Board of Supervisors Memorandum

July 11, 2017

Sun Corridor Inc. Annual Contract Fiscal Year 2017/18

Background

Included in the budget adoption on June 20, 2017 was the allocation of $650,000 for the annual contract with Sun Corridor, Inc. (SCI). This funding, which is the same amount as last year, is in accordance with agreed upon terms of service that requires SCI to actively sponsor and market County properties for economic development, further the specific action items included in the Board of Supervisors approved Pima County Economic Development Plan Update Through 2018 and continue to create high-wage jobs and provide marketing and other economic development initiatives for our region.

As Pima County's economic growth continues to expand through the successful efforts of SCI and our state and local economic development partners, uncertainties persist in the areas of federal economic and trade policies that will require a regional approach to our economic development strategy. Additionally, a tightening local labor market will require renewed effort and focus from Pima County and SCI on workforce development activities. In addition to workforce coordination with Pima County Economic Development and Pima County One Stop, SCI is in a unique position to assist with identifying and addressing workforce shortages in critical sectors. The insight provided by the SCI Board of Directors, which is composed of representatives from Pima County's major employers, will be invaluable as we work to ensure a sufficient and well educated workforce to meet current and future employment needs.

In SCI's recent Annual Report (Attachment 1), they indicate they have been successful in attracting 5,964 direct new jobs this year to date with companies that will provide $1.5 billion in direct capital investment which will produce $12.2 billion in direct and indirect economic impact to our region. Many of these new jobs, such as those resulting from the Raytheon expansion and the relocation of the Surface Mining and Technology division of Caterpillar, will continue to be filled over an extended period of time and increase our employment base significantly. In addition, the "pipeline" of current business attraction, retention and expansion projects that SCI is working on in any given month continues to grow, indicating a favorable momentum for our region's economic development efforts.

SCI has been effective in a number of initiatives this year including the successful effort to attract the 2017 Site Selector Guild conference to Pima County. The conference, held in Tucson March 13th through 15th of this year, provided the ability to showcase Pima County's economic development assets and opportunities to more than 40 of the world's top site selectors. SCI has also been instrumental in addressing the recent Federal rhetoric and actions that could negatively affect trade in our region, particularly during the Business Leadership Trip to Washington D.C. and New York City April 4th and 5th. In addition to the other contractual requirements to support Pima County's economic development priorities,

SCI has been particularly effective in marketing the Aerospace Research Campus and other county properties for business attraction purposes, coordinating business development opportunities for the entire region and facilitating data to companies considering relocating to Pima County.

The County continues to have a positive relationship with the State economic development agency, the Arizona Commerce Authority, and often this is facilitated by SCI. It is through this joint effort that Caterpillar and several other employers have chosen Pima County for business relocation or expansion purposes. Recently, SCI expanded its staff with the hiring of Susan Dumon as Vice President of Economic Development. Ms. Dumon had previously served as a Vice President for the Arizona Commerce Authority and her experience should further serve to strengthen our region's relationship with the state and enhance the recruiting capabilities of the region.

As I have informed the Board previously, 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. They 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. 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 recent job creation efforts and company relocations and expansion serve to validate this successful partnership.

Recommendation

I recommend the Board of Supervisors approve the Fiscal Year 2017/18 Professional Services Agreement (Attachment 2) with regard to Sun Corridor Inc.

Sincerely,

C.H. Huckelberry
County Administrator

CHH/dr (June 28, 2017)

Attachments

ATTACHMENT 1

Pima County FY 16-17
July 1st 2016 – June 30th 2017

Economic Development Goals

	Annual Target	YTD	% to Goal
Number of Direct New Jobs	2,000	5,964	298%
Number of Jobs/Targeted Industries (Target 40%)	800	4,798	600%
Number of Qualified Projects	110	78	61%
Earned Media Reach	3 mm	14.3 mm	477%

Focus Areas

High Wage Job Development/Sales & Marketing
Announcements: Business Attraction & Expansion

Greek – Arcadia Custom
Project Type: Expansion
Industry Sector: Manufacturing
Number of Direct New Jobs: 150
Arcadia Custom is a high-end window and door manufacturer located in Tucson's southeast side. The company recently purchased its facility and plans to add 150 jobs. Capital expenditure is $6.2 million, resulting in a $80.4 million economic impact.

Project King Lear – Bombardier Aerospace
Project Type: Expansion
Industry Sector: Manufacturing
Number of Direct New Jobs: 27
Bombardier is adding 27 employees at its Tucson Airport facility, due to a steady growth in work orders. Capital expenditure is $3.5 million, resulting in a $17.4 million economic impact to our region.

Project Pioneer – Mainstreet
Project Type: Attraction
Industry Sector: Bio & Health
Number of Direct New Jobs: 63

Mainstreet offers a unique design concept in Healthcare for the growing senior population. The company is expected to hire 63 new employees, resulting in a $ 53 million economic impact to our region.

Project Balboa – Global Equity Finance
Project Type: Attraction
Industry Sector: Call Center
Number of Direct New Jobs: 82
Global Equity Finance has a unique business model of banking and brokering loans that allows them to focus on finding the best loan and the best rates for their clients instead of struggling with the conflicts of interest and company-centric motives of the "big banks". The company is expected to hire 82 new employees, resulting in a $ 150 thousand economic impact to our region.

Project Omni – Vector Space Systems
Project Type: Expansion
Industry Sector: Aerospace & Defense
Number of Direct New Jobs: 200
Vector Space Systems, a micro satellite space launch company, is locating its manufacturing facility in the Pima County Aerospace, Defense and Technology Business & Research Park, and adding 200 high-wage jobs in Southern Arizona. The company's expansion is expected to have an estimated $290 million economic impact on the local economy over five years.

Project Tiger/ Cosmos - Lucid Motors
Project Type: Attraction
Industry Sector: Automotive Manufacturing
Number of Direct New Jobs: 2,213
Lucid Motors has selected Casa Grande/Pinal County as the site for its new electric car manufacturing facility, with 2,213 new jobs and a $700 million capital investment. This is Arizona's first auto manufacturing operation and Mexico will play a major role in its supply chain. The project represents a $1.7 billion economic impact to Arizona.

Project Safeguard - Raytheon Missile Systems
Project Type: Expansion
Industry Sector: Aerospace & Defense
Number of Direct New Jobs: 1,985
Raytheon Missile Systems has selected Tucson/Pima County as the site for a significant expansion. The expansion represents the addition of nearly 2,000 new high-skilled, high-wage jobs and will result in an impact of several billion dollars being added to the regional economy over the next few years.

Project Artistic - Creative Machines
Project Type: Expansion
Industry Sector: Manufacturing
Number of Direct New Jobs: 20
Creative Machines is a group of visionary artists, engineers and fabricators doing world-class work for clients everywhere. It is a multi-disciplinary firm whose abilities span exhibition design, ball machine sculptures, and monumental public art. Creative Machines is adding 20 employees at its Tucson facility. Capital expenditure is $2.1 million, resulting in a $35 million economic impact to our region.

Project Roadside – AAA of Arizona
Project Type: Attraction
Industry Sector: Call Center
Number of Direct New Jobs: 97
AAA is adding 97 employees at its Tucson facility. Capital expenditure is $1.6 million, resulting in a $50 million economic impact to our region.

Project Appollo - Ascensus
Project Type: Attraction
Industry Sector: Advanced Services
Number of Direct New Jobs: 192
Ascensus, the nation's largest independent retirement and college savings services provider, is opening a new office location in Tucson, Arizona by mid-2017. The company is adding 192 employees at its Tucson facility and capital investment is nearly $8 million. Ascensus' expansion will have a projected economic impact of over $200 million for Tucson and its surrounding communities.

Project Quiet - Hexcel
Project Type: Expansion
Industry Sector: Aerospace & Defense
Number of Direct New Jobs: 146
Hexcel, an aerospace company that manufactures products for commercial aircraft structures and interiors, defense aircraft, helicopters and various industrial applications, is growing its Casa Grande operations over the next four years. Hexcel will invest in new facilities, machinery and equipment, while adding 146 positions in engineering, production and management. Capital investment is $85 million.

Project Barney – HD Petroleum
Project Type: Attraction
Industry Sector: Energy/Natural Resources
Number of Direct New Jobs: 20
HD Petroleum has developed a small-scale waste oil micro-refinery, providing a profitable and sustainable solution for the processing of waste oil. Their technology creates opportunity for many regions and industries to be part of the solution, while creating local employment and reducing the environmental impact of waste oil. The company is adding 20 new jobs to its Tucson facility. Capital investment is $8 million, with a projected economic impact of over $27 million for Tucson and its surrounding communities.

Project Count – Ernst & Young
Project Type: Attraction
Industry Sector: Advanced Services
Number of Direct New Jobs: 125
Ernst & Young is a global leader in assurance, tax, transaction and advisory services. The company has opened a national executive support center in Tucson, Arizona. The new center will create 125 jobs in the area with a focus on executive administrative support, creative graphics and digital services. Capital investment is $1 million, resulting in a projected economic impact of over $125 million to our region.

Project IMS – Innovation Manufacturing Solutions
Project Type: Expansion
Industry Sector: Manufacturing
Number of Direct New Jobs: 65
Innovative Manufacturing Solutions is a high-volume precision manufacturer located in Tucson, Arizona. Their customers include aerospace, defense, and military all the way to semiconductor laser corporations. The company is adding 65 new jobs to its facility. Capital investment is $1 million, resulting in an economic impact of over $80 million for Tucson and its surrounding communities.

Project Corn– Monsanto
Project Type: Attraction
Industry Sector: Other/Research
Number of Direct New Jobs: 60
Monsanto is a sustainable agriculture company, which delivers agricultural products that support farmers around the world. Monsanto intends to grow corn for research at the facility it is building near Marana. The company will create 60 new jobs at its facility. Capital investment is over $91 million, resulting in an economic impact of nearly $3 million to our region.

Project Six– Hexagon Mining
Project Type: Expansion
Industry Sector: Energy/Natural Resources
Number of Direct New Jobs: 119
Hexagon Mining, an information technology provider of planning, operations and safety solutions for the mining industry, is relocating and expanding its Tucson, AZ-based North American headquarters to downtown Tucson. Hexagon Mining employs 140 people in Tucson and plans to add 119 jobs over the next five years. Capital investment is over $2 million, resulting in an economic impact of $224 million for Tucson and its surrounding communities.

Project FSED– Northwest Medical Center
Project Type: Expansion
Industry Sector: Bio/Health
Number of Direct New Jobs: 25
Northwest Medical Center, is a community healthcare provider, serving the greater Tucson area and its residents with routine and emergency medical care, diagnostic and preventive screenings, surgical care and care for chronic conditions. Northwest Medical Center plans to open a new free-standing emergency department which will enable the hospital to expand emergency services to Marana, creating 25 new high paying jobs, and enhancing the quality of health care for the residents of Pima County. Capital investment is over $8 million, resulting in an economic impact of nearly $20 million for our region.

Project Marlin– Bayview Asset Management, LLC
Project Type: Expansion
Industry Sector: Advanced Services
Number of Direct New Jobs: 375
Bayview Asset Management, a nationwide investment and mortgage finance company, is expanding its operations in Tucson. Bayview plans to hire an additional 375 people in key financial roles. Capital investment is $300,000, resulting in an estimated economic impact of $552 million for Tucson and its surrounding communities.

Marketing

HomeGoods Grand Opening – October 13
Sun Corridor Inc. attended the grand opening of HomeGoods.

Caterpillar Grand Opening – October 24
Sun Corridor Inc. attended the grand opening of CAT.

ADP Grand Opening – January 24
Sun Corridor Inc. attended the grand opening of ADP.

PHAROS Grand Opening – January 18
Sun Corridor Inc. attended the grand opening of Pharos.

World View HQ & Spaceport Grand Opening – February 23
Sun Corridor Inc. CEO and senior staff attended the grand opening of World View's headquarters and spaceport.

SCI is updating targeted industry marketing material to provide updated information to site selectors to follow branding efforts with the new website (see Exhibit E).

YTD Performance

Number of successful projects:	**18**
Projected new jobs (w/o multiplier)	**5,964**
Projected Capital Investment	**$1.5B**
Projected new jobs in targeted Industries	**4,798**
Economic and fiscal impact	**$12.2B**

Capacity Development Highlights

State and Federal Advocacy

Business Leadership Trip to Washington, D.C. and New York City – April 2017
SCI led a twenty-member delegation, which included Supervisor Bronson and County Administrator Huckelberry, to Washington, D.C. and New York City, specifically to meet with policy makers and site selectors. SCI met with Governing Magazine and Freight Business Journal to highlight the advances we have made in the region, one being the development of the ARC. In NYC, our delegation met with over 20 site selectors, Bloomberg News, Wall Street Journal, Inbound Logistics and other press outlets including the Foreign Press. (see Exhibit D)

Infrastructure Improvement

Cross Border Connection
I-11
Work with Utility Companies

SCI provided a pipeline overview to Tucson Electric Power and discussed continued efforts to establish a utility inventory of large industrial parcels.

State Department of Transportation – Sun Corridor Inc. (SCI) attended August 5 meeting at Pima Association of Governments to discuss the status of the Overweight Freight issue. ADOT officials were present to inform stakeholders that trucks on interstates in the Tucson area and between Tucson and Nogales can receive permits allowing them to carry up to 83,000 lbs. Current weight limit is 80,000 lbs. The new overweight allowance went into effect Sept. 1. Many in the room would like to see the limit raised to 90,800 lbs. which would put our region more in line with competing states in the Southwestern U.S.

Sun Corridor Inc., Metropolitan Pima Alliance, Pima Association of Governments and Land Advisors developed a new website that targets significant employment centers and provides detailed information on utility and infrastructure availability at several parcels across the region. With the understanding that not all data can be captured to address each unique economic development project, we believe that this tool allows the pre-selection of parcels that fit a company's needs before reaching out to request additional information including workforce data, incentive opportunities and others. This effort was a result of the efforts of Pima County and Sun Corridor Inc. to inventory 100+-acres parcels.

FDI Strategy

Mexico Strategy Consultant, Lorena Montes de Oca
SCI retained Lorena Montes de Oca as a consultant as a part of its Mexico Strategy. Ms. Montes de Oca has experience working for Hunt Mexico working with the Dallas and Mexico teams in developing business opportunities and partnerships in the energy sector. She serves as Executive Director for Asociacion de Empresarios Mexicanos (AEM), a non-profit established in 1996 focused on business promotion in the United States and Mexico with 26 chapters in both countries. Previously, Lorena worked for Mexico's trade and investment agency (Pro Mexico) at the North American Regional Coordination Office in Washington DC developing investment strategies in North America. She has also worked in the public sector for the Ministry of Foreign Affairs in Mexico City and the Inter-American Development Bank in Washington DC. Lorena holds a Master's Degree in International Communication from American University in Washington DC and a Bachelor Degree in International Relations from the Iberoamericana University in Mexico City. She is fluent in English and Spanish.

Mexico Strategy – August 15-16, 2016
SCI and Lorena Montes de Oca had meetings with the following executives to promote the Executive Mission to Mexico City and the overall Mexico Strategy.

- Michael Hammond, PICOR
- Consul Ricardo Pineda Albarran, Mexican Consulate in Tucson
- Luis Seldner, The Offshore Group
- Omar Mireles, HSL Properties
- Ed Hadley, Walton Development & Management
- Brent DeRaad and Felipe Garcia, Visit Tucson
- Eric Nielsen and Christina Parisi, U.S. Commercial Service
- Supervisor Anthony Smith, Pinal County
- Edmund Marquez, Edmund Marquez Allstate Agencies

These meetings were follow up to meetings held with Pima County officials and SCI board members in May 2016.

Executive Mission, Mexico City
A key strategy in its evolution as SCI is to grow bi-national commerce with Mexico. This includes both our ability to recruit Mexican companies to Southern Arizona and to grow opportunities to do business in Mexico.

On October 5-7, SCI conducted an Executive Mission to Mexico City.
The Executive Mission included a targeted and impactful program and provided all attendees the opportunity to both hear from and interact with Mexican leaders on critical and important issues. The information panelists shared with us relative to the regional business opportunities was very exciting and thought-provoking. SCI received great feedback from its attendees and feels the Sun Corridor initiative will continue to strengthen supply chains, businesses and educational opportunities on both sides of the border.

As part of the Mexico Strategy led by Lorena Montes de Oca, SCI has been very active in pursuing business opportunities in Mexico. Ms. Montes de Oca is working with Groupo BAL (owner of Peñoles and Fresnillo mines), to explore and identify potential supply chain and business opportunities in the mining sector.

SCI has been working with Pro Mexico (the trade and investment agency for Mexico) in the analysis of Caterpillar's specific supplier needs. The analysis has resulted in a list of specific items in different categories which include, bearing, casting- trucks, casting valves, forging gears, steel bar plates, tubes, aluminum, glass, windows, pedal and joysticks. As CAT consolidates its presence in Tucson we will work with CAT and the region to identify suppliers for those needed components (see Exhibit C attached).

Nogales Supplier Expo September 9, 2016
SCI continues to work with Pima County staff to plan the upcoming Nogales Supplier Expo. This is one of the largest events in northwest Mexico offering access to contacts in the maquiladora industry and is a fantastic business opportunity to existing and potential Southern Arizona suppliers.

- SCI participated in the Nogales Supplier Expo to support Pima County's binational efforts.

Mexican Ambassador Luncheon – November 28, 2016
SCI was honored to co-host, with the Consulate of Mexico in Tucson, the new Ambassador of Mexico to the U.S. Carlos Manuel Sada Solana. During the private meeting with business and community leaders, Ambassador Sada covered a wide range of topics important to both sides of the border. Chief among Mexico's concerns is ensuring that Washington and the new administration understand the positive benefits of NAFTA and cross-border trade.

Nogales Port Authority Meeting
SCI and the Board of the Port Authority strategized on the process of responding to new qualified economic development leads. SCI has agreed to participate in the search for a new City of Nogales economic development manager.

Discover Global Markets
This conference brought together trade experts, economists, industry professionals, and U.S. commercial diplomats via panels and executive meetings to address opportunities, challenges, and winning strategies across the region.

New this report

David Welsh, COO, Sun Corridor Inc. attended the Select USA Investment Summit June 19 and 20 in Washington DC. Sun Corridor Inc., the Arizona Commerce Authority (ACA) and Greater Phoenix Economic Council (GPEC) teamed up to participate in this annual FDI conference. The Select USA Investment Summit is the highest-profile event dedicated to promoting foreign direct investment (FDI) in the United States. This signature event provides an unparalleled opportunity to bring together companies from all over the world economic development organizations from every corner of the nation, and other parties working to facilitate business investment in the United States. Featuring senior government officials, C-Suite business executives, and other thought leaders, each summit focuses on a timely theme related to the U.S. investment environment, industry trends, and new opportunities.

Support Pima County ED Plan

SCI assists with implementation of areas of the Pima County ED Plan related to attraction, retention and expansion of primary employers in the region.

Workforce Investment Board

- SCI attended the August 12, 2016 Workforce Investment Board meeting. The focus of the discussion was the Workforce Innovation and Opportunity Act, national legislation that is designed to strengthen and improve our nation's public workforce system and help get Americans, including youth and those with significant barriers to employment, into high-quality jobs and careers and help employers hire and retain skilled workers. Five organizations presented ways in which they are fulfilling the requirements of the WIOA to address the skills gap throughout the region. This is in direct corrilation with the recommendation from our 2014 Blueprint Update, as well as Section 5 in the Pima County Economic Development Plan, to link employers with higher education and local organizations to train individuals to meet the demands of the industry.

- SCI attended the September 9 Workforce Investment Board meeting. The focus of the discussion centered on the Southern Arizona Manufacturing Partners (SAMP). SAMP was created four years ago to address challenges manufactures in Southern Arizona had related to finding skilled employees to fill vacant positions. Their first success was working with JTED and PCC to create a machinists training program to create more machinists; a skill desperately needed by local manufacturers. The panel discussion included five members consisting of employers and higher education officials all discussing the need to train for other in demand skills as identified by the industry.

- SCI staff attended the November WIB meeting featuring representatives from Davis-Monthan AFB and the Veterans OneStop. Typically, the November meeting coincides with Veteran's Day, hence the focus on meeting workforce needs through skills inherent in veterans. Discussion also centered on the Next Steps for Vets program carried out by the OneStop and Tech Parks Arizona. SCI is assisting DM, Veterans OneStop, and DM50 in building a program designed to assist trailing spouses' entry into the workforce as airmen are deployed to DM for their 2-3 year assignment. The program is modeled after SCI's Soft Landing Program used for larger projects.

- SCI staff attended the December Workforce Investment Board, which is the annual breakfast this year held at the Doubletree Hotel. Speakers included Paul Shannon, Director of the Arizona Office of Economic Opportunity, and a panel of Aerospace and Defense companies. Mr. Shannon presented the latest statistics from the state office. The panel was comprised of officials from World View, AUV Flight Services and Bombardier. All indicated that finding talent locally is becoming less challenging compared to three or four years ago.

  SCI continues its work to promote the Pima County Aerospace and Defense Park. SCI had the opportunity to meet with potential tenants of the park while on a sales mission in Huntsville, AL.

  SCI and Pima County Economic Development team members debriefed Project Safeguard and discussed best practices for future projects.

- SCI staff attended the January Workforce Investment Board held at the University of Phoenix. The focus of the meeting related to cyber-security and its effect specifically on the defense and healthcare industries.

- SCI staff attended the February Workforce Investment Board held at the Pima Community College campus on Bonita. The focus of the meeting related to the retail sector in our region. George Larsen of Larsen Baker presented a number of statistics and information concerning the state of the retail market. He also informed the WIB on cap rates and issues relevant to retail workforce.

- SCI staff attended the March Workforce Investment Board held at the Riverpark Inn. This meeting acted as the Annual Meeting & Retreat for the WIB. Partner agencies each gave a short report on their activities. The main focus of the meeting was to separate the WIB members into groups each discussing the targeted sectors of the WIB (**Healthcare/Health Sciences, Aerospace/Defense, Manufacturing and Security, Transportation, Material Handling & Logistics, Business Management, Support and Operations and Infrastructure-Construction, Building/Grounds Maint., Installation and Repair).** Each group reported on what skills and positions the WIB should allocate training dollars toward over the next year.

- SCI staff attended the April Workforce Investment Board held at Pima Community College. The focus of this meeting was the mining sector. Lea Marquez Peterson gave an introduction into the importance of mining and commerce between Arizona and Sonora. Hexagon Mining's Director of Finance provided information on Hexagon Mining and their decision to retain and grow their US Headquarters in Tucson. Regarding workforce, he did mention that hiring can be a challenge because mining is a highly specialized industry, proven talent in advanced technologies is scarce and Tucson is in the early stage of getting on the recruiting map.

New this report

SCI staff attended the May Workforce Investment Board held at Pima Community College – 401 N. Bonita. The focus of this meeting was regional economic development. Michael Guymon moderated a discussion between Daniela Gallagher and Dr. John Moffatt on recent successes, government's role in economic development and the importance of workforce development and the work of the Pima County OneStop.

Economic Impact Studies

SCI obtained professional Economic Impact analysis and Short List contacts for the following projects and provided the same to Pima County, during the reporting period.

- Project Corn - Monsanto
- Project Safeguard - RMS
- Project Ottoman
- Project King Lear – Bombardier
- Project Aviation - PCC
- Project Balboa – Global Equity Finance
- Project Roadside - AAA
- Project Artistic – Creative Machines
- Project Omni – Vector Space Systems
- Project Quiet - Hexcel
- Project Barney – HD Petroleum
- Project Republic – Republic Plastics
- Project Six – Hexagon Mining
- Project IMS – Innovation Manufacturing Solutions
- Project Renew
- Project Marlin – Bayview Financial
- Project FSED – Northwest Medical Center

Regional Collaboration (Contract points 5&8)

SCI collaborated with Pima County, Pima Association of Governments and other regional jurisdictions to assist in developing, maintaining, and providing economic and demographic data for the contractor's regional partners, site selectors and businesses in Southern Arizona.

SCI met with PAG to discuss data sets needed for quick responses for site selector projects. PAG will be able to support SCI projects on an individual project basis until new database is established.

SCI participated in several meetings with PAG and PC staff to discuss "information that matters for relocation and expansion projects". SCI provided information on what site selectors ask for on a regular basis

SCI assisted the Consul de Mexico in Tucson with a company that is interested in establishing an office in Tucson.

SCI collaborated with Tech Parks AZ on positioning Southern Arizona to a Tech Park partner in Finland. The Finish delegation represent 120 companies located in their park in Vaasa, Finland.

SCI met with CBRE representatives to discuss market conditions and forecast industrial real estate vacancy.

SCI met with PICOR representative to tour a facility that is new to the market to learn about possible operations for future projects.

SCI met with the Pima County Assessor's office to discuss FTZ program, reporting rules, all federal and regional partners involved and the role SCI is playing as the Grantee.

100+ acre site inventory – please see section "work with utility companies".

SCI sponsored the Arizona DEC's Arizona Congressional Delegation Trade Forum with Arizona Business Community Leaders. SCI provided input on trade issues and possible impacts to the AZ Federal delegation.

SCI met with John Moffatt, Pima County, to discuss the monthly report. Focus of the report was the addition of a pipeline to the monthly report to allow BOS and Pima County staff to monitor activity. We also discussed the potential of a new targeted industry cluster in cyber security as well as autonomous vehicle industry. We believe it can be included in the aerospace and defense industry section, but warrants the research of workforce needs and availability within Southern Arizona.

SCI met with PICOR representatives to discuss the assistance SCI can provide their clients when looking to expand or locate to Southern Arizona. It was discussed that the real estate needs of a project sourced by a broker will be left to the broker. SCI wanted to ensure that the brokers understand the multitude of different areas we can assist with.

SCI's Senior staff met with Pinal County Administrator, Greg Stanley and Economic Development Manager, Tim Kanavel to review projects and discuss collaborations.

SCI attended the CCIM Annual Forecast where vacancy rates and permit activity in the office, retail, industrial, multifamily and land sectors are presented. Overall, vacancy rates are down and permit activity is up. In the industrial sector, vacancy stands at 7.9% which now places Tucson in line with our major competitive markets and their vacancy rates; Phoenix (9.1%), Salt Lake City (7.2%) and Las Vegas (5.4%). The retail sector has improved slightly over the past three years but the main concern relates to retail outlets that compete with Amazon and other online retailers. Office, Tucson's weakest sector, has also seen improvement, particularly in the medical field.

SCI included Pima County in the client meetings for Project Jelly Bean and Project Harness. At the monthly Pima County/ SCI meeting, we discussed all currently active projects as well as workforce needs.

New this report

SCI held two broker forum events. Local and regional industrial and office real estate brokers are great partners for qualified lead development. Focus of the events was "The Art of a Deal" where recent successful projects were discussed. They included incentive programs, development services, lead protection and many other issues.

Developing, maintaining and providing data to partners, site selectors and businesses

SCI provided information to the following projects:

- Project Safeguard
- Project Barney

- Project Airframe
- Project Roadside
- Project Aviation
- Project Berlin
- Project Eagle
- Project Eye
- Project Six
- Project Republic
- Project Hope
- Project Omni
- Project Paper Goods
- Project Micron
- Project Modular
- Project Saturn
- Project Battery
- Project Renewal
- Project Count
- Project Trigger
- Project Truck
- Project Different Kind
- Project Mission Success
- Project Circle
- Project Trinity
- Project Attack
- Project Alpha
- Project Colby
- Project Oak Tree
- Project Encina
- Encina
- Genesis
- Marlin
- Chad
- Draper
- Asteriod
- Surprise
- Pacifico
- Harness
- Project Eagle
- Project Titanium
- Project ZAF
- Project Henry
- Project Woodhawk
- Project Shade
- Project EcoClean
- FSED
- Hip
- Dragon
- Barry

- Manetoba
- CRESA
- Nearshore
- Bugle
- Enterprise
- Turbo II

New this report

- Cinco
- Strasse
- Tom
- Swift
- Naomi
- Cloud
- Plasma
- Easy
- Pharm
- CITE
- Plant Q
- Daisy
- Star
- Big Box
- Opi

SCI has updated Southern Arizona Quickfacts and re-established the quarterly Site Selection Newsletter. This newsletter is distributed to 2,300 site selectors. This edition included reports on business rankings, the Caterpillar project, the new American Airlines nonstop flight to New York and others.

New York Sales Mission – October 18 - 21, 2016
SCI led Tech Parks Arizona and City of Tucson economic development on a sales mission to NYC. Meetings with multiple site selectors, including NKGF and Deloitte, as well as Biotech Incubator Downstate Technology Center were the center points of the trip.

Project Saturn Site Visit – December 1, 2016
SCI coordinated the site visit of Project Saturn, including partners from Pima County Economic Development Team, Pima County One Stop and other local and regional partners to discuss potential relocation of a shared service center to the region.

Huntsville Sales Mission – December, 2016
SCI had the opportunity to meet with multiple A&D companies in Huntsville, AL. The sales mission resulted in 2 qualified leads for Southern Arizona.

Advocate for Pima County and Regional Interests with Arizona Commerce Authority (ACA)

SCI served as primary contact with Arizona Commerce Authority (ACA). SCI advocated 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.

SCI met with the ACA Business Attraction team, including Southern California and Northern California, to discuss Pima County's A & D park, FTZ Program, and City of Tucson's Primary Job Incentive Program.

SCI intensified the work with ACA Business Expansion team member to work jointly on projects in Southern Arizona, including ACA sourced project leads like Project Berlin.

SCI staff conducted weekly meetings with Susan Dumon, ACA, related to both attraction and retention of primary employers in the region.

SCI's CEO and COO met with Brian Sherman, Senior Vice President, Business Development, ACA to discuss his work focused on technology-based economic development, including entrepreneurship, early stage capital formation, technology commercialization, and innovation in public policy and finance.

SCI and ACA staff worked together to develop a partnership approach to the upcoming Site Selector Guild Annual Meeting to be held in Tucson in March of 2017. The partnership will allow the Tucson region to take full advantage of this important gathering of the country's leading site selectors.

Project Updates with Business Attraction Team
SCI provided information for multiple projects throughout the year, including 7 new attraction projects with lead sourcing through the ACA. (see project list section)

Site Selectors Guild Fall Forum – October 24-26, 2016
SCI attended the SSG Fall Forum in Little Rock, AR to prepare for the SSG Annual Meeting to be held in Tucson in March of 2017.

SCI led in coordinating Project Six with all involved partners advocating on behalf of the client and the region with ACA. Project Six is a global company looking to expand its local footprint with an additional 100+ employees.

SCI responded to ACA Project Alpha by providing real estate and regional workforce data. Project Alpha represents a bioscience company that is looking at Southern Arizona for the expansion of one of six revolutionary cancer treatment facilities.

SCI brought ACA into the negotiations for Project Trigger. Project Trigger is a local company looking to expand its footprint in Southern Arizona. This manufacturing company is expanding its workforce by 75.

SCI partnered with the ACA to host the Site Selectors Guild Annual Conference March 13-15 at the Starr Pass Resort & Spa. 45 of the nation's top site selectors were in attendance in addition to 300+

economic development professionals from the US and Canada. The theme of the conference was globalization and seminars and breakout sessions included topics such as Trade Agreements, Working with International Companies and International Investor Perspectives and Trends. Members of the SCI Board of Directors were provided with one-on-one meeting opportunities with guild members throughout the conference. In addition, as the host community, SCI organized weekend activities for the site selectors which included two exclusive dinners, golf, biking, hiking and personal tours of the region.

SCI responded to ACA Project Eagle by providing real estate information. Project Henry is a non-profit HQ relocation project, Project Woodhawk is a data center project, Project EcoClean is a used carpet re-pelletization manufacturing project, and Project Barry is a A&D related project.

SCI included ACA in the following projects: Project Shade, Project FSED, Project Dragon.

Sun Corridor Inc. coordinated a trip to the ACA offices for Pima County and City of Tucson representatives to meet the new ACA Business Attraction and Business Expansion team. During this trip, we also met with CRESA and JLL to discuss opportunities in Southern Arizona.

SCI included ACA in the following projects: Swift, Naomi, Plasma, Big Box

Identify business development opportunities

SCI proactively identified regional business development opportunities and competitive deficiencies within Pima County and convened meetings or forums with relevant public and private organizations to address those opportunities and weaknesses.

SCI met the following companies, during the reporting period:

- Project Safeguard**
- Project Enjoy
- RBI
- Project Quiet
- Project Weapon
- Project Berlin
- Project Genesis – Tucson One
- Project Berlin
- Project Eagle
- Project Eye
- Project Six
- Project Republic
- Project Hope
- Project Omni
- Project Paper Goods
- Project Micron
- Project Modular
- BRE survey with local bioscience company***
- FTZ and BRE conversation with Project Six
- Alcoa/ Arconic
- Tucson Embedded Systems

- BRE survey with local bioscience company
- BRE survey with local call center operator
- Project Battery
- BRE survey with local manufacturing company
- Scientific Learning – introduction of the Pima County One Stop
- Project Mission Success
- Project Trigger
- Project Truck
- Project Colby
- Project Oak Tree
- Project Encina
- Encina
- Genesis
- Marlin
- Chad
- Draper
- Asteriod
- Surprise
- Pacifico
- Harness
- Project ZAF
- Project Hip – GrouVe
- Project Eagle at the ACA offices
- Xeridiem
- Project Window
- Aztera
- Bayview Financial Management

****New this report****

- Latitude
- Project Swift
- Project Plasma
- Atlas Copco
- Project Shade
- Project OKIN
- Project EcoClean
- Project Big Box

** Project names if company name is confidential
*** BRE or FTZ conversation when visit didn't result in Qualified Project

SCI presented at the following events, during the reporting period:

Marana Chamber of Commerce
The Marana Chamber of Commerce serves the business and professional community as the voice of commerce, providing numerous programs and services to improve the economic environment for their members and the community as a whole. They promote an atmosphere that maximizes business potential and profitability.

SAHBA – The Southern Arizona Home Builders Association
SAHBA advocates for public policies and develops activities and services that advance the home construction industry. SAHBA is a member of the National Association of Home Builders and is chartered to serve the Pima County area including the municipalities of City of Tucson, Town of Marana, Town of Oro Valley, Town of Sahuarita, as well as Cochise County and Santa Cruz County.

TAR – Tucson Association of Realtors
TAR is a trade association that represents the interests of some 4,800 professionals in the real estate industry in Southern Arizona. Their mission is to promote enhanced communications, a positive regulatory climate, and elevate professionalism and public perception for members.

GVACC – Greater Vail Area Chamber of Commerce
GVACC is actively working on their goal to create an environment that supports the economic development of the greater Vail area. Their mission is connecting businesses and community to grow, serve and enrich the greater Vail area. To do this, GVACC regularly brings in influencers from around Arizona to share the current conditions and direction of the state. And they are a strong voice in the greater Vail area, helping foster a healthy community where the economy, the schools and their rich history thrive.

Nogales, AZ – Port Authority Board of Directors Meeting
SCI was asked to present current trends and pipeline opportunities to the Board. City and Council are jointly placing an Economic Developer in the market, to assist with business development opportunities.

GTL– Greater Tucson Leadership
SCI was asked to present at GTL's Economic Development Issue Day. GTL is a non-profit, non-partisan leadership organization dedicated to providing leadership education, community development and civic engagement for the overall care of and commitment to our Tucson community for over 30 years.

University of Arizona – MPA Class
SCI's Chief Operating Officer presented to the Masters level "Environmental and Regional Economic Development" class and specifically addressed SCI and how it fits in regionally.

Sunnyside School District - SUSD Annual Career and Technical Education Breakfast
SCI presented to the Sunnyside School District Annual Career and Technical Education Breakfast. Key discussion points where the need for Southern Arizona's student pool to continue vocational training to provide the future workforce for Southern Arizona's companies.

Webster Global Site Selector Meeting
Webster Global Site Selector visited the Tucson market to learn more about the Pima County A & D Park after learning about Worldview.

University of Arizona – Regional Development Degree Program
SCI presented at the U of A "Principals and Practices of Regional and Economic Development" class. It is part of the Regional Development degree program in the School of Geography (GEOG 371). It has about 35-40 students.

Oro Valley Council of Chambers/Community Academy Class
Oro Valley's award winning Community Academy provides a foundation of knowledge to help residents effectively participate in Town governance. SCI presented a class that included a discussion on current and expected financial trends and efforts to attract new businesses.

Arizona Association for Economic Development (AAED) Luncheon – January 25, 2017
Serving as the leading statewide advocate for responsible economic development in Arizona since 1974, AAED's foundation has been rooted in three fundamental pillars (Collaboration, Advocacy, and Educational Benefits) that continue to affect positive change and increase Arizona's competitive position to attract investment and create jobs.

- SCI attended the AAED luncheon where Chuck Huckelberry, Pima County Administrator, spoke about what 2017 holds for Pima County and economic development.

Business Partners for Trade & Transportation – Southern Arizona Leadership Council (SALC)
SCI attended and supported the quarterly meeting which was focused on regional updates and the current legislative session. The agenda included:

- An update from the RTA and PAG regarding their on-going programs
- Update on current action surrounding the Sonoran Corridor and other Pima County efforts
- Discussion of Arizona State Transportation Board engagement and activities
- Review of the State Transportation Funding Task Force findings and next steps
- Discussion of all current and proposed state legislative bills regarding transportation issues
- Discussion of potential HURF sweeps and possible actions
- Possible update on City's plan for sales tax referral to May special election depending the outcome of their Tuesday council meeting

Tech Launch Arizona (TLC) Business Development Advisory Committee Breakfast
SCI was asked to join the TLC Business Development Advisory Committee Breakfast as a committee member. The TLA Business Development Committee works with startup companies to engage community, build and strengthen the entrepreneurial network, discuss the TLA startup process, and support ongoing startup efforts.

Business Development Finance Corporation (BDFC) Board of Director's Meeting – March 9
David Welsh, Chief Operating Officer, attended the BDFC Board of Director's Meeting as a board member. BDFC is a private, non-profit corporation dedicated to economic development by providing affordable financing for Arizona businesses.

Women in Manufacturing Event at Universal Avionics – March 17
SCI was asked to present at the Women in Manufacturing Event at Universal Avionics. Women in Manufacturing is a more than 700-member-strong national association dedicated to supporting, promoting and inspiring women who are pursuing or have chosen a career in the manufacturing industry.

University of Arizona – Regional Development Degree Program
SCI presented at the U of A "Principals and Practices of Regional and Economic Development" class. It is part of the Regional Development degree program in the School of Geography (GEOG 371). It has about 35-40 students.

Meeting with Eric Lee – March 31
Erik Lee is Executive Director of the North American Research Partnership (NARP) and is co-editor and author of *The U.S.-Mexico Border Economy in Transition* (2015), the *State of the Border Report: A Comprehensive Analysis of the U.S.-Mexico Border Region* (2013) and "Realizing the Strategic National Value of Our Trade, Tourism and Ports of Entry with Mexico" (2013). NARP is an independent, 501(c)(3) non-profit think-tank that conducts applied research and outreach on how regions and communities in the United States, Mexico and Canada can better position themselves for success in the 21st century. The Partnership works on a broad range of interrelated international policy topics with an emphasis on cross-border trade and economic development. SCI continues to collaborate with NARP on its Mexico strategy.

Flinn Bioscience Roadmap Luncheon – April 12
SCI attended the Flinn Bioscience Roadmap Luncheon. Arizona's Bioscience Roadmap is a long-term strategic plan originally commissioned by the Flinn Foundation in 2002 and updated in 2014 with the goal of Arizona becoming globally competitive and a national leader in select areas of the biosciences by 2025. This group is comprised of more than 100 state leaders in science, business, economic development, academia, and government that meet quarterly to guide the Roadmap.

Business Development Finance Corporation (BDFC) Board of Director's Meeting – April 20
David Welsh, Chief Operating Officer, attended the BDFC Board of Director's Meeting as a board member. BDFC is a private, non-profit corporation dedicated to economic development by providing affordable financing for Arizona businesses.

Visit Tucson Board Meeting – April 20
David Welsh, Chief Operating Officer, attended the Visit Tucson Board of Director's Meeting as a board member. Visit Tucson's mission is to drive economic development by connecting visitors with their ideal travel & meetings experiences in Tucson and Southern Arizona. Visit Tucson is financially supported by the City of Tucson, Pima County, the Town of Oro Valley and more than 500 individual and business partners.

New this report

Pima Community College Board Study Session - June 5, 2017
The PCC Board invited Sun Corridor, Inc. for a Special Study Session, which is a round-table discussion on a topic. The PCC Board specifically asked Sun Corridor, Inc. to discuss their thoughts on the role and expectations for Pima Community College in terms of economic development (including workforce development), and the important economic development trends that the organization sees ahead. This study session was with the five (5) Pima Board Members and was open to the public for hearing. Sun Corridor Inc. President & CEO Joe Snell present in addition to Raytheon Missile Systems Vice President of Finance & CFO Greg White and Caterpillar Inc., and Surface Mining & Technology Chief Engineer Brian Weller.

Arizona Automobile Dealers Association (AADA) Meeting – June 12
David Welsh, Chief Operating Officer, gave a presentation to members of AADA on SCI's role in economic development in our region. AADA is a trade association representing the new franchised

car and truck dealerships in the state of Arizona. AADA supports its members by providing them with regular communication and information related to the auto industry and is also a nation leader in developing and offering the latest in technology and electronic services that further simplify daily dealership tasks.

Southern Arizona Mortgage Lenders Association (SAMLA) - June 13, 2017
SAMLA hosts lunch speaker meetings, drawing an audience primarily comprised of mortgage lenders, bankers, brokers, real estate agents, and title company representatives. Speakers are typically industry related, and cover rules and regulations, market conditions, down payment assistance loan opportunities. SAMLA asked Sun Corridor Inc. President & CEO Joe Snell to present where he provided background and an overview of the economic landscape in Tucson, and the trends he's seen.

***Cuppa Joe with Joe* - June 14, 2017**
Sun Corridor Inc. hosts an investor-only meeting where Sun Corridor Inc. President & CEO Joe Snell will discuss trends or showcase a company that relates to fostering economic development throughout our region. These meetings are where investors not at the board level can meet directly with officials working to shape our region's economic prosperity. Discussions also center around providing general insights into economic activity and general information on the types of industries looking at Southern Arizona as a place to expand or relocate. Joe Snell presented to a small group and hosted an informal discussion.

Assistance with Marketing Pima County Properties

SCI has developed a multi-faceted program to promote Pima County Properties. SCI promotes those properties to site selectors and companies on outbound sales mission. SCI uses these face- to- face meetings to discuss not only the availability, but provide an overview on how the region promotes economic development based on recent announcements. Our continuous effort to develop and maintain relationships with all large national and international real estate brokerage houses allows us to provide marketing information on an ongoing basis as well as on active projects. SCI continuously educates companies actively looking at the Tucson market about Pima County properties that do not appear on a Costar or LoopNet search. SCI ensures that all active projects in targeted industries are aware of county owned properties.

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 Safeguard
- Project Eagle
- ACA Attraction Team
- Project Omni
- Project Hope
- The Huntsville Sales Mission provided the opportunity to talk about the Aerospace and Defense Park to multiple companies directly.
- Project Marlin – Pima County had the opportunity to show Bank of America to the client.

- Project Genesis – As a Raytheon supplier, this company is familiar with Tucson, but they were unaware that there is a business park south of RMS that could provide a location of choice for an expansion.

New this report

- Project Star

The SCI team presented Pima County properties to representatives of the following projects during the reporting period.

Pima County Officially Launches Aerospace Research Campus (ARC)
SCI announced in its Site Selector Newsletter, *Select the Sun Corridor*, that Pima County has officially launched the Aerospace Research Campus. The following was included in the newsletter: "Aerospace Research Campus was developed to address the increasing need for supply chain locations for the aerospace industry and other key sector industries, like logistics and distribution, to support imports and exports with Mexico. Combined with Tucson Airport Authority and Arizona State Trust Land there will be over 2,400 acres available for development. Companies have the opportunity to consolidate and customize properties as needed to meet their specific needs." The newsletter is distributed to over 2,400 site selectors in our database.

New this report

New Aerospace & Defense Marketing Brochure (see Exhibit E)
SCI is updating brochures that market information on our targeted industries. In the new Aerospace & Defense brochure, ARC is specifically listed as an asset new to our region and lists the expansions of WorldView, Vector Space and Raytheon as initial tenants. These brochures will be distributed physically and electronically during all sales missions as well as to our site selector database.

Exhibit A

Southern Arizona Economic Development News

***Select the Sun Corridor*, our quarterly newsletter, is your primary source for economic development news in Tucson & Southern Arizona. If you have any questions or are in need of additional information, please do not hesitate to contact us.**

- Daniela Gallagher, Vice President, Economic Development - daniela.gallagher@suncorridorinc.com

Visit Our Website

Key Data Figure of the Quarter: Tucson and Southern Arizona Top Three Region Nationally in Business Growth

Year-to-year, Tucson ranks #3 nationally with a 4.2% growth, according to an Economist at Bloomberg Markets. This figure is backed up by Elliott Pollack & Assoc, a Phoenix-based economic and real estate consulting services firm, stating that "Tucson added 14,900 jobs since July 2015, the largest gains in jobs coming in information, financial activities, educational and health services and manufacturing."

Link to Bloomberg Markets article

Caterpillar Surface Mining and Technology Consolidating in Tucson

Caterpillar Inc., the world's leading manufacturer of construction and mining equipment, has selected Tucson, Arizona, as the new location for its surface mining and technology offices. The Tucson facility will create more than 600 projected new Arizona jobs over five years, with employees in executive management, engineering, product development and support positions. This move significantly expands the company's presence in the state, bringing total Caterpillar employment in Southern Arizona to nearly 1,000.

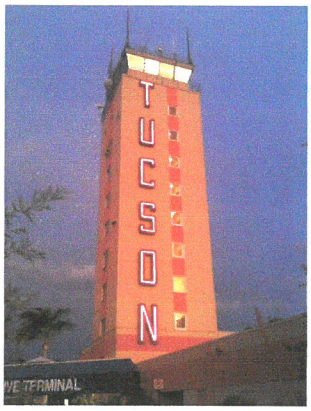
Link to Caterpillar/Sun Corridor Inc. Press Release

2,381 Jobs Facilitated in FY15-16

With the announcement of 20 companies, 2,381 facilitated jobs and $159 million in capital investment, Fiscal Year 2015-16 ended well above expectations. The highlight of the year was Caterpillar's Surface Mining and Technology consolidation but other companies relocating or

expanding within the region include World View Enterprises, International Towers and technology start-up Smart Things.

Link to Sun Corridor Inc. Success List



Tucson-New York Flight Takes off October 7

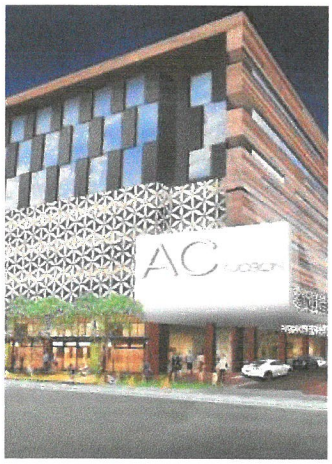
American Airlines will start non-stop service between Tucson International Airport and New York City's John F. Kennedy International Airport on October 7. American accounts for more than 36 percent of passenger enplanements at Tucson International Airport with an average of 21 flights a day to Chicago O'Hare, Dallas-Fort Worth, Los Angeles and Phoenix.

Link to Sun Corridor Inc. Press Release

UA Health Sciences and Banner Health Receive Historic $4 million NIH Grant

The University of Arizona Health Sciences and Banner Health have been awarded a $4 million grant from the National Institutes of Health to participate in the Precision Medicine Initiative® Cohort Program, which aims to enroll 1 million or more U.S. participants to improve prevention and treatment of disease based on individual differences in lifestyle, environment and genetics. Funding of the UA-Banner PMI CP also will spur the creation of new health-care jobs in Arizona, including clinical trials recruitment specialists, health-care information technology data analysts and programmers.

Link to University of Arizona Press Release

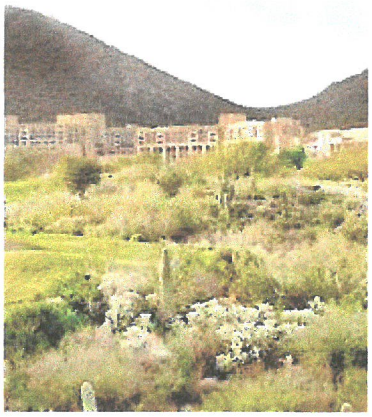


Major Construction Underway in Downtown Tucson

By this time next year, our community will celebrate the opening of an eight-story, 130-room AC Marriott in the heart of Downtown Tucson (artist's rendering pictured). Rio Nuevo, Downtown Tucson's TIF District, has also approved a $2.6 million loan for CityPark, a proposed 6-7 story mixed use project on Downtown Tucson's major thoroughfare. Over an historic $600 million of private sector investment has been spent in Downtown Tucson over the past six years.

Link to AC Marriott article in Arizona Daily Star
Link to CityPark article in AZ Public Media

Site Selectors Guild 2017 Conference Coming to Tucson in March



The Site Selectors Guild (SSG) is comprised of over 40 of the world's top site selectors. Since 2010, this group has focused on furthering the site selection field and discipline by assembling economic development officials at their annual conference. For 2017, SSG chose Tucson and Arizona as the host site. The conference will be held at the JW Marriott Starr Pass Resort & Spa March 13-15.

Link to Site Selectors Guild Conference Page

Daniela Gallagher | Sun Corridor Inc. | 520.243.1938 |
daniela.gallagher@suncorridorinc.com | www.suncorridorinc.com

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Exhibit B

Executive Mission to Mexico City, Mexico
October 5 – 7, 2016

Wednesday, October 5, 2016

Welcome/Mission Overview Dinner (Business Casual)
La Hacienda de los Morales

Thursday, October 6, 2016

Breakfast Presentation by Ministry of Economy
Hyatt Regency Mexico City

This session will provide a high-level briefing on the Mexican economy, with emphasis on the U.S.-Mexico trade opportunities.

U.S. Embassy Mexico Briefing
U.S. Trade Center, Mexico City

Session I: U.S. Perspective of Mexico
The U.S. Embassy will provide a general briefing of Mexico. The objective is to learn from the U.S. personnel on the ground how they see the country regarding key economic issues.

Session II: FDI Opportunities with Mexican Companies

Session III: Business Opportunities

Supply Chain Opportunities between Southern Arizona and Mexico
American Chamber of Commerce

Welcome by American Chamber of Commerce Representative

Reception/Dinner (Note: Jacket & Tie Required)
Club de Industriales

This session will provide an overview of one of Mexico's largest and most important employers.

Friday, October 7, 2016

Binational Higher Education Collaboration
Hyatt Regency Mexico City

This session will provide an overview of collaborations between the University of Arizona and National Autonomous University of Mexico (UNAM). UNAM is the most important Mexican university, founded in 1551, with an enrollment of 330,000 students. Discussion will include topics on Arid Lands, Astrophysics, Antivenins, Innovation and Sustainable Mining.

Exhibit C

CAT SUPPLIER REQUIREMENTS

FORGINGS

Category	Sub- Category
Forgings	Open Die
Forgings/Steel Casting	Open Die
Forging & machining	Small forgings

BEARING

Category	Sub- Category
Bearing	Bearing

CASTING-TRUCKS

Category	Sub- Category
Ductile Iron Castings	Components
Ductile Iron Castings	Sand/Core
Ductile Iron Castings	Green Sand/Core
Gray Iron Castings	Green Sand/Core
Gray Iron Castings	Sand/Core

CASTING- VALVES

Category	Sub- Category
Gray Iron Castings	Simple
Flat Precision Grind	Meduim Complexity
Ductile Iron Castings	Complex cores
	Continous Casting

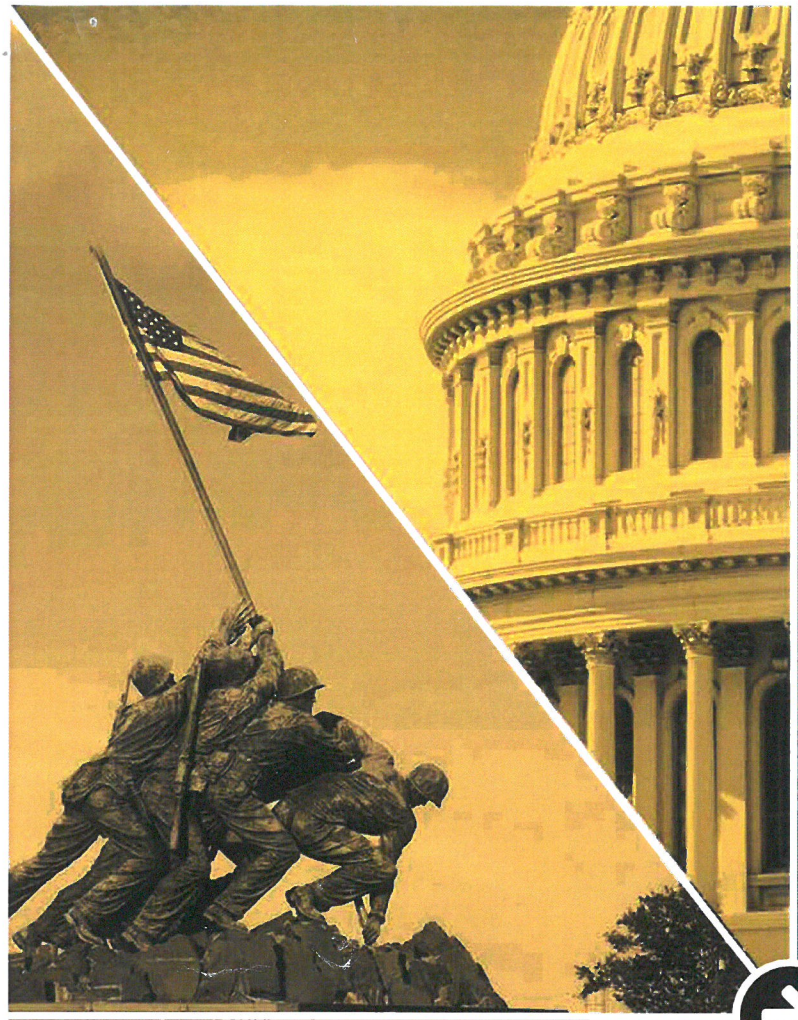
FORGING- GEARS

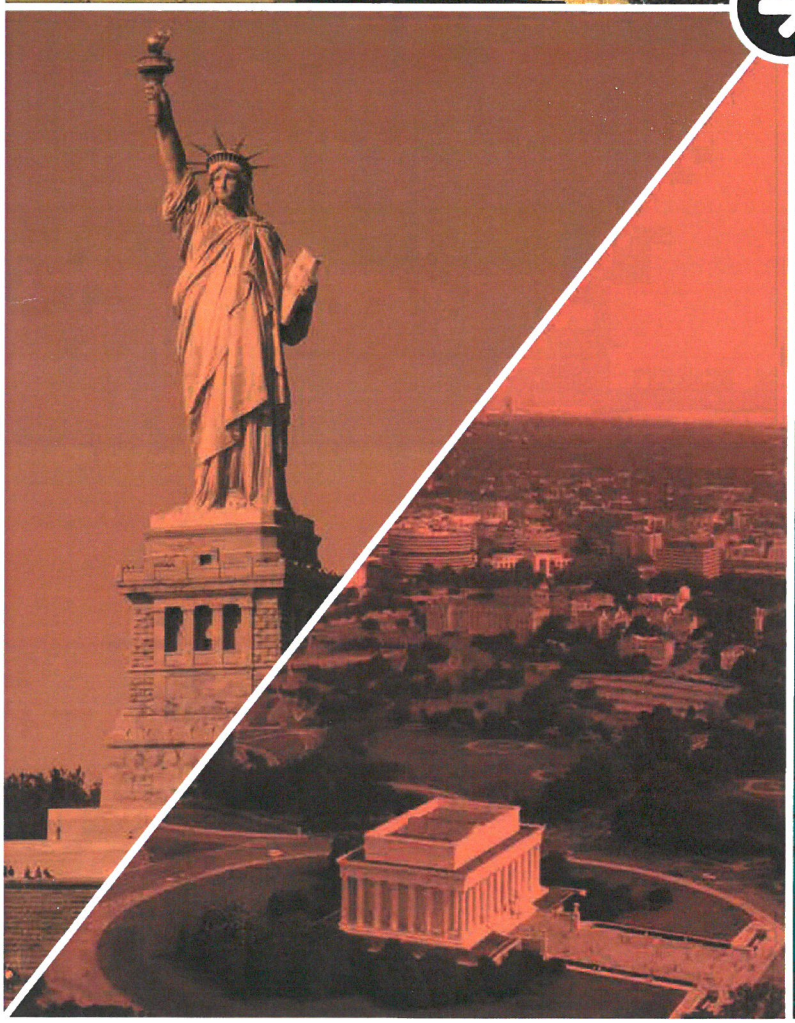
Category	Sub- Category
Forgings	Rolled Rings

TUBES

Category	Sub- Category
Cold/Hot Drawn Tube	Intermediate Tube
Cold/Hot Drawn Tube	Sleeve Tube

Exhibit D





SUN CORRIDOR INC

WASHINGTON, DC & NEW YORK CITY BUSINESS LEADERSHIP TRIP

April 4-6, 2017

AGENDA

SUN CORRIDOR INC

Business Leadership Trip – Washington, DC and New York City
April 4 – 5, 2017

Wednesday, April 5, 2017

Discussion on the Future of NAFTA, TPP and International Trade in the Trump Administration
Eversheds Sutherland
700 6th Street NW, Washington, DC 20001
8th Floor Conference Center

Speakers:
Jeffrey Schott, Senior Fellow, Peterson Institute for International Economics (PIIE)

Outlook on National Defense Issues
Eversheds Sutherland
700 6th Street NW, Washington, DC 20001
8th Floor Conference Center

Speakers:
Bob Fitzpatrick, Vice President, Business Development, Raytheon Missile Systems

Meeting with Senator Jeff Flake
Russell Senate Office Building 413, Washington, DC 20510
(202) 224-4521
Committees:
Judiciary
Law, Energy & Natural Resources
Foreign Relations (subcommittee)

Meetings with Arizona Congressional Delegation
(meetings to be held in their offices)

Congresswoman Martha McSally **(CD-2)**
510 Cannon House Office Building
Committees:
Armed Services
Homeland Security

Congressman Raul Grijalva **(CD-3)**

1511 Longworth House Office Building
Committees:
Natural Resources

Congressman Tom O'Halleran (CD-1)
126 Cannon House Office Building
Committees:
Agriculture
Armed Services

Congressman Andy Biggs (CD-5)
1626 Longworth House Office Building
Committees:
Science, Space & Technology
Judiciary

Business & Regulation Issues in the Trump Administration
U.S. Chamber of Commerce - Hill Office
430 1st Street SE
Washington, D.C. 20003

Speakers:
Ron Eidshaug, Vice President, Congressional & Public Affairs, U.S. Chamber of Commerce

Thursday, April 6, 2017

Media Trends: Interactive Breakfast
InterContinental New York Barclay
Rockefeller Suite

Presenter: Dave Hutchens, President & CEO, UNS Energy, Tucson Electric Power & UniSource Energy Services

Journalists attending include:

MaryBeth Neil, News Producer at NBC, MSNBC, and Al Jazeera America
Bio: MaryBeth is an award-winning network non-fiction producer, writer and filmmaker based in New York City. She is the recipient of numerous awards, including Emmys©, Cine Golden Eagles and National Headliners for work as a non-fiction television producer. MaryBeth's non-fiction work has appeared on network, numerous highly-rated cable channels and digital platforms, including NBC, MSNBC, Discovery, Lifetime, A&E, TLC, Bravo, CNBC, Al Jazeera America, American Heroes, Axs.tv and OWN.

LinkedIn: https://www.linkedin.com/in/marybeth-neil-85414010/

Ron Scherer, Journalist and writer
Bio: Ron Scherer was the New York Bureau Chief for both the Pulitzer Prize winning Christian Science Monitor and for U.S. News & World Report. Ron Scherer is the co-author of Big Picture Economics.
LinkedIn: https://www.linkedin.com/in/ron-scherer-773783a5/

Jay Alpert, Producer at ABC News
Bio: Jay Alpert's expertise in news and public relations spans nearly two decades. He is currently a producer/writer at WABC-TV, the top-ranked television station in New York. He has also worked in the New York area for global media outlet Al Jazeera America and News 12 New Jersey. His previous television markets include Philadelphia, Las Vegas and Tucson.
LinkedIn: https://www.linkedin.com/in/jay-alpert-a788311/

David Booth Perry, Journalist and freelance writer
Bio: David Booth Perry is a travel writer and photographer based in New York City. As an accomplished journalist, writer and editor, David's work appears in 19-and-counting publications, including Thrillist and The Huffington Post. David covers travel, luxury, style, and adventure (with tech and science thrown in for color). Follow David @GhastEald on Twitter
LinkedIn: https://www.linkedin.com/in/david-perry-1a436bb/

Interactive Site Consultant Luncheon

Presenter: Joe Snell, President & CEO, Sun Corridor Inc.

Attendees:

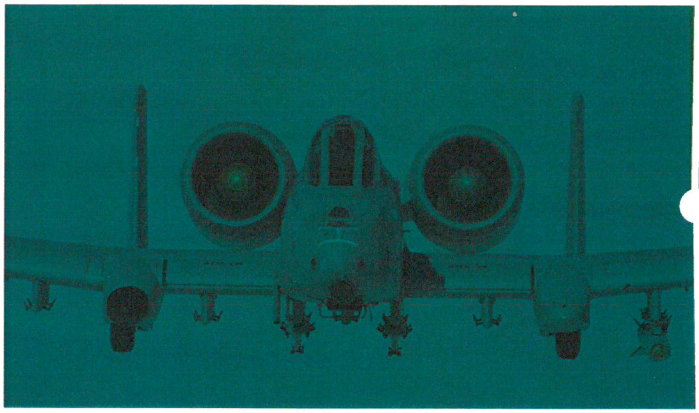
- Brian Corde, Co-founder and Managing Partner, Atlas Insight
- Lisa Peraggine, Tax Analyst, Atlas Insight
- Gordon Pellegrini, Senior Associate, BDO Consulting
- Jackie Haikimian, Tax Manager, Deloitte
- David Hickey, Senior Director, Hickey Associates
- Mark Minevich, Principal Founder, Going Global Ventures
- Gina Giordano, Tax Manager, Deloitte
- Charles Ruby, Director, Deloitte
- Leith ter Meulen, CEO and President, Landair
- Ryan Meehan, Director, The Meehan Consulting Group
- George Tobjy, Managing Tax Director, KPMG
- Chris Volney, Managing Director, Newmark Grubb Knight Frank
- John Skowronski, Director of Tax Credits, ADP Economic Development Services

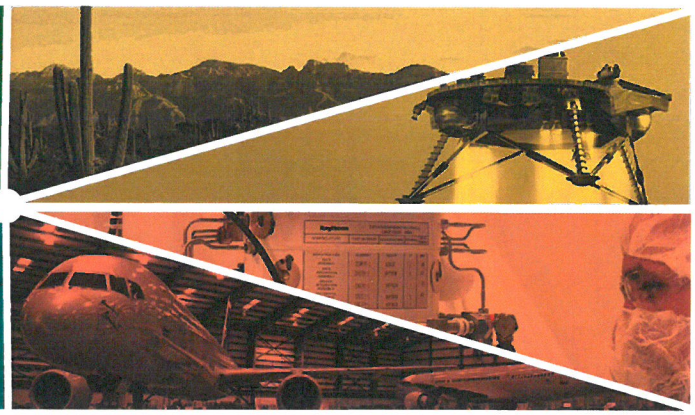
- Joe Suppers, Owner, NodeCom, Inc.
- Alan Stevenson, VP Client Solutions, OCO Global
- John Avrutis, Chief Administrative Officer,The Meehan Consulting Group
- Shawn Egan, Account Executive,The Meehan Consulting Group
- Tom Florino, Managing Director, Newmark Grubb Knight Frank

Exhibit E

Aerospace & Defense

SUN CORRIDOR INC





BY THE NUMBERS

Companies. . . . . .200+

Employees. . . . . 25,000+

- Assemblers & Fabricators. 3,912
- Electronics Engineers 847
- Engineering Technicians 1,734

Annual Revenue $6B

Graduates (2015-2016)* . . . 4,560

*Engineering majors at The University of Arizona, Arizona State University and Pima Community College

Southern Arizona's clear blue skies, year round flying weather, and dry climate have attracted aerospace-related businesses since the early 1900s. The aerospace & defense industry is the largest component in the region's private sector economy and Tucson and Southern Arizona enjoy the fifth highest concentration of aerospace and defense employees in the country.

The region's aerospace industry presence includes defense and space-related manufacturing, research and development, industrial high-tech fields, which includes machining and custom design, assembly, distribution, and warehousing. It also includes firms that maintain and rehabilitate the nation's commercial aircraft fleet.

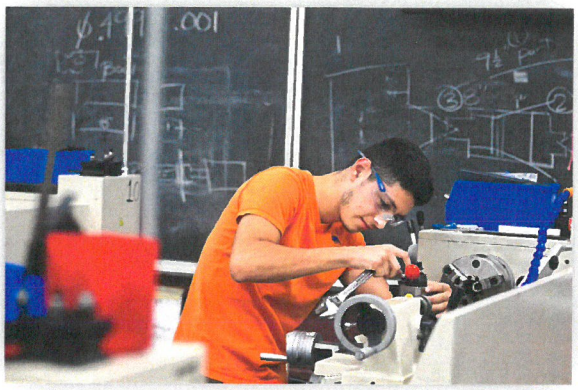
Tucson's highly concentrated aerospace product and parts manufacturing sector has an 8.35 location quotient (Source: economy.com). The location quotient means that Tucson is 8.35 times more concentrated in the aerospace product and parts manufacturing industry than the average of all metropolitan statistical areas across the country.

MAJOR EMPLOYERS

- Abrams Airborne Manufacturing Inc.
- Ascent Aviation Services
- Bombardier Aerospace
- Davis-Monthan Air Force Base
- Fort Huachuca
- Honeywell Aerospace
- Marana Aerospace Solutions
- Northrop Grumman
- Paragon Space Development Corporation
- Raytheon Missile Systems
- Rockwell Collins
- Sargent Aerospace & Defense
- Securaplane Technologies
- Universal Avionics Systems
- Vector Space Systems
- World View Enterprises

Workforce

The aerospace sector is a high-value, high-wage industry that attracts top-notch talent to the region. From aerospace engineers to FAA-certified airframe and power plant mechanics, Southern Arizona has the educational resources to supply all levels of aerospace workers to companies in the region.



THE UNIVERSITY OF ARIZONA

- UA ranks in the top 10 of NASA grant recipients and is No. 1 in space science research.
- The College of Engineering at The University of Arizona offers many outstanding engineering programs, granting 458 bachelor's degrees, 158 master's, and 56 doctoral degrees in 2015-2016.
- The Department of Aerospace and Mechanical Engineering (AME) offers ABET accredited undergraduate, master's, and doctoral programs in aerospace engineering and mechanical engineering.

PimaCommunityCollege

- PCC is one of the only schools in the U.S. teaching the highly sought after and well-paying specialty of Advanced Structural Repair and Modification. The placement rate is near 100% for all 150 annual graduates.
- PCC is one of a handful of approximately 160 FAA-approved schools with curriculum targeting commercial jet transports.
- PCC is one of 87 U.S. colleges (about half of the FAA-approved schools in the U.S.) offering an aviation maintenance degree.

EMBRY-RIDDLE Aeronautical University

- The Embry-Riddle campus - located on the Davis-Monthan Air Force Base - offers associate, bachelor's, and master's degrees, as well as undergraduate FAA Part 65 A & P certification to military, veteran, and civilians. Academic programs are available using multiple learning modalities, including online, classroom, and virtual classroom instruction. Average annual enrollment is 650.

ARIZONA STATE UNIVERSITY

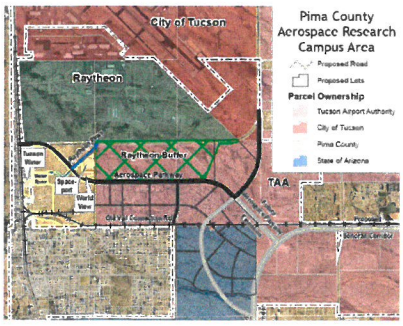
- The Ira A. Fulton Schools of Engineering offers 24 undergraduate and 39 graduate programs on two campuses and online with an enrollment of over 20,000 students, and 3,544 degrees granted in 2015-2016.
- The Fulton Schools emphasize discovery, design, innovation, entrepreneurship and societal impact. The faculty and students solve challenges in energy, health, sustainability, education and security.
- The Fulton Schools are leaders in the National Science Foundation (NSF) Higher Education Research and Development (HERD) Rankings including: 11th in NASA funded expenditures, 25th in NSF funded expenditures, 32nd in DOE funded expenditures and 32 in DOD funded expenditures.

Whether attracting high tech companies to this area or cultivating emerging industries in our backyard, Sun Corridor Inc. has been instrumental in accelerating economic growth in the region.

~ Dr. Taylor Lawrence, CEO, Raytheon Missile Systems

With convenient access to local, regional, national and international markets, Tucson and Southern Arizona benefit from a constant, growing flow of products and services.

Infrastructure



Pima County Aerospace Research Campus

With over 500 total acres available in planned lots ranging from 24 to 47 acres, users have the opportunity to consolidate and customize properties as needed to meet their specific needs. This park is the initial portion of a larger planned industrial park that will encompass as much as 2,400 additional acres over time. Recent announcements of companies locating in the Park include Raytheon Missile Systems, Vector Space and World View Enterprises.

TUCSON INTERNATIONAL AIRPORT
TUCSON AIRPORT AUTHORITY

- 3 Runways (10,900 ft., 8,400 ft, & 7,000 ft.)
- Port of Entry with 24-hour Customs
- 8,300 Acres with runway access, existing facilities and development sites available
- Home of Bombardier and Ascent Aviation (MRO)

RYAN AIRFIELD
TUCSON AIRPORT AUTHORITY

- 3 Runways (5,500 ft., 4,900 ft., & 4,000 ft.)
- 30 Tenants including Flight Instruction Facilities
- 1,800 acres with runway access, existing facilities and development sites available

Pinal Airpark

- 1 Runway (6,849 ft.)
- Home of Marana Aerospace Solutions (MRO
- 2,804 acres with runway access, existing facilities and development sites available

Military Installations

The military is a key employer in Southern Arizona and a critical component of the aerospace and defense industry. Many of the aerospace industry's finest companies benefit from the vast experience of military veterans that choose to continue their professional careers in the region.

Davis-Monthan Air Force Base

- Employees: 10,869
- Mission: The host unit at DM is the 335th Fighter Wing(335 FW) assigned to the Twelfth Air Force

Fort Huachuca

- Employees: 26,921
- Mission: U.S. Army Intelligence Center, 9th Army Signal Command, and the training site for the Grey Eagle UAV

162nd Fighter Wing - Air National Guard

- Employees: 2,947
- Mission: Education and flight training of International F-16 Fighting Falcon pilots

Western Army National Guard Aviation Training Site (WAATS)

- Employees: 300
- Mission: Conduct National Guard Bureau directed aviation training for the Attack and Aero-Scout mission

Why Southern Arizona?

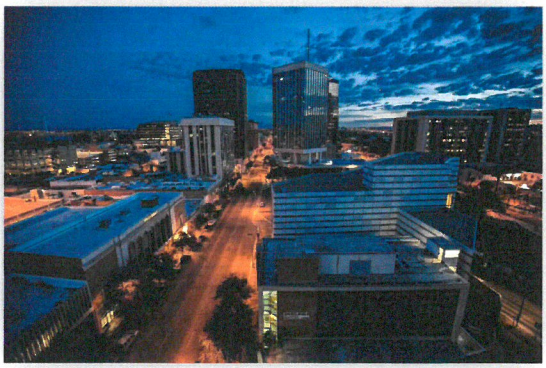
The collective assets of Southern Arizona, combined with Mexico's economic growth, lead to a strategic location and unique competitive strength for business growth and development found no where else. The Southern Arizona/Sonoran region, is a binational, world-class center in integrated research, manufacturing and supply chain strength.

WHAT CAN SUN CORRIDOR INC. OFFER YOU?

To learn more about doing business here, contact:

Susan Hyatt Dumon
520.243.1950
susan.dumon@suncorridorinc.com

Daniela Gallagher
520.243.1938
daniela.gallagher@suncorridorinc.com



The Tucson MSA serves a market of 35 million people within a 500-mile radius. In terms of geography, it lies within 415 miles of Southern California population centers and within 64 miles of the Mexican border, Arizona's largest trade partner.

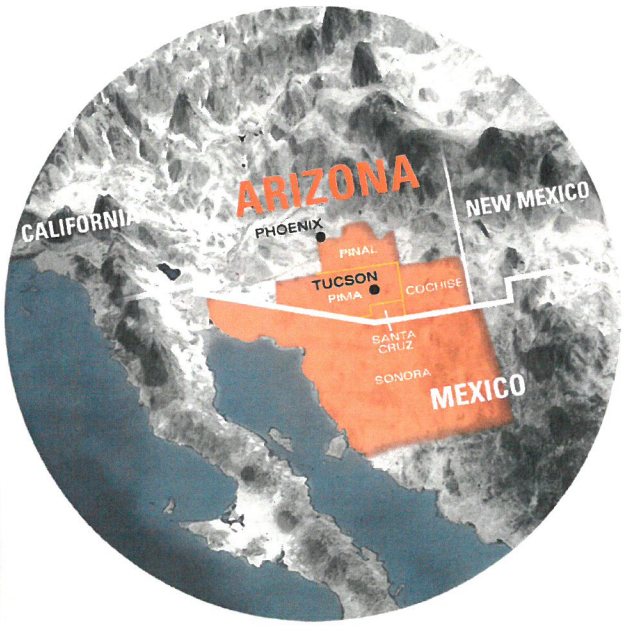
Proximity to the I-10 / I-8 (east/west) and I-19 (north/south) interstate highway system provides timely access to suppliers and markets in other southern states. Additionally four international ports of entry, the region's rail/truck intermodal (Port of Tucson), 11 general aviation airports across several counties and Tucson's international airport facilities provide supplementary, highly-efficient methods for people and product movement.

Businesses regard Southern Arizona as an emerging location of choice for many important reasons including:

- A diverse workforce and skill set availability
- No corporate inventory tax
- Arizona's designation as a right to work state
- Focused incentives for jobs and capital investment
- Availability and affordability of land, water and electricity
- Competitive operational and payroll costs

About Sun Corridor Inc.

Sun Corridor Inc. is a transformative economic development organization representing one of the most dynamic and growing major business centers in North America. Located in Southern Arizona and encompassing four counties (Pinal, Pima, Santa Cruz and Cochise), Sun Corridor Inc. is a CEO-driven regional alliance whose members aggressively champion mega-regional issues that impact economic competitiveness and quality of life. The organization has helped to drive significant business investment into the Tucson and Southern Arizona region through primary job creation, resulting in an economic impact of $18.7 billion.



SUN CORRIDOR INC
www.suncorridorinc.com

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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: 07/01/2017 through 06/30/18	
CONTRACT NO.	
AMOUNT: $650,000.00	
FUNDING: General Fund	

PROFESSIONAL SERVICES AGREEMENT

1. 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 2017/18. The term of this Agreement shall be from July 1, 2017 through June 30, 2018, unless further extended upon the mutual written agreement of the parties.

2. BACKGROUND AND PURPOSE.

Sun Corridor Inc. (SCI) was established in 2005 (originally as Tucson Regional Opportunities/TREO) to consolidate and coordinate all economic development activities and programs within the region. The primary goal of SCI 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.

On July 1, 2015, SCI expanded its geographic coverage to more effectively serve and represent the assets and economic activities of the mega region of Southern Arizona. SCI now brings the economic potential of Pima, Pinal, Santa Cruz and Cochise Counties together to create opportunity and prosperity (see **Exhibit C).**

SCI offers a comprehensive range 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 throughout southern

Arizona and also supports Pima County's economic activities related to 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. Pima County is the only public entity to serve on the Executive Committee for SCI. SCI focuses 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:

3. RESPONSIBILITIES OF SCI.

3.1 **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 support Pima County's economic activities related to Mexico.

3.2 **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/ expansion of existing primary companies and increased business creation/entrepreneurship strength throughout southern Arizona.

This agreement is strategically focused on twelve (12) specific long-range goals:

3.2.1 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 (50) percent greater than the average annual employment income within the region.

3.2.2 Assist Pima County in its efforts to identify sector workforce training needs, advocate for and develop programs to address critical workforce shortages in specific Pima County business and industrial sectors and advocate among Sun Corridor Inc.'s membership to assist in these workforce development

efforts.

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

3.2.4 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.

3.2.5 Retention and expansion of existing businesses.

3.2.6 Support the COUNTY in its economic development activities as outlined in the *2015 Pima County Economic Development Plan* released in July 2015, the Pima County 2016-2018 Economic Development Plan Update released in November 2016 and the Pima County Comprehensive Plan *"Pima Prospers* ". As described in "Exhibit A #3.

3.2.7 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.

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

3.2.9 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.

3.2.10 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.

3.2.11 Ensure significant COUNTY and southern Arizona exposure with site selectors through SCI's sales and marketing activity throughout the year, including sales missions, leadership roadshows, targeted marketing and include Pima County Economic Devlopment staff on select marketing and business attraction missions.

3.2.12 Market Pima County's economic development properties;

Properties to be marketed include the COUNTY's properties identified by the Economic Development department, which includes, but is not limited to:

3.2.12.1 AerospaceResearch Campus
3.2.12.2 332 S. Freeway

3.2.12.3 33 N. Stone
3.2.12.4 Sunset Corporate Professional Campus
3.2.12.5 Kino Sports Complex (Sports and Tourism)
3.2.12.6 Downtown primary employment centers
3.2.12.7 97 E. Congress Street
3.2.12.8 75 E. Broadway
3.2.12.9 Reposition the former Roger Road Water Reclamation Campus
3.2.12.10 Southeast Logistic and Employmnet Center
3.2.12.11 Pinal Air Park (MRO Facilities Expansion)

3.3 **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 through 2018") and shall 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.**

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

3.4.1 Monthly:

3.4.1.1 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.**

3.4.1.2 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.

3.4.1.3 A report indicating what specific prospect showed interest in which County properties identified in Section III (B) (12) 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.

3.4.1.4 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.

3.4.1.5 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 the 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.

3.4.2 Quarterly:

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

3.4.2.2 Recommendations as to how the COUNTY and the region can improve competitiveness and responses to prospects.

3.4.3 Annually:

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, 2017.

4 ADDITIONAL AGREEMENTS OF THE PARTIES.

4.1 COMPENSATION:

4.1.1 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, 2017 through June 30, 2018. This amount shall be 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.

4.1.2 This funding shall be provided in the form of twelve 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 30 days prior to the expiration of this agreement.

4.2 INVOICES:

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

4.2.2 SCI shall submit to the COUNTY twelve 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.

4.2.3 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.

4.2.4 The foregoing notwithstanding, if SCI has not provided COUNTY with the audit required pursuant to Paragraph 3.4.3 above or another report required by this agreement, no payments shall be made hereunder until COUNTY receives the required information.

4.2.5 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.

4.2.6 Notwithstanding any other provisions herein, COUNTY shall not be 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 2017/18 goals and objectives.

4.2.7 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 (10) days of the earlier of notification regarding, or actual receipt of, such alternative funding.

4.2.8 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 2017/18 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.

4.2.9 Nothing herein shall preclude 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.

4.3 FOREIGN TRADE ZONE:

4.3.1 SCI shall be 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 the County which includes the review and approval by the

County and other impacted taxing jurisdictions of any application relating to the designation or continuation of an FTZ site or operator.

4.3.2 As the administrative agency for the FTZ, SCI shall under the COUNTY's direction and at the COUNTY's discretion assist the 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.

4.3.3 SCI shall no less than annually or when requested by COUNTY, evaluate current companies and sites that have received FTZ designation and determine on behalf of the COUNTY which 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.

4.3.4 SCI shall provide Pima County reports as needed regarding all activated and deactivated FTZ sites administered by SCI in Pima County.

5. GENERAL PROVISIONS.

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

5.1.1 *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;

5.1.2 *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;

5.1.3 *Professional Services,* professional liability insurance in the amount of $1,000,000.00; and

5.1.4 *Workers' compensation* coverage, including employees' liability coverage.

SCI shall 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.

5.2 INDEMNITY: SCI shall 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.

5.3 **COMPLIANCE WITH LAWS:** SCI shall 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 shall govern the rights of the parties, the performance of this contract, and any disputes hereunder. Any action relating to this contract shall be brought 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 shall apply, but do not require an amendment.

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

5.5 **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 shall create 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.

5.6 **ASSIGNMENT:** SCI shall not assign its rights to this contract, in whole or in part, without prior written approval of COUNTY. Approval may be withheld at the sole discretion of COUNTY, provided that such approval shall not be unreasonably withheld.

5.7 **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 shall 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.

5.8 **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.

5.9 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 shall not be liable to SCI or any third party by reason of such determination or by reason of this contract.

5.10 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.

5.11 TERMINATION FOR DEFAULT:

5.11.1 Upon a failure by SCI to cure a default under this contract within ten (10) 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 shall be liable for any damage to the COUNTY resulting from SCI's default, including any increased costs incurred by COUNTY in completing the work.

5.11.2 The occurrence of any of the following, without limitation to the named events, shall constitute an event of default:

5.11.2.1 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;

5.11.2.2 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;

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

5.11.2.4 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;

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

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

5.11.2.7 Commission of any act of fraud, misrepresentation, fulfill misconduct, or intentional breach of any provision of this contract; or

5.11.2.8 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.

5.11.3 In the event of a termination for default:

5.11.3.1 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 shall become COUNTY'S property and shall be delivered to COUNTY not later than five (5) business days after the effective date of the termination;

5.11.3.2 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.

5.11.4 Subject to the immediately preceding subparagraph, COUNTY'S liability to SCI shall not exceed the contract's value of work satisfactorily performed prior to the date of termination for which payment has not been previously made.

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

5.11.5.1 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:

5.11.5.1.1 Acts of God or of the public enemy,
5.11.5.1.2 Acts of the COUNTY in either its sovereign or contractual capacity,
5.11.5.1.3 Acts of another contractor in the performance of a contract with the County,
5.11.5.1.4 Fires,
5.11.5.1.5 Floods,
5.11.5.1.6 Epidemics,
5.11.5.1.7 Quarantine restrictions,
5.11.5.1.8 Strikes,

5.11.5.1.9 Freight embargoes,
5.11.5.1.10 Unusually severe weather, or
5.11.5.1.11 Delays of subcontractors at any tier arising from unforeseeable causes beyond the control and without the fault or negligence of both SCI and subcontractors.

5.11.5.2 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, the County shall 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.

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

5.11.5.4 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.

5.11.5.5 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.

5.12 **TERMINATION FOR CONVENIENCE:** COUNTY reserves the right to terminate this contract at any time and without cause by serving upon SCI thirty (30) day advance written notice of such intent to terminate. In the event of such termination, the COUNTY'S only obligation to SCI shall be 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 shall have no further obligation to SCI, other than to pay for Services rendered prior to termination.

5.13 **NOTICE:** Any notice required or permitted to be given under this contract shall be in writing and shall 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

5.14 **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.

5.15 **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 shall be cumulative and in addition to any other right or remedy existing at law or at equity or by virtue of this contract.

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

5.17 **BOOKS AND RECORDS:** SCI shall keep and maintain proper and complete books, records and accounts, which shall be open at all reasonable times for inspection and audit by duly authorized representatives of COUNTY.

In addition, SCI shall 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.

5.18 **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 seg., county shall 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 shall 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 shall not, under any circumstances, be responsible for securing a protective order or other relief enjoining the release of records marked CONFIDENTAL, nor shall County be in any way financially responsible for any costs associated with securing such an order.

5.19 **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 shall further ensure that each subcontractor who performs any work for SCI under this contract likewise complies with the State and Federal immigration Laws.

COUNTY shall have 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, shall be deemed to be 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 shall 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 shall 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 will be deemed to be 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 shall be 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 shall be deemed

excusable delay for which SCI shall be entitled to an extension of time, but not costs.

5.20 **ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS:** This Agreement may be executed in up to three (3) duplicate originals, each of which is deemed to be 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, through 2018

5.21 **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 the County up to and including termination of this Contract.

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.

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

REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK

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

SUN CORRIDOR INC., an Arizona nonprofit corportation:

Joseph Snell, CEO and President — Date

ATTEST:

Julie Castaneda, Clerk of the Board — Date

APPROVED AS TO CONTENT:

C.H. Huckelberry, County Administrator — 6/28/17 Date

APPROVED AS TO FORM:

Tobin Rosen, Deputy County Attorney
Civil Division — 6/27/17 Date

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

SUN CORRIDOR INC., an Arizona nonprofit corporation:

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APPROVED AS TO CONTENT:

C.H. Huckelberry, County Administrator — Date

APPROVED AS TO FORM:

Tobin Rosen, Deputy County Attorney
Civil Division — Date

EXHIBIT A
PERFORMANCE GOALS AND SERVICES

SCI shall provide the following Services to the COUNTY:

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

    1.1 Number of Direct Jobs Facilitated
    1.2 Number of Jobs in Targeted Industries
    1.3 Number of Qualified Prospects
    1.4 Earned Media Reach

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

    2.1 High wage job development/sales and marketing
    2.2 Capacity development/improve competitiveness

        2.2.1 Lead two site selection executive missions
        2.2.2 Develop and implement a regional FDI strategy to possibly include an in-market mission.

3 Support the Update through 2018 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 providing 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 deficiencies within 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.

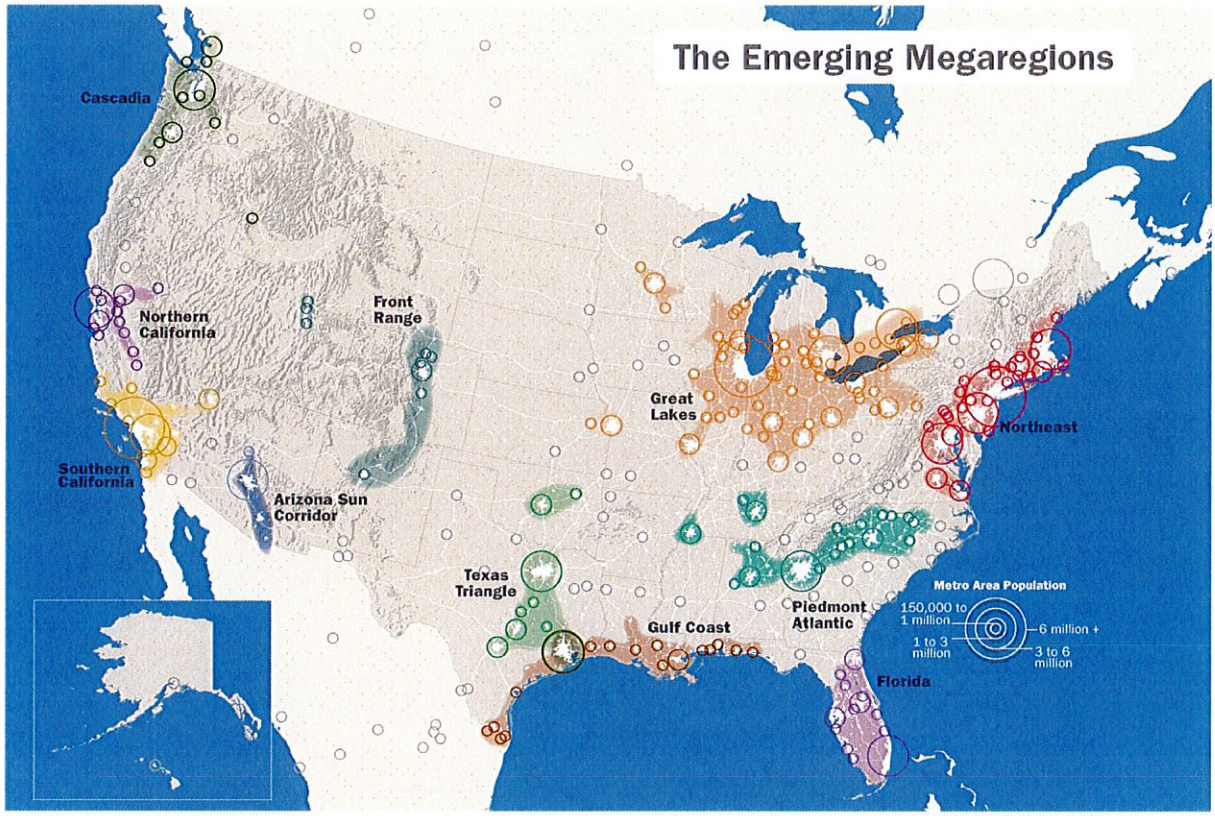
EXHIBIT B

Draft

SUN CORRIDOR, INC.
FY 18 Budget

	Jul '17 - Jun 18
Ordinary Income/Expense	
Income	
STAKEHOLDER	650.000.00
PRIVATE SECTOR INVESTOR REVENUE	1.550.000.00
OTHER SOURCES / REVENUE	143.500.00
Total Income	2.343.500.00
Gross Profit	2.343.500.00
Expense	
GENERAL & ADMINISTRATIVE	20.500.000
OCCUPANCY	166.000.00
FFE LEASES , PURCHASES & SUPPLIES	25.000.00
COMMUNICATIONS & IT SUPPORT	61.000.00
BUSINESS DEVELOPMENT	959.000.00
NATIONAL MARKETING	773.000.00
COMPETITIVE POSITIONING	339.000.00
Total Expense	2.343.500.00
Net Ordinary Income	0.00

EXHIBIT C
MEGA-REGIONAL
AREA



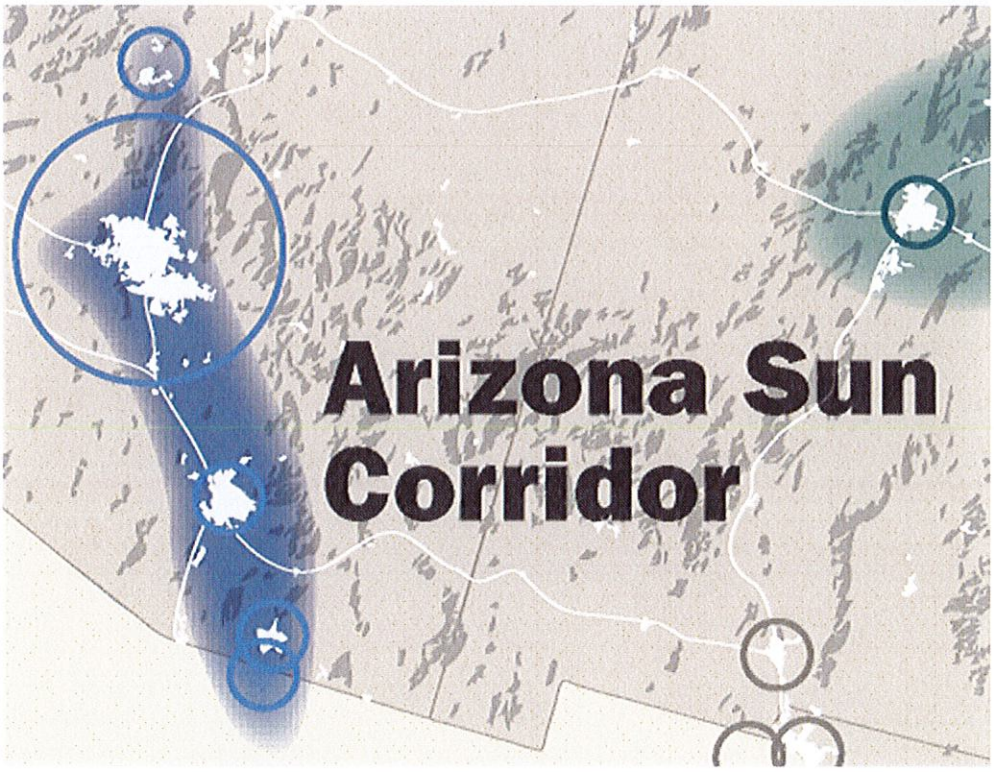


EXHIBIT D
ACTIONS ITEMS
PIMA COUNTY ECONOMIC DEVELOPMENT PLAN UPDATE THROUGH 2018

1. PRIMARY JOB CENTER DEVELOPMENT

1.1 Support the completion 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 the Environmental Assessment referenced above for the release and sale of the 270-acre expansion buffer for Raytheon and the Arizona Air National Guard and place the buffer under USAF control in 2018.

1.3 Develop a planning agreement between Pima County, TAA and the 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 Continue planning with Union Pacific Railroad for rail access from the Nogales line through the Park.

1.5 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.

1.6 Complete planning and construction of the extension of Sunset Road between I-10 and Silverbell Road in 2017.

1.7 Market for sale or lease for primary employment vacant land at Sunset Road and I-10, 75 E. Broadway Boulevard and 332 S. Freeway.

1.8 Make available County property at Pinal Airpark for air field development and expansion, including airport employment lessees. Planning is underway in 2016.

1.9 Develop a new, fully integrated Master Plan for the Southeast Regional Park and Employment Site that identifies both lands that will be permanently reserved for public recreation and those that will be used for primarily export-based employment. It is likely over 1,000 acres could be reserved for an employment site, making the site ideal for a second master planned Business and Research Park. Actively plan and extend sanitary sewer service to the facility and develop an internal, County-owned water utility to service the Southeast Regional Park, Fairgrounds and Business and Research Park. Begin master planning and programming of transportation capacity improvements to provide urban transportation service to the location.

1.10 Continue and expand active marketing of the adaptive reuse of the former Roger Road Wastewater Treatment Facilities.

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-11 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 I-10 and I-19.

2.3 Continue to advocate for early and adequate funding for both phases to improve SR 189 from the Mariposa POE to I-19.

2.4 Support development of the second full-service parallel runway for TIA.

2.5 Initiate development of a regional utility corridor, including a sanitary sewer inceptor system, to serve the employment growth area south of TIA extending to Rita Road at I-10.

2.6 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.

2.7 Expand the road and utility infrastructure to accommodate new tenants in the Business and Research Park.

3. PROTECTING OUR EXISTING MAJOR EMPLOYMENT BASE

3.1 Secure buffers for Raytheon expansion by 2018.

3.2 Continue to actively support DMAFB and their continuation of the A-10 mission and any future mission for DMAFB. Actively support additional F-16 squadrons being relocated and based at DMAFB, as well as a remoted piloted aircraft mission.

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. Also, pursue a REPI grant to further protect the DMAFB departure corridor as well as the flight corridors from DMAFB to the BMGR.

3.5 Continue to actively support the AZ ANG and continuation and expansion of its domestic and international flight pilot training missions at TIA.

3.6 Support the AZ ANG 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 ANG 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 the UA Tech Park and UA Tech Park at The Bridges.

3.9 Continue to pursue the development of startup building space for the growth of UA-based technology-to-market deployment through the development of innovation buildings. The purpose of the innovation buildings will be to facilitate and incubate startup technology companies transferring research to practical applications and job development.

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 POES 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-10 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 I-10 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 PCC, as well as economic development investment from all three universities, into enterprises within Pima County – either existing employers or emerging new employers.

5.4 Encourage collaboration among all higher education institutions to focus on workforce development congruent with major industrial growth throughout the State.

5.5 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 all 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 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 additional nonstop flights from one or more US East Coast, Canadian and Mexican cities to TIA, since there are currently very limited East Coast and Mexico nonstop flights and no nonstop flights to Tucson from Canada.

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, including the Kino Sports Complex, Old Tucson Studios, Arizona-Sonora Desert Museum, Colossal Cave Mountain Park, Pima Air and Space Museum and the Regional Visitors Center at Historic County Courthouse.

6.13 Reintroduce and support passage of reform legislation related to the 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 maximize 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

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

8.2 Complete the County economic development web page to serve as a regional resource and tool to attract business and investment from Mexico.

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

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

8.5 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 Foreign Direct Investment and 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 RELATIONSHIP 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 lead 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 our 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 The 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

11.1 Facilitate the creation of a regional visitors' center in collaboration with Visit Tucson, the Western National Parks Association and The University of Arizona Mineral Museum.

11.2 Encourage new or expanded primary employment in the downtown by making available for such the County-owned vacant property at Broadway Boulevard and Scott Avenue and 332 S. Freeway. The Broadway and Freeway properties are both along the Sun Link Streetcar route and provide significant opportunity for multistory building construction.

11.3 Market County Central Plant Services to adjacent or proximate properties to reduce the cost of building development and increase the economy of scale for provision of these services.

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.

11.4 The County also owns the Bank of America Building in downtown Tucson, and the building is occupied by a mix of County users and private users. This mix should essentially remain the same, and any vacant space that becomes available should be leased to new downtown private employers. Presently, approximately 15,000 square feet of space is available for lease in this building.

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 external stakeholders for the Business Resource One-Stop Center and proceed with additional planning

12.5 Work with the 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 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:

13.3.1 Provide employers with resources to help employees deal with immediate poverty-related issues.
13.3.2 Help new employees understand and meet employer expectations.
13.3.3 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 serve job-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 10-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 by the State Legislature referring the question of a tax increase and constitutional protection to the voters.

14.2 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.

14.3 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.

14.4 Continue implementation of Pima Prospers, along with Pima County's Economic Development Plan.

14.5 Work cooperatively with area jurisdictions on complementary economic development strategies, including employment retention and expansion, workforce development, infrastructure development, international trade and tourism.

14.6 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.

14.7 Advance economic development activities in coordination and consultation with Cochise, Pinal and Santa Cruz Counties.