



MEMORANDUM

Date: September 20, 2021

To: The Honorable Adelita S. Grijalva, Vice Chair
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator 

Re: **Your Request for Additional Information Regarding Sun Corridor**

I would like to provide the available information regarding your request.

1. *The report provides information for the last three years. We would like information on the projects of Sun Corridor Inc. and its predecessor for the past ten years.*

Generally, our retention period records do not go back 10 years. I am sure we can attempt to retrieve these records, but I do not know how much of a benefit it would be to look at 10 years of history.

2. *The report includes how many jobs the companies are bringing, but we seek to know how many people were hired from our community and not brought in from elsewhere.*

The number of jobs that are hired within the community varies significantly by relocation or expansion project and the type of business recruited. This is common in every jurisdiction nationwide. In most cases, expansions are when an existing employer brings a new division or expands capacity. In those cases, it is likely many, if not most of the employees will be from the community.

Also, when a company expands or relocates and requires specific high-level expertise, it is likely the number of individuals from the community will be limited. As an example, Raytheon would hire as many graduate engineers as the University of Arizona could produce, but that cohort is always limited as there is extreme competition for those skills and in many cases the specific expertise needed is not available locally; therefore, it is likely some of the Raytheon hires are from outside the community. However, the exceptionally high average wage involved in the successful Raytheon expansions has numerous secondary economic impacts throughout Pima County. Engineers earning more than \$100,000 per year recruited to Pima County purchase homes, spend money in small business and significantly increase our tax base. On the other hand, CAID Industries is another local company that has primarily hired locally through a number of expansions. For a number of reasons, companies prefer to hire locally as long as the skillset needed is available.

As more specialized companies come to Pima County, we must ensure that we have the local workforce with the appropriate skills to meet those demands.

This is also the primary reason Pima County coordinates closely with the University of Arizona and Pima Community College and has supported the Job Path program where we are currently investing \$1.75 million, the most of any entity or jurisdiction by several factors. Our purpose in investing in Job Path is to increase the skills and training of existing residents so they can proceed up the career path to higher income. Increasing wages and economic mobility has been the primary focus of the Pima County Economic Development Plan since the first draft was created in 2012 and Pima County's contract with Sun Corridor, Inc. reflect this priority.

3. *How many of the companies that Sun Corridor Inc. and its predecessor have recruited in the past ten years continue to operate locally?*

Almost all companies, with the exception of Vector Space.

4. *How many and which ones of these projects were for companies with headquarters in another state or country?*

We have not tracked companies with headquarters in other locations. More than likely, most companies have headquarters in other locations. For example, Southern New Hampshire University has headquarters in another location but located their west coast division in Tucson and hired almost all local individuals. The same is true for Ernst & Young, GEICO, who specifically chose Pima County based on the availability and skillset they discovered in the local workforce.

5. *How is the \$6.6 million dollar local impact in the report calculated?*

The \$6.6 billion (not million) local impact is calculated using *Implan* which is widely used to project economic impact throughout the country and is utilized by Applied Economics who combines a number of economic factors with *Implan* to create these independent projections for Sun Corridor, Inc. The model takes into consideration not only direct wages, but also uses local economic factors projects the secondary effect where those wage earners buy or rent homes and spend their disposable income, which varies by industry type and earning capacities.

6. *The Operation Type for each Organization and Project is rather broad. Any more specifics on what these projects entail would be appreciated.*

Again the best description of the business expansion/relocation is found in Attachment 2 of my September 15, 2021 memorandum to the Board.

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7. *How many and which ones of these projects have obtained air- or water-quality permits for their emissions?*

Almost none, in reviewing the list, the only one that comes to mind having to obtain an actual Air Quality Permit is Becton, Dickinson and Company (BD) Ethylene Oxide Sterilization Facility. I believe you are aware of the current process of which I requested be significantly expanded for public input due to the need to provide an air toxic permit for this industry to ensure there is strict compliance with air quality standards.

Water Quality regulations from the Pima County Regional Wastewater Reclamation Department require pretreatment of any discharge prior to its entry into the wastewater system. This is a common requirement across the country to prevent toxins from entering the wastewater system and all companies looking at Pima County expect to comply with the local and national requirements.

It should be noted that Pima County has in the past declined to compete for individual business attraction projects that we determined would have a detrimental effect on the environment or require water use that would negatively affect our regional water supply. This policy will continue in the future and be based on a case-by-case analysis.

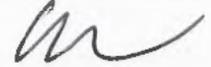
CHH/anc

Attachment

c: The Honorable Chair and Members, Pima County Board of Supervisors
Jan Leshar, Chief Deputy County Administrator
Dr. John Moffatt, Director, Economic Development Office

Chuck Huckelberry

From: Adelita Grijalva
Sent: Thursday, September 16, 2021 4:26 PM
To: Chuck Huckelberry
Subject: Request for additional information from Sun Corridor



Chuck,

Thank you for sending us the memoranda regarding Sun Corridor, Inc.

I would like to request some additional information:

- The report provides information for the last three years. We would like information on the projects of Sun Corridor Inc. and its predecessor for the past ten years.
- The report includes how many jobs the companies are bringing, but we seek to know how many people were hired from our community and not brought in from elsewhere.
- How many of the companies that Sun Corridor Inc. and its predecessor have recruited in the past ten years continue to operate locally?
- How many and which ones of these projects were for companies with headquarters in another state or country?
- How is the \$6.6 million dollar local impact in the report calculated?
- The Operation Type for each Organization and Project is rather broad. Any more specifics on what these projects entail would be appreciated.
- How many and which ones of these projects have obtained air- or water-quality permits for their emissions?

not in records retention

Thanks in advance,
Adelita

Adelita S. Grijalva
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