

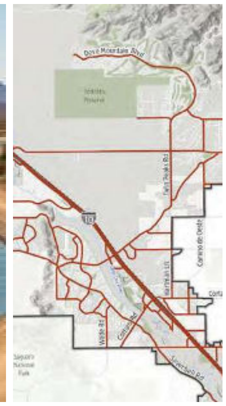
The group also discussed the fiscal consequences of slowing production. Participants said fewer housing starts and fewer development approvals do not simply affect builders; they also reduce the flow of permit revenues, taxes, construction activity, and impact fees that help jurisdictions pay for growth-related needs.

"So, there is a consequence because those jurisdictions suffer from permits, taxes, construction, impact fees, all of it," one participant said. "It won't change unless there's enough pain at some level to reverse course."

Participants tied that concern directly to infrastructure funding, warning that delayed or constrained development can create a cycle: infrastructure limitations slow growth, slower growth reduces revenue, and lower revenue makes it harder to catch up on infrastructure. ***As one participant put it, "We're there!"***

Participants also expressed frustration that the public sector does not always fully recognize the scale of private investment tied to development.

"Look at the investment from home builders—they invest more money than most people know in this community," one participant said. "They buy land, they pour money into infrastructure, and they employ a whole bunch of people doing it."

Another participant added that some officials may not fully appreciate the impact fees and tax base generated when projects move forward, saying, "They don't understand the impact fees alone that are paid by everybody building something."

What came through most clearly was that the room was not arguing against growth. If anything, participants were calling for a more serious commitment by community leaders to prepare for growth before it arrives, not after the system is already under pressure.

One participant raised the possibility that, if infrastructure capacity continues to lag growth, public agencies could eventually face pressure to slow or pause certain development approvals until roads, sewer, drainage, and other systems catch up. The participant made clear that was not an outcome he recommended.

"Now, one way to stop it would be, unfortunately for our businesses, is to call a moratorium. On development approvals, permitting, plats, all that stuff," the participant said. "But I don't want to see that happening."

The point was less about advocating for a moratorium than warning against the conditions that could make one part of the public conversation. If builders and developers cannot rely on adequate infrastructure or predictable approval processes, the region risks losing private investment, public revenue, and momentum.

"If they can't operate, they'll pack it up and take it to Phoenix," the participant said.

For the group, the comment underscored why infrastructure planning matters before systems reach a breaking point. The goal, participants suggested, should be to avoid forced choices later by making the investments and policy decisions needed to support growth now.

Public Safety: Confidence Is Part of Competitiveness

THE SECOND "P" WAS PUBLIC SAFETY, THOUGH IN THE ROOM IT CARRIED BROADER MEANING THAN POLICING ALONE. Participants used the term as shorthand for business confidence, quality of place, city function, and whether Tucson is projecting the competence and stability that employers, investors, employees, and residents expect from a competitive region.

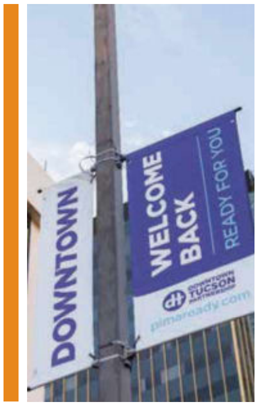
The opening "3 P's" framing made that clear from the start: ***"Pavements, Public Safety, and Politics."***

For the people in the room, public safety was not a side issue. It sat alongside infrastructure and governance as part of the same economic ecosystem. A city that wants to attract investment, retain talent, and grow its employment base has to show that it can manage basics well—streets, services, responsiveness, order, and visible quality of life.

Participants also framed public safety as part of the region's broader business-readiness equation. One participant underscored that concern by describing a three-minute sheriff response at a local property, using the example to contrast confidence in county responsiveness with broader frustration about service levels elsewhere. For the group, the issue was not just policing. It was whether businesses and property owners believe the systems around them are functioning reliably enough to support growth.

Participants did not spend as much time reducing this point to a single quote, but the sentiment was unmistakable: when residents and businesses see visible decline, slow responses, neglected areas, or lack of urgency, confidence erodes. Businesses do not make expansion decisions based on one variable alone. They look at the full picture—public safety, infrastructure, workforce, public services, politics, and whether a city appears to be moving forward or standing still.

In that sense, public safety was discussed as part of the overall confidence equation that influences business growth, talent retention, and long-term competitiveness.



WARNING SIGNS THAT HAVE BEEN BUILDING FOR YEARS Participants also made clear that the warning signs now showing up in the market did not appear overnight. In their view, ***"the region has been sounding alarms for years through a series of measurable and visible indicators: falling school enrollment, demographic aging, slower population growth, outbound migration to faster-growing cities, deteriorating infrastructure, strained law enforcement resources, court delays, and rising public-service demands on a tax base that has not grown fast enough to support them."***

One of the clearest indicators discussed was school enrollment. Falling student counts are not simply an education issue. They can also signal broader demographic weakness: ***"fewer young families, slower household formation, and a city population that is aging faster than it is being replenished."*** Participants tied that trend to the region's larger economic challenge. "***If the population inside the city shrinks or stagnates while service demands remain high, the cost burden becomes harder to spread across the tax base."***

The fiscal concern was blunt. Participants warned that ***"the city cannot indefinitely increase demands on a smaller or slower-growing base of taxpayers while also expecting strong law enforcement, fire, ambulance service, infrastructure maintenance, and economic competitiveness."*** In their view, the issue is not one budget line item. ***"It is the cumulative effect of population trends, public-service obligations, weakened revenue growth, and policy choices that may feel generous in the short term but become harder to sustain over time."***

Several participants also pointed to the region's fragmented geography as part of the problem. ***"Much of the metro area remains unincorporated, while the City of Tucson carries major urban-service responsibilities and controls important political outcomes."*** That structure, they suggested, ***"contributes to a mismatch between where people live, where services are demanded, where revenue is generated, and who has political influence over the decisions."***

The broader warning was that Tucson may be approaching a collision course if its economic base, population base, public-service expectations, and infrastructure needs continue moving in opposite directions. For the group, these indicators reinforced the same larger message heard throughout the roundtable: Southern Arizona still has time to change direction, but it cannot afford to ignore the signals already in front of it.

SPECIAL REPORT

Politics: Alignment, Representation, and the Cost of Drift

THE THIRD "P" WAS POLITICS, THOUGH THE DISCUSSION REACHED FAR BEYOND PARTISAN LABELS. What participants were really talking about was public policy, governance, representation, and the region's ability to align around growth.

Several said Tucson's business community remains too fragmented to exert the kind of consistent influence needed to shape major infrastructure priorities, land-use decisions, and pro-growth economic strategy. In their view, there are too many organizations operating in parallel, too many disconnected efforts, and not enough unified advocacy around the region's long-term needs.

Participants said that if Southern Arizona wants to change its trajectory, the business community will need to become more organized, more visible, and more consistent in advocating for growth-supporting policies.

"The overall thing that we need to do is we need to have a business community that has a little bit more teeth," one participant said.

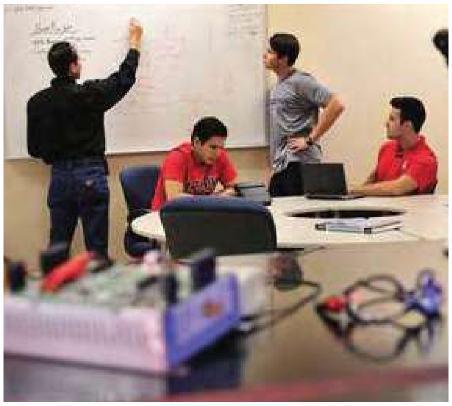
Another participant said the problem is not a lack of concern, but a lack of sustained turnout when growth issues come before public bodies.

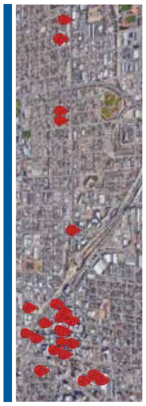
"Whenever a developer says, 'We need help on a particular issue for development, we need to go to the Board of Supervisors, go to the City Council and speak up,' I'm probably one of four people that are always there," the participant said. "There's four of me, and there's 200 of the anti-growthers."

That imbalance, participants said, makes it easier for elected officials to hear business concerns without feeling enough public pressure to act on them. It also contributes to a broader frustration that pro-growth voices are often reactive, while opposition to development is more organized, more consistent, and more visible.

"The pro-business community, I think, is important," another participant said. "My concern is how willing are they going to be to really say, okay, I want to push this hard. Or even how effective will they be?"

For the group, the issue was whether business organizations, property owners, employers, developers, brokers, and civic leaders can align around a more consistent message about housing, infrastructure, economic competitiveness, and the true cost of inaction.




One participant expressed that frustration in a way that also sounded like a possible solution: "Maybe instead of having all these different organizations... maybe they all need to just pull together into one, or let's just pull together on one issue."

That quote landed because it captured something larger than organizational fatigue. Southern Arizona has no shortage of people who care about infrastructure, business climate, housing, and economic development, but participants suggested those voices are often split across too many lanes to create sustained momentum.

The discussion also turned to the structure of local governance, especially the role of unincorporated areas and the limits that can place on political power, funding access, and civic leverage. Some participants argued that large portions of the region are affected by growth decisions without having a strong enough voice in shaping them.

One participant reduced that frustration to a single sentence: "If we can't vote, then we can't change anything."

Participants also pointed to Tucson's election structure as part of that frustration. Council members are nominated by ward in the primary, but elected citywide in the general election. In their view, that can leave residents, business owners, and property stakeholders feeling like they have no true district-level representation on growth, infrastructure, and business-climate concerns.

That remark opened the door to a wider discussion about incorporation, annexation, and the geography of influence in Southern Arizona. The issue was not just who gets represented. It was also who gets infrastructure, who gets resources, and who gets to shape the terms of growth.

The conversation also turned to whether Southern Arizona's current map of incorporated and unincorporated areas is part of what makes long-term alignment so difficult. Some participants floated the idea of incorporating more of Pima County's unincorporated communities into separate municipalities, arguing that stronger local control could improve representation, infrastructure planning, and accountability. Even in the room, the idea sounded more aspirational than immediate, but it reflected a broader frustration with the region's current political structure.

Participants also suggested that politics, broadly understood, affects more than process. It affects confidence. When public institutions appear slow, inconsistent, or unable to act decisively, that uncertainty ripples into the private market. Investors hesitate. Employers look elsewhere. Projects lose momentum. Growth does not disappear, but it becomes more fragile and more expensive.

One participant offered a simple example: "Concrete costs about $225 a yard in Tucson, compared with roughly $185 in Phoenix, partly because it must be hauled farther." To those in the room, the price difference was more than a construction detail. It was a reminder that Tucson already faces structural cost disadvantages, and that delays, dysfunction, or uncertainty in the public arena can magnify those disadvantages—making projects more expensive, timelines less predictable, and investment harder to justify.

For these market participants, the challenge was not simply political disagreement. It was the broader sense that the region too often struggles to move with focus, unity, and urgency, even when the stakes are clear.

That frustration produced some of the bluntest comments of the roundtable. Several participants said they believe Tucson's reputation among some business decision-makers has been damaged by years of slow approvals, infrastructure constraints, political resistance, and uncertainty around growth.

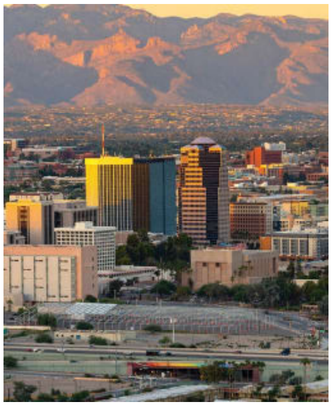
"The word's out on the street: don't go to Tucson if you're in business," one participant said.

Another put the concern even more directly: "I just don't think the town likes business."

The comments reflected a perception—strongly held by some in the room—that the region's business climate has become harder to defend when employers, developers, and investors compare Tucson with faster-moving markets. Participants also acknowledged that the issue is difficult to solve because elected officials respond to the voters who show up, and those voters are not always aligned with a pro-growth agenda.

"Business has always been bad," one participant said, referring to the political climate for business advocacy. "Politicians work for the people that vote for them. The people that vote for them don't want any of the things we're talking about."

Another participant described the challenge as a "wicked problem," saying it is difficult to change the direction of policy without also changing public understanding of growth, infrastructure, housing, and basic economics.



THE BIGGER FEAR: TUCSON CANNOT AFFORD TO DRIFT TOWARD DEPENDENCE

Threaded through all three "P's" was a larger warning: Tucson risks becoming more economically dependent on Phoenix if it does not move more decisively to strengthen its own foundation.

Participants clearly believe Tucson has the assets to chart its own future, pointing directly and indirectly to the region's quality of life, talent pipeline, land base, university presence, industrial potential, and long-term appeal. But they also warned that strengths alone do not guarantee outcomes.

At one point, the conversation turned into the possibility of Tucson becoming a bedroom community to Phoenix. ***The response was immediate and telling: "Oh, please. That's what we've been labeled for years! But we're going that way."***

What would economic dependence on Phoenix look like? Not a literal suburb, but a slower drift—more rooftops than opportunity, more talent leaving for bigger career ladders in Greater Phoenix, and more of Tucson's future shaped by decisions, capital, and momentum generated elsewhere. That concern was not just theoretical. Participants spoke candidly about how often Phoenix comes up when local professionals and their spouses begin weighing where the stronger long-term opportunities may be.

One participant tied that concern directly to talent retention, saying, "Employers know U of A graduates are out of here the minute they graduate."

For the group, that was not a criticism of the university or the talent pipeline. It was a warning that producing talent is not enough if the region does not also create enough career opportunities, housing options, infrastructure capacity, and business momentum to keep more of that talent in Southern Arizona.

That remark may be one of the most memorable in the discussion because it captures both irritation and realism. No one in the room wanted that future. But several participants clearly believed it becomes more plausible if Southern Arizona continues to under-invest in infrastructure, fails to align politically, and allows uncertainty to outlast momentum.

The concern was not really about Phoenix. It was about Tucson's own identity. Would the region build a stronger economy of its own, or continue drifting into a position where more of its opportunity is shaped elsewhere?

The group made clear they still believe that future can be avoided. But they were equally clear that avoiding it will require more than optimism. It will require action.

A BUSINESS COMMUNITY THAT STILL BELIEVES IN TUCSON For all the concerns voiced during the roundtable, the strongest current running through the meeting was belief in Metro Tucson itself. These participants did not gather because they had given up on Southern Arizona. They gathered because they think the region is still worth fighting for. Their frustration came from seeing potential underused, opportunities delayed, and barriers left in place longer than they should be.

That is what made one of the closing comments so effective. After a conversation filled with concerns about infrastructure, policy, public understanding, and representation, one participant stepped back and asked the question that may matter most: ***"So everybody's somewhat self-interested, including us, and the politicians as well. So how do we find a way to align some of those interests for greater goal of good, right?"***

That line landed because it is neither naïve nor cynical. It acknowledges that everyone at the table—private sector, public sector, voters, civic groups—has interests. But instead of treating that as a reason for gridlock, it reframes it as a challenge of alignment.

And that, ultimately, is the value of the Growth Council.

The first roundtable showed that Tucson's top commercial real estate dealmakers are not speaking from the sidelines. They are speaking from the center of the market—from the places where business decisions get made, land is assembled, development is delayed or advanced, and businesses decide in real time whether to stay, expand, or look elsewhere.

What they offered was not just a critique of Southern Arizona's barriers. They offered a framework for thinking about pavements, public safety, and politics—and a challenge to address them before the region drifts further into a future shaped more by inertia than intention.

The Trend Report Growth Council will continue meeting to examine growth challenges, identify practical ways the private sector can help advance solutions, and advocate for the changes needed to help Southern Arizona move from potential to progress.

In closing, the people in the room still believe Tucson has the assets, the talent, and the market opportunity to compete at a much higher level.

The question now is whether the region still has the will to claim that future for itself.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TREND report Growth Council

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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