MEMORANDUM

Date: September 27, 2021

To: Kent Blumenthal, Ph.D.
Pima County Small Business Commission

From: C.H. Huckelberry
County Administrator

Re: Your September 24, 2021 Letter to the Board of Supervisors Regarding the Small Business Commission

I received a copy of your September 24, 2021 communication to the Board of Supervisors regarding the mission of the Small Business Commission (SBC). (Attachment 1)

Comparing the SBC’s mission to Sun Corridor, Inc. mixes apples with oranges. The primary purpose of Sun Corridor is to provide for job attraction and expansion through business relocations or expansions of existing businesses. The bylaws of the SBC do not include such a description of the Commission.

The SBC’s mission is to primarily facilitate communication with the County regarding issues that affect existing small businesses. The SBC has the staff support of the Economic Development Office while Sun Corridor requires no such support. If you closely examine the attractions of Sun Corridor, you will find that many of them fall under the Department of Labor definition of a small business, which is 500 or fewer employees. It is that definition of small business that Sun Corridor operates and only for the purpose of attraction and expansion.

A local definition of a small business is for those businesses with far fewer employees. Article IV, section 3 of the Pima Country Small Business Commission bylaws (Attachment 2) specifically cites that the Commission’s membership emphasis “shall be with firms with 1-15 full time equivalent with a limit of 100 employees at the time of the commissioner’s appointment.”

Additionally, and even more germane to the Board of Supervisors’ direction of the Commission’s scope and mission, is Resolution 2003-52 (Attachment 3) that created the Small Business Commission on March 18, 2003. Section 2 of this enabling resolution, which has guided the Commission for more than 18 years, reiterates the need to focus on businesses with 100 employees or less and also states:

“The purpose of the commission is to facilitate communication between Pima County and small business; to evaluate County policies and regulation for their impact on small business; and to help maintain a healthy environment in which small businesses and their employees can prosper.”

As Pima County begins to emerge from the significant shock and damage the COVID-19 pandemic inflicted on the small businesses, it is more important than ever that the Commission evaluate the impact of the pandemic to small businesses where the need is
greatest and advise the Board of Supervisors on possible County Initiatives and assistance. As Chair of the Commission, I would encourage you to meet individually with the Supervisors or their staff to discuss what the Board’s current priorities are in terms of small business support and assistance.

In your letter to the Board of Supervisors you also mention possible restructuring of the Commission. If such an action occurs, the Commission should retain its role as an advisory body to the Board of Supervisors focused on small businesses of 100 employees or less, but I would strongly recommend bylaw amendments that place more focus on small business resiliency and place more emphasis on assisting small businesses hurt by the pandemic, small businesses located in underserved and rural communities, small businesses owned by women and minorities, and small businesses owned by veterans. Having Commission appointments that reflect these demographics of small businesses in Pima County would also help further the SBC’s work as an advisory body to the Board of Supervisors focused on issues and policy.

CHH/anc

Attachments

c: The Honorable Chair and Members, Pima County Board of Supervisors
   Jan Lesher, Chief Deputy County Administrator
   Dr. John Moffatt, Director, Economic Development Office
   Patrick Cavanaugh, Deputy Director, Economic Development Office
September 24, 2021

Honorable Chair Sharon Bronson and members of the Pima County Board of Supervisors,

The Pima County Small Business Commission (PCSBC) discussed Pima County Administrator Chuck Huckelberry’s September 15, 2021 memorandum to the Pima County Board of Supervisors ("Sun Corridor, Inc. Information Request") at yesterday’s Commission meeting. Of particular interest in the memorandum was Mr. Huckelberry’s broadly defined function of the PCSBC as “...expansion of small businesses should fall under the responsibility of the Small Business Commission.” (Please see the attached memorandum.)

While the PCSBC remains interested in fulfilling Mr. Huckelberry’s expectations, the current Board of Supervisors enabling resolution and Commission bylaws limit the Commission from doing so. In accordance with Board of Supervisors Resolution 2003-52, the PCSBC has no employees, receives no Pima County funding and is even disallowed from requesting funding.

The PCSBC requests that the Board of Supervisors fully consider responsibility for small business advocacy within Pima County when it continues discussion and debate about the respective roles of Sun Corridor, Inc. and the Pima County Economic Development Office that previously occurred at the Board’s meeting on September 21, 2021. If Sun Corridor, Inc. is responsible for this function, then any Pima County agreement with Sun Corridor, Inc. should so stipulate. If the Board of Supervisors believes responsibility for small business advocacy rests with the Pima County Small Business Commission and/or the Pima County Economic Development Office, then I request that this be clarified by Board action, Commission restructuring and County financial support in order to ensure success.

Thank you for your consideration of the issues raised by the PCSBC regarding its function. I look forward to further communication with the Board of Supervisors on this important matter.

Respectfully submitted on behalf of the Pima County Small Business Commission,

Kent J. Blumenthal, Ph.D.
Chairman, Pima County Small Business Commission

c: Chuck Huckelberry, Pima County Administrator
Jan Lesher, Chief Deputy Pima County Administrator
John Moffatt, Director, Pima County Economic Development Office
Commissioners, Pima County Small Business Commission
Attachment 1 of 1
Date: September 15, 2021

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

From: C.H. Huckelberry
      County Administrator

Re: Sun Corridor Inc. Information Request

At the September 7, 2021 Board of Supervisors meeting where Sun Corridor’s annual contract was continued to the September 21, 2021 Board meeting, the Board asked for information related to Sun Corridor’s activities.

Sun Corridor, Inc. (SCI) provides County staff, including myself, with a quarterly report. For your information, the latest report is attached. (Attachment 1) If the Board desires, we will forward all future quarterly reports from SCI for your information and use.

Please note the quarterly report follows the contract, particularly as it relates to performance measures within the contract itself.

The primary offices interacting agency with SCI is either my office or our Economic Development Office. The Economic Development Office regularly interacts with SCI as identified in the points below:

1. Meet with the SCI proposal team several times per week to discuss approaches on certain industries and special projects.
2. Attend Site Selector and client briefings when they are in town to be resource for information, workforce training opportunities, and referrals for supply chain support.
3. Meet with their team monthly to discuss the SCI Pipeline of active projects.
4. Work with SCI to provide infrastructure information on projects; and zoning, building permits and other development services coordination for project sites located in unincorporated Pima County.
5. Strategize on locating best sites for various project needs
6. Write proposals and provide maps for the marketing of Pima County properties for possible economic development projects
7. Collaborate in identifying infrastructure shortfalls that limit competitiveness.
8. Provide technical and regulatory information to SCI in support of their focus on attraction or expansion.
9. Receive quarterly reports that include advertising reach, spreadsheets that identify prospects and project related wins and losses including the reason for the loss.
Past Job Attraction Expansion Performance

Attachment 2 shows SCI’s projects, successes and announcements in business attraction and expansion for the last three fiscal years. Along with each attraction or expansion is a short description of the activity associated with the particular company. More importantly, Attachment 3 shows this list of attractions over this three-year period, the total jobs created in five years, average annual salary, capital investment and five-year economic impact associated with the expansion and/or relocation.

It should be noted that economic development attraction typically requires one or more years to fully realize either relocation or expansion; hence, the provision of this data for a full three years. Generally, the region, through Sun Corridor has been very successful in new employment attraction, particularly in attracting employment substantially above the median wage in Pima County. While we are interested in economic capital investment and the other benefits associated with business expansion/relocation such as generation of tax revenues, etc. One of our areas of prime interest is the employment of community members and improved job opportunities along with salary advancement.

In addition, the asterisked firms under the Opportunity Name column indicates the employment of less than 500 jobs, which according to the Small Business Administration qualifies as small business.

In summary, over these three years, more than 5,600 jobs have been created with an average wage of $58,000 and a regional economic five-year impact on the community of $6.6 billion.

Funding History

The funding history of SCI for the last 10 years is shown in Attachment 4. It should be noted that Pima County has been and continues to be the primary public fund supporter of SCI. The amount of funding raised privately by cooperate members far exceeds the public contribution. Eight or more years ago, SCI management and the Board of Supervisors deemphasized municipal contributions simply due to the competition among city, town and municipal jurisdictions for economic development. There is no such competition with Pima County.

In examining the private contributions, it is important to note that they typically exceed the public contribution by Pima County by a factor of three to one. In addition, the County’s contribution involves a contract for services as previously mentioned, which then requires specific data reporting and analysis as required in the contract. The municipality contributions are viewed primarily as dues and not specific contracts for economic development performance.
The Honorable Chair and Members, Pima County Board of Supervisors
Re: Sun Corridor Inc. Information Request
September 15, 2021
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A business relocation in any jurisdiction within Pima County is good for Pima County as well as for that particular jurisdiction. Hence, we have, generally, no preference as to where a business relocates or in which community a business expands as it is beneficial to Pima County in general. This philosophy led to emphasizing a larger contribution from Pima County and deemphasizing any contributions from municipalities, cities or towns.

SCI and Small Business

The primary mission of SCI is business relocation and expansion. To the extent that small businesses expand, that is within the purview of SCI and SCI would assist if requested. In addition, it should also be remembered that many of the business expansions and/or relocations are directed to the State through the Arizona Commerce Authority. SCI has yet to receive any business expansion lead from the Arizona Commerce Authority related to a small business. A number of the businesses attractions/expansions qualify under the federal Small Business Administration definition of small business. I do not believe that is what the Board had in mind when they asked the question, I believe it is more in what the federal government would classify as microbusiness or 25 or fewer employees.

The function of our Small Business Commission is to assist small businesses, including helping those businesses to establish themselves as well as expand. Expansion of small businesses should fall under the responsibility of the Small Business Commission.

Site Selector Interaction with SCI

Part of the success of SCI’s business expansion and attraction can be attributed to the interrelationship SCI has with the site selector community. In the recent past, SCI hosted a site selector national meeting in Tucson and has since created a communication network with site selectors all over the country who continue to be attracted to southern Arizona, in particular Pima County. Because of the private business component of SCI, they are able to communicate openly and frankly with the site selector community and learn from that community our strengths and weaknesses in order to provide feedback to business and governmental sectors on how to increase our competitiveness.

CHH/anc

Attachments

c: Jan Lesher, Chief Deputy County Administrator
  Carmine DeBonis, Jr., Deputy County Administrator for Public Works
  Francisco Garcia, MD, MPH, Deputy County Administrator & Chief Medical Officer, Health and Community Services
ARTICLE I
NAME

Section 1. The name of this organization shall be the Pima County Small Business Commission (SBC).

ARTICLE II
LEGAL REQUIREMENTS

Section 1. The Pima County Small Business Commission was created by Resolution 2003-52. The Commission will function under the authority of that resolution and other stipulations as stated by the Pima County Code.

Section 2. All Commission meetings will be conducted with the Arizona Public Open Meeting Law, A.R.S § 38-431.

ARTICLE III
FUNCTION AND PURPOSE

Section 1. To advise the Pima County Board of Supervisors on current and proposed County policies affecting small business: and

Section 2. To facilitate communication between the County and small businesses.

ARTICLE IV
MEMBERSHIP, APPOINTMENTS, AND QUALIFICATIONS

Section 1. In accordance with Resolution 2015-45 adopted by the Pima County Board of Supervisors on July 5, 2015, the Commission shall be composed of 11 members.

Section 2. The Commission will have 11 members: each Supervisor shall have 2 appointments. One member shall be voted on by the existing Commission and must receive a majority vote. Each member shall serve until replaced by the appointing supervisor or the appointing supervisor’s successor.

Section 3. The membership emphasis shall be with firms with 1-15 full time equivalent employees, with an upper limit of 100 employees at the time of the commissioner’s appointment.

Section 4. Members shall be company owners or managers.

Section 5. The companies must be located within Pima County.

Section 6. Vacancies on the Commission shall be filled by appointment in the same manner in which members are initially appointed.

Section 7. A member of the Commission, who misses four (4) consecutive meetings, for any reason, excluding major medical, is automatically removed from the Commission. Members are required to call the Commission staff to notify the Commission of their absence.
ARTICLE V
OFFICERS

Section 1. The officers of the Commission shall include Chairperson and Vice Chairperson.

Section 2. A majority (or six members of the eleven members) of the Commission who are appointed must be present to hold election of officers. Election of officers shall be announced the previous meeting. Election shall take place by voice vote.

Section 3. The term of each elected officer shall be one year. No officer may hold the same office for more than two consecutive terms. Notification of elections shall take place in November. Elections will be held in January.

Section 4. Each elected officer shall hold office until a successor is elected and qualified. In the event that an officer's term on the Commission should expire prior to completion of his/her term of office, a nominating committee shall be formed to nominate a replacement.

ARTICLE VI
DUTIES OF OFFICERS

Section 1. The Chairperson shall:

a. Preside at meetings of the Commission and ensure meetings are in compliance with all rules governing the Commission.

b. Ensure that Commission committees are established and chaired, and their tasks are expeditiously and effectively performed.

c. Serve as ex-officio member of all committees with the exception of a nominating committee.

d. Be a spokesperson for the Commission.

e. Take responsibility to implement the functions of the Commission as authorized by Resolution 2003-52 or as authorized by the Commission.

e. Set up monthly agendas with the Commission staff.

Section 2. The Vice Chairperson shall:

a. Perform all duties of the Chairperson during absence.

b. Act in an advisory capacity to the Chairperson and such functions as assigned by the Chairperson.

c. Meet with new appointees for orientation of the Small Business Commission.

ARTICLE VII
COMMITTEES

Section 1. The formation of committees shall be designated as deemed necessary by the Commission.

Section 2. The Chairperson may call an Executive Session as deemed necessary.
ARTICLE VIII
MEETINGS

Section 1. The Commission shall hold a minimum of ten (10) meetings a year.

Section 2. A majority of the members appointed shall constitute a quorum.

Section 3. The Commission shall utilize Robert’s Rule of Order unless it adopts its own rules of order.

Section 4. Administrative support shall be provided by the Pima County Department of Economic Development or equivalent.

ARTICLE IX
PUBLIC RECORD

Section 1. The minutes of its proceedings, except for executive sessions are public record and shall be filed with the Pima County Department of Economic Development or equivalent. Minutes of Executive Sessions shall be taken and kept confidential in accordance with A.R.S. §38-431.03B.

ARTICLE X
AMENDMENTS TO RULES

Section 1. These bylaws may be amended by an affirmative vote of the majority of full membership provided that such amendments be announced at the previous meeting and properly noticed.

ARTICLE XI
FILING OF RULES AND REGULATIONS

Section 1. Copies of the Rules and Regulations of the Commission and amendments thereof shall be filed as required by the Pima County Clerk of the Board.
RESOLUTION NO. 2003- 52

RELATING TO PIMA COUNTY BOARDS, COMMISSIONS
OR COMMITTEES;
ESTABLISHING THE PIMA COUNTY SMALL BUSINESS COMMISSION

BE IT RESOLVED BY THE BOARD OF SUPERVISORS, PIMA COUNTY,
ARIZONA, AS FOLLOWS:

Section 1. There is hereby established a Pima County Small Business
Commission (“Commission”).

Section 2. The purpose of the commission is to facilitate communication between
Pima County and small business; to evaluate County policies and regulations for their
impact on small business; and to help maintain a healthy environment in which small
businesses and their employees can prosper.

Section 3. The Commission shall be composed of no more than 11 members, all
of whom shall be residents of Pima County and shall be knowledgeable about small
business issues. Each County supervisor shall nominate two individuals for appointment
by the Board of Supervisors to the Commission, with one member to be selected by the
other Commission members. Members shall serve four year terms and may be
reappointed for one additional term.

Section 4. Qualifications: At least one member appointed by each Supervisor
shall be a company owner or manager from companies located in Pima County.
Members shall be from companies having no more than one hundred employees,
calculated on the basis of full time equivalency at the time of the appointment.
Commission members shall broadly represent different segments of the small business
community.

Section 5. The Commission shall meet at least quarterly, elect its own officers and
comply with all applicable laws and regulations, including Open Meeting and Public
Records laws. The Commission may adopt rules and regulations consistent with this
Resolution and other laws relating to the Commission’s functions. The Commission’s
rules, regulations, recommendations and advice shall not constitute an official statement,
position or action of Pima County unless ratified by the Board of Supervisors. Two
copies of any Commission rule or regulation must be filed in the Office of the Pima
County Clerk of the Board of Supervisors.

Section 6. The Commission shall render to the Board reports and
recommendations as are requested by the Board.
Section 7. The Commission shall cease all operations and shall no longer exist pursuant to this Resolution if any of the following occur: (1) the Commission lacks sufficient funding from sources other than Pima County; (2) the evaluation of the Commission by Pima County staff fails to substantiate that the needs and interests of Pima County continue to be effectively served by the Commission, and the County Administrator files the evaluation in the Office of the Pima County Clerk of the Board of Supervisors; or (3) the Board revokes this Resolution.

Section 8. With the exception of appropriate staffing as determined by the County Administrator, financial support for the Commission will not be provided by or solicited from Pima County. Neither the Commission nor any member of the Commission may obligate in any manner or form, or incur any charge or expense on behalf of Pima County, without prior authorization of the Board of Supervisors.

Section 9. The various Pima County officers and employees are authorized and directed to perform all acts necessary or desirable to give effect to this ordinance.

PASSED, ADOPTED, AND APPROVED by the Board of Supervisors of Pima County, Arizona, this 18th day of MARCH, 2003.

PIMA COUNTY

Sharon Bronson,
Chair, Board of Supervisors
MAR 18 2003

Attest:

P. Dole
Deputy Clerk of the Board
MAR 18 2003

Approved as to form:

P. Dole
Deputy County Attorney