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Above: Tucson-based World View. [Business News](#) | 22 hours ago | [Graham Bosch](#)

Tucson is rapidly becoming a hotbed for innovation in Arizona, witnessing the origins of avant-garde startups and businesses trying to change the world of aerospace, optics, medicine and engineering through technology.

“The [space industry](#) is big and getting bigger, with companies like Vector and World View coming online,” said Doug Hockstad, assistant vice president of [Tech Launch Arizona](#), a program through the University of Arizona that helps university-based startups commercialize new products.

Another growing area is optics, the branch of physics that deals with light and vision — developing products like cameras, sensors, lasers and fiber optics.

The optics industry is beginning to permeate a lot of other tech fields: mining, one of Tucson’s most well-established industries; health, another growing industry in the region; and aerospace and defense.

“There’s a startup called Omniscient that started a couple years ago that has created a 360-degree viewing endoscope used for colonoscopies,” Hockstad said. “It could be used for other things as

well, but the idea [is] that you get both a forward and a backward view as you're using it, which is significantly more than currently exists.”

The Tucson area has been dubbed “Optics Valley” because of how much the industry has grown, he said.

“Optics Valley is... a committee that's housed under the Arizona Technology Council, and they have a list of 40 optics companies,” said Michael Guymon, vice president of the Tucson Metro Chamber. “Tucson has been known as Optics Valley, because we have one of the best optics schools in the country at the University of Arizona.”

Guymon said he thinks that most people would be surprised to learn that 40 optics companies call Tucson home.

“Most of those companies really fly under the radar,” he said. “Some of them are also startups themselves, but it just goes to show that there's sort of this burgeoning technology infrastructure that is really being established here in Tucson.”

Large companies are also gaining traction in the Tucson area, Hockstad said.

“I've already mentioned [Vector](#) and [World View](#), but even Caterpillar moved one of their main sites down here,” he said.

When [Caterpillar moved](#) its Surface Mining and Technology Division to Tucson in 2016, the company “really planted the flag” in the region, Guymon said.

Many companies have grown and relocated to southern Arizona because they see a base of talented employees in the region, and “it always starts with workforce,” he said.

“We've seen this play out very well in the aerospace and defense industry, because obviously we have Raytheon with soon-to-be 13,000 employees out there, and we have 200 companies in southern Arizona that are here because of that presence,” Guymon said. “Not only is it the great school of aerospace and engineering that we have in the College of Engineering at the U of A, but we're also developing other skills at Pima Community College that are relative to that industry.”

Cost is the other major factor drawing people to Tucson, and many companies are fleeing high living and business expenses in other states, especially California, he said.

“Arizona as a whole is experiencing some of that flight from California,” Guymon said. “Part of the reason for that is because of cost, whether it's cost of living or cost of labor. Those companies are seeking out Arizona communities, because they can do those expansions or possibly relocate, because their cost of doing business will decrease.”

Tucson also sees a lot of startups — Hockstad's area of expertise — especially at Tech Launch Arizona.

“We are the commercialization unit for the university,” Hockstad said. “We’re everything, from the very beginning when a researcher says, ‘hey, I think I’ve invented something really cool,’ to the market analysis of that invention, to the patent protection of that invention, to the marketing and license negotiations of that into a company.”

Not every commercialized product results in the launch of a startup business, but a subset of Tech Launch is dedicated to that process, he said.

There is a “growing ecosystem” for startups in Tucson and in Arizona as a whole, Hockstad said. Just in the past year or so there have been three or four venture funds established in the area, he said.

UAVenture Capital, a Tucson-based [investment fund](#) not affiliated with UA, helps finance startups originating at the university. The fund was founded in 2017 to drive local entrepreneurship and support the commercialization of products resulting from university-based research.

[BlueStone Venture Partners](#) will cover a larger, multi-state region of the Southwest, and [DVI Equity Partners](#), a subgroup of Diamond Ventures, is focused on tech investments, Hockstad said.

New-business incubators are also helping nurture fledgling tech companies: UA announced a downtown Tucson-based incubator called [Forge](#), and the town of Oro Valley is getting ready to launch a new bioscience-based incubator called the [Oro Valley Innovation Labs](#), Hockstad said.

He said the most apt comparison to Tucson that he has heard is Austin, Texas, 10 years ago.

“There’s been a renaissance downtown; there is a huge number of startups, and a growing number of startups that are launching; there’s new incubators coming online; there’s new venture capital and new sources of funding,” he said.

South by Southwest, the nationally-renowned technology festival held in Austin each March, served as the inspiration for a new festival in Tucson: TENWEST.

Launched in 2014 by [Startup Tucson](#), TENWEST is a multi-disciplined festival of arts, sciences, tech and entrepreneurship that takes place each October in downtown Tucson. Participants can “learn, inform, network and explore their community,” according to the [festival’s website](#).

When asked who some of the biggest influencers in the Tucson area are, Hockstad pointed to Fletcher McCusker, [co-founder](#) of UAVenture Capital and a UA alumnus himself.

“He has been a driver of local entrepreneurship, the ability to grow companies locally, the ability to attract and fund them so they can stay here if they want,” Hockstad said. “He always stayed here when he started his companies.”

McCusker is also the chairman of the board at [Rio Nuevo](#), a Tax Increment Finance District funded by state sales tax responsible for revitalizing the buildings and community of downtown Tucson to create a dynamic city center.

“He has been central in revitalizing downtown Tucson,” Hockstad said. “Combining everything he’s doing, he has been a major influence on what’s happening in Tucson.”

Hockstad also had positive words to say about UA [President](#) Dr. Robert Robbins, who took the position in 2017.

“He is a force to be reckoned with,” Hockstad said about Robbins. “He has great vision, and he’s already implementing a new strategic plan, and a lot of it has to do with working with industry.”

Looking to the future, Guymon and Hockstad each expressed expectation for continued growth.

“We’re going to see higher levels of manufacturing here in our region,” Guymon said. “I think we’re going to see, certainly, an increase in startups and technology that is coming out of the University of Arizona.”

Hockstad said he thinks that within the next few years — though he is not sure how many — Tucson will be nationally-recognized as a hotbed for entrepreneurship.

“I think we’re going to see continued growth and success in this market, and I think we’re going to see some other markets, other places, looking to us for our experience,” he said.

This story was originally published at [Chamber Business News](#).