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# MEMORANDUM

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Date: April 14, 2025

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

From: Jan Lesker   
County Administrator

Re: **Update on Activities at Pima County Aerospace Research Campus**

Supervisor Christy placed agenda items on the March 4, 2025, Board of Supervisors agenda, which was continued to the March 18, 2025, Board of Supervisor meeting, requesting an update on activities at the Pima County Aerospace Research Campus including the status of projects for Vector Space, World View and American Battery Factory. The following information responds to this requests.

## Aerospace Research Campus

The Aerospace Research Campus is comprised of approximately 420 acres. Approximately 335 acres covered under lease agreements and about 85 acres are currently unencumbered. Pima County routinely receives Requests for Information (RFIs) from the Arizona Commerce Authority (ACA) regarding availability of the site for businesses seeking to operate within Pima County. For the period from January 2024 through March 2025, the following RFI activity has occurred related to ARC:

- 36 RFI submittals representing approximately 15,000 potential jobs
- 6 down selects (being shortlisted for potential selection)
- Industries have included:
  - Advanced Manufacture
  - Clean Energy/Renewable Energy
  - Aerospace and Defense
  - Consumer Products
  - Military Consumables
  - Autonomous Technology

ARC has also been marketed directly by Pima County Economic Development and Sun Corridor, Inc. to business attraction and expansion opportunities outside of the ACA process, including through various online and social media activities and Foreign Direct Investment (FDI) opportunities.

## Vector Space

On December 13, 2016, the Pima County Board of Supervisors approved a 25-year ground lease with Vector Launch, Inc. for the company to build a 60,000 square foot headquarters and manufacturing building. The lease included a base rent amount of \$96,000 per year adjusted every 5 years based on the Consumer Price Index. Vector's plan included an anticipated 200 full-time employees at an average wage more than \$70,000 per year within

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2 to 3 years from construction completion. The project did not proceed due to funding challenges encountered by Vector Launch, Inc.

In transitioning away from the planned development at ARC, on November 10, 2020, the Board of Supervisors approved a 1-year lease of warehouse and office space at 350 S. Toole Avenue and a storage lot at 5707 - 5711 N. Camino de la Tierra. Vector Launch, Inc. vacated both locations in November 2021.

#### World View Enterprise Inc.

On January 19, 2016, the Board of Supervisors approved a 20-year lease-purchase agreement with World View for 12 acres at ARC for a headquarters and manufacturing facility. The agreement was amended in 2017 upon substantial completion of building construction. A second amendment was approved in 2021 by restating lease payment and employment levels. In 2023, at the conclusion of protracted litigation, the agreement was amended again for a 5-year term at a fair market lease rate.

Under the 2023 amended agreement, base rent for Year 1 was set at \$86,265 per month based on appraisal, with an escalator increasing base rent each year up to a Year 5 amount of \$95,211 per month. The current agreement also contains employment requirements for 90 full-time equivalent (FTE) employees starting in 2023 and increasing to 125 FTE for the remainder of the term following 2023. The required average salary is \$80,000, and employees must be residents of Pima County.

Through its March 2025 rent payment, World View has paid \$3,581,345.10 in rent to Pima County. As of the most recent employment affidavit, reporting through March 31, 2025 (Attachment 1), World View currently has 93 employees with an average salary of \$116,508. Of the 93 employees, 86 reside in Pima County with an average salary of \$106,312.

At the current employment levels, the minimum number of FTE is not being met. The average salary for employees in Pima County is \$36,508 higher than required amount. Based on the average wages paid to the 86 employees residing in Pima County, the value of total wages is \$9,142,832 (86 FTE x 106,312 average salary), which is \$857,168 or approximately 8.6 percent lower than the target \$10,000,000 total value for 125 FTE at an average wage of 80,000.

Staff from County Administration and the Economic Development Department have been meeting periodically with World View representatives since January 2025 to identify potential options to address the employment requirements.

#### American Battery Factory, Inc.

On December 6, 2022, the Board of Supervisors approved a 5-year lease-purchase agreement with American Battery Factory to construct a battery manufacturing facility in three phases. Phase 1 includes 70 acres with planned for expansion in subsequent phases up to 267 total acres. Base rent for Year 1 was set at \$37,916.67 per month based on appraisal, with an escalator increasing base rent each year up to a Year 5 amount of \$41,854.17 per month.

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The agreement also contains employment requirements of 300 (FTE) employees upon construction completion of Phase 1 with a required average salary of \$65,000, and employees must be residents of Pima County. Total employment over the three phases is anticipated to be 1,000 FTE.

From December 2022 through its March 2025 rent payment, American Battery Factory has paid rent to Pima County totaling \$1,184,124.04. The employee requirements become effective following completion of Phase I construction.

On September 5, 2023, the Board of Supervisors approved an amendment to the agreement modifying the construction commencement date to November 2023 to allow for additional site evaluation to be completed. On December 3, 2024, the Board of Supervisors approved a second amendment to the construction commencement date to accommodate additional design based on manufacturing equipment selection and associated site design considerations. This amendment extended the construction commencement date to February 1, 2025.

Regrettably, there was a misinterpretation of the ABF intended timing for the amended construction commencement date in that the timeline provided by ABF Chief Executive Office John Kem in November 2024 (Attachment 2), ahead of processing the amendment, indicated that site grading was planned to occur between February and April 2025, followed by building foundation construction between April and June 2025. Instead of using the latter of these ranges, the amendment set the construction commencement date as February 1.

Notwithstanding, site grading and clearing plans were submitted by ABF the first week of March 2025. Pima County Development Services has reviewed the plans and returned comments for needed updates. A meeting between Pima County Development Services, Economic Development and ABF consultants occurred on April 11, 2025, and updated plans are expected to be resubmitted this week. Additionally, County staff is meeting this week with ABF CEO John Kem to review progress towards beginning construction in the April to June timeframe, and to discuss whether any actions are needed regarding the agreement.

#### Subsequent Actions and Follow-up

County staff will continue to work with representatives of World View and American Battery Factory on actions necessary on the above note open items with their respective agreements. I will provide the Board of Supervisors with an update within the next 30 days.

#### Attachment

c: Carmine DeBonis, Jr., Deputy County Administrator  
Steve Holmes, Deputy County Administrator  
Chris Poirier, Director, Development Services Department  
Heath Vescovi-Chiordi, Director, Economic Development Department

# ATTACHMENT 1

**AFFIDAVIT**

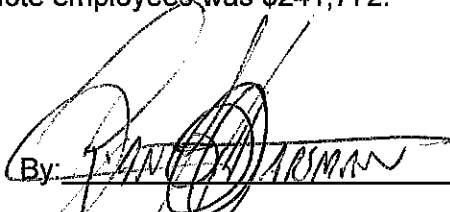
The undersigned hereby certifies that he is the CEO of World View Enterprises, Inc., a Delaware corporation (World View), and is authorized to deliver this affidavit for and on behalf of World View, and further declares, solely in such capacity for World View and not individually, as set forth below.

- 1. On March 31, 2025 at the end of the third quarterly reporting period World View employees
  - 93 Full Time total employees
  - 86 Full Time employees in the state of Arizona, all in Pima County
  - 7 Full Time employees working remotely outside of Arizona
- 2. On March 31, 2025, the average annual salary of the 93 employees was \$116,508.

The average annual salary of the 86 Arizona employees was \$106,312.

The average annual salary of the 7 remote employees was \$241,772.

Executed this 4 day of April, 2025.

By:   
 Name: Ryan Hartman  
 Its: CEO

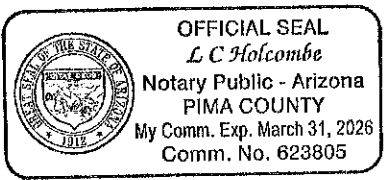
STATE OF ARIZONA )


)ss.

Pima County

On April 4, 2025, before me, the undersigned Notary Public, personally appeared Ryan Hartman, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



  
 Notary Public

# ATTACHMENT 2



TO: Heath Vescovi-Chiordi  
Director, Pima County Economic Development

11/6/2024

SUBJECT: Progress Update on the American Battery Factory (ABF) Development at the Pima County Aerospace Research Campus (ARC) for the Pima BoS.

Dear Mr. Vescovi-Chiordi,

On behalf of ABF, and as a follow-on of some of the meetings and discussions held between myself and Pima County staff regarding development progress and timelines, I wanted to directly provide an update regarding our progress in development. Additionally, I want to provide a suggested updated timeline on our upcoming activities and schedule for completion.

First and foremost, ABF would like to express gratitude to the Pima County Board of Supervisors and Staff for the approval of the agreement between Pima County and ABF from December 2022.

ABF continues to aggressively pursue and achieve development milestones for the development of our first LFP battery cell manufacturing facility in Pima County at ARC. As a reminder, in Phase 1, ABF is building a 4 GWh Lithium Iron Phosphate (LFP) battery cell manufacturing facility and an adjacent 0.5 GWh Innovation-Foundry line. In Phase 2, ABF will build three additional 4-5 GWh factories to bring the complex to ~19 GWh on a total of 260+ acres at the site.

We have made tremendous development progress as outlined in **Annex A** capturing some of the key milestones to date. In particular, number thirteen is a very significant milestone. The finalization of our main manufacturing production equipment was an extremely time-intensive challenge. The manufacturing equipment scope is complex. We were seeking the very best cutting-edge equipment for LFP prismatic folded battery cells but wanted to ensure to the greatest extent possible, they are integrated with US based controllers/electronics and higher manufacturing management systems to support long term smart manufacturing and cyber security. Wuxi is now finishing the Line design and just to give a sense of the scope - we anticipate delivery of more than 450 containers of equipment in the first half of 2026 for the line which will be almost 1500' long and 180+' wide.

The complexity of the decision-process and the related cyber and controller implications took much longer than anticipated but getting it right in the earliest stages was critically important. Due to the amount of time it took to secure this equipment purchase, we are only now able to seek an extension in the overall construction process, including the anticipated timeline for final construction completion. We did not apply earlier because we wanted to ensure the revised timeline is accurate and achievable so only now is the right time to submit the request. As such, we are respectfully requesting an extension on the Construction Completion Date component of





our agreement, as well as any other time-specific requirements that are aligned with that date in our agreement with Pima County, which is intended to go before the Board on December 3, 2024.

Of note, after seeing the challenge some other US based companies have had with cell chemistry in their battery cell efforts (not the same as ours – but related field) we have recently decided to build the initial line in two parts. Others have struggled with the front end – mixing/coating processes and as a result have had the rest of the factory team waiting with no material to train and commission on. So, we have decided to build and commission the back half of the building and equipment first. This will allow us to hire staff, train, commission and produce initial cells while we work through the harder hiring, training, integration and commissioning of the mixing/coating portion of the final production line.

To assist in formalizing a proposed extension, **Annex B** contains some of the more significant upcoming milestones and their dates. Thank you for your consideration of this request. I will be happy to come in person and answer questions directly with the Board of Supervisors at your December 3<sup>rd</sup> meeting, or some other date that is convenient for your efforts.

Finally, I think it makes sense now to also figure out the final land agreement and transfer process for the eventual 138 kV site to ensure the land and associated access is fully integrated for the eventual full scale TEP site. It is my understanding that the 138kV is not exclusively for ABF, so it supports Pima County's wider development efforts. TEP previously estimated a potential of 3.5-5 acres of land requirements. Since it will be on the land that is currently part of the lease-purchase agreement between Pima County and ABF – I request your permission to allow us to coordinate the final preferred TEP land location and requirements directly with TEP. We will then coordinate back with the Pima County staff to make the necessary modifications on our ABF lease agreement, if necessary, so Pima can transfer that portion of the property to TEP through whatever is determined as the appropriate mechanism.

We remain tremendously excited by our mutual commitment and partnership to bringing ABF's high end manufacturing facility to Pima County. We will continue to work directly with your excellent Pima County staff and remain open and transparent about our efforts throughout the process.

Professionally,

A handwritten signature in black ink that reads 'John S. Kem'.

JOHN KEM  
President, ABF





## Annex A – Recent Key Milestones/Tasks as of November 2024

1. Series A Funding Closed (July 2023)
2. Initiation of pre-FEED work (front-end engineering design) work by Bechtel (Sep 2023)
3. Completion of Geotechnical Engineering Services for Phase 1 by Terracon (Tucson), (Oct 2023)
4. Applied for and received approved permit for ground-breaking site work (Oct 2023)
5. Completion of Tucson Cactus Society (TCSS) survey and removal (>300 hrs) of key plants from the initial 70-acre site.
6. ABF Ground-breaking event held on October 26, 2023
7. Completion of LIDAR survey and ALTA surveys by Hilgart Wilson (AZ), (Nov 2023)
8. Submitted ~100 page \$125M Grant proposal to DOE which includes agreement on education-training commitments.
9. Met with County Leadership on April 10, 2024, to discuss updated timeline and permitting
10. Met with PCC Leadership at Pima CC to discuss training and education programs tied to ABF high-end manufacturing (April 9, 2024)
11. Commitment to support the Arizona Office of Economic Opportunity (OEO) on the Employment and Training Administration (ETA) Grant opportunity, Apprenticeship Building America, round 2 (April 2024).
12. Finalized a revised power agreement with TEP at their request (mostly tied to FERC required changes), (May 2024)
13. Formal announcement/agreement with WUXI Lead with their CEO and ABF CEO in China on >\$100M main manufacturing battery cell equipment line (March 2024).
14. Signed numerous agreements for Battery Cell manufacturing input supply needs with US and North American partners. (Apr-Oct 24)
15. Initial Coordination with Pima County and TEP to identify the location for the eventual TEP 3.5-5-acre site for the 138kV facility. Not exclusively for ABF use. (Aug-Sep 24)
16. Formal announcement of partnership with Tinci Materials Texas (a top-tier intl. player in green chemistry operations) to provide select battery chemical materials (Oct 2024 at the Detroit Battery Show)





## Annex B – Upcoming Key Milestones/Tasks as of November 2024

1. ABF Submission of Development Concept Permit, using AZ based engineering company. (Nov-Dec 2024)
2. Detailed Coordination with TEP to finalize 138kV site (*and adjacent small 46kV site*) to enable Pima-TEP land agreement (Nov-Jan 2025)
3. Project Manufacturing Equipment Tied Debt Financing Round completion (Dec-Jan 2025)
4. In person discussion and Q&A with Pima Board of Supervisors (3 Dec 2024)
5. Separate smaller equity round closes (Jan-Mar 2025)
6. Site Construction permitting submission (Jan-Feb 2025)
7. Site Prep and Earthmoving effort begins (Feb-Apr 2025). 60-day duration
8. Select Senior Manufacturing staff hiring (Spring 2025)
9. Foundation – Slab on Grade (Apr-June 2025). 70-day duration
10. Back-half Building mostly complete – Phase 1A equipment install (Mar – May 2026)
11. Phase 1 A commissioning, training, and testing complete (Jun-Sep 2026) and in-stride production underway by Oct-Nov 2026. (150 employees in position)
12. Innovation-Foundry Building Equipment Install (Oct 2026)
13. Rest of main manufacturing building mostly complete – Phase 1B equipment install (Sep-Nov 2026).
14. Phase 1 B commissioning, training, and testing completed (Dec-Feb 2027) and full production ramp up underway. (275-300 employees in position)
15. Finalize timeline and construction underway for remaining 15GWh lines in 2027-2029.

