Board of Supervisors Memorandum

August 15, 2016

Sun Corridor Inc. Annual Contract Fiscal Year 2016/17

Background

At Budget Adoption on July 5, 2016, appropriate notice that the annual contract expenditure for Sun Corridor Inc. (SCI) was being increased to $650,000 from the previous $441,000 was included. This was in accordance with agreed upon terms of service that require SCI to actively sponsor and market County properties for economic development. With the location of the Surface Mining and Technology Division of Caterpillar to 97 E. Congress, and World View as the initial tenant of the Aerospace, Defense and Technology Business and Research Park, their efforts have been successful.

SCI has and will continue to market other County properties, in the Sonoran Corridor (with several prospects pending), as well as other County properties we have designated for economic development purposes in the Adopted Pima County Economic Development Plan 2015-2017.

In SCI's recent Annual Report (Attachment 1), they indicate they have been successful in attracting 2,381 jobs to the region from 20 different companies.

What is more important is their continuing effort to advance large-scale, regional economic development opportunities and to assist in relocations that add to our portfolio of expertise in aerospace, space, defense and mining. They have expanded their scope of influence to include Pinal, Santa Cruz and Cochise Counties; all of which, if they are successful, will benefit Pima County.

It is important to understand that economic development activities and the actions necessary to create jobs and wealth in the community are dynamic, not static. It must be nimble enough to change with economic conditions and real constraints. SCI has been successful in this effort and needs to be supported by the County. They have experienced some criticism regarding the level of support provided by the County, but such is completely unjustified. The County is agnostic as to where new jobs and economic opportunities are located, provided they are within Pima County or on the boundary of Pima County where our residents will substantially benefit from those opportunities.

The County has had and hopes to continue to have a positive relationship with the State economic development agency, the Arizona Commerce Authority. It is through their efforts and ours that Caterpillar chose Pima County as home for their Surface Mining and Technology Division. Today, we are making improvements to their interim home office at 97 E. Congress and will welcome the first new Caterpillar professional employees on September 1, 2016.

While we can celebrate our past successes such as Caterpillar, we need to push forward to achieve greater successes in the areas of aerospace, space, defense and technology. These successes require the continued diligence of both SCI and our Economic Development Department.

Recommendation

I recommend the Board of Supervisors approve the Fiscal Year 2016/17 Professional Services Agreement (Attachment 2) with regard to Sun Corridor Inc.

Respectfully submitted,

C.H. Huckelberry
County Administrator

CHH/dr (August 10, 2016)

Attachments

ATTACHMENT 1

Pima County FY 15-16
July 1st 2015 – June 30 2016

Measuring Success

FY 15-16 Performance Metrics: July 1st – June 30th

	Target	YTD	% to Goal
Number of Jobs Facilitated	2000	2381	119%
Number of Jobs/Targeted Industries (Target 40%)	800	416	52%
Number of Qualified Projects	110	94	82%
Earned Media Reach	3 mm	Laura	TBD%

Announcements: Business Attraction & Expansion

Project Curvature – World View, Inc.
Project Type: Expansion
Industry Sector: Aerospace & Defense
New company that will focus on space tourism and will establish new headquarters (new building and utilizing 25 acres on the Pima County A&D Park property). County is very interested in this project, offering constructing a building with a very competitive lease back option for World View. Vote at the BOS went through on Tuesday, January 19th, Tucson won over New Mexico and Florida. Three to five year projections anticipate 448 new high-wage jobs with an average salary of $47,000 and $40 million in capital expenditure. Estimated economic impacts are $ 384 million.

Project Geppetto – Geoworld USA, LLC
Project Type: Attraction
Industry Sector: Manufacturing

This Italian-based company is looking to relocate their World Headquarters from Italy to Southern Arizona. Geoworld now operates in four business areas: educational toys, jewels in semiprecious stones, furnishing accessories, and publishing. All business sectors have developed in a consistent manner, thanks to a thorough knowledge of the characteristics of the raw materials: stones and fossils. Currently the company operates facilities in Italy, Hong Kong, and China. The new world headquarters in Tucson will bring 25 jobs and estimated economic impacts are $ 28 million.

Project Alabaster - ADP
Project Type: Attraction
Industry Sector: Advanced Services

ADP is a well-known Fortune 500 global provider of cloud-based human capital management systems. The company plans to hire 450 employees. Total economic impact is $485 million.

Project Math – Mathematica
Project Type: Attraction
Industry Sector: Other – Policy Research
Mathematica's main focus is the innovation of programs to evaluate policy research. The company is expected to hire 75 new employees. Economic impacts are estimated at $35 million.

Project W – GW Plastics
Project Type: Expansion
Industry Sector: Manufacturing

GW Plastics is a global leader in plastic injection molding The company plans to add 70 employees to their Tucson operations. Economic impacts are estimated at $38 million.

Project Rich – Tucson Medical Center
Project Type: Expansion
Industry Sector: Bio/Healthcare
Tucson Medical Center is expanding their Tucson operations. The company is expected to hire 61 employees. Economic impacts are estimated at $60 million.

Project ER16 – Dignity Health Urgent Care
Project Type: Attraction
Industry Sector: Bio / Healthcare
Dignity Health Urgent Care is opening a freestanding urgent care facility in Queen Creek, Pinal County. The company is expected to hire 35 new employees. Economic impacts are projected at $23 million.

Project Otto – Otto Environmental Systems
Project Type: Expansion

Industry Sector: Manufacturing

Otto Environmental Systems, a manufacturer and service provider in the collection and container industry, is estimated to hire 32 new employees. Total economic impact of nearly $9 million.

Project Color – Dream in Color
Project Type: Attraction
Industry Sector: Manufacturing
Dream in Color relocated its East Coast yarn-coloring operation to Tucson. The company is expected to hire 10 employees. Economic impacts are estimated at $6.8 million.

Project Turbine – Arizona Turbine Technology
Project Type: Expansion
Industry Sector: A&D
Arizona Turbine Technology is an energy-production technology created by the leaders of Tucson Embedded Systems. The company will hire 22 employees and spend between $6-8 million in Capital Investment. Economic impacts are estimated at $48 million over five years.

Project Mouse – Truly Nolen
Project Type: Expansion
Industry Sector: Other

Truly Nolen, a Tucson- based pest control company, established a state of the Art training facility in Tucson where employees can take their lessons from the classroom and apply it to reality. The company is expected to hire 70 employees. Economic impacts are estimated at $34.4 million.

Project – International Towers
Project Type: Expansion
Industry Sector: A&D
International Towers Inc. manufactures and erects towers and antennas worldwide for broadcasters, cellular providers and governments. The company is expected to hire 130 employees. Economic impacts are estimated at $48 million.

Project Insulation– Applegate Insulation Technology
Project Type: Attraction
Industry Sector: Manufacturing
Applegate Insulation is the world's largest family -owned manufacturer of cellulose insulation products. The company is expected to hire 50 employees. Economic impacts are estimated at $69 million.

Project Coled – Caterpillar Inc.
Project Type: Attraction
Industry Sector: Energy/ Natural Resources
Caterpillar, the world's leading manufacturer of construction and mining equipment, will relocate their Service & Mining HQ to Tucson. The company is expected to hire 635 employees. Economic impacts are estimated at $1.9 billion over 10 years.

Project Holland – New Holland Agriculture
Project Type: Attraction
Industry Sector: Other
New Holland is a global brand of agricultural machinery like tractors, combine harvesters. The company is expected to hire 25 employees. Economic impact is estimated at $20 million.

Project Urgent – Urgent Care Extra
Project Type: Attraction
Industry Sector: Bioscience/ Healthcare
Urgent Care Extra is opening a freestanding urgent care facility in San Tan Valley, Pinal County. The company is expected to hire 25 new employees. Economic impacts are projected at $16.5 million.

Project Sheffield – Sheffield Lubricants
Project Type: Attraction
Industry Sector: Manufacturing

Sheffield Lubricants LLC's proven technology recycles used lubricating oil into valuable products including lean base oil, gasoline, and diesel fuel. The company is expected to hire 30 new employees. Economic impacts are estimated at $82.9 million.

Project SMRT – Samsung Smart Things
Project Type: Expansion
Industry Sector: Other
Samsung Smart Things allows you to control your smart devices with a simple tap, and automate your home to react to your unique preferences. The company is expected to hire 80 employees. Economic impacts are estimated at $38.6 million.

Project Solvent – HTG Molecular
Project Type: Expansion
Industry Sector: Bio/ Health
HTG Molecular is developing proprietary gene expression assays for a variety of tissue types and disease states. The company is expected to hire 13 new employees. Economic impact is estimated at $66.9 million.

Project Dolphin – Bayview Asset Management
Project Type: Attraction

Industry Sector: Advance Services
Bayview Asset Management is a mortage investment firm focused on investments in mortgage credit. The company is expected to hire 95 new employees. Economic impact is estimated at $139.8 million

- **Number of successful projects: 20**
- **Projected new jobs (w/o multiplier) 2,381**
- **Projected Capital Investment $159M**
- **Projected new jobs in targeted Industries 1,239**
- **Economic and fiscal impact $2.43B**

Pro-Active Lead Generation Highlights

Highlights: July 1st 2015 – December 31st 2015

Business Attraction

Vancouver, Canada: Sales Mission
Sun Corridor Inc. joined a statewide delegation of Economic Development partners on a sales trip to Vancouver, Canada. The purpose of the trip was to promote Southern Arizona as a location of choice to targeted prospects and key multipliers in the Vancouver region.

California: Sales Mission – Project Golden Eagle
Sun Corridor Inc. led a delegation to California to meet with Project Golden Eagle Corporate Leadership and tour its facility. Meetings provided understanding of the needs of the prospect and the potential to relocate the company's headquarters to Southern Arizona. Sun Corridor Inc. subsequently hosted key leaders, both within the company and regionally, for further discussions in the Southern Arizona region.

Philadelphia, PA: Site Selector Guild Annual Forum & Site Selector Visits
Sun Corridor Inc. led a Southern Arizona delegation to the national Site Selectors Guild Fall Forum in Philadelphia for one-on-one meetings with 20 guild members. In addition, delegation members met with representatives of KPMG to discuss the Comcast Attraction Project and advise on Tax Incentive Program application processes. Presentations with Ernst and Young positioned Southern Arizona's competitive assets with additional key decision makers. These discussions resulted in the exchange of follow up information about the FTZ and AZ Qualified Facilities Tax Credit programs.

Los Angeles, CA: Site Selector Visits & Company Visits
Sun Corridor Inc. coordinated a joint sales mission targeting California-based tax advisors and site selectors, as well as prospective companies. These meetings resulted in the addition of 3 qualified projects to the Sun Corridor Inc. pipeline.

Nashville, TN: Site Selector Guild Annual Conference
Sun Corridor Inc. not only had the opportunity to have one-on-one conversations with many of the guild members, but also learned about the opportunities for the host community for the upcoming 2017 Annual Conference in Tucson, AZ.

Orange County, CA: A & D CEO Forum
Sun Corridor Inc. was invited to speak at the last A & D Forum to present what a progressive community can do based on the recent World View success.

Upcoming Sales Missions
Chicago, IL: Site Selector Sales Mission
Hanover, Germany: Automation Trade Show and company visits.

Business Expansion

Nogales, AZ: Business Outreach
Sun Corridor Inc. staff toured a number of facilities and companies with the Director of Economic Development for the Town of Nogales. This resulted in one qualified project added to the Sun Corridor Inc. pipeline.

Southern Arizona: Business Outreach
Sun Corridor Inc. staff has reached out to and met with over 60 companies since July 2015. This outreach has resulted in 15 qualified projects and seven successes. A majority of the meetings have been completed in partnership with the Arizona Commerce Authority, Pima County and municipalities throughout Southern Arizona. These discussions have exposed many companies to State and local programs that benefit their bottom line.

The following is a list of companies located and established within the Southern Arizona region that Sun Corridor Inc. staff met with:

- Accelerate Diagnostics
- ADP
- AGM Container Control
- Airtronics
- Alpha ProTech (Nogales)
- Amphenol Optimize (Nogales)
- Apollo Robotics
- Arcadia
- Arizona Petroleum
- Aztera
- Bank of America
- Banner Health
- Bluespan Wireless
- Bracker's (Nogales)
- C3 Communications
- CBRE
- Central Arizona College
- Chamberlain

- CitiGroup
- Concord Construction
- C-PATH
- El Rio Community Health Center
- Fiesta Canning (Douglas)
- GEICO
- Growers House
- HealthTrio
- Industrial Tool, Die & Engineering
- International Towers
- IOTA Engineering
- JE Dunn
- Nextrio

Capacity Development Highlights

Highlights: July 1st 2015 – March 31st 2016

Executive Mission to Washington, D.C.

Chair Denny Minano led a 35-member delegation Sun Corridor Inc. Executive Mission to Washington, D.C. October 19-22, 2015. The purpose of this trip was to inform the policy makers in Washington of our needs and unique assets, educate our leadership in Southern Arizona on the priorities and inner workings of the Federal Government, and promote our megaregion and our competitive position related to trade, infrastructure and national defense. The visit was successful in accomplishing those goals in addition to building connections among the individuals who attended the mission. Highlights of the trip included:

- Meeting with the Assistant Secretaries of the Air Force and Army who oversee installations. The basic message was one of complete support for Davis-Monthan AFB and Ft. Huachuca, and ways to position our installations to survive a BRAC round expected in 2019.
- Meeting with the former Ambassador of Mexico and other high-level Mexican Embassy officials and consultants to discuss ways in which Southern Arizona can maximize relationships and trade with our Southern neighbor.
- Meeting with our Congressional Representatives to demonstrate the alliances within the Southern Arizona business community and to discuss the current priorities on Capitol Hill.

Region Selected for Site Selectors Guild Conference

In November Sun Corridor Inc. was chosen to be the administrator for the March 2017 Site Selectors Guild annual conference, to be held for the first time in Tucson. This prestigious conference, attended by the top site selectors in the world, will showcase our assets to this important audience of key decision makers for companies looking to relocate and expand their business operations.

Infrastructure Committee

John Brauneis, Vice President of Supply Chain for Raytheon Missile Systems, was named the new chair of Sun Corridor Inc.'s Infrastructure Committee and organized a

committee meeting recently to outline the priorities for 2016. Moving forward, the committee will focus on identifying funding mechanisms to construct high priority infrastructure items such as:

- The Sonoran Corridor
- Aerospace and Defense Research Park, and I-11
- Deliver a cohesive message, as ADOT travels the state early next year, to garner input from communities on infrastructure needs
- Work with communities throughout Southern Arizona to unite infrastructure plans and initiatives

Sector Partnerships as follow-up to Blueprint Update
The first recommendation in the 2014 TREO Blueprint Update titled *Align to Demand* states, "Enhanced industry/education structures must focus on developing skills the industry sectors need to become more competitive." In September 2014, TREO held a forum in partnership with the Workforce Investment Board to further investigate the establishment of Sector Partnerships and how they could act as a vehicle to provide the aforementioned enhanced structures. A year later, we have worked with industry to establish a Construction and Design Sector Partnership, an Aerospace & Defense Sector Partnership, and a Healthcare Sector Partnership. We are working with BLCSA to incorporate sector partnership principles as a part of their goals moving forward.

Foreign Trade Zone Designation – HomeGoods, Inc.
Sun Corridor Inc. guided HomeGoods, Inc. through the FTZ Designation application. Due to the change in the Alternative Site Framework model a few years ago, we were able to have the site designated within 2 weeks.

Industrial Property Inventory/Utilities Assessment
Last fiscal year, Sun Corridor Inc. took the lead on developing a map of industrially zoned properties/parcels over 100 acres in size. We partnered with the County to start discussions with all of the local utility providers to determine the cost and amount of time it will take to increase the "shovel readiness" of the properties we designate as critical employment zones. Our goal is to create a baseline understanding of the time and cost for small, medium, and large projects, particularly as it relates to the Pima County Aerospace and Defense Park.

Assistance with Marketing Pima County Properties

Highlights: July 1st 2015 – March 31st 2016

The SCI team presented Pima County properties to representatives of the following projects during the reporting period. Typically the SCI team presents an initial package of information related to Pima owned properties, and coordinates meetings with appropriate Pima staff to gather additional and detailed information related to those properties.

Project Golden Eagle
Sector: Bio Sciences
Potential Employees: 200
Estimate Capital Investment: $20 million
Potential Economic Impact: $90 million
Property Focus: Downtown

Project Curvature – World View Inc.
Sector: A&D
Potential Employees: 448
Cap Investment: $47.3 million
Potential Economic Impact: $875 million
Property Focus: Downtown, Pima Aerospace and Defense Park

Project Coled – Caterpillar Inc.
Sector: Mining
Potential Employees: 635
Cap Investment: $100 million
Potential Economic Impact: $900 million
Property Focus: Downtown, Pima Aerospace and Defense Park/Rio Nuevo

Project Falcon III
Sector: A&D
Potential Employees: 600-1000
Cap Investment: $170 million
Potential Economic Impact: TBD
Porperty Focus: Downtown/Rio Nuevo

Forums & Conferences

The SCI team led, organized, and participated in the following forums and conferences as a part of its effort to market and promote Pima County owned properties.

Los Angeles Aerospace & Defense Forum
The SCI team presented County properties during this forum. The presentation included locations, talent offerings, and other firms in the area. SCI also discussed the creative "outside the box" regional leadership in economic development.

Deloitte Consulting – Brussels, Belgium
SCI presented to Deloitte Consulting, one of the largest site selector firms in the world, in their Brussels office. Deloitte Consulting's strategy and operations practice works with senior executives to solve their toughest and most complex problems by bringing an approach to executable strategy that combines deep industry knowledge, rigorous analysis, and insight to enable confident action.

During the trip, SCI discussed the creative "outside the box" regional leadership in economic development based on Project Curvature. Presented possibilities of county-owned property for potential global logistics company.

Hannover Industrial Trade Show and Berlin Sales Mission – April 25-29, 2016
One of the SCI team, fluent in German, attended the world's leading Trade Fair for Industrial Technology.

SCI attended and presented County owned properties at Hannover Messe 2016, a leading industrial and innovation conference, with over 465 exhibitors and thousands of attendees from the USA and Europe.

Industrial Zoned, 100+ Acre Parcels
The SCI team assembled a group of 50-60 brokers, land owners, utility representatives and community leaders to identify industrially zoned parcels over 100 acres in the Tucson region. The effort resulted from an increase in demand for such parcels and the desire to present and market Pima-owned parcels as a response to that demand. SCI is seeing an increase in projects that require over 100 acres and a higher level of infrastructure and development to be selected for build to suit opportunities.

Participants: 50-60
Profile of the type of attendees: Real estate brokers, utilities, State land department and economic development professionals, business advocacy organizations, developers, government agencies.

SUN CORRIDOR INC

Pima County FY 15-16
July 1st 2015 – June 30 2016

Assistance with Marketing Pima County Properties

Highlights: July 1st 2015 – March 31st 2016

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ATTACHMENT 2

PIMA COUNTY ADMINISTRATOR'S OFFICE	
PROJECT: Economic Development for Pima County and Southern Arizona	
AGENCY: Sun Corridor Inc.	
TERM: 07/01/2016 through 06/30/17	
CONTRACT NO.	
AMOUNT: $650,000.00	
FUNDING: General Fund	

PROFESSIONAL SERVICES AGREEMENT

I. PARTIES AND TERM.

Pima County, a political subdivision of the State of Arizona ("COUNTY"), has approved participation in and support of the regional economic development corporation known as the Sun Corridor Inc. ("SCI"), an Arizona private nonprofit corporation, under its authority to make contributions to economic development under A.R.S.§§ 11-254 and 11-254.04. The purpose of this agreement ("Agreement") is to set forth the regional economic development program that SCI agrees to undertake, the support that COUNTY agrees to provide, the respective roles of SCI and COUNTY and the payments by COUNTY to SCI for Fiscal Year 2016/17. The term of this Agreement is from July 1, 2016 through June 30, 2017, unless further extended upon the mutual written agreement of the parties.

II. BACKGROUND AND PURPOSE.

Tucson Regional Economic Opportunities, Inc. (TREO) was established in 2005 to consolidate and coordinate all economic development activities and programs within the region. The primary goal of TREO was to facilitate primary (non-retail) job and investment growth in the region. Its work also includes creating a competitive environment that allows primary employers to flourish and succeed. Economies, both nationally and internationally, compete for jobs and capital investment based on regional strengths. The economic benefits of business expansion and attraction, no matter where physically located, transcend jurisdictional lines.

TREO changed its name to Sun Corridor Inc. on July 1, 2015 to more accurately reflect the activities of the new organization, to accurately reflect its expanded geographic area and to harness the power of southern Arizona – a mega region of potentially limitless economic growth that consists of the geographical areas of Pima, Pinal, Santa Cruz and Cochise Counties, as well as the State of Sonora, Mexico, to create opportunity and prosperity (see **Exhibit C**).

SCI offers a comprehensive approach of programs and Services to facilitate the creation of high-wage jobs, through the attraction of new primary companies, the retention/expansion of existing primary companies and increased business creation/entrepreneurship strength throughout southern Arizona

and Sonora, Mexico.

SCI facilitates job growth in a competitive environment through a multi-faceted, data-driven strategic plan which was recently revised in 2014. The ***Economic Blueprint*** includes a target list of industries that match the current and future assets of the region and provide the best opportunity for long-term success. SCI's body of work includes the recruitment of primary companies, expansion of companies, retention of companies, marketing the region to a national and international audience, and conducting competitive analysis related to the region's economic drivers. Through this analysis SCI shapes policy and mobilizes resources to ensure the region is competitive.

SCI is governed by the Sun Corridor Inc. Board of Directors made up of leaders from key employers, public sector partners, higher education and nonprofits. SCI focuses on leading on issues that directly impact economic prosperity. SCI's success is predicated on the commitment to a regional approach to economic development in the geographic horizons that span from Mexico through southern Arizona, including Pima County, Santa Cruz County, Cochise County and Pinal County. SCI brings together a broad range of interests to promote the Sun Corridor mega region as a single economic entity.

NOW, THEREFORE, in consideration of the mutual promises contained herein, COUNTY and SCI agree as follows:

III. RESPONSIBILITIES OF SCI.

A. MISSION: SCI's mission is to lead the growth of southern Arizona's economy, promote and grow bi-national commerce with Mexico and advocate for issues that will improve the mega-region's economic competitiveness and prosperity. SCI's mission is to provide leadership, a unified business voice, and connectivity to accelerate economic prosperity throughout southern Arizona and Sonora, Mexico.

B. GOALS: SCI offers a comprehensive approach of programs and services to facilitate the creation of high-wage jobs through the attraction of new primary companies, the retention or expansion of existing primary companies and increased business creation/entrepreneurship strength throughout southern Arizona

This agreement is strategically focused on ten (10) specific long-range goals:

1. Increase the number of export-based jobs within the region by attracting either new export-based employers or increasing the employment of existing export-based employers. Income levels associated with export-based employment should be, on average, fifty percent greater than the average annual employment income within the region.

2. Marketing the region to generate qualified business and industry prospects in targeted economic clusters with emphasis on aerospace, space, defense, bioscience, energy, logistics, manufacturing and technology employers.

3. Leverage public and private funding and resources to expand and locate qualified prospects, improve overall competitiveness, expand regional workforce skill development, as well as expand employment of major employers in Pima County.

4. Retention and expansion of existing businesses.

5. Support COUNTY in its economic development activities as outlined in the *2015 Pima County Economic Development Plan* released in July 2015 and the Pima County Comprehensive Plan *"Pima Prospers* " as described in Exhibit A (3).

6. Advise COUNTY on issues related to the retention, expansion, and relocation of employers and overall competitiveness through the target market areas of Pima, Cochise, Santa Cruz and Pinal Counties, and Northern Mexico.

7. Identify competitive differences and collaborate resources for mega-region solutions.

8. Promote economic development benefits associated with tourism with the regional tourism agency, VisitTucson, including direct economic development conferences and other activities, and direct conference attendees to hotels and resorts in the unincorporated area of Pima County, and to Pima County attractions.

9. Support and advocate for all Pima County Economic Development priorities and programs and in particular support full private utilization, purchase or lease of Pima County economic development properties.

10. Ensure significant COUNTY and southern Arizona exposure during the Site Selector's Guild event scheduled for the spring of 2017 in Tucson.

C. **PERFORMANCE GOALS AND SERVICES:** Specific performance targets established by SCI and COUNTY Service requirements are attached hereto as **Exhibit A** ("Performance Goals and Services") and **Exhibit D** ("Action Items, Pima County Economic Development Plan Update 2015 through 2017") and will be used to evaluate and report progress on SCI's activity. In the event of changing market conditions, funding availability, unforeseen expenses or other circumstances beyond SCI's reasonable control, these performance goals and Services may be revised with COUNTY'S prior written approval. The annual Budget of SCI is attached as **Exhibit B.**

D. **REPORTING**: SCI will provide periodic oral and written reports to COUNTY as described below:

a) Monthly:

i) A report discussing SCI's progress in attaining the targets, including reporting the numerical results for each performance measurement set forth in **Exhibit A** and **Exhibit D.**

ii) An updated list of prospects, locates and other pertinent lead information. The format shall include but not be limited to name of project and company if provided, type of business, contact source, size requirements, capital investment (real and personal), projected jobs, wage (if releasable), referral source, industry and recruitment status.

iii) A report indicating what specific prospect showed interest in which County properties

identified in Section IV A of this Agreement for possible use, lease, or sale to economic development prospects. Report should include contact information, industry type, employment potential with average salaries and outcome of each opportunity including reason for rejection and recommendations for improved marketing success.

iv) A narrative description of any unusual events or items of note, to the extent it concerns Non-protected information. If SCI fails to achieve a benchmark by the date projected, the report shall include an explanation

v) In the case of any performance goals and/or Services that are not met or actively pursued, SCI will meet with the designated representative of COUNTY to provide an explanation of the relevant factors and circumstances and discuss the approach to be taken in order to achieve the goals and Services.

b) Quarterly:

i) A report detailing reasons (if known) of why key prospects did not select the Region during site selection.

ii) Recommendations as to how COUNTY and the Region can improve competitiveness and responses to prospects.

c) Annually:

i) A copy of its annual external audit for the preceding fiscal year to COUNTY within thirty (30) days after the approval of the annual audit by the SCI Board of Directors but not later than December 31, 2016.

IV. ADDITIONAL AGREEMENTS OF THEPARTIES.

A. COMPENSATION

1. COUNTY agrees to pay SCI Six hundred and fifty thousand dollars, ($650,000.00) for Services provided pursuant to this Agreement during the period July 1, 2016 through June 30, 2017. This amount is for administrative and operating expenses incurred in SCI's performance of this Agreement as well as facilitating, implementing, and marketing COUNTY economic development properties to prospective new, export-based employers and for other reasonable and necessary expenses incurred in the course of SCI's performance of this Agreement.

2. Properties to be marketed include the COUNTY's excess downtown properties identified in the Economic Development Plan:

   a) Aerospace, Defense and Technology Business and Research Park
   b) Sunset Corporate Professional Campus
   c) Kino Sports Complex (Sports and Tourism)
   d) Downtown primary employment centers
   e) 97 East Congress Street
   f) 75 East Broadway

g) Reposition the former Roger Road Water Reclamation Campus
h) 400 Acre parcel south of Pima County Fairgrounds
i) Pinal Air Park (MRO Facilities Expansion)

3. COUNTY will provide this funding in the form of twelve (12) equal payments in the amount of Fifty Four Thousand One Hundred Sixty Six Dollars and Sixty Seven Cents, ($54,166.67) each month following the approval of this agreement and thirty (30) days prior to the expiration of this agreement.

B. INVOICES

1. SCI's invoices accompanied by required monthly and periodic status reports must be submitted to and approved by the COUNTY Administrator's Office or his designee prior to payment processing.

2. SCI will submit to the COUNTY twelve (12) equal invoice requests of Fifty Four Thousand One Hundred Sixty Six Dollars and Sixty Seven Cents, ($54,166.67) for payment within thirty (30) calendar days following the approval of this agreement and thirty (30) days prior to expiration of this agreement.

3. Any application to change the time to file an invoice request for payment must be in writing and must state the reason or reasons justifying the requested extension. Granting an extension of time to file an invoice request for payment is within the sole discretion of COUNTY and must be approved by the COUNTY Administrator or his designee to be effective.

4. The foregoing notwithstanding, if SCI has not provided COUNTY with the audit required pursuant to Paragraph III (D) (c) (i) above, no payments will be made hereunder until COUNTY receives the audit report.

5. No funds paid to SCI by COUNTY under this Agreement may be paid to any private entity or individual as direct economic incentive. No funds paid to SCI by COUNTY may be used by any person or for travel, meals or entertainment expenses.

6. Notwithstanding any other provisions herein, COUNTY is not required to make any payment unless, at the time payment is due, SCI is in full compliance with the terms of this Agreement and has demonstrated that it is making progress toward its Fiscal Year 2016/17 goals and objectives.

7. SCI may not bill COUNTY for costs that are paid by COUNTY pursuant to a separate agreement, or by another funding source or grant, and must promptly reimburse COUNTY for any amounts paid by COUNTY for which SCI later receives such funding. SCI must notify COUNTY within ten (1O) days of the earlier of notification regarding, or actual receipt of, such alternative funding.

8. Reduction in Funding. Notwithstanding any other provision of this Agreement, if the amount of monies that the State of Arizona distributes to COUNTY'S General Fund pursuant to A.R.S. § 42-5029 is less than the amount anticipated in COUNTY'S Fiscal Year 2015-16 budget, then COUNTY, at its sole option and after consideration of COUNTY needs, available resources and other obligations,

may unilaterally reduce the amount to be paid to SCI under this Agreement.

9. Nothing herein precludes COUNTY from contracting separately with SCI for Services to be provided in addition to those to be provided hereunder, upon terms and conditions to be negotiated by county and SCI.

C. FOREIGN TRADE ZONE

1. SCI is the administrative agency for the delivery and administration of Foreign Trade Zone Number 174 ("FTZ"). SCI will continue to receive, review and track FTZ applications and awards, a process that has been approved by COUNTY which includes the review and approval by COUNTY and other impacted taxing jurisdictions of any application relating to the designation or continuation of an FTZ site or operator.

2. As the administrative agency for the FTZ, SCI will, under COUNTY's direction and at COUNTY's discretion assist COUNTY in the development of Payment in Lieu of Taxes (PILOT) agreements between companies utilizing the FTZ and taxing entities impacted by property tax reductions required by FTZ designation.

3. SCI will no less than annually or when requested by COUNTY, evaluate current companies and sites that have received FTZ designation and determine on behalf of COUNTYwhich sites are appropriate to maintain a FTZ designation and provide a written report of the evaluation findings. If a site is determined not to qualify for a continuing FTZ designation per COUNTY's requirements, SCI and the county agree to work together on a remedy, which may include application to decertify the site.

V. GENERAL PROVISIONS.

A. INSURANCE

SCI's insurance must be primary insurance and non-contributory with respect to all other available sources. SCI will obtain and maintain at its own expense, during the entire term of this contract the following type(s) and amounts of insurance:

1. *Commercial General Liability* in the amount of $2,000,000.00 combined single limit Bodily Injury and Property Damage. Pima County is to be named as an additional insured for all operations performed within the scope of the contract between county and SCI;

2. *Commercial or Business automobile liability* coverage for owned, non-owned and hired vehicles used in the performance of this contract with limits in the amount of $1,000,000.00 combined single limit or $1,000,000.00 Bodily injury, $1,000,000.00 Property Damage;

3. *Professional Services,* professional liability insurance in the amount of $1,000,000.00; and
4. *Workers' compensation* coverage, including employees' liability coverage.

SCI must provide county with current certificates of insurance. All certificates of insurance must provide for guaranteed thirty (30) days written notice to the COUNTY of cancellation, nonrenewal or material change.

B. INDEMNITY

SCI will indemnify, defend, and hold harmless COUNTY, its officers, employees and agents from and against any and all suits, actions, legal administrative proceedings, claims or demands and costs attendant thereto, arising out of any act, omission, fault or negligence by SCI, its agents, employees or anyone under its direction or control or on its behalf in connection with performance of this contract.

SCI warrants that all products and Services provided under this contract are non-infringing. SCI will indemnify, defend and hold COUNTY harmless from any claim of infringement arising from Services provided under this contract or from the provision, license, transfer or use for their intended purpose ofany products provided under this contract.

C. COMPLIANCE WITH LAWS

SCI will comply with all federal, state, and local laws, rules, regulations, standards and Executive Orders, without limitation to those designated within this contract. The laws and regulations of the State of Arizona govern the rights of the parties, the performance of this contract, and any disputes hereunder. Any action relating to this contract must be filed and maintained in a court of the State of Arizona in Pima County. Any changes in the governing laws, rules, and regulations during the terms of this contract apply, but do not require an amendment.

D. INDEPENDENT CONTRACTOR

The status of SCI is that of an independent contractor. Neither SCI, or SCI'S officers, agents or employees are considered employees of COUNTY or are entitled to receive any employment-related fringe benefits under the Pima County Merit System. SCI is responsible for payment of all federal, state and local taxes associated with the compensation received pursuant to this contract and will indemnify and hold COUNTY harmless from any and all liability which COUNTY may incur because of SCI'S failure to pay such taxes. SCI is solely responsible for program development and operation.

E. SUBCONTRACTORS

SCI will be fully responsible for all acts and omissions of any subcontractor and of persons directly or indirectly employed by any subcontractor and of persons for whose acts any of them may be able to the same extent that the SCI is responsible for the acts and omissions of persons directly employed by it. Nothing in this contract creates any obligation on the part of COUNTY to pay or see to the payment of any money due any subcontractor, except as may be required by law.

F. ASSIGNMENT

SCI may not assign its rights to this contract, in whole or in part, without prior written

approval of COUNTY. COUNTY may withhold approval at its sole discretion, provided that COUNTY will not unreasonably withhold such approval.

G. NON-DISCRIMINATION

SCI agrees to comply with all provisions and requirements of Arizona Executive Order 2009- 09, which is hereby incorporated into this contract as if set forth in full herein, including flow down of all provisions and requirements to any subcontractors. During the performance of this contract, SCI will not discriminate against any employee, client or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin.

H. AMERICANS WITH DISABILITIES ACT

SCI shall comply with all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and all applicable federal regulations under the Act, including 28 CFR Parts 35 and 36.

I. AUTHORITY TO SCI

SCI warrants its right and power to enter into this contract. If any court or administrative agency determines that COUNTY does not have authority to enter into this contract, COUNTY is not liable to SCI or any third party by reason of such determination or by reason of this contract.

J. CONFLICT OF INTEREST

This contract is subject to cancellation for conflict of interest pursuant to ARS § 38-511, the pertinent provisions of which are incorporated into this contract by reference.

K. TERMINATION FOR DEFAULT

1. Upon a failure by SCI to cure a default under this contract within ten (1O) days of receipt of notice from COUNTY of the default, COUNTY may, in its sole discretion, terminate this contract for default by written notice to SCI. In this event, COUNTY may take over the work and complete it by contract or otherwise. In such event, SCI will be liable for any damage to the COUNTY resulting from SCI's default, including any increased costs incurred by COUNTY in completing the work.

2. The occurrence of any of the following, without limitation to the named events, constitutes an event of default:

   a. Abandonment of or failure by SCI to observe, perform or comply with any material term, covenant, agreement or condition of this contract, or to prosecute the work or any separable part thereof with the diligence that will insure completion within the time specified in this contract, including any extension, or a failure to complete the work (or the separable part of the work) within the specified time;

   b. Persistent or repeated refusal or failure to supply adequate staff, resources or direction to perform the work on schedule or at an acceptable level of quality;

c. Refusal or failure to remedy defective or deficient work within a reasonable time;

d. Loss of professional registration or business or other required license or authority, or any curtailment or cessation for any reason of business or business operations that would substantially impair or preclude SCI's performance of this contract;

e. Disregard of laws, ordinances, or the instructions of COUNTY or its representatives, or any otherwise substantial violation of any provision of the contract;

f. Performance of work hereunder by personnel that are not qualified or permitted under state law or local law to perform such Services;

g. Commission of any act of fraud, misrepresentation, willful misconduct, or intentional breach of any provision of this contract; or

h. If a voluntary or involuntary action for bankruptcy is commenced with respect to SCI, or SCI becomes insolvent, makes a general assignment for the benefit of creditors, or has a receiver or liquidator appointed in respect of its assets.

3. In the event of a termination for default:

a. All finished and unfinished drawings, specifications, documents, data, studies, surveys, drawings, photographs, reports and other information in whatever form, including electronic, acquired or prepared by SCI for this contract become COUNTY'S property and must be delivered to COUNTY not later than five (5) business days after the effective date of the termination;

b. COUNTY may withhold payments to SCI arising under this or any other contract for the purpose of set-off until such time as the exact amount of damage due COUNTY from SCI is determined; and

4. Subject to the immediately preceding subparagraph (3), COUNTY'S liability to SCI will not exceed the contract value of work satisfactorily performed prior to the date of termination for which payment has not been previously made.

5. The contract will not be terminated for default nor SCI charged with damages under this Article, if:

a. Excepting item (d) in paragraph (2) above, the event of default or delay in completing the work arises from unforeseeable causes beyond the control and without the fault or negligence of SCI. Examples of such causes include:

i. Acts of God or of the public enemy,
ii. Acts of the COUNTY in either its sovereign or contractual capacity,
iii. Acts of another contractor in the performance of a contract with the county,
iv. Fires,
v. Floods,

vi. Epidemics,
vii. Quarantine restrictions,
viii. Strikes,
ix. Freight embargoes,
x. Unusually severe weather, or
xi. Delays of subcontractors at any tier arising from unforeseeable causes beyond the control and without the fault or negligence of both SCI and subcontractors.

b. SCI, within seven (7) days from the beginning of any event of default or delay (unless extended by county), notifies the county in writing of the cause(s) therefore. In this circumstance, COUNTY will ascertain the facts and the extent of the resulting delay. If, in the reasonable judgment of COUNTY, the findings warrant such action, the time for completing the work may be extended.

c. For the purposes of paragraph (b) above, "receipt of notice" includes receipt by hand by SCI's designated representative, by facsimile transmission with notice of receipt, or under the Notices clause of this contract.

d. If, after termination of the contract for default, it is determined that SCI was not in default, or that the delay was excusable, the rights and obligations of the parties will be the same as if the termination had been issued for the convenience of the county.

e. The rights and remedies of county in this Article are cumulative and in addition to any other rights and remedies provided by law or under this contract.

L. TERMINATION FOR CONVENIENCE

COUNTY reserves the right to terminate this contract at any time and without cause by serving upon SCI thirty (30) days' advance written notice of such intent to terminate. In the event of such termination, COUNTY'S only obligation to SCI is payment for Services rendered prior to the date of termination.

Notwithstanding any other provision in this contract, this contract may be terminated if for any reason, there are not sufficient appropriated and available monies for the purpose of maintaining county or other public entity obligations under this contract. In the event of such termination, county will have no further obligation to SCI, other than to pay for Services rendered prior to termination.

M. NOTICE

Any notice required or permitted to be given under this contract must be in writing and be served by personal delivery or by certified mail upon the other party as follows:

COUNTY:
County Administrator
Pima County
130 W. Congress Street, Floor 10
Tucson, Arizona 85701
PHONE: 520.724.8751
FAX: 520.724.8171

SCI:
President/CEO
Sun Corridor Inc.
1985 E. River Road, Suite 101 Tucson,
Arizona 85718
PHONE: 520.243.1900
FAX: 520.243.1910

N. NONEXCLUSIVE CONTRACT

SCI understands that this contract is nonexclusive and is for the sole convenience of COUNTY. COUNTY reserves the right to obtain like Services from other sources for any reason.

O. REMEDIES

Either party may pursue any remedies provided by law for the breach of this contract. No right or remedy is intended to be exclusive of any other right or remedy and each is cumulative and in addition to any other right or remedy existing at law or at equity or by virtue of this contract.

P. SEVERABILITY

Each provision of this contract stands alone, and any provision of this contract found to be prohibited by law is ineffective to the extent of such prohibition without invalidating the remainder of this contract.

Q. BOOKS AND RECORDS

SCI will keep and maintain proper and complete books, records and accounts, which will be open at all reasonable times for inspection and audit by duly authorized representatives of COUNTY.

In addition, SCI will retain all records relating to this contract at least five (5) years after its termination or cancellation or, if later, until any related pending proceeding or litigation has been closed.

R. PUBLIC INFORMATION

Pursuant to A.R.S. § 39-121 et seq., and A.R.S. § 34-603(H) in the case of construction or Architectural and Engineering Services procured under A.R.S. Title 34, Chapter 6, all information submitted under this Agreement, including, but not limited to, pricing, product specifications, work plans, and any supporting data becomes public information and upon request, is subject to release and/or review by the general public including competitors.

Any records that SCI reasonably believes constitute proprietary, trade secret or otherwise confidential information must be appropriately and prominently marked as CONFIDENTIAL by SCI prior to the close of the solicitation.

Notwithstanding the above provisions, in the event records marked CONFIDENTIAL are requested for public release pursuant to A.R.S. §39-121 et seq., county will release records marked CONFIDENTIAL ten (1O) business days after the date of notice to SCI of the request for release, unless SCI has, within the ten (10) day period, secured a protective order, injunctive relief or other appropriate order from a court of competent jurisdiction, enjoining the release of the records. For the purposes of this paragraph, the day of the request for release shall not be counted in the time calculation. SCI will be notified of any request for such release on the same day of the request for public release or as soon thereafter as practicable.

COUNTY is not, under any circumstances, responsible for securing a protective order or other relief enjoining the release of records marked CONFIDENTAL, nor is COUNTY in any way financially responsible for any costs associated with securing such an order.

S. LEGAL ARIZONA WORKERS COMPLIANCE

SCI hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to SCI'S employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "State and Federal Immigration Laws"). SCI will further ensure that each subcontractor who performs any work for SCI under this contract likewise complies with the State and Federal immigration Laws.

COUNTY has the right at any time to inspect the books and records of SCI and any subcontractor in order to verify such party' s compliance with the State and Federal Immigration Laws.

Any breach of contract or any contract warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, is a material breach of this contract subjecting SCI to penalties up to and including suspension or termination of this contract. If the breach is by a subcontractor, and the subcontractor is suspended or terminated as a result, SCI will be required to take such steps as may be necessary to either self-perform the Services that would have been provided under the subcontractor or retain a replacement subcontractor as soon as possible so as not to delay project completion.

SCI will advise each subcontractor of their rights, and the subcontractor's obligations, under this Article by including a provision in each subcontractor substantially in the following form:

"Subcontractor hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to Subcontractor 's employees, and with the requirements of A.R.S. § 23-214(A).

SCI further agrees that COUNTY may inspect the Subcontractor 's books and records to insure that Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor is a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract."

Any additional costs attributable directly or indirectly to remedial action under this Article are the responsibility of SCI. In the event that remedial action under this Article results in delay to one or more tasks on the critical path of SCI's approved construction or critical milestones schedule, such period of delay is excusable delay for which SCI will be entitled to an extension of time, but not costs.

T. ISRAEL BOYCOTT CERTIFICATION

SCI hereby certifies that it is not currently engaged in, and will not for the duration of this Contract engage in, a boycott of Israel as defined by A.R.S. § 35-393.01. Violation of this certification by SCI may result in action by COUNTY up to and including termination of this Contract.

U. ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS

This Agreement may be executed in up to three (3) duplicate originals, each of which is considered an original. This Agreement, and the below-listed exhibits which are incorporated herein by this reference, constitutes the entire understanding and agreement of the parties.

Exhibit A - SCI Goals and Services
Exhibit B - SCI Operational Budget
Exhibit C – SCI Map of Mega-Region
Exhibit D -Action Items, Pima County Economic Development Plan, 2015 through 2017

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.

Ali waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of COUNTY and SCI, and all amendments hereto must be in writing and signed by the appropriate authorities of the parties hereto.

The parties have affixed their signatures to this Agreement on the dates written below.

PIMA COUNTY, a body politic and corporate of the State of Arizona:

Sharon Bronson, Chair, Board of Supervisors

Date

ATTEST:

Robin Brigode, Clerk of the Board

Date

APPROVED AS TO CONTENT:

C.H. Huckelberry, County Adminsitrator

8/10/16
Date

APPROVED AS TO FORM:

Tobin Rosen, Deputy County Attorney
Civil Division

8/10/16
Date

SUN CORRIDOR INC., an Arizona nonprofit corportation:

Joseph Snell, CEO and President

8/10/16
Date

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EXHIBIT A
PERFORMANCE GOALS AND SERVICES

SCI will provide the following Services to the COUNTY:

1. Meet the economic development goals set by the SCI Board of Directors and provide Pirna COUNTY with quarterly statistical updates on progress in reaching the board approved goals below:

   a) Number of Direct Jobs Facilitated
   b) Number of Jobs in Targeted Industries (44%)
   c) Number of Qualified Prospects
   d) Earned Media Reach

2. Focus in the areas as outlined below and approved by the SCI Board of Directors:

   a) High Wage Job Development/Sales and Marketing
   b) Capacity Development/Improve Competitiveness

      1. State and Federal Advocacy
         - Lead an Executive Mission to Washington, DC

      2. Drive/Support Infrastructure Improvement
         - Cross Border connections
         - 1-11 Coalition
         - State Department of Transportation
         - Work with all Utility Companies locally and in the mega region

      3. Develop a regional FDI strategy to possibly include an in-market mission.

3. Support the 2015 through 2017 Pima County Economic Development Plan and provide direct assistance with the implementation of areas of the plan related to attraction, retention, expansion, and other aspects of SCI's established mission.

4. Obtain professional Economic Impact analysis for Client and Short List contacts and provide same to COUNTY.

5. Collaborate with Pima County, Pima Association of Governments and other regional jurisdictions to assist in developing, maintaining, and provide economic and demographic data for the contractor's regional partners, site selectors and businesses in southern Arizona.

6. Serve as primary contact with Arizona Commerce Authority (ACA). Advocate for Pima County and regional interests with ACA to increase information sharing and understanding of Pima County' s business resources and opportunities with the objective of increasing the quality, speed and the numbers of ACA referrals and the number and size of ACA incentives in Pima County.

7. Proactively identify regional business development opportunities and competitive deficienciewwithin Pima County and convene meetings or forums with relevant public and private organizations to address those opportunities and weaknesses.

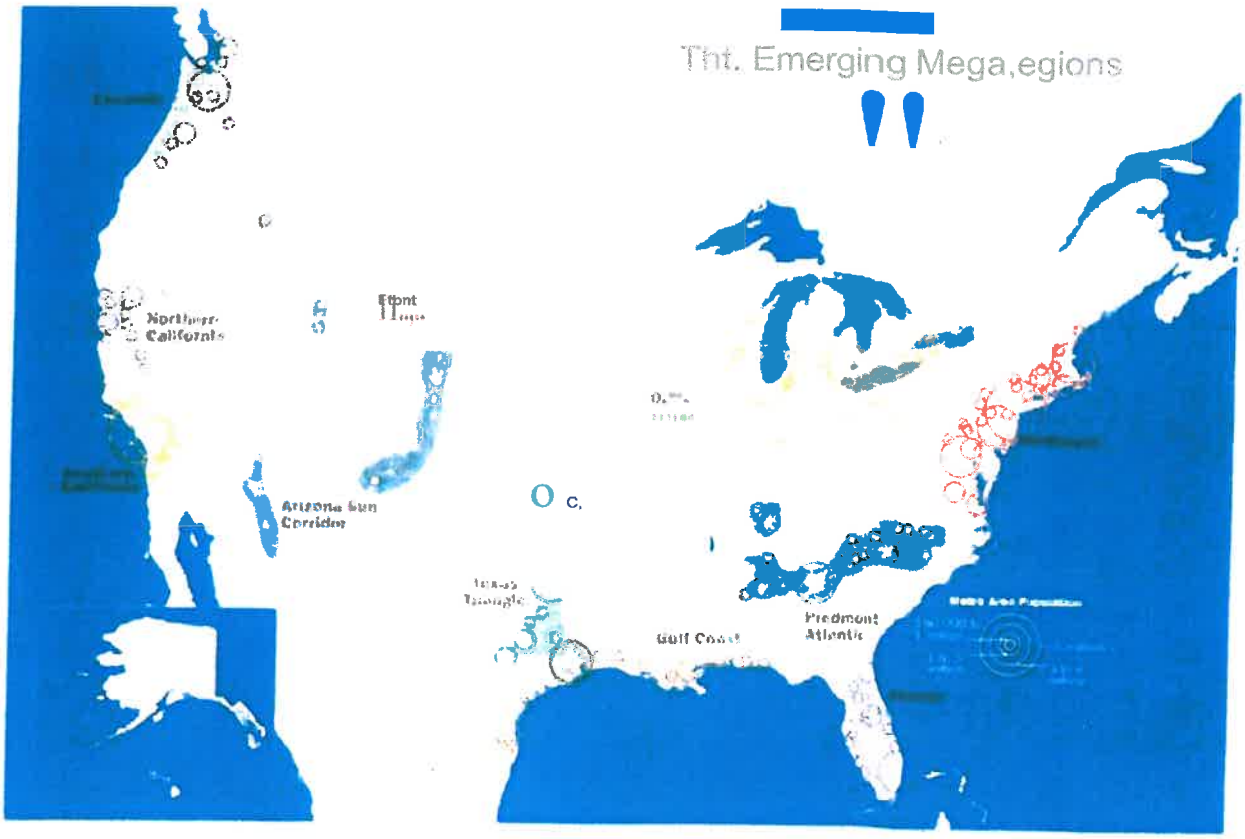
8. Work with other corporations, agencies or entities that are involved in economic development activities such as expanding our air Service to Metro Tucson. More specifically, collaborate with regional partners that support the economic development mission of Pima County and SCI such as but not limited to VisitTucson.

SUN CORRIDOR-- COMPANY SUMMARY
FY 17 Budget Overview
July 2016 through June 2017

EXHIBIT B

	Jul '16 - Jun 17
Ordinary Income/Expense	
Income	
40000 · STAKEHOLDER	650,000
41200 · PRIVATE SECTOR INVESTOR REVENUE	1,300,000
43300 · OTHER REVENUE	210,500
Total Income	2,160,500
Gross Profit	2,160,500
Expense	
51000 · SALARIES & BENEFITS	1,275,000
52000 · GENERAL & ADMINISTRATIVE	86,400
54100 · SUPPLIES	12,500
54200 · FURNITURE & EQUIPMENT	23,000
54300 · COMMUNICATIONS	61,000
54500 · OCCUPANCY COST	178,500
60000 · DEPARTMENTS	524,100
Total Expense	2,160,500
Net Ordinary Income	0
Net Income	**0**

EXHIBIT C
MEGA-REGIONAL
AREA



EXHIBITD
ACTION ITEMS
PIMA COUNTY ECONOMIC DEVELOPMENT PLAN 2015
THROUGH 2017

1 PRIMARY JOB CENTER DEVELOPMENT

1.1 Support the initiation of the Environmental Impact Statement for the second runway at Tucson International Airport (TIA) by the TAA and Federal Aviation Administration (FAA) to initiate land and right of way exchange between the USAF and the TAA to complete the Raytheon buffer for existing facilities.

1.2 Complete during 2015 the Environmental Assessment for the release and sale of the 270-acre expansion buffer for Raytheon and acquire the buffer in 20t6.

1.3 Develop a planning agreement between Pima County, TAA and the Arizona State Land Department to initiate concept planning for the Aerospace, Defense and Technology Business and Research Park consisting of 2,800 acres, of which 479 acres are County-owned.

1.4 Develop a conceptual plan for rail access from the Nogales line through the Park.

1.5 Complete the Aerospace Parkway in 2015, thereby providing surface transportation access to the Park.

1.6 Complete the Master Plan for major utility infrastructure for the Sonoran Corridor region in 2015.

1.7 Finance and construct public utility systems for the Park in 2016.

1.8 Define the boundary of the 150-acre primary employment campus-style employment center west of I-1 O and south of the Sunset Road extension and develop an appropriate archeological mitigation plan for site development.

1.9 Complete planning and undertake construction of the extension of Sunset Road between 1-10 and Silverbell Road in 2016.

1.1O Facilitate expansion of Accelerate Diagnostics at the Abrams Public Health Center.

1.11 Plan a bioscience/biotechnology incubator in Oro Valley adjacent to Sanofi and Ventana Medical Systems and implement the incubator using $15 million of General Obligation bonds if approved by the voters or other funding that may be obtained by the County or other parties.

1.12 Assist in providing transportation public infrastructure to the UA Tech Park in the amount of $1O million in General Obligation bonds if authorized by the voters.

1.13 Develop, with the ABOR and Campus Research Corporation, an innovation center and educational building at The Bridges with $20 million of General Obligation bonds if authorized by the voters or other funding that may be obtained by the County or other parties.

1.14 Market for sale or lease for primary employment 97 E. Congress Street, 160 N. Stone Avenue, and vacant land at 69 E. Broadway Boulevard and 332 S. Freeway.

1.15 Support Pina! County in their funding application with the FAA to widen, resurface and extend the runway serving their airport and provide any County property necessary for improving the runway facilities at Pina) Airpark.

1.16 Make available County property at Pinal Airpark for air field development and expansion, including airport employment lessees.

2 REGIONAL INFRASTRUCTURE INVESTMENT FOR JOB CREATION

2.1 Pima County will fully cooperate with and participate in any environmental or location alternative studies for I-1 1 within Pima County and will closely monitor project implementation to ensure the trade benefits from a connection to Mexico are realized.

2.2 Establish as a County highway the auxiliary interstate highway connection between 1-1O and 1-19.

2.3 Request, through the Regional Planning Agency, that the auxiliary interstate highway be included as a state route by the Arizona State Transportation Board in the State Highway System.

2.4 Cause the auxiliary interstate highway to be included in the Federal Highway System as an auxiliary interstate highway through any Congressional action related to authorizing surface transportation funding in the United States.

2.5 Initiate planning and design of a phased improvement connecting the Aerospace Parkway to 1-1O at Rita Road along the Old Vail Alignment using $30 million in General Obligation Bonds if authorized by the voters or other funding that may be obtained by the Count) or other parties.

2.6 Advocate for early and adequate funding for improving SR 189 from the Mariposa POE to I-19.

2.7 Complete the Aerospace Parkway improvement in Calendar Year 2015.

2.8 Support development of the second full-Service parallel runway for TIA.

2.9 Complete the already authorized TIGER Grant to improve rail access to the Port of Tucson.

2.1O Initiate development of a sanitary sewer inceptor system to serve the employment growth area located south of TIA extending to Rita Road at 1-10.

2.11 Support and cooperate with Union Pacific Railroad to reroute the Nogales Line and make available the existing Nogales Line for future passenger rail to TIA, Raytheon and the Business and Research Park.

3 PROTECTING OUR EXISTING MAJOR EMPLOYMENT BASE

3.1 Relocate Hughes Access Road and secure buffers for Raytheon expansion.

3.2 Continue to actively support DMAFB and their continuation of the A-10 mission and any future mission for DMAFB.

3.3 Create the County staff position of Navigator to coordinate strategies and regional support activities for DMAFB.

3.4 Actively pursue acquisition of leased private properties within DMAFB and State Trust land to reduce operational land leasing costs of DMAFB . Five million dollars of County General Obligation bonds will be used for this purpose if approved by the voters or other funding that may be obtained by the County or other parties.

3.5 Continue to actively support the Arizona Air National Guard (AZ ANO) and continuation and expansion of its domestic and international flight pilot training missions at TIA.

3.6 Support the AZ ANO main entrance relocation to improve safety and operation security of the facility. Set aside approximately 50 acres of expanded Raytheon buffer for *AZ* ANG purposes primarily related to munitions storage and arming of AZ ANO aircraft engaged in pilot training.

3.7 Support funding initiatives for the UA and oppose further reductions in State funding of Arizona's university and community college systems.

3.8 Actively support capital investments in technology transfer activities at the UA related to primary employment growth, including capital financing of a public highway at the UA Tech Park with $10 million of General Obligation bonds if approved by the voters or other funding that may be obtained by the County or other parties.

3.9 Provide $20 million in General Obligation bonds, if approved by the voters or other funding that ma} be obtained by the County or other parties, to finance an innovation building at The Bridges. The purpose of the innovation building will be to facilitate and incubate startup technology companies transferring research to practical applications and job development.

3.1O Begin development of a contingency plan to absorb potential employment losses at DMAFB.

4 LOGISTICS CENTER AT TUCSON INTERNATIONAL AIRPORT ENVIRONS; PIMA COUNTY AS THE LOGISTICS HUB OF THE SOUTHWEST

4.1 Continue planning, with PAG, RTA, TAA, Union Pacific and others, the development of a major logistics center for the Southwestern United States in the vicinity of TIA.

4.2 Cooperate with and assist the Port of Tucson in expanding their rail-to-rail and rail-to-truck intermodal operations as a true international inland port.

4.3 Support and advocate with the Federal Highway Administration and the Arizona Department of Transportation for the designation of heavy haul freight routes from Mexican Ports of Entry to the Port of Tucson.

4.4 Continue to advocate for and on behalf of the TAA for a second full-Service parallel runway at TIA.

4.5 Continue to advocate for the development of expanded air cargo Services at TIA.

4.6 Continue to improve surface transportation accessibility to warehousing and distribution centers associated with logistics in the TIA area, including a new auxiliary interstate highway connecting I-1O and I-19.

4.7 Support the expansion of the Truck Driver Training Program at Pima Community College for the foreseen increased work demand in ground transportation in connection with a new auxiliary interstate highway connecting 1-1O and I-19.

4.8 Advocate for improved surface transportation connectivity to the Mariposa POE to improve international trade with Mexico.

5 LEVERAGING THE INTELLECTUAL CAPACITY OF THE UNIVERSITY AND COMMUNITY COLLEGE SYSTEMS IN ARIZONA

5.1 Actively support increased State funding for all public education programs, particularly for the university and community college systems.

5.2 Encourage action and public, as well as, private funding of higher education to minimize future increases in tuition and fees.

5.3 Encourage technology transfer from all three Arizona universities and Pima Community College, as well as economic development inyestment from all three universities, into enterprises within Pima County - either existing employers or emerging new employers.

5.4 Foster collaboration between Arizona's three universities, government and the private sector in support of university-level degree programs related to and in support of technical employment clusters in the region.

6 PROMOTING TOURISM

6.1 Collaborate with Visit Tucson Sports to maximize soccer, lacrosse and other sports that can be staged at Kino Sports Complex or other Pima County sports facilities and increase the local, regional and national events that fit with the recommendations of a Kino Sports Complex feasibility study by SFA and the sports assessment study conducted by Populous/The Planning Center.

6.2 Seek to expand existing cycling events and consider bringing in new events that include both cycling and running in order to increase the region's profile as an ideal cycling destination.

6.3 Create a consolidated gateway for al! of our region's unique resources. Promote a story of Tucson and the region that showcases its uniqueness and diversity and fosters a sense of pride and a sense of place in residents and visitors alike.

6.4 Add to Kino Sports Complex's offerings on land adjoining the existing venues by master planning and constructing facilities that attract regional and national events, while also serving local users.

6.5 Complete "The Loop" trail and its local town connector trails and market it as part of the region's substantial cycling infrastructure.

6.6 Continue to support, through cooperative marketing and outreach programs, the mission of Pima County leased properties and all of the unique attractions throughout southern Arizona.

6.7 Work with regional medical centers, wellness facilities, Pima County Health Department, physicians, Banner-UAMC and Visit Tucson, to develop and market visitor incentive packages for those seeking medical care within our community.

6.8 Continue to bring the Korean Baseball Organization and teams from Mexico's Pacific Coast League to play and train at Kino Sports Complex.

6.9 Work with Canadian Arizona Business Council (CABC) and Visit Tucson to stage a Pima County familiarization tour for top Canadian decision-makers related to business expansion and relocation, along with land/company acquisitions and other mechanisms that would spur Canadian direct investment in our region.

6.10 Partner with the TAA and local business organizations to pursue nonstop flights from one or more United States East Coast, Canadian and Mexican cities to TIA, since there are currently very limited East Coast nonstop flights and no nonstop flights to Tucson from Canada and no flights to Mexico.

6.11 Work with Vamos a Tucson to identify business and tourism opportunities in Sonora and Sinaloa and meet with appropriate officials at the Hermosillo center and in Tucson.

6.12 Work to improve and expand existing Pima County tourist attractions through bond investments or other funding that may be obtained by the County or other parties, including the Kino Sports Complex, Old Tucson Studios, Arizona-Sonora Desert Museum, Colossal Cave Mountain Park, Pima Air and Space Museum and the Historic Courthouse Art Museum and January 8th Memorial.

6.13 Reintroduce and support passage of reform legislation related to the Pima County Sports and Tourism Authority (PCSTA) to fund tourism-related initiatives designed to increase tourism economic development.

7 MINING - MODERNIZING A TRADITIONAL INDUSTRY

7.1 Continue to monitor and comment through the federal regulatory process on mining activities proposed or ongoing within Pima County with the goal of minimizing long-term adverse impacts of those operations and having any required mitigation provided within the area of actual impact.

7.2 Support mining activities that generally provide mitigation offsets in accordance with the established County conservation guidelines.

7.3 Continue to encourage advanced mining and resource extraction technology evolution to max1m1ze recoverable economic minerals and minimize impacts to air, water and ecosystem resources of the County.

7.4 Continue to pursue reclamation efforts related to past mining activities and encourage relocation, stabilization and reforming of mine disposal sites and/or tailings disposals.

7.5 Promote use of renewable water supplies for all mining activities within Pima County.

8 ENHANCING OUR RELATIONSHIP WITH MEXICO

81 Identify distribution companies in Pima County to provide locations for engineering, quality control and distribution support for companies in the maquiladora industry.

82 Complete the County web page to serve as a regional resource and too! to attract business and investment from Mexico.

83 Continue to foster relationships on both sides of the border to increase border-crossing efficiency and to make Arizona POEs more competitiye with quicker access and easier use.

84 Continue to promote development of infrastructure that maximizes our unique geographic location at the crossroads of the north/south and east/west trade routes.

85 Continue advocating at the federal level to increase Customs staffing to expedite border crossing for trucks and trains.

8.6 Continue our efforts with Sun Corridor, Inc. and PAG to assist the maquiladora industry in Sonora, Mexico in developing local, more reliable supply chains for materials and manufacturing-related Services.

8.7 Continue to foster the COUNTY'S positive relationship with the Consulate of Mexico in Tucson to help facilitate the establishment and expansion of Mexican businesses in our region.

8.8 Continue financial support of Visit Tucson and its efforts to encourage Mexican tourism in Pima County, including enhancing medical tourism through partnerships with our region's wellness community.

8.9 Maintain a regular County presence at the Visit Tucson (Vamos-A-Tucson) office in Hermosillo, Mexico to encourage and facilitate Mexican companies doing business in Pima County.

8.10 Continue efforts to increase Mexican Major League Baseball, including Spring Training and Spring Training games, at Kino Sports Complex.

9 ENHANCING OUR RELATIONSHJP WITH CANADA

9.1 Quantify the economic impact of Canadian real estate investment in Pima County and develop a strategy to increase it.

9.2 Coordinate directly with the CABC to facilitate Canadian FDI in Pima County, promote Pima County exports and enhance tourism.

9.3 Work with Canadian and Mexican business interests to identify economic development opportunities in Pima County for Canadian companies seeking proximity to the markets and industries of Mexico.

9.4 Conduct a comprehensive inventory of Canadian companies in Pima County to identify corporate expansion and retention opportunities and to identify supply chain needs that could Jead to expanded economic development in the region.

9.5 Work with Visit Tucson and other interested parties to expand air Service between Pima County and Canadian airports.

9.6 Work with the CABC, Visit Tucson, Tucson Airport Authority and other interested parties to create opportunities for sports training at Kino Sports Complex.

9.7 Work with the Tucson Airport Authority to prioritize a direct flight to one of the key provinces in Canada once a direct East Coast flight is attained .

10 ENHANCING OUR RELATIONSHIP WITH EAST ASIA AND THE REPUBLIC OF KOREA

10.1 Continue efforts to increase economic involvement with East Asia by supporting the Port of Tucson in its expansion.

10.2 Incorporate promotion of local export opportunities via the Port of Guaymas into our Mexico

efforts, as well as its overarching economic development strategy for East Asia.

10.3 Support the extension of heavyweight corridors throughout Arizona to make our state more competitive with Texas and other border states. Increase export capabilities for heavy objects and ocean containers from Asia passing through southern Arizona to maquiladora manufacturers in Nogales.

10.4 Continue to work with the Honorary Consul of Toe Republic of Korea in Tucson to increase bilateral trade, increase the presence of South Korean companies and attract FDi.

10.5 Coordinate with Visit Tucson and the Honorary Consul of the Republic of Korea in Tucson to expand South Korean tourism, festivals and spring training opportunities in our region.

10.6 Work with PCC to attract more students from The Republic of Korea.

10.7 Work with PCC for mutual support of the COUNTY'S and PCC's objectives to expand the socioeconomic relationship with The Republic of Korea.

11 DOWNTOWN ENHANCEMENT

1 1.1 Facilitate the creation of a regional arts and cultural center by establishing, in collaboration with Tucson Museum of Art (TMA), an Art of the American West Museum in the Historic County Courthouse if the voters approve funding for such or other funding that may be obtained by the County or other parties. Continue discussions with the UA regarding displaying University-acquired art pieces in the Historic Courthouse.

11.2 Encourage new or expanded primary employment in the downtown by making available for such the County-owned office buildings at 97 E. Congress Street and 1 60 N. Stone Avenue, as well as the COUNTY'S vacant property at Broadway Boulevard and Scott Avenue.

11.3 Continue to work toward expansion of the downtown as the legal and administrative center for the region, including further discussions with the UA to increase its downtown presence for legal training for University law students.

12 JOB TRAINING AND EMPLOYMENT BASE DEVELOPMENT

12.1 Partner with businesses and sector groups to develop specific targets and recommendations for career advancement pathways ranging from technician to professional levels.

12.2 Partner with Davis-Monthan Air Force Base, Fort Huachuca, PCC and local business on career expos for separating military personnel. Match veterans with local business, particularly technical and aerospace companies. Provide entrepreneurial training and assistance to separating personnel.

12.3 Formalize the Border Regional Economic Development Consortium to pursue possible federal Economic Development Administration funding and other opportunities.

12.4 Complete the data collection survey of internal and externa] stakeholders for the Business Resource OneStop Center and proceed with additional planning.

12.5 Work with the Workforce Investment Board **(WIB)** to develop, in conjunction with targeted

industry sectors and educational institutions, career pathways that allow local workers to gain skills and certifications valued by employers.

12.6 Partner with United Way of Tucson and Southern Arizona and other public and private community partners on the *Cradle to Career* initiative to improve education and workforce readiness.

12.7 Include support for full funding of Joint Technical Education District (JTED) in the Pima County Legislative Agenda and advocate for full funding of JTED programs to support Pima County businesses.

12.8 Include in the Pima County Legislative Agenda additional public funding for education.

13 THE ROLE OF ECONOMIC DEVELOPMENT IN ENDING POVERTY

13.1 Forge a homegrown model to be used as a template for County and community-based programs that have the goal of bringing about economic sustainability for people living in poverty.

13.2 Become an "Employer of Choice" by establishing Employer Resource Networks in County departments and bundling County One-Stop, Library, and Health Department Services to clients.

13.3 Engage businesses as partners in the Ending Poverty Now initiative to establish Employer Resource Networks that:

A. Provide employers with resources to help employees deal with immediate poverty-related 1ssues.
B. Help new employees understand and meet employer expectations.
C. Provide training and career path opportunities.

13.4 Develop community consensus on core public policies related to 1) affordable housing, 2) food security,
3) transportation, 4) education/training and skills enhancement, 5) parenting and childcare, 6) healthcare and medical Services, 7) early childhood development, 8) income security and 9) asset preservation to reduce and/or end poverty.

13.5 Partner with United Way of Tucson and Southern Arizona to align the COUNTY'S Employee Combined Appeal Campaign with the initiative to address poverty and educate County employees about the poverty initiative.

13.6 Support faith-based partnerships as a means to fill gaps in providing essential Services for low-income families and individuals.

13.7 Support partnerships between education and training programs and institutions and faith-based organizations to better servejob-seekers.

13.8 Encourage collaboration between faith-based organizations and the private sector on strategies to combat poverty.

13.9 Develop an objective and fact-based analysis of poverty and its geographic locations

within the community.

14 INVESTING FOR AN ECONOMICALLY COMPETITIVE FUTURE

14.1 Continue to advocate at the state and federal levels for increased revenue for transportation systems, particularly a statewide 1O-cent per gallon gasoline tax increase, provided the entire HURF revenue stream is constitutionally protected from diversion. This can occur by direct legislative enactment or b} the State Legislature referring the question of a tax increase and constitutional protection to the voters.

14.2 In November of any year, place before the voters a bond authorization that includes projects and programs whose primary purpose is economic development, job creation and increasing the community's wealth, as well as funds for road repair and rehabilitation.

14.3 Continue to make property tax reductions available to expanding or new primary employers or export- based employers as an economic incentive for expansion or relocation.

14.4 The County should actively pursue alternative revenue sources for the County General Fund to support County justice and law enforcement functions; and in doing so, strive to reduce the COUNTY'S primary property tax rate closer to the statewide average for counties.

14.5 Continue with the development of the Pima Prospers Comprehensive Plan Update and ensure it is complementary to the 2015 through 2017 Economic Development Plan.

14.6 Pima County will work cooperatively with area jurisdictions on complementary economic development strategies, including employment retention and expansion, workforce development, infrastructure development, international trade and tourism.

14.7 The County will convene quarterly economic development coordination meetings with the jurisdictions and stakeholders such as Sun Corridor, Inc., area chambers of commerce, and others who have an interest in and focus on economic development. The purpose of these meetings will be to share information and to determine how best to coordinate regional activities related to economic development.

14.8 The County will advance economic development activities in coordination and consultation with Cochise, Pinal, Santa Cruz and Yuma Counties.