



MEMORANDUM

Date: February 27, 2026

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

From: Jan Leshar
County Administrator

Re: **Additional Information for the March 3, 2026, Board of Supervisors Meeting - Addendum Item #5 – Recommended Use of Project Blue Land Sales Proceeds**

As the Board will recall, the Project Blue land sale closed on December 24, 2025, delivering a net deposit to Pima County of \$20,855,849. After careful review and alignment with the County’s Strategic Plan, Prosperity Initiative and One Pima Initiative, I recommend the following allocations of the Project Blue proceeds:

Category	Amount
Economic Development	\$3,120,000
Intergovernmental Relations	\$485,849
Special Programs and Projects	\$1,000,000
Neighborhood Reinvestments	\$2,000,000
Environmental Health Initiatives	\$1,000,000
Workforce Development	\$1,000,000
Capital Improvement Projects	\$10,750,000
Contingency	\$1,500,000
Total Allocated Funding	\$20,855,849

Of the total funding allocations, \$16,250,000 is provided as one-time funding while \$4,605,849 is establishing annual recurring expenditures in the General Fund after 3-years of funding provided by the proceeds. This is commensurate with the forecasted annual property tax generated by the project. It is important to note that if forecasted revenues do not come in as expected, additional actions will need to be taken to mitigate the burden on the General Fund.

Additional details on the funding categories are provided below:

Economic Development

The \$3,120,000 allocation provides funding for the following programs and initiatives for a period of three years:

- 1 FTE (Program Manager) to support Business Retention/Expansion (BRE) (150,000)
- 1 FTE (Program Manager) to support Foreign Direct Investment (FDI) (150,000)
- BRE Program operational and programmatic support (125,000)
- FDI Program operational and programmatic support (125,000)

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- Regional Chamber of Commerce support (200,000)
- Small Business Commission sponsorships (10,000)
- One Pima Initiative small business support (250,000)
- Travel/Training operational support (30,000)

Intergovernmental Relations

Funding is dedicated to the recruitment of an Intergovernmental Relations position in the County Administrator's Office for a period of three years. This position will serve as the primary link between the county and other governmental entities: state, federal, and tribal. The role will monitor legislation, analyze policy impacts, advocate for the county's priorities, coordinate with elected officials and agencies, and help secure funding or regulatory support.

Special Programs and Projects

This funding will reside in the County Administrator's Office and may be used to fund strategic planning efforts, community outreach initiatives, innovation or process-improvement projects, performance management programs, federal and state grant coordination, emergency or contingency projects, and partnerships with regional or nonprofit organizations. This will provide flexibility for the County Administrator to pursue priority initiatives, respond to emerging needs, and support countywide goals as established by the Board of Supervisors.

Neighborhood Reinvestment

Neighborhood reinvestment funding will support projects that improve quality of life, strengthen community assets, and address infrastructure needs in established neighborhoods. Listed below are examples of programs or services that can be provided under this type of funding:

- Small-scale infrastructure improvements such as sidewalks, street lighting, traffic calming, crosswalks, and drainage fixes
- Park and recreational enhancements, including playground upgrades, shade structures, seating, landscaping, or community garden installations
- Neighborhood beautification projects like murals, public art, tree planting, façade improvements, or cleanup initiatives
- Housing stabilization or revitalization efforts, including minor home repairs, weatherization support, or accessibility improvements
- Community engagement programs like neighborhood capacity-building workshops, resident-led planning efforts, or grants for neighborhood associations to implement community projects
- Support for collaborative initiatives between neighbors and county departments to solve localized issues or pilot innovative community-driven solutions

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Funding will reside and be administered by Community and Workforce Development. The Department will develop a process to identify and select projects for use of these funds.

Environmental Health Initiatives

Water contamination community outreach, heat mitigation and environmental education are three of the programs targeted to receive funding with this allocation. Funding could also include other environmental mitigation strategies along with green infrastructure, climate resilience and sustainability, and food safety and consumer health programs.

Workforce Development

Funding represents a 3-year commitment for expansion of green industry workforce development and apprenticeships to be administered by Community and Workforce Development utilizing the NatureWorks and WATER workforce model recently launched by the Regional Flood Control District.

Capital Improvement Projects

The following projects are recommended for funding:

- Arthur Pack Field Lights (1,750,000)
- Presidio Elevator Modernization (2,000,000)
- Countywide Solar Projects (1,500,000)
- Canoa Ranch Campground (2,000,000)
- Middle Mile Field Inspection Services, Cultural Monitoring and Historic Preservation (3,500,000)

Collectively, these projects advance public facility reliability, sustainability goals and objectives, recreational offerings, and required preservation commitments.

Contingency

A small contingency amount is recommended to address unplanned or unforeseen conditions, cost escalations, or schedule impacts that cannot be fully anticipated at this time. This funding provides a financial buffer that allows projects to proceed without interruption, reduces the need for future budget amendments, and supports responsible fiscal stewardship by ensuring the County can respond to unexpected developments while maintaining continuity of operations, projects and programs.

Summary and Recommendation

The recommended allocations of the Project Blue proceeds represent a strategic, balanced investment in the County's economic vitality, community well-being, environmental health,

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and long-term infrastructure needs. These funding decisions align with Board priorities and position the County to advance key initiatives while maintaining responsible fiscal stewardship. Continued monitoring of revenue projections and program outcomes will ensure that the County remains prepared to adjust if necessary to safeguard the General Fund and sustain progress toward countywide goals. I recommend the Board approve the recommended Project Blue sale proceeds funding allocations as outlined herein.

JKL/je

c: Carmine DeBonis, Jr., Deputy County Administrator
Steve Holmes, Deputy County Administrator
Chad Kasmar, Deputy County Administrator
Art Cuaron, Director, Finance and Risk Management
Andy Welch, Deputy Director, Finance and Risk Management