Chapter 1

Primary Job Center Development
The County is developing a number of proposals to make available shovel-ready primary employment center sites. These sites would be available for sale or lease to new primary employers or for expanding primary employment within the County. They are all County-owned properties that could be used for employment centers. The locations discussed in this chapter are under active consideration.

A. Raytheon Buffer

One of the priorities in the County adopted Economic Development Action Plan is to protect the existing employment base within the County. Raytheon is our largest private employer; hence, the County has taken steps to buffer Raytheon operations by both relocating Hughes Access Road and by acquiring buffer lands that could be utilized for Raytheon if they chose to expand their operations. These actions allow existing Raytheon operations to continue without receiving waivers from the United States Air Force (USAF) for certain activities. The actions substantially buffer Raytheon from any adverse encroachment that would threaten or diminish its operational flexibility.

The Raytheon buffer is comprised of two components, the first being the buffer related...
to existing operations and its existing facilities. This buffer will be acquired in a land exchange agreement between the Tucson Airport Authority (TAA) and the USAF and would extend approximately 800 feet south of the existing Hughes Access Road alignment. This buffer is approximately 130 acres of land now owned by the TAA.

The second buffer is larger, consisting of approximately 270 acres of land that would allow displaced Raytheon facilities to be relocated. In addition, the expanded buffer would allow Raytheon to construct additional final assembly and checkout facilities to expand operations. This second buffer will be acquired by the City of Tucson using an annexation fund previously established by the City as an incentive for Raytheon to annex into the City.

The buffer for Raytheon production expansion will be transferred upon completion of an ongoing Environmental Impact Statement (EIS) for the second runway at Tucson International Airport (TIA). Completion of the EIS is scheduled for September 2018.

A portion of the expanded buffer is also planned for an Air National Guard munitions storage area which would allow the current 162nd Arizona Air National Guard Pilot Training Program to continue and expand at TIA.

B. Aerospace, Defense and Technology Business and Research Park

To eliminate potentially adverse residential encroachment on Raytheon, the County purchased approximately 382 acres at a cost of $5.9 million from private developers who were attempting to build residential development adjacent to the south boundary of Raytheon. These 382 acres of County-owned property, as well as 97 acres owned by the County for many years and adjacent TAA-owned lands, are being developed as an Aerospace, Defense and Technology Business and Research Park (the Park). The lands will have transportation access from the relocated Hughes Access Road, now known as the Aerospace Parkway, as well as planned rail access from the Nogales line. The planned uses would be for primary employment, with preference given to aerospace and defense industry-related firms that are compatible with the adjacent landowners, Raytheon and TIA. In total, the Park would be approximately 2,800 acres of land held in trust by the State or owned by Pima County or the TAA. The site’s proximity to the new proposed auxiliary interstate highway, also known as the Sonoran Corridor and discussed in Chapter 2, makes the property an ideal location for future primary employment sites that complement existing aerospace, manufacturing and high-tech employment within the corridor.

To advance development of the Park, the Aerospace Parkway (the relocated Hughes Access Road) was completed in 2015. In addition, advance planning and implementation of major utility extensions for wastewater and water services have been completed by the County and City. Business development of the property for defense and technology manufacturing will be possible with surface transportation access, as well as major utility connections, including water, sewer, electric and communication systems.

Active land use planning for the County’s nearly 500-acre property began in the latter part of 2015.

The first occupant of the Aerospace, Defense and Technology Business and Research Park is World View Enterprises. Their manufacturing and headquarters facility is located on 12 acres adjacent to the Aerospace Parkway and Raytheon Parkway. World View plans to launch high-altitude balloons that can perform some functions that normally require satellites, but at substantially less cost. The balloons, known as stratollites, are the first foray into commercial activity in the Earth’s stratosphere.

When fully operational, World View will employ 500 employees and manufacture balloons carrying scientific payloads.

In addition, SpacePort Tucson is being constructed near World View’s manufacturing site. SpacePort Tucson will be the first licensed
spaceport in Arizona and will be owned by Pima County and operated by World View.

World View’s impact on the near space industry has not gone unnoticed. Pima County has had inquiries about the Park from other space-oriented companies. Vector Space Systems recently announced its decision to expand its rocket manufacturing facility in the Park. Vector Space offers reduced cost rocket launch capability for micro-satellites and other virtual satellite technologies. Both of these companies are on the cutting edge of the rapidly growing industry of stratospheric and suborbital space capability.

**C. Sunset Professional Campus, Sunset Road and Interstate 10, River Road**

The County acquired approximately 615 acres from California Portland in December 2012. Most of the acquired property is within the floodplain, flood erosion hazards of the Santa Cruz River or has been the site of sand and
Pima County wants to repurpose more than 600 acres of former sand and gravel mines into an employment and recreation center.

**SUNSET ROAD BUSINESS PARK**
A large land parcel south of Sunset Road is designated for a business campus. It will be an ideal location once the road is rebuilt, including a new Interstate 10 interchange.

**SUNSET ROAD PROFESSIONAL CAMPUS**
The proposed professional campus would house nearly one million square feet of office and technology research centers.

gravel mines. However, over 100 acres of the property located at Interstate 10 (I-10) and the future extension of Sunset Road to Silverbell Road, as well as Sunset Road to River Road, can be utilized for primary employment. Because of easy access to I-10, future employment uses envisioned at the site would promote primary and new employment within the region in a campus environment. It would also encourage mixed-use development in the area. Regional Transportation Authority (RTA) and Arizona Department of Transportation (ADOT) funding of the new Sunset Road interchange, Sunset Road extension and connection to River Road, as well as the RTA improvements to Silverbell Road, will make this an ideal business campus site in the future.

The County has developed a more detailed Master Plan for the Sunset Road Professional Campus. This campus is designed to accommodate nearly one million square feet of office space and technology research centers. Cost models are currently being developed for the first 250,000 square foot office complex at the corner of Interstate 10 and Sunset Road. Buildings will be designed in a campus style and be between three and six stories in height.
The balance of the property is to be developed as an environmental enhancement project known as El Corazón, which will be a major public recreation asset through restoration of the former sand and gravel sites.

The County is also advancing the connection of Sunset Road to Silverbell Road and the significant enhancement of the Sunset Road interchange at I-10. The County’s Department of Transportation conducted early planning studies leading to design and implementation of Sunset Road connecting to the existing interchange at I-10. This improvement began in 2016 at an approximate total cost of $22 million and is due for completion in Spring 2017.

D. Biosciences and Biotechnology

Between 2002 and 2011, bioscience jobs in Arizona increased by 45 percent, adding more than 30,000 jobs, for a total of nearly 100,000. By comparison, the national growth rate for bioscience jobs during this period was 12 percent. Arizona’s bioscience firm establishment also exceeded national growth – a 31 percent increase versus 23 percent. Arizona bioscience workers earn an average annual salary of $56,000, compared to $44,000 for all other private sector industries.

Biosciences/biotechnology is an emerging high-tech job developer and exists in limited locations throughout the region – primarily in four geographic areas. One of these areas and the largest private employer of bioscience and biotechnology jobs is in Oro Valley at Innovation Park, followed by facilities associated with The University of Arizona (the University; UA) in and around the main campus, followed by the location of Accelerate Diagnostics in the County’s Abrams Public Health Center at the Kino Campus on Ajo Way, and emerging companies at the UA Tech Park at The Bridges.

Accelerate Diagnostics

The County assisted in the relocation of Denver, Colorado-based Accelerate Diagnostics to the Abrams Public Health Center. Accelerate is a startup biotech firm that has grown significantly since relocating to Tucson. In the future, it will occupy the entire fourth floor of the Abrams Public Health Center for a total of 45,000 square feet. The lease is relatively short term at six years, with the facility being designed as a successful bioscience start up incubator. Accelerate Diagnostics began with 10 employees; they have over 120 fulltime employees in 2016. Originally, the economic development incentive provided by the County required 30 employees at an average annual

Pima County provided Accelerate Diagnostics a home in the Abrams Public Health Center. The company has rapidly grown from 10 employees to more than 120.
wage of $65,000. The 2016 120-employee average annual wage is over $80,000.

Accelerate Diagnostics’ growth has been quite significant, and they have agreed to locate their manufacturing facilities for their medical devices in Tucson. These manufacturing facilities are initially located proximate to their incubator startup in the Abrams Public Health Center. This manufacturing component will add another 30 employees to Accelerate’s total employment over the next two years. Currently, Accelerate has completed the construction of its manufacturing facilities and currently employs 6 in this facility, which will be significantly expanded in 2017.

**Bioscience/biotechnology Startup in Oro Valley**

The County and others have been meeting regarding the development of a bioscience/biotechnology startup to be located immediately adjacent to both Sanofi, Inc. and Ventana Medical Systems, Inc. (a member of the Roche Group) in Oro Valley. It is anticipated this bioscience startup facility will be 25,000 square feet, expandable to 50,000 square feet, and it is being developed with private funds.

**Tech Launch Arizona**

The UA is nationally ranked among public universities for research spending nationally and recognized for graduate programs in biomedical engineering, neuroscience, pharmacology and toxicology, cancer biology, applied mathematics and genetics.

The goal of Tech Launch Arizona is that by 2020, the University of Arizona “will become a recognized national resource for its role in commercializing UA-created knowledge and bringing the University’s inventions to the public for economic and social benefit.” Tech Launch Arizona has, since its inception in 2012, disclosed 800 inventions and launched 40 startups from UA research. In 2016, Tech Launch activities resulted in 278 filed US patents and secured 95 licenses and options, and received $1.2 million in asset development awards and over $2 million in royalty income.

Tech Parks Arizona, which directs the UA Tech Park at Rita Road, UA Tech Park at The Bridges and the Arizona Center for Innovation, had a $1.74 billion impact on Arizona’s economy in 2016.

Strengthening connections to existing tech centers presents a major opportunity for new or expanded employment. The Tucson Tech Corridor is anchored by the UA Tech Park and provides more efficient linkages to the UA Tech Park at The Bridges, The Banner-University of Arizona Medical Center–South Campus (Banner UAMC–South) on Ajo Way, and their emerging employment centers. Pima County has already invested $16 million at The Bridges site for flood control improvements and wastewater capacity.

**E. Downtown Primary Employment – 97 E. Congress Street, 75 E. Broadway Boulevard and 332 S. Freeway**

The County owns and operates approximately 1.58 million square feet of office space in the downtown Tucson area. Tucson is the County seat. Pima County is the region’s largest downtown employer and has been for more than two decades. Today, we employ more than 7,000 full- or part-time employees. The County is fully invested in the success of downtown revitalization; and through the development of new court facilities and the repurposing of the Historic County Courthouse, is able to make available 97 E. Congress, as well as leased parking spaces in the County parking garage at 50 N. Scott Avenue.

Ninety-seven (97) E. Congress is an office building of 44,130 square feet. Pima County has made this property available for lease to the Surface Mining and Technology Division of Caterpillar, Inc. The County’s preference will be to sell or lease this site to another employer that would bring primary employment jobs to downtown Tucson after the Caterpillar lease expires in four to six years.

During the four- to six-year lease with Caterpillar, they will design and build a much larger...
headquarters building for their Surface Mining and Technology Division within the Rio Nuevo development site west of Interstate 10 and the Santa Cruz River. This permanent site for Caterpillar will be 250,000 square feet, housing approximately 1,000 employees.

In addition, the County owns 0.66 acres (28,780 square feet) of vacant property at 75 E. Broadway Boulevard (Broadway and Scott Avenue). The County will also, during the same time period, make this property available for the construction of a new office building designed, again, to attract primary export-based employment in downtown Tucson.

332 S. Freeway, the former location of the County’s Teresa Lee Health Center, is an approximately two-acre property adjacent to Interstate 10. The existing structure has been demolished to make the site available for a multistory employment center. This site is well located on the Sun Link Streetcar line and The Loop and is very appropriate for the development of a high-technology, 150,000 square foot Class A office building.

The County will consider any sale or lease options for these properties for primary employment; all with appropriate considerations and/or incentives for economic development if the employer meets certain conditions regarding the number of new, export-based employees with average wage levels being significantly greater than the regional average.

**F. Pinal Air Park**

The County is engaged in discussions with Pinal County representatives regarding economic development opportunities on our common border. One of these opportunities involves Pinal Airpark. The County owns 296 acres of land immediately adjacent to and south of Pinal Airpark, and this land lies on the Pinal/Pima County boundary. This property is immediately adjacent to air operations associated with Pinal Airpark.

In our meetings with Pinal County, we have offered our full cooperation in any job or economic development activities that would expand Pinal Airpark, including making Pima County’s property available to ensure full runway operational parameters, including aviation easements and other items necessary for a successful, long-term operation and expansion of Pinal Airpark. Further, the County’s property can be made available to new employers that would locate near or adjacent to and use the air transportation capacities of Pinal Airpark.

The County fully supports Pinal County in its planning efforts associated with the Pinal Airpark Master Plan and has offered our property to be incorporated into its master planning efforts for developing a larger airfield economic development opportunity for the region.

The County also supported the efforts of Pinal County to widen, resurface and extend the runway serving Pinal Airpark. The present runway was resurfaced in 2016, but it should be widened to accommodate larger aircraft and lengthened to accommodate more aircraft under varying conditions. Such an updated and expanded runway would greatly increase the maintenance and repair opportunities and capacity of Pinal Airpark for the airline industry.

The County will also work to provide direct access from Pinal Airpark to the County property.
This can be accomplished by extending a north/south taxiway approximately 600 feet south. The County will request an airport improvement grant to make this improvement and will agree to designate the property for inclusion in the Master Plan Airport boundary, such that it can be considered Airport property for the purpose of onsite airport improvement grants.

**G. Southeast Regional Park – Pima County Fairgrounds Area**

The County acquired 1,920 acres of State Trust Land in the Southeast area in an exchange with the Arizona State Land Department for the Rancho Romero property purchased by the County through a 1974 Open Space bond issue. The County also purchased some of the property from the State Land Department using voter authorized bonds. Catalina State Park is a result of this exchange, as well as the purchase of private land. Today, the County owns approximately 3,000 acres in the Southeast area, including the Pima County Fairgrounds, which is located on 640 acres. The property is managed and operated by the Southwestern Fair Commission to conduct the County Fair and for a variety of other uses, including equestrian

**SOUTHEAST REGIONAL PARK**

Pima County plans an updated master plan for the entire property to finalize uses and propose new ones to attract export-based employers. Infrastructure challenges at the property will need to be addressed for it to reach full potential.
events, music festivals and motor sports.

In addition, there are sub-leases for other entertainment and recreational activities, including Tucson Speedway, a NASCAR circle track, Tucson Dragway (a National Hot Rod Association sanctioned quarter-mile track), a model airplane park and a go-kart track. Additional attractions within the Southeast Regional Park include a shooting and archery sports park, off-highway vehicle motorsports and a professional go-kart raceway.

Most recently, a portion of the property was leased for the purpose of developing a three-mile Road Track. This lease fell through with the opening of a competitive facility in Pinal County. The 400 acres is now slated for economic development uses for lease or sale to new export-based employers. The entire property will undergo a new master planning process to finalize uses, including those that now occupy portions of the property for shooting sports, archery and other parks and recreational activities. The remainder of the property will be planned for economic development expansion, primarily for the attraction of new export-based employers.

A challenge for making these properties available for economic development is the lack of infrastructure; the transportation and highway network is a two-lane rural network. There is no public sewer connection to the site and water infrastructure is inadequate. The challenge in 2017 will be to plan for appropriate utility extensions to this area so the property can reach its full potential for job growth within the community.

The first priority will be the extension and provision of sanitary sewer service to the Fairgrounds and surrounding area.

H. Adaptive Reuse of the Closed Roger Road Wastewater Treatment Facility

The closed Roger Road Wastewater Reclamation Facility, located at 2600 West Sweetwater Drive in Tucson, consists of 44 acres and was...
originally constructed in 1951, with expansions in 1960, 1967 and 1979. The plant was decommissioned in January 2014. The plant site contains 7 buildings, 2 warehouses, 23 tanks (15 in-ground and 8 above-ground), 5 in-ground rectangular concrete basins, ample surface parking, access to water resources, adjacency to Interstate 10 and availability of all utilities. Ideal reuse would be any form of industrial manufacturing and/or aquaculture or food production activities. The County will continue to actively pursue adaptive reuse of this facility, which has a demolition value approaching $30 million. Hence, there are significant embedded investments in plant facilities that can be reused for other purposes without the user being required to construct costly new facilities in the form of buildings, piping, pumping, concrete tanks and storage basins.

**ACTION ITEMS**

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 US AF 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.