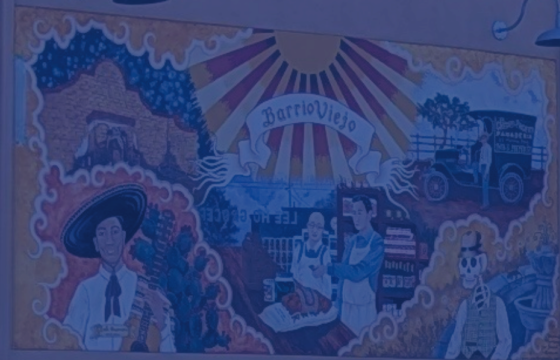


ANNUAL REPORT

2025



TUCSON
SMALL
BUSINESS
CENTER
600



TUCSON IDA

GROUNDWELL CAPITAL

TABLE OF CONTENTS

Letter from the CEO **3**

Company Overview **6**

Recent Wins **9**

Client Success Stories **10**

Priority Areas **12**

Financials **19**

Our Team **22**

Board of Directors **23**

2025

BY THE NUMBERS



\$316M
CLOSED / INDUCED BONDS



\$590K
DEPLOYED IN GRANT FUNDS



\$1.45M
DEPLOYED IN LOAN FUNDS



Letter from the CEO & President

2025 was a year of exceptional momentum for the Industrial Development Authority of the City of Tucson (Tucson IDA) and Groundswell Capital. Together with our partners, we expanded impact, unlocked financing that strengthens our community, and created new pathways for prosperity. Even as federal priorities shifted, we stayed focused on what matters most—serving Tucson and lifting the people, businesses, and neighborhoods that define our region.

More than forty years ago, the City created the Tucson IDA to catalyze economic opportunity through innovative finance. That mission continues to guide us today. Through strong public-private partnerships, we invest in projects that improve quality of life—workforce housing, nonprofit facilities, public infrastructure, and developments that build a thriving, resilient future for all.

This year, we reached several major milestones. The Tucson IDA closed/induced* **\$316 million** in new bond financing, more than tripling our total activity over the last 25 years combined in a single year, and supporting over 640 new affordable housing units across the region.

But our mission is bigger than buildings. It is about creating pathways to homeownership and supporting generational wealth. Since 2012, we have facilitated **\$1.5 billion** in home mortgages and provided over **\$54 million** in down-payment assistance—helping families put down roots in Pima County.

As administrators of Groundswell Capital, the nonprofit we launched in 2022, we expanded that impact even further. In 2025, Groundswell deployed **\$590,000** in grants to nearly 70 small businesses and 15 nonprofits, along with **\$1,450,000** in low-barrier loans to 38 small businesses.

Our largest milestone however was a result of our partnership with the **City of Tucson** and Mayor Romero's vision to build economic resilience by fortifying local small businesses with education, mentorship, navigation services and low-barrier capital. Through her catalytic leadership, we launched the **Tucson Small Business Center**, a home for entrepreneurs as well as the Tucson IDA, Groundswell Capital, the City of Tucson Economic Initiatives and now Growth Partners Arizona **Financial Literacy Office**. Our private partners at Vantage West Credit Union also made this vision possible with financing and grant funding to build the **Vantage West Innovation Hub** within the center.

Groundswell's role as Arizona's first green bank also accelerated. Since launch, we have grown our initial \$500,000 seed investment into a **\$13 million** capital structure, a twenty-six-fold increase driven by community demand and the strength of our clean-energy programs.

Together, the Tucson IDA and Groundswell Capital build a durable, community-centered finance ecosystem for Southern Arizona, reaching underserved markets, supporting clean-energy adoption, strengthening small businesses, and financing developments that create long-term prosperity. We are proud of the impact we made in 2025 and enter the year ahead with clarity and momentum—ready to continue investing in Tucson's people, neighborhoods, and future.



Company Overview



ABOUT TUCSON IDA

The Tucson IDA is a mission-driven government affiliated entity dedicated to expanding economic opportunity and improving quality of life for Tucson residents. For more than forty years, the Tucson IDA has deployed flexible, innovative capital—through tax-exempt bonds, loans, and public-private partnerships to support affordable housing, nonprofit facilities, small-business growth, and community infrastructure.

The Tucson IDA is a strategic partner for local government, in this case the City of Tucson, to help leverage private investment for public good, making Tucson a more thriving, resilient, economically competitive community.

ABOUT GROUNDSWELL

Groundswell Capital is a nonprofit community finance organization and Arizona’s first green bank, created by the Tucson IDA to expand access to fair, flexible, and climate-aligned capital. We work at the intersection of economic justice and climate justice. Groundswell supports small businesses, accelerates clean-energy adoption, and invests in sustainability projects that strengthen community resilience and reduce energy burden. Through innovative lending programs and deep grassroots engagement, Groundswell Capital ensures that underserved communities can participate in—and benefit from—the region’s economic and environmental future.

Complementary Agencies

In the development finance industry, it is common for Development Finance Agencies (DFAs) like the Tucson IDA to create related nonprofit entities to expand their tools and impact. DFAs and nonprofits each bring different—but complementary—financial instruments to the table, working together to strengthen communities. Because these structures can be confusing from the outside, we’ve provided a simple overview of the Tucson IDA, Groundswell Capital, and how they relate.

Tucson IDA

Groundswell Capital

Governance

The Tucson IDA is overseen by a 7-member Board of community volunteers appointed by the Tucson Mayor and Council. Members serve 6-year terms and bring expertise in development, real estate, finance, and law.

Groundswell Capital is overseen by a Board of 13 community volunteers appointed by the Tucson IDA Board of Directors. The CEO of the Tucson IDA serves as President of Groundswell Capital’s Board. Members serve 2-year terms and bring expertise in small business development, lending, finance, climate and energy program implementation.

Funding Sources

The Tucson IDA is primarily self-funded through revenue generated by its financial products and real estate holdings.

Groundswell Capital is primarily funded through a combination of local, state, federal, and philanthropic grants, along with supplemental revenue from its loan portfolio.

Impact Areas

- Affordable homeownership
- Real estate development
- Public-benefit development projects

- Small business development
- Climate finance
- Workforce development

Relationship

The Tucson IDA is the administrator of Groundswell Capital, providing operational oversight and support for all Groundswell programs.

Groundswell Capital is a component unit of the Tucson IDA—meaning it operates as an independent nonprofit, but the Tucson IDA provides governance, financial oversight, and strategic alignment.

What is Development Finance?

Development finance is the strategic use of public, private, and philanthropic capital to grow local economies, expand opportunity, and strengthen community well-being. It fills financing gaps that the traditional market won't—funding projects that create affordable housing, support small businesses, build public infrastructure, and advance long-term prosperity.

At the Tucson IDA, development finance means using tools like tax-exempt bonds, flexible loans, and public-private partnerships to bring catalytic projects to life—projects that improve the built environment, expand pathways to homeownership, and support nonprofits and housing developers serving Tucson residents.

At Groundswell Capital, development finance means ensuring small businesses and communities have access to fair, inclusive, and climate-aligned capital. As Arizona's first green bank, Groundswell deploys affordable, flexible financing for local entrepreneurs, clean-energy upgrades, and sustainability projects that reduce energy burden and strengthen community resilience.

Together, the Tucson IDA and Groundswell Capital use development finance to invest in people, neighborhoods, and the long-term economic health of Southern Arizona—ensuring growth is equitable, sustainable, and rooted in community.

Recent Wins



2 National Awards for Housing Innovation



Raised \$28M in total grants and philanthropic funds



Deployed over \$3M in microloans



Raised \$1.5M in small business grants from public and private partnerships



Raised \$1.4M for downpayment assistance for low income homebuyers



Closed/Induced \$316M in bond financing for local projects



Launched Arizona's first Green Bank



Launched the City of Tucson's first Small Business Center



Launching a \$100M pooled bond fund



Named national Emerging Development Finance Agency

Stories of Success



A HISTORIC RENOVATION

The Tucson House was built in 1963 as luxury housing but over the decades became public housing and was in need of repairs. Through the HUD Choice Neighborhood grant, the City of Tucson competed for successfully in 2023 and a bond through the Tucson IDA, it will be fully renovated affordable housing for older adults. The over \$100 million dollar bond will be used to rehabilitate each floor of the building, including outdoor recreation and a rooftop community room. Construction will begin in 2026 and is expected to last 30 months. This is an excellent example of the great outcomes of this type of relationship between a municipal government and its IDA.

358

Units of Affordable Housing



\$102.5M

Total Bond Amount



Stories of Success



Ana Moreno, Founder

Bilingual Board Certified Behavior Analyst



My experience with Groundswell Capital has been excellent. The team was supportive, professional, and truly invested in helping me succeed. The loan process was clear and efficient, and I felt guided every step of the way. Their commitment to supporting local businesses in Tucson makes a real difference in the community. I'm grateful for their trust and partnership.

SMALL BUSINESS EXPANSION

Ana Moreno, founder of Catalina Behavioral Consulting, had a vision to bring high-quality, culturally responsive autism care to more families in Tucson – especially those who are underserved, bilingual, or underinsured.

With a catalytic loan through Groundswell Capital's AVANZA Loan Fund, supported by the City of Tucson, she has been able to expand her business, setting her on a growth path to \$2M annual revenue.

What began as a small, home-based practice is now transforming into a state-of-the-art 4,700 sq. ft. behavioral health center, purpose-built to serve children and adolescents ages 2–18 through Applied Behavior Analysis (ABA) therapy. The new space isn't just larger—it represents opportunity, access, and equity for families who have long faced barriers to care.

Priority Areas

Groundswell Capital and Tucson IDA work hand-in-hand to move the needle for sustainable, fair economic prosperity in the following priority areas

Bond Finance

Affordable Homeownership

Small Business Development

Smart Climate Investments

Workforce Development

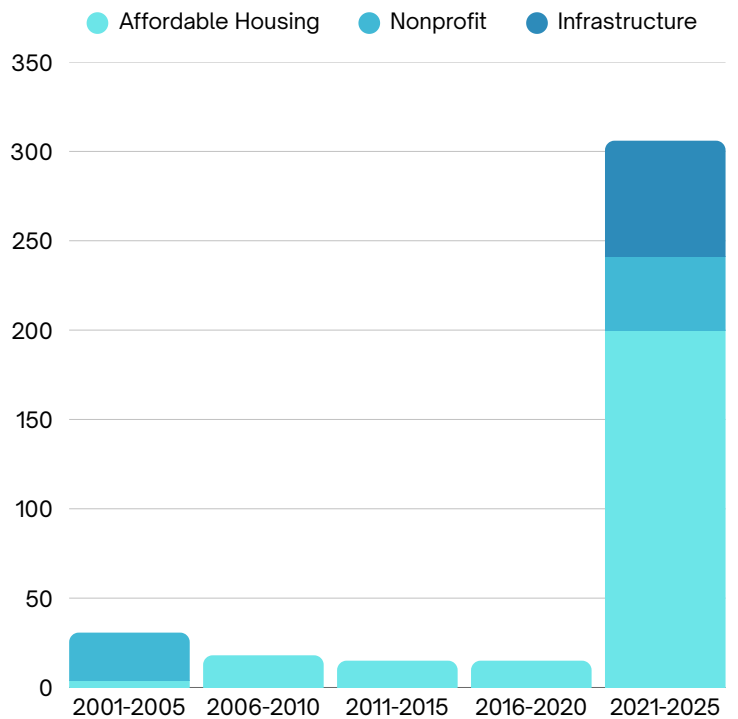
Bond Financing



BOND FINANCING LOWERS THE COST OF CAPITAL FOR PROJECTS THAT BENEFIT OUR COMMUNITY.

Private Activity Bonds help finance projects that serve the public—like affordable housing, manufacturing facilities, and essential infrastructure—by pairing private investment with tax-advantaged borrowing. These bonds lower interest costs, stretch scarce dollars further, and bring projects to life faster while keeping community needs at the center.

BOND ACTIVITY 2001 - 2025 (IN MILLIONS)



WE CLOSED/ INDUCED \$316M IN BOND FINANCING IN 2025*

2025 marked a historic milestone: the Tucson IDA closed or induced \$316 million in bond financing—more than tripling our cumulative bond activity over the past 25 years. We are delivering on our promise to make affordable capital available for important projects in Tucson.

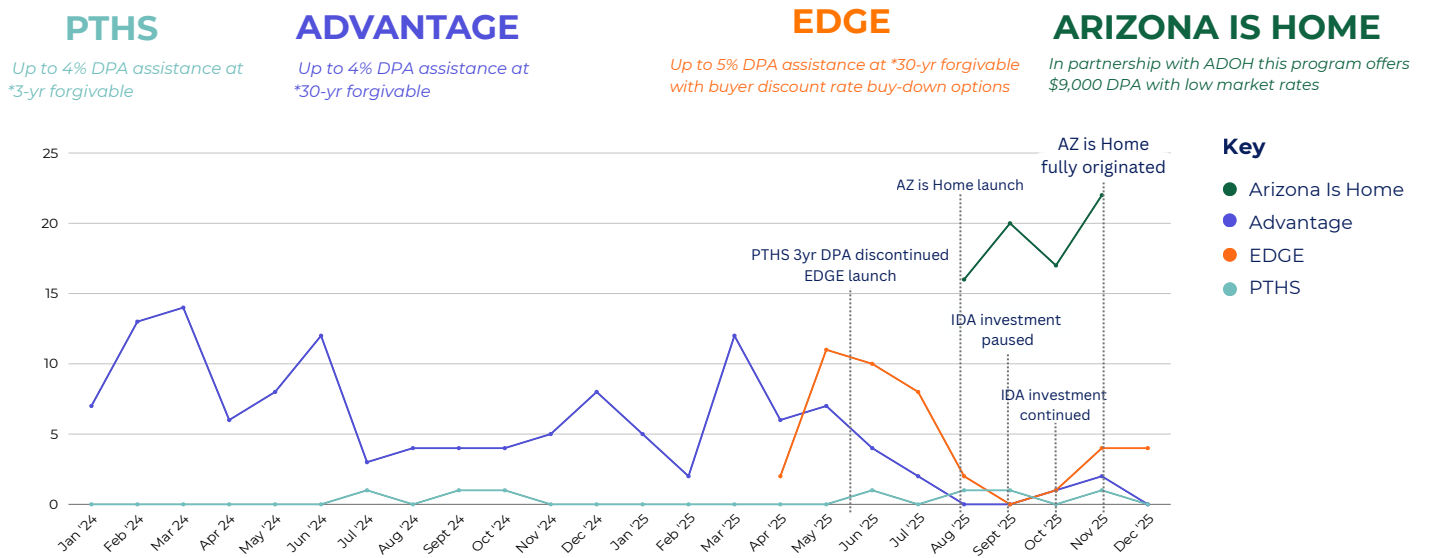
*representing both late stage and early stage transaction activity.

Affordable Homeownership

WE CONTINUED TO INNOVATE IN 2025 TO BRING SOLUTIONS TO LOWER THE BARRIERS FOR ENTRY FOR AFFORDABLE HOMEOWNERSHIP.

Building pathways for affordable homeownership has been an essential service of the Tucson IDA since 2012. As a Housing Finance Agency we leverage the capital markets to provide lower interest rates and down payment assistance. All of our programs are done in partnership with the Pima IDA, our regional collaborators. In response to the challenging housing market, we added new products to better address the needs of our community, including **ADVANTAGE**, **EDGE**, and **ARIZONA IS HOME**.

The graphic below shows how each new product supported increased homeownership as market conditions shifted over the past two years.



***Forgivable** assistance is structured as a **silent second lien**
 (No interest accrued, no payments collected, paid back in full upon refinance or sale of the property prior to 3 or 30 years of ownership.)

SINCE 2012 OUR PARTNERSHIP WITH THE PIMA IDA HAS DELIVERED:

<p>\$1.3B</p> <p>Total Loan Amount Deployed</p> <p>↑</p>	<p>\$54M</p> <p>Total Loan Down Payment Assistance</p> <p>↑</p>	<p>7,561</p> <p>Families Served</p> <p>↑</p>
---	--	---

Small Business Development

WE BLEND WRAP-AROUND FINANCIAL EDUCATION WITH RELATIONSHIP-BASED LENDING FOR LASTING IMPACT

Through a catalytic partnership with the City of Tucson Economic Initiatives we launched the **Tucson Small Business Center**.

This community space offers an accessible entry point for small businesses to connect with the many resources for entrepreneurs in our community.



We offer free weekly workshops, events, and learning opportunities in both Spanish and English. Small businesses can connect with the **City of Tucson Small Business Program Navigators**, drop in for office

hours with our bilingual Financial Educator (sponsored by Growth Partners Arizona), join a workshop, and access information about our low-barrier grants or loans.

Spotlight:
Rio Nuevo Impact Grants

33
Businesses Served

\$250K
Deployed in 2025



33% Retail



30% Food & Bev



36% Service

73% of businesses funded were women and minority-owned

Small Business Support By the Numbers:

\$3,400,000 LOW-BARRIER LOANS DEPLOYED

\$590,000 GRANT FUNDS DEPLOYED

201 hours 2025 TECHNICAL ASSISTANCE





Tucson Small Business Center

Strategic Partnerships Highlights



The City of Tucson is strengthening our small business community with the Tucson Small Business Center and the AVANZA Loan Fund. Co-locating with the City of Tucson Small Business Program gives entrepreneurs quick, convenient access to services in a community-based setting.



Vantage West Credit Union invests in local businesses through their support of the Innovation Hub at the Tucson Small Business Center. Through their investment, we will serve over 2,000 small business a year with education, networking, and community building.



Growth Partners Arizona introduces Financial Literacy Office [FLO] at the Tucson Small Business Center, providing practical financial education, personal coaching, and easy-to-use digital resources to help founders master their numbers and accelerate growth.



Climate Smart Investments



\$10M SECURED FOR CLEAN ENERGY & WATER PROJECTS IN ARIZONA

Groundswell Capital was the recipient of a \$10M catalytic investment to support clean energy and water projects in Arizona through the Coalition for Green Capital. These dollars will be invested across Arizona to create good jobs, strong economic returns, as well as significant environmental impact.

EARTHWISE

In partnership with a national Community Development Finance Institution, we launched EarthWise as a low-barrier loan fund for homeowners looking to make their homes safer, cleaner, and greener. We are able to provide loans up to \$25,000 to help support solar, water, energy, and safety upgrades for Arizona families.



Homeowner

EarthWise Home Loan Participant



Working with EarthWise was an excellent experience from start to finish. We chose a heat pump because it's an efficient, all-in-one solution for heating and cooling that reduces energy use and helps lower carbon emissions. Installing it with financing through Arizona's green bank gave us confidence we were getting a competitive rate with no hidden fees. I hope more Arizonans take advantage of EarthWise for their green energy upgrades.

MUNICIPAL INVESTMENT FUND

Together with the City of Tucson, we were successful in being selected as one of 50 cities in the country for the Municipal Investment Fund, a \$250,000 grant award. Through this Phase 1 planning grant we are creating a Public Private Partnership Plan to help the City of Tucson attract, retain, and capitalize clean energy and water projects in our community that align with Tucson Resilient Together.

We are working closely with investors, developers, and community members to ensure that our community is able to blend economic growth with our climate goals and resource stewardship.

Workforce Development

JUNTOS PAIRS 0% INTEREST LOANS WITH PROFESSIONAL EDUCATION TO EMPOWER CAREER GROWTH

The *Juntos* Program is aimed at empowering individuals to improve their professional skills and job readiness.

We partner with a variety of training and education programs across the state who are helping Arizonans in the trades and other critical job paths.

We reduce obstacles for their graduates by providing a 0% interest microloan to support their ongoing success. These funds can be used to pay for start-up costs, certifications, and other related expenses to their new chosen career path.

By supporting entrepreneurs in the trades, we are supporting economic development across Arizona enhancing our workforce, and creating opportunities for diverse small businesses.



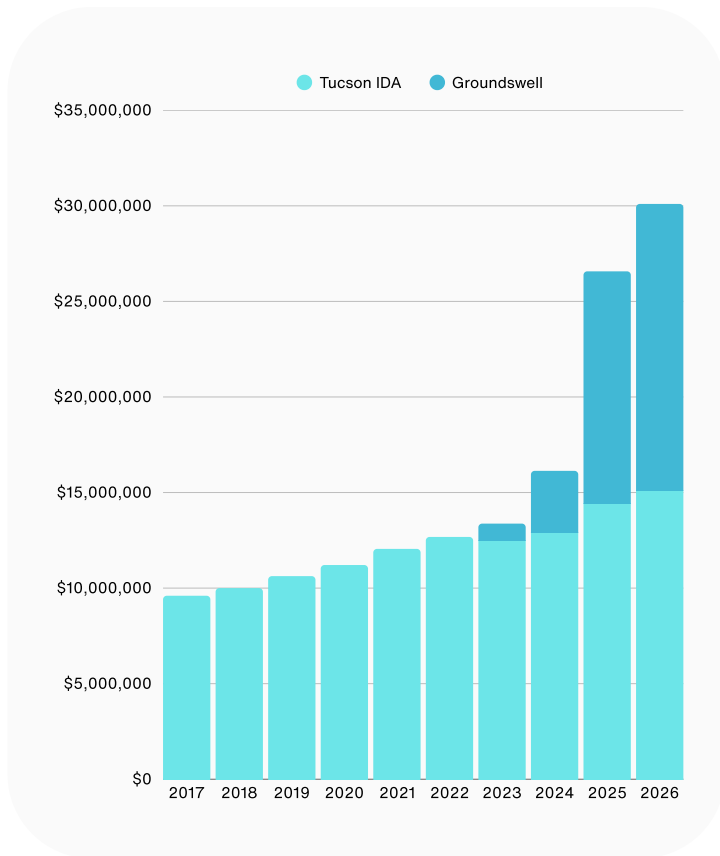
2025 DATA POINTS

25 0% INTEREST LOANS

400% INCREASE IN NEW INDUSTRIES SUPPORTED

\$250,000 TOTAL FUNDS SECURED

Financial Overview



WE HAVE NEARLY DOUBLED CAPITAL UNDER COMMAND OVER THE LAST THREE YEARS.

We're in a season of change—strategy, approach, resources, and team members—all focused on greater impact in economic development finance.

In 2022, Tucson IDA welcomed its first full-time staff member, Dre Thompson, CEO. In 2023, the Board moved to reboot an underutilized 501(c)(3) into what is now Groundswell Capital. These moves have fueled strong growth across both teams, despite the challenging landscape in the housing and federal grants arenas.

Our team has grown in expertise and size and we anticipate continued acceleration and impact in the years to come – even as we continue to navigate challenging housing and federal landscapes.

NEW FACES IN LEADERSHIP



MARCO HIDALGO
Executive Vice President



We now have elements we need to drive real, lasting change—what's ahead is the alchemy that turns potential into progress.

Our strengthened team and innovative products are already showing their power. In the next three years, we'll demonstrate that a small team, united by purpose, can have an outsized impact on economic development.



ERIN MCGUINNESS
Director of Finance

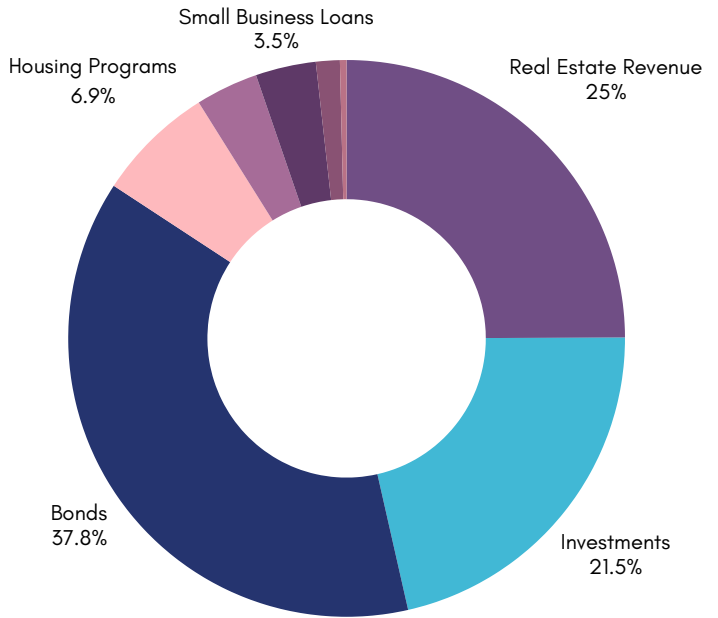
Revenue Models

Three years of focused work have diversified our income and strengthened stability. Today our revenues span service fees, contracts, philanthropy, and investment returns, reducing reliance on any one source and protecting operations during housing market stagnation or federal grant holds.

Tucson IDA

Tucson IDA is primarily self-funded through real estate, bonds, housing, and investment activity. Our aim is to stay nimble and build a stable, resilient organization that can respond quickly to new needs and drive long-term economic opportunity for the City of Tucson.

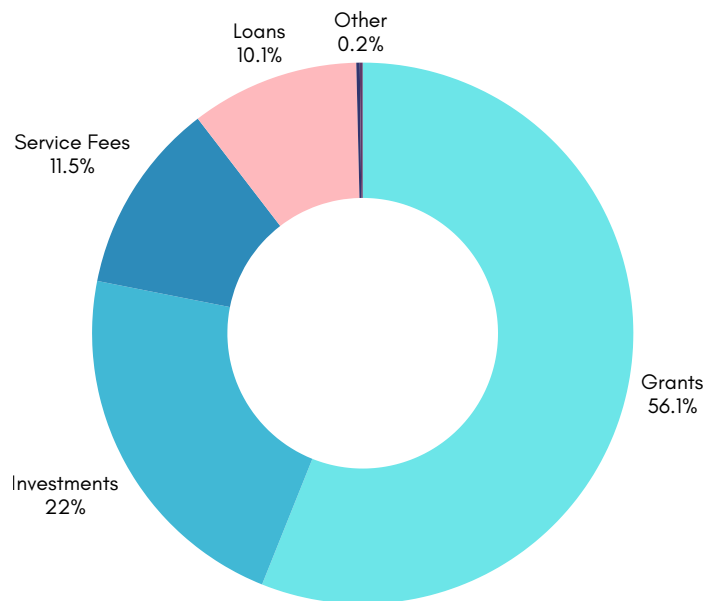
The Tucson IDA invested in Groundswell Capital to seed capital deployment and broaden opportunities.



Groundswell Capital

Groundswell Capital, a 501(c)(3) nonprofit lender, attracts and deploys grant funding from local, state, and national sources across Arizona.

We balance these funds with service contracts from partners and a growing portfolio of growth loans to small businesses. This blended approach diversifies revenue, supports long-term stability, and enables us to scale impact across underserved founders and Main Street employers.



Financial Statements

INCOME STATEMENTS

The Tucson IDA & Groundswell Capital generated a \$1,200,000 operating surplus in 2025, reflecting continued growth in program activity following the expansion of our community lending programs. Increased lending, stronger investment earnings, and efficient cost management contributed to a positive bottom line.

Revenue

\$2.3M

Expenses

\$1.1M

Net Margin

\$1.2M

BALANCE SHEET

Combined assets for both organizations resulted in \$15M in net position as October 2025. These figures include restricted assets tied to community development programs. We remain well-capitalized and positioned for continued deployment of mission-aligned capital.

Assets

\$29M

Liabilities

\$14M

Equity

\$15M

CASH FLOW STATEMENT

During the period, the organizations generated \$2M in operating cash flow, reflecting healthy program activity. Investing cash flow was \$12M, driven primarily by the infusion of the \$10M lending capital loan placed into investment accounts pending deployment in green-finance initiatives.

Operating

\$2M

Investing

\$12M

Financing

\$10M

Our Team



DRE THOMPSON
CEO

Dre is an award-winning CEO with a diverse background in data science, social work, clean energy, and entrepreneurship. She brings a systems-level approach to economic development and mission-driven finance.



MARCO HIDALGO
Executive VP

Marco's career spans aerospace, utilities, and mission-driven nonprofits. He brings deep expertise in data systems, operational excellence, and team development. Marco holds an MBA from the University of Michigan.



ERIN MCGUINNESS
Director of Finance

Erin has a decade of experience advancing financial innovation and operational excellence across corporate, higher education, and nonprofit sectors. Her background includes leadership roles with Goldman Sachs and the University of Arizona's Eller College of Management, where she served as Director of Graduate Finance.



NICOLE JOHNSON
Program Manager & Comms

Nicole leads the Tucson IDA's housing programs, providing rich education and communication for lenders, homeowners, and realtors. She also drives the organization's social media and public communications with creativity and clarity.



DIANA WEISBROD
Business Loan Officer

Diana brings 30 years of commercial and financial expertise to her work with small businesses. She is passionate about helping entrepreneurs and founders strengthen their operations and achieve long-term success.



ANDREW KASPAREK
Compliance & Grants

Andrew brings a strong financial and compliance background to the role, including federal and state grants oversight experience at Deloitte. He holds an MBA from Louisiana State University.



LILA HERAS
Financial and Executive Assistant

Lila brings more than 15 years of experience supporting senior leadership in nonprofit and commercial environments. She is highly skilled in bookkeeping, compliance reporting, and operational execution, ensuring smooth day-to-day functions across the organization.



ANAHI FIGUEROA-GASTELUM
Financial Educator

Anahi brings both practical business experience—through eight years of running successful small businesses—and formal expertise, supported by her MBA from CETYS Universidad. She is certified in Financial Education through the National Association of Latino Community Asset Builders.

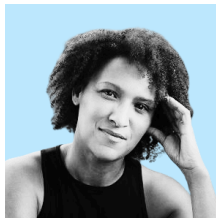
Board of Directors

Our work is made possible through the commitment and support from an incredible group of community volunteers. Our Board Members represent a great diversity of experiences and expertise that they leverage for the good of the community through their Board Service.

TUCSON IDA



Meredith Aronson
President



Moniqua Lane
Vice President



Chris Squires
Treasurer



Mimi Noshay-Petro
Secretary



Tim Kinney
Property Development
Chair



Patricia Schwabe



Hector Jimenez

GROUNDSWELL CAPITAL



Dre Thompson
President



Dave DiCosola
Vice-President



Rob Tull
Treasurer



Miguel Cruz



Anne Dougherty



Amber Cordoba



Sandra Barton



Danielle Fidel



Isabel Sepulveda



Anthony Villari



Rocque Perez



Melissa Cordero



Mitchell Moore



Thank You to Our Supporters





We dedicate this report to the irrepressible
visionary Judy Clinco.
Tucson IDA Board President 2019 - 2024

1948 - 2024



tucsonida.org
groundswellcapital.org
tucsonsmallbusinesscenter.org