



MEMORANDUM

Date: November 1, 2013

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

From: C.H. Huckelberry
County Administrator 

Re: **Tucson Regional Economic Opportunities, Inc. (TREO) October 2013 Executive Mission to Washington, DC**

Recently, Board of Supervisors Chairman Ramón Valadez and I traveled to Washington, DC as part of a TREO-led mission of community leaders to meet with members of Congress, other government officials and private sector representatives. These meetings were held to discuss the future of Davis-Monthan Air Force Base, protection and job growth for our aerospace and defense employers, and the transportation infrastructure and associated funding that are critical to economic growth in southern Arizona.

A trip summary of the key issues addressed, prepared by TREO staff, is attached for your review and information.

As discussed in the TREO summary, a statewide collaborative effort will be necessary to protect our existing employers and achieve our economic development goals. TREO and its community partners, including Pima County, will continue our efforts to build these coalitions and achieve measurable results.

CHH/mjk

Attachment

c: Hank Atha, Deputy County Administrator for Community and Economic Development
Dr. John Moffatt, Director, Office of Strategic Planning
Tom Moulton, Director, Economic Development and Tourism



TREO Executive Mission to Washington, D.C. **October 7 – 8, 2013**

Key Takeaways

Background:

TREO led a group of 24 business, government and nonprofit leaders to Washington, D.C. to meet with Senators, Congressmen, government officials and business entities and discuss issues related to defense and transportation, as well as the associated impact these issues have on job preservation and growth in Southern Arizona.

Specifically, the group gained critical information and updates about Base Realignment and Closure (BRAC), the F-35, the effects of sequestration and the Intermountain West Corridor.

Topics/Issues:

Defense and the Future of Davis-Monthan AFB

While there are a variety of positions and opinions from those TREO met with on the timing and need for another BRAC round, the impact of defense cuts and sequestration will result in excess infrastructure - making a BRAC round more likely. The President and the Air Force have recommended another BRAC round, which could take place in 2015 or 2017. In the meeting with Senator McCain, he opined that if another BRAC round is held, the bases they suggested closing in 2005 (Cannon, Ellsworth, and Eielson) would be on the chopping block first. Air Force officials mentioned they have too much inventory and there is consensus that 20-30% of their bases could be eliminated.

With that said, phasing out of the A-10 aircraft is a reality over the next 15 years which will require Davis-Monthan AFB to secure a future mission - or face partial or even full shutdown. The F-35 and training programs related to that fifth generation aircraft could provide that new mission. Community support from our elected officials and average citizens will be a factor considered by the USAF in the decision to base another mission here once the A-10 is retired.

Davis-Monthan, along with the 162nd Fighter Wing and other flying operations in our state enjoys significant advantages not found at most other air force bases around the country, which include: consistent good weather, the Goldwater Range, virtually no commercial air traffic interference, international training at the Air National Guard and training facilities within close range of the base, saving substantial money on fuel.

Until this visit, officials in Washington noted there is a perceived lack of local support for Davis-Monthan and the 162nd Fighter Wing from some of our local elected leaders. TREO's Executive Mission helped to counter that perception. The lack of a political, cohesive voice from Tucson necessitates that Southern Arizona businesses and political leaders build consensus in favor of future missions at bases throughout Southern Arizona regardless of the aircraft flown. Both political and business individuals we met with acknowledged that while Tucson Forward is a small yet vocal group, support for the base must be constant and consistent in its message.

The Southern Arizona Defense Alliance (SADA) was recently formed to accomplish such a task. TREO is a member and will share what we learned during the Executive Mission. There is urgency in this task as the Air Force is finalizing the remaining installations for the F-35.

Key summary points:

- The F-35 is here to stay.
- We must assume that BRAC will be a reality along with significant defense cuts.
- The Tucson region must be more visible in Washington, D.C. and speak with a unified voice.
- Phasing out of the A-10 aircraft is likely in the next 15 years, making it essential that we work to send a strong message of the support for the military in our community, regardless of the missions assigned.
- Stronger leadership from local elected officials in support of Davis-Monthan and the 162nd Fighter Wing is necessary.
- We need to ensure a future pilot training mission for the Arizona Air National Guard.
- Since the defense industry is currently the largest employer (public and private) in Southern Arizona and the Transportation Corridor is a key component of future jobs and growth, strong leadership and activism from all groups is more critical than ever.

Transportation & Infrastructure

TREO's meeting with Congresswoman Kirkpatrick and Transportation & Infrastructure Committee (T&I) staff shed some light on funding for transportation projects of national significance. Both she and Senator Flake indicated that the future I-11 corridor has been designated by Congress but funding for that and many other projects could prove to be challenging.

Part of the reason is the fact that the Surface Transportation Reauthorization sunsets next year and while there is an indication it will be approved before it sunsets, two big problems exist. First, in a perfect world, Congress would authorize spending for a five year period but it seems that moving forward reauthorizations will be for much shorter terms. This goes hand-in-hand with the second problem which relates to the unsustainability of the reauthorization moving forward. The Highway Trust Fund is bankrupt. In other words, the program no longer pays for itself and Congress needs to find new revenue sources that may be in the form of toll roads, vehicle miles travelled taxes or increased gas taxes.

Another piece to this puzzle is that the Committee's focus now is on basic maintenance on the current infrastructure, not specific corridors. It is clear that transportation funding is already threatened by state diversions; however, the lack of increasing fuel tax revenues is equally, if not more, threatened at the federal level. This simply means that transportation investments in the coming years may not materialize.

Similar to consensus building that must occur to maintain relevancy for Davis-Monthan, a coalition to promote the future Interstate 11 route through Tucson must progress. The Transportation and Trade Corridor Alliance (TTCA) has provided a vehicle for this consensus building but consistent messaging and more partners are still needed. T&I staff recommended that the Arizona Delegation partner with other delegations that are in need of interstate expansions and that funding be specifically allocated for those projects. Pima County has proven to be a strong advocate and leader on this issue and should house the message that needs to be built. This coalition should then work with the delegation to find revenue sources, which could come in the form of a local match, and make sure dollars are allocated toward interstate projects. Again, a consistent and constant message from Tucson and Southern Arizona along the Intermountain West Corridor is needed as potential job growth stemming from the flow of commerce from Mexico to points North holds enormous opportunity for our region.

Key summary points:

- Funding for the Intermountain West Corridor will require a coalition of Representatives along the corridor who will approve interstate appropriations.
- New and creative revenue sources may be needed to advance the I-11 corridor and the auxiliary interstate connection of Interstate 19 and Interstate 10.

Raytheon Missile Systems

Raytheon updated the group on the intricacies of a complicated land and right of way exchange involving the United States Air Force, the Tucson Airport Authority and Pima County. Raytheon fully supports the proposed relocation of Hughes Access Road, the aerospace parkway and future development of an aerospace and defense corridor business/research park.

Relocating Hughes Access Road and acquiring the intervening lands from Pima County and the Tucson Airport Authority are essential to both buffering Raytheon's existing operations and to allow possible future expansion. There is clear interest in achieving an agreeable exchange and land acquisition among all parties to develop a second runway at Tucson International Airport, buffer and allow Raytheon expansion, and provide additional operational capacity for the Arizona Air National Guard 162nd Fighter Wing for its fighter training mission – both now and in the future.

Senator McCain is vitally interested in seeing this land exchange and acquisition completed.

Key summary points:

- Land exchanges and acquisition to facilitate a second runway at Tucson International Airport, buffer and possible Raytheon expansion, and relocation of Hughes Access Road are essential.

Interstate 19 to Interstate 10 Auxiliary Interstate Highway Connection & Aerospace and Defense Corridor

While the future Interstate 11 route is a long-term transportation and trade strategy for Southern Arizona, the more important and pressing highway improvement is the connection of an auxiliary interstate highway between Interstate 19 and Interstate 10. This need was discussed with members of the Arizona Congressional delegation and their staff. The auxiliary interstate corridor would complement logistics center development at Tucson International Airport for air cargo; rail transport at the Port of Tucson; and provide a vital surface transportation link for trucking between and among these facilities and the balance of the interstate system, both Interstate 19 from Mexico and Interstate 10 east/west, ultimately connecting with a future Interstate 11 corridor.

A component of the auxiliary interstate connection is the aerospace parkway, also known as the Hughes Access Road Relocation, will form the transportation infrastructure for development of the aerospace and defense business/research park designed to provide primary employment centers in the vicinity of, and compatible with, already existing aerospace contractors, including Raytheon.

Key summary points:

- The aerospace and defense corridor development is essential for primary employment growth.

Logistics for Air, Rail and Surface Transportation

Implied in the discussions, in particular the TIGER Grant for the Port of Tucson, was the development of logistics centers at Tucson International Airport and the Port of Tucson for rail and air. These logistics centers provide key connectors to any Mexico trade corridor or future Interstate 11 and are vitally important for surface transportation connectivity between Interstate 19 and Interstate 10.

Key summary points:

- Development of a logistics center for Southern Arizona, using Tucson International Airport and the Port of Tucson, is essential to economic expansion.

Mission Summary:

Coalition building and an attempt to “de-fractionalize” our community on these issues was a strong message and final consensus from the participants. Former Congressman Jim Kolbe summed it up by saying it took years and a very broad coalition to assist Congressman Mo Udall in the adoption of the Arizona Desert Wilderness Act in 1990. This act set protected two million acres of Federal land, one million acres specifically protected from logging and road construction, while simultaneously releasing other Wilderness Study Areas for development. A broad coalition of environmental and development interests was needed to support this legislation and in the end, both sides essentially got what they wanted.

We will need Phoenix and other partners throughout the state to move these issues forward so the coalition building can start as soon as possible and others need to know we are forming these partnerships to ensure Tucson is cohesive and aligned on solving these matters.