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# MEMORANDUM

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Date: August 30, 2018

To: The Honorable Chairman and Members  
Pima County Board of Supervisors

From: C.H. Huckelberry  
County Administrator

A handwritten signature in black ink, appearing to be "CHH", is written over the printed name "C.H. Huckelberry".

Re: **Goldwater Institute World View Litigation Update**

As you know, I recently reported the County prevailed in the Superior Court on a portion of the Goldwater Institute litigation regarding design consultant and contractor selection for the World View Headquarters.

Previously, the County prevailed in the Court of Appeals regarding the economic development leasing statute. The Goldwater Institute then petitioned the Arizona Supreme Court to review the December Court of Appeals Division II ruling. Yesterday, the Supreme Court declined review, which leaves in place the Court of Appeals decision.

This means the County has prevailed in two of the three counts in the lawsuit filed by the Goldwater Institute against our economic development efforts.

The remaining count relating to the Gift Clause will now be litigated. The Supreme Court has ruled that the Gift Clause allows for the expenditure of public funds for private enterprises as long as the value of what the private enterprise provides in exchange is not grossly disproportionate to the amount of the expenditure. While there are significant direct and indirect benefits in retaining World View as a major space-technology employer in the region, a simple examination of the County's lease with World View indicates the total cost paid by the County to build the World View facility and subsequently lease it to World View is \$17 million when considering both principal (\$13.3 million) and interest (\$3.7 million) costs. The payment to the County from World View for the lease will be approximately \$25 million; therefore, the return to the taxpayers and public certainly exceeds the expense. The County and taxpayers essentially are obtaining an \$8 million profit from this transaction.

CHH/anc

c: Andrew Flagg, Chief Civil Deputy County Attorney  
Regina Nassen, Deputy County Attorney  
John Voorhees, Assistant County Administrator  
Dr. John Moffatt, Director, Economic Development Office