

COB - BOSAIR FORM

12/11/2025 1:09 PM (MST)

Submitted by Johanna.Encinas2@pima.gov



BOARD OF SUPERVISORS AGENDA ITEM REPORT (BOSAIR)

All fields are required. Enter N/A if not applicable. For number fields, enter 0 if not applicable.

Record Number: CT CA CT2500000087

Award Type: Contract

Is a Board Meeting Date Requested? Yes

Requested Board Meeting Date: 12/16/2025

Signature Only:

NO

Procurement Director Award / Delegated Award: • N/A

Supplier / Customer / Grantor / Subrecipient: Humphrey's Peak Properties LLC

Project Title / Description: Houghton Data Center Project

Purpose: Binding Memorandum of Agreement with Humphrey's Peak Properties, LLC, A single Purpose of Entity of Beale Infrastructure, Outlining Community Benefit Commitments by Beale Infrastructure, in Connection with Development of the Data Center Project known as Project Blue

Procurement Method: Misc. Contracts: This Contract is a non Procurement contract and not subject to Procurement rules.

Procurement Method Additional Info: N/A

Program Goals/Predicted Outcomes: Adhere to the outlined Project and community benefit goals by Beale.

Public Benefit and Impact: Forecasted economic benefits as outlined in the Economic Impact study conducted by Applied Economics in Phase 1 of the Project

Budget Pillar: • Critical infrastructure & economic growth

Support of Prosperity Initiative: • 10. Prioritize Workforce Development for Underserved Populations

Provide information that explains how this activity supports the selected Prosperity Initiatives
Financial contribution for the purposes of science, technology, engineering, and mathematics, (STEM) scholarships and funding for students and trade schools, and other community benefits initiatives.

TO: COB 12/11/25 (1)

VERSION: 0

PAGES: 5

Submission ID: 24c22411-d40c-485b-9204-44dd043e76f9 Receipt ID: ea6858f8-b17a-4b25-ae5a-cf078ba3122d

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Metrics Available to Measure Performance:

Adherence to community benefit commitments and forecasted economic benefits.

Retroactive:

NO

Contract / Award Information

Record Number: CT CA CT2500000087

Document Type: CT

Department Code: CA

Contract Number: CT2500000087

Commencement Date: 12/16/2025

Termination Date: Perpetual

Total Expense Amount:

\$0.00

Total Revenue Amount:

\$0.00

Funding Source Name(s) Required: N/A

Funding from General Fund?

NO

Contract is fully or partially funded with Federal Funds?

NO

Were insurance or indemnity clauses modified?

NO

Vendor is using a Social Security Number?

NO

Department: County Administration

Name: Johanna Encinas

Telephone: 5207248661

Add Procurement Department Signatures

No

Add GMI Department Signatures

No

Department Director Signature: _____ Date: _____

Deputy County Administrator Signature: _____

Date: 12/11/2025

County Administrator Signature: _____

Date: 12/11/2025

MEMORANDUM OF AGREEMENT HOUGHTON DATA CENTER PROJECT

This Memorandum of Agreement (this “**MOA**”), dated as of this ____ day of December, 2025 (“**Effective Date**”), sets forth certain agreements between **HUMPHREY’S PEAK PROPERTIES LLC**, a Delaware limited liability company, a single purpose entity of Beale Infrastructure (“**Beale**”), having its primary office at 150 North Riverside Plaza, 37th Floor, Chicago, IL 60606, and **PIMA COUNTY**, a political subdivision of the State of Arizona, having its primary office at 115 North Church Avenue, Tucson, AZ 85701 (the “**County**”), in connection with Beale’s contemplated development of a data center project (the “**Project**”) on the Property (defined below), outlining the Project and community benefit commitments by Beale, which are intended to provide future educational and other benefits for residents of the County. Beale and the County may be referred to individually as a “**Party**” and collectively as the “**Parties**.”

WHEREAS, Beale has entered into an Acquisition Agreement (the “**Contract**”) with the County to purchase approximately 290 acres of real property at 11295 South Harrison Road, County Assessor’s Parcel Number 305-01-009B, and within the area known as the Pima County Southeast Employment and Logistics Center (the “**Property**”);

WHEREAS, the County Board of Supervisors (the “**Board**”) approved the Contract with Beale (Case No. CT2500000038) upon a majority vote on June 17, 2025. Also on June 17, 2025, the Board approved the Project’s zoning as the Southeast Employment & Logistics Center Specific Plan, Phase 1 (the “**Specific Plan**”), and adopted Ordinance Number 2025-19 and Resolution 2025-27 on August 5, 2025, to memorialize the Specific Plan approval;

WHEREAS, the Specific Plan contemplates development of the Project, whether in unincorporated County or in the City of Tucson limits, and the Contract allows for the Parties to close the transaction if the Property remains in unincorporated County, as confirmed by the County Administrator’s Memorandum dated September 18, 2025, *see Attachment A*;

WHEREAS, Beale has identified certain voluntary community-focused donations and actions that it desires to undertake to demonstrate Beale’s commitment as a community partner, as described in Beale’s letter to the County Administrator and included in the County Administrator’s Memorandum dated November 6, 2025, *see Attachment B*. Beale and the County desire to continue to work to coordinate and determine how those community benefits are implemented;

WHEREAS, Beale provided a formal notice to the County on November 10, 2025, for the closing under the Contract, in which Beale unilaterally waived, in accordance with the Contract, certain closing conditions related to annexation into the City of Tucson and utilities, and intends to close under the Contract by no later than 45 days after the Notice date of November 10, 2025 (i.e. December 25, 2025);

WHEREAS, Beale intends to construct the Project in multiple phases and has submitted to the County for review certain site and building permits for Phase 1 of the Project. Following closing under the Contract, Beale intends to commence initial construction on Phase 1 of the

Project. The timing of the Project's future phases has yet to be defined. Beale may create and convey title ownership to other single purpose entities within the Property, and this MOA will apply to any additional Beale entity operating within the Property; and

WHEREAS, the Parties acknowledge and agree that the descriptions of the Project and the commitments that Beale is making to the community are entirely voluntary and being made at Beale's election. None of the commitments outlined herein arise from the requirement of any County ordinance or other regulatory process. The terms of this MOA have evolved based on Beale's desire to be a community partner and the Parties' belief that the Project can provide public benefits, as further detailed below.

NOW THEREFORE, the Parties hereby execute this MOA to acknowledge each Party's understanding of the Project as follows:

1. Project Water Use. The Project will utilize air cooling technology incorporating a closed-loop system. This system operates by recirculating minimal quantities of water, thereby preventing water loss and eliminating the need for water consumption for industrial cooling purposes. Water usage at the Project site for domestic applications, including, but not limited to, employee kitchens and restrooms and fire suppression systems, will be obtained from a source approved by the Arizona Department of Water Resources. These uses are essential for maintaining employee health and safety and are consistent with the typical water consumption levels of commercial facilities of similar scale. The Project will meet the County's Preliminary Integrated Water Management Plan (PIWMP) requirements, as shown on the plans submitted for approval by the County.
2. Economic Projections. Beale's construction of the Project is projected to generate the following:

(a) Phase 1 Economic Benefits. The Chamber of Southern Arizona, in collaboration with the County, retained Applied Economics, an independent third-party consultant, to perform an Economic Impact Study (EIS), which projected the following potential direct economic benefits for Phase 1 of the Project:

(i) \$3.6 billion total capital investment planned over the multi-year construction period;

(ii) \$152 million in total tax revenues over 10 years, including \$58.8 million to the County, \$93.5 million to the State of Arizona, and increased tax revenue directly benefiting local schools;

(iii) 180 new full-time, permanent jobs created by the third year of operations in 2029. These positions are on-site and include engineers, technicians, operations, and security, with an average salary of \$64,000 per year; and

(iv) 3,000-plus direct construction jobs created during the multi-year construction period, anticipated to take place between 2026 – 2028.

(b) Subsequent Phases. Beale anticipates that the Project will include multiple phases based on market conditions and each subsequent phase will bring additional economic benefits to the County, subject to the scope and size of each subsequent phase.

3. Renewable Energy Commitment.

(a) Beale will use commercially reasonable efforts to match one hundred percent (100%) of its energy consumption with renewable energy (the “**Renewable Energy Commitment**”) in accordance with Arizona law and the terms hereunder.

(b) Verification. On an annual basis, commencing upon the commercial operation of the Project and through the term of the ESA (as defined below), Beale will engage an independent and qualified third-party verifier mutually agreeable to the Parties to provide a written statement of verification that the Project has achieved the Renewable Energy Commitment in accordance with recognized industry standards.

(c) The Parties acknowledge that (i) the Arizona Corporation Commission (the “**ACC**”) has exclusive authority over all matters related to the establishment and provision of service to Beale, the Energy Supply Agreement between Beale and Tucson Electric Power Company (the “**TEP**”) dated July 21, 2025 (the “**ESA**”), and the rates and charges imposed upon Beale for electric service; (ii) the ESA was approved by the ACC on December 3, 2025, and under the ESA, TEP will provide electric service to Beale with resources that are existing or under development pursuant to TEP’s 2023 Integrated Resource Plan; and (iii) if required by law, future phases of the Project will require Beale and TEP to execute new energy supply agreements, which will be subject to ACC approval. In recognition of the foregoing, the Parties agree to the following:

(i) The Renewable Energy Commitment shall not affect the ESA, future energy supply agreements between Beale and TEP, or ACC approval of the ESA or future energy supply agreements between Beale and TEP; and

(ii) This Section 3 shall be null and void and severed from this MOA if (1) any court, the ACC, or any governmental or regulatory body finds this Section 3 contrary to law or policy, or (2) the Renewable Energy Commitment jeopardizes ACC approval of the ESA or future energy supply agreements.

4. Community Contribution. Beale commits to provide community contributions to the residents of the County, in general accordance with the framework outlined below:

(a) Contribution Framework. Beale commits to providing a total of \$15 million community donation over the life of the Project, with payments occurring commensurate with each phase of the Project. Beale will make payments for a phase of the Project after it obtains certificates of occupancy for such phase. Payment will not be made for portions of the Property that are not developed. Beale will consult with the County with respect to the contributions contemplated below, but any decisions on distributions shall be at Beale’s sole discretion.

- (b) Phase 1 Payment. Beale commits to donate five million dollars (\$5,000,000.00) (the “**Initial Donation**”) for an initial community benefit for the purposes of science, technology, engineering, and mathematics (i.e., STEM) scholarships and funding for students and trade schools. Beale will determine a specific mechanism to distribute the Initial Donation, which may include a donation to Pima Community College and other institutions, as well as local trade schools and apprenticeship programs. Upon determining the ultimate recipients of the Initial Donation, Beale will enter into donation agreements or similar contracts to memorialize the specific amounts to each recipient, uses for such donations, and mechanisms for payment and distribution.
 - (c) Subsequent Phase Collaboration. Beale commits to donate an additional ten million dollars (\$10,000,000.00) (the “**Subsequent Donations**”), which shall be allocated during subsequent phases of the Project for the purpose of funding community benefit initiatives to be identified in collaboration with the County and tailored to address local priorities. The Subsequent Donations are intended to deliver long-term benefits for residents of the County and may include, without limitation, programs and projects related to digital equity and fiber infrastructure expansion. Specific programs and opportunities shall be detailed and expanded as necessary in future MOUs, as subsequent phases of the Project proceed and programs and opportunities are further identified. Upon determination of the Subsequent Donations’ timing, amount(s), use(s) and recipient(s), Beale will enter into donation agreements or similar contracts to memorialize the specific amounts, recipient, uses, and mechanisms for payment and distribution. This may also include opening grant opportunities via a Request for Proposal for project concepts that could be funded by the Subsequent Donations. Projects under this structure may or may not be selected for Subsequent Donations in Beale’s sole discretion.
5. Conflict of Interest. This Agreement is subject to cancellation within 3 years after its execution pursuant to A.R.S. § 38-511 if any person significantly involved in initiating, negotiating, securing, drafting, or creating this Agreement on behalf of Beale is, at any time while this Agreement or any extension of the Agreement is in effect, an employee or agent of any other party to the Agreement with respect to the subject matter of the Agreement.
6. Miscellaneous.
- (a) This MOA, and the other agreements referenced herein, constitute the entire agreement and understanding between the Parties with respect to the subject matter hereof and supersede any prior agreements and understandings relating to such subject matter. TEP is not a party to the MOA and is not bound by the terms of the MOA.
 - (b) This MOA and performance hereunder shall be governed by and construed in accordance with the laws of the State of Arizona without regard to the principles of choice of law. In the event of any legal or equitable action arising under this MOA, the Parties agree that jurisdiction and venue of such action shall lie within the United States District Court for the State of Arizona. In connection with any litigation, including appellate proceedings, arising under this MOA, the prevailing party in such

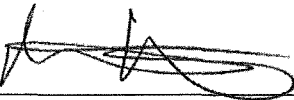
proceedings shall be entitled to recover reasonable attorney's fees and other costs and expenses from the losing party.

- (c) In the event of a breach (or threatened breach) of this MOA by a Party, the non-breaching Party shall be entitled to exercise any and all rights and remedies available to it; provided, however that (i) no Party shall be entitled to seek consequential, incidental, punitive or special damages or to compel specific performance hereunder and (ii) in addition, with respect to a breach (or threatened breach) of Section 3 of this MOA, the Parties agree to a meet-and-confer process, followed—if unresolved—by escalation to senior representatives of each Party; if still unresolved, by the Parties' development and adoption of a written corrective action plan with designated points of contact, milestones, and reasonable timeframes, accompanied by commercially reasonable efforts to implement that plan and reasonable adjustments to deadlines or sequencing under Section 3; and, if disputes remain, by participation in a non-binding mediation. The Parties acknowledge and agree that such mediation shall be non-binding and that no monetary damages, penalties, or specific performance shall be available as a remedy under Section 3.

IN WITNESS WHEREOF, each Party has caused this MOA to be executed by its authorized representatives as of the Effective Date.

BEALE:

Humphrey's Peak Properties, LLC,
a Delaware limited liability company

By:  _____

Name: Matthew Weisberg

Title: Vice President and Authorized Signatory

COUNTY:

Pima County, a political subdivision
of the State of Arizona

By: _____

Name: _____

Title: _____