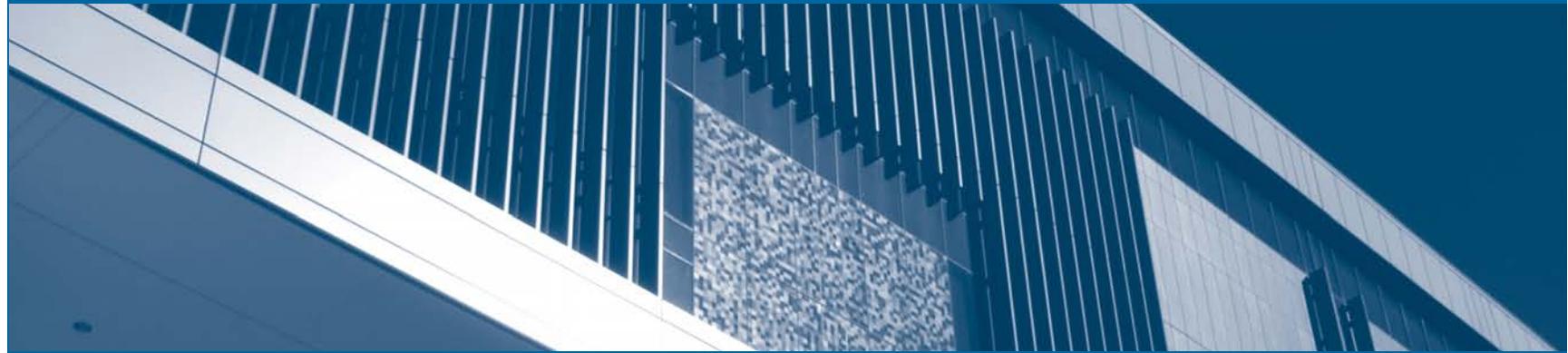


CHAPTER 1

Primary Job Center Development



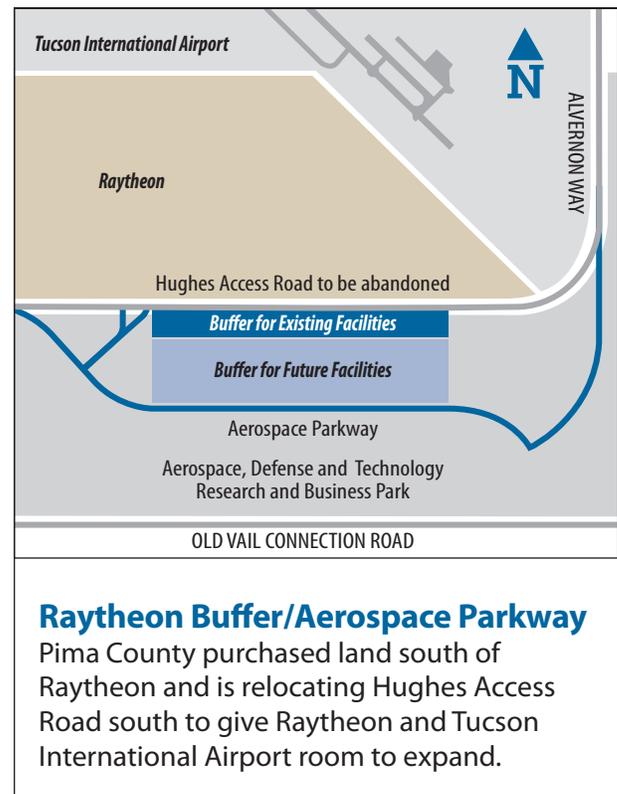
The County is developing a number of proposals to make available shovel-ready primary employment center sites. These sites would be available for sale or lease to new primary employers or for expanding primary employment within the County. They are all County-owned properties that could be used for employment centers. The locations discussed in this chapter are under active consideration.

A. Raytheon Buffer

One of the priorities in the County adopted Economic Development Action Plan was to protect the existing employment base within the County. Raytheon is our largest private employer; hence, the County has taken steps to buffer Raytheon operations by both relocating Hughes Access Road and by acquiring buffer lands that could be utilized for Raytheon if they chose to expand their operations. These actions allow existing Raytheon operations to continue without receiving waivers from the United States Air Force (USAF) for certain activities. The actions substantially buffer Raytheon from any adverse encroachment that would threaten or diminish its operational flexibility.

The Raytheon buffer is comprised of two components; the first being the buffer related to existing operations and its existing facilities. This buffer will be acquired in a land exchange agreement between the Tucson Airport Authority (TAA) and the USAF and would extend approximately 800 feet south of the existing Hughes Access Road alignment. This buffer is approximately 130 acres of land now owned by the TAA.

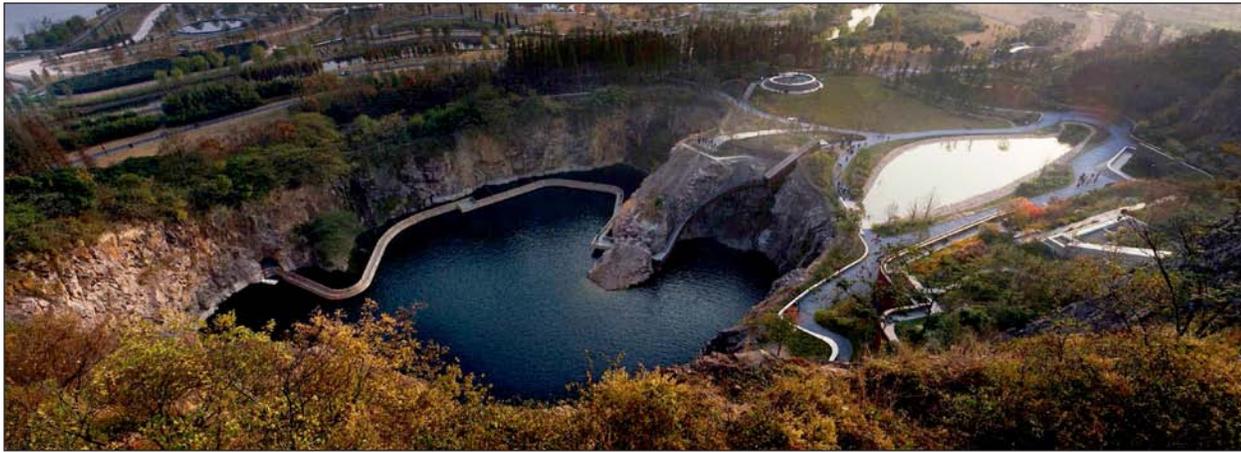
The second buffer is larger; consisting of approximately 270 acres of land that would allow displaced Raytheon facilities to be relocated. In addition, the expanded buffer would allow Raytheon to construct additional final assembly and checkout facilities to expand operations. This second buffer will be acquired by either the County or in cooperation with Raytheon using an annexa-



tion fund previously established by the City of Tucson as an incentive for Raytheon to annex into the City.

B. Aerospace, Defense and Technology Business and Research Park

To eliminate potentially adverse residential encroachment on Raytheon, the County purchased approximately 382 acres at a cost of \$5.9 million from private developers who were attempting to build residential development adjacent to the south boundary of Raytheon. These 382 acres of County-owned property, as well as 97 acres owned by the County for many years and adjacent TAA-owned lands, are being planned for an Aerospace, Defense and Technology Business and Research Park (the Park). The lands will have transportation access from the relocated Hughes Access Road, as well as potential rail access from the Nogales line. The planned uses would be for primary employment, with preference given to aerospace and defense industry-related firms that are compatible with the adjacent landowners—Raytheon and Tucson International Airport (TIA). In total, the Park would be



Pima County wants to repurpose more than 600 acres of former sand and gravel mines into an employment and recreation center.

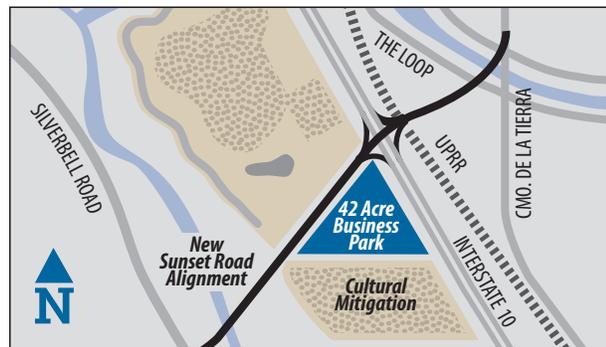
approximately 2,800 acres of land held in trust by the State or owned by Pima County or the TAA. Advanced planning continues on this site. The site's proximity to the new proposed auxiliary interstate highway, also known as the Sonoran Corridor and discussed in Chapter 2, makes the property an ideal location for future primary employment sites that complement existing aerospace, manufacturing and high-tech employment within the corridor.

To advance development of the Park, the Aerospace Parkway (the relocated Hughes Access Road) is under construction and will be completed in 2015. In addition, advance planning and implementation of major utility extensions for wastewater and water services are now being planned by the County and City. Business development of the property for defense and technology manufacturing will be possible with surface transportation access, as well as major utility connections, including water, sewer, natural gas, electric and communication systems.

Active land use planning for the County's nearly 500-acre property will begin in the latter part of 2015.

C. Sunset Road and Interstate 10, River Road

The County acquired approximately 615 acres from California Portland in Decem-



Sunset Road Business Park

A large land parcel south of Sunset Road is designated for a business park. It will have an ideal location once the road is rebuilt, including a new Interstate 10 interchange.

ber 2012. Most of the acquired property is within the floodplain, flood erosion hazards of the Santa Cruz River or has been the site of sand and gravel mines. However, over 100 acres of the property located at Interstate 10 (I-10) and the future extension of Sunset Road to Silverbell Road, as well as Sunset Road to River Road, can be utilized for primary employment. Because of easy access to I-10, future employment uses envisioned at the site would promote primary and new employment within the region in a campus environment. It would also encourage mixed-use development in the area. Regional Transportation Authority (RTA) and Arizona Department of Transportation (ADOT) funding of the new Sunset Road interchange, Sunset Road extension

and connection to River Road, as well as the RTA improvements to Silverbell Road, will make this an ideal business campus site in the future. The balance of the property is to be developed as an environmental enhancement project known as El Corazón, which will be a major public recreation asset through restoration of the former sand and gravel sites.

The County is also advancing the connection of Sunset Road to Silverbell Road and the significant enhancement of the Sunset Road interchange at I-10. Presently, the County's Department of Transportation is conducting early planning studies leading to design and implementation of Sunset Road connecting to the existing interchange at I-10. This will be under construction in 2016 at an approximate total cost of \$22 million.

D. Biosciences and Biotechnology

Between 2002 and 2011, bioscience jobs in Arizona increased by 45 percent, adding more than 30,000 jobs, for a total of nearly 100,000.

Arizona bioscience workers earn an average annual salary of \$56,000, compared to \$44,000 for all other private sector industries.

By comparison, the national growth rate for bioscience jobs during this period was 12 percent. Arizona's bioscience firm establishment also exceeded national growth – a 31 percent increase versus 23 percent. Arizona bioscience workers earn an average annual salary of \$56,000, compared to \$44,000 for all other private sector industries.

Biosciences/biotechnology is an emerging high-tech job developer and exists in limited locations throughout the region – primarily in four geographic areas. One of these areas and the largest private employer of bioscience and biotechnology jobs is in Oro Valley at Innovation Park, followed by facilities associated with The University of Arizona (the University; UA) in and around the main campus, followed by the location of Accelerate Diagnostics in the County's Abrams Public Health Center at the Kino Campus on Ajo Way, and emerging com-



Pima County provided Accelerate Diagnostics a home in the Abrams Public Health Center. The company has rapidly grown from 10 employees to 100.

panies at the UA Tech Park at The Bridges.

Accelerate Diagnostics

The County assisted in the relocation of Denver, Colorado-based Accelerate Diagnostics to the Abrams Public Health Center. Accelerate is a startup biotech firm that has grown significantly since relocating to Tucson. In the future, it will occupy the entire fourth floor of the Abrams Public Health Center for a total of 45,000 square feet. The lease is relatively

short term at six years, with the facility being designed as a successful bioscience start up incubator. Accelerate Diagnostics began with 10 employees; today, they have 66 and plan to grow to 100 in 2015. Originally, the economic development incentive provided by the County required 30 employees at an average annual wage of \$65,000. The current 100 employee average annual wage is in excess of \$88,000.

Accelerate Diagnostics' growth has been quite significant, and they are now ready to locate manufacturing facilities for their medical devices. These manufacturing facilities will be initially located proximate to their incubator startup in the Abrams Public Health Center. This manufacturing component will add another 50 employees to Accelerate's total employment. It is expected Accelerate will begin manufacturing activities in October 2015.

Bioscience/biotechnology Startup in Oro Valley

The County and others have been meeting to develop a bioscience/biotechnology startup to be located immediately adjacent to both Sanofi, Inc. and Ventana Medical Systems, Inc. (a member of the Roche Group) in Oro Valley. It is anticipated a bioscience startup facility of 25,000 square feet, expandable to 50,000 square feet, will be financed using County bond funds if approved by the voters. The site will be owned by the County and leased to a nonprofit bioscience operating entity. The operating and maintenance expenses will be paid for by a bioscience/biotechnology nonprofit organization being formed by a number of participating entities, including the biodesign function of Arizona State University (ASU).

Tech Launch Arizona. The UA is ranked 18th among public universities for research spending nationally and recognized for graduate programs in biomedical engineering, neuroscience, pharmacology and toxicology, cancer biology, applied mathematics and genetics.

The November 2015 bond proposal includes funding to assist the University with research and development expansion opportunities at The Bridges, as well as the UA Tech Park, to encourage high-wage jobs and opportunities for incubator and spinoff companies. Pima County has already invested \$16 million at The Bridges site for flood control improvements and wastewater capacity. Because of public funding, the site must be owned by either the County at no cost or by the Arizona Board of Regents.

E. Downtown Primary Employment – 97 E. Congress Street, 69 E. Broadway Boulevard, 160 N. Stone Avenue and 332 S. Freeway

The County owns and operates approximately 1.58 million square feet of office space in the downtown Tucson area. Tucson is the County seat. Pima County is the region's largest downtown employer and has been for more than two decades. Today, we employ more than 7,000 full- or part-time employees. The County is fully invested in the success of down-

town revitalization; and through the development of new court facilities and the repurposing of the Historic County Courthouse, is able to make available 97 E. Congress, as well as leased parking spaces in the County parking garage at 50 N. Scott Avenue.

Ninety-seven (97) E. Congress is an office building of 44,130 square feet. Pima County will make this property available for purchase in late 2015 or during 2016. The County's preference would be to sell or lease this site to an employer who would bring primary employment based jobs to downtown Tucson.

In addition, the County owns 0.66 acres (28,780 square feet) of vacant property at 69 E. Broadway Boulevard (Broadway and Scott Avenue). The County will also, during the same time period, make this property available for the construction of a new office building designed, again, to attract primary export-based employment in downtown Tucson.

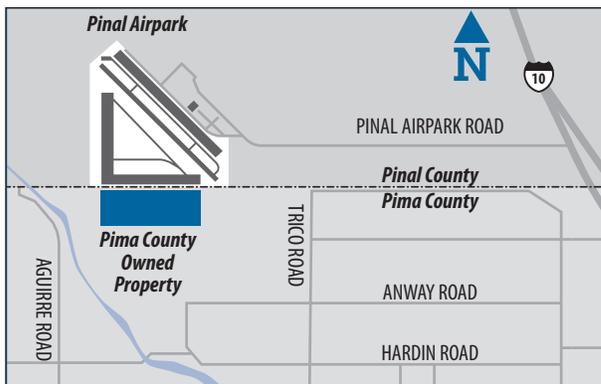
160 N. Stone Avenue is a three-story office building totaling 19,726 square feet. With completion of the new Public Service at 240 N. Stone Avenue, this building is not needed for the next 10 to 15 years. The County would consider a favorable long-term lease or sale to a new downtown employer.

332 S. Freeway, the former location of the County's Theresa Lee Health Center, is an approximately two-acre property adjacent to Interstate 10. The existing structure will be demolished to make the site available for a multistory employment center.

The County will consider any sale or lease options for these properties for primary employment; all with appropriate considerations and/or incentives for economic development if the employer meets certain conditions regarding the number of new, export-based employees with average wage levels being significantly greater than the regional average.

F. Pinal Air Park

The County is engaged in discussions with Pinal County representatives regarding



Pinal Air Park

Pima County owns nearly 300 acres south of Pinal Air Park. The county will cooperate with any entity that seeks to use the property for expansion of the Airpark or other development beneficial to the park.

economic development opportunities on our common border. One of these opportunities involves Pinal Airpark. The County owns 296 acres of land immediately adjacent to and south of Pinal Airpark, and this land lies on the Pinal/Pima County boundary. This property is immediately adjacent to air operations associated with Pinal Airpark. In our meetings with Pinal County, we have offered our full cooperation in any job or economic development activities that would expand Pinal Airpark, including making Pima County’s property available to ensure full runway operational parameters, including aviation easements and other items necessary for a successful long-term operation and expansion of Pinal Airpark. Further, the County’s property can be made available to new employers that would locate near or adjacent to and use the air transportation capacities of Pinal Airpark. The County fully supports Pinal County in its planning efforts associated with the Pinal Airpark Master Plan and has offered our property to be incorporated into its master planning efforts for developing a larger airfield economic development opportunity for the region.

The County also supports the efforts of Pinal County to widen, resurface and extend the runway serving Pinal Airpark. The present runway is in need of significant repairs and should be widened to accommodate larger

aircraft and lengthened to accommodate more aircraft under varying conditions. Such an updated and expanded runway would greatly increase the maintenance and repair capabilities and capacity of Pinal Airpark for the airline industry.

Action Items

- 1.1** Support the initiation of the Environmental Impact Statement for the second runway at 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 2016.
- 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-10 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 I-10 and Silverbell Road in 2016.
- 1.10** 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.
- 1.12** Assist in providing transportation public infrastructure to the UA Tech Park in the amount of \$10 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.

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 Pinal County in its funding application with the FAA to widen, resurface and extend the runway serving its airport and provide any County property necessary for improving the runway facilities at Pinal Airpark.

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