

MEMORANDUM

18, 193

Date: October 30, 2025

To: The Honorable Chair and Members

Pima County Board of Supervisors

From: Jan Lester Guur County Administrator

Re: Additional Information for Board of Supervisors November 4, 2025, Agenda – Items #17 El Rio Sol Pima County Highway Maintenance Reimbursement Agreement, #18 SunZia Transmission Line Project Mitigation Agreement, #19 El Rio Sol Transmission Line Project Mitigation Agreement, and #20 SunZia Agreement to Donate Real Property and Special Warranty Deed

I last updated the Board of Supervisors on <u>June 11, 2024</u>, regarding this project. Since then, staff reached agreement with project proponents on mitigation Pima County is owed for impacts to County Conservation Lands and reimbursement to Pima County for road maintenance.

Project Overview and Condition 37

The conservation land mitigation is pursuant to Condition 37 of the Certificate of Environmental Compatibility (CEC) that was issued by the Arizona Corporation Commission (ACC) for this project.

The SunZia and El Rio Sol Transmission Projects are two 550-mile interstate transmission lines that originate in Lincoln County, New Mexico and terminate in Pinal County, Arizona. The two lines were originally approved as a single project by the ACC and share a 450-foot right-of-way (ROW) that crosses through the San Pedro Valley in Pima County.

The Pima County portion of the ROW is sited on Conservation Lands the County leases from the Arizona State Land Department (ASLD; see Map 1). The ROW does not cross or otherwise impact any lands the County owns. The County would not typically be compensated for impacts to leased lands; any mitigation for impacts would normally be owed to the landowner, not the lessee.

Here, the ACC agreed to add Condition 37 to the project's CEC at the County's request specifically because the County intends to use these lands as mitigation under the Multispecies Conservation Plan (MSCP). Because of this, Condition 37 requires compensation for loss of MSCP mitigation credit, <u>not</u> impacted acres.

The MSCP allows Pima County to claim 25 percent credit for each acre of leased land used as mitigation, so the total mitigation acreage owed to the County under Condition 37 is 25

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percent of the total acreage of impacts. All parties agree that the project will result in approximately 1,232 acres of impacts, so the County is owed approximately 308 acres of mitigation. Because the two lines are owned by two separate entities, the proponents agreed amongst themselves that SunZia will provide 146 acres and El Rio Sol will provide the other 162 acres.

Proposed Conservation Mitigation Package

To compensate the County, SunZia and El Rio Sol will provide the following combination of replacement property and in-lieu fees, which were determined using a \$5,000 per acre cost plus an additional 5% for administrative costs – a calculation agreed to by all parties.

- SunZia will donate the 139.6-acre Bingham property and will pay \$33,600 for the remaining 6.4 acres it owes.
- El Rio Sol will meet its entire 162-acre obligation by paying \$850,500.

Because the County is receiving mitigation from two separate entities, Board consideration of separate mitigation agreements is required, and because the package includes a property donation, a donation agreement with Pattern/SunZia also must be considered.

Overview of Bingham Property

Located in the San Pedro Valley near the project ROW and surrounded by existing County-managed lands, the Bingham property is a valuable addition to the County's Conservation Land portfolio (see Map 2). It is within the Maeveen Marie Behan Conservation Lands System (CLS) Biological Core Management Area and Important Riparian Area designations (see Map 3). The undisturbed upland habitats are a mix of Sonoran and Chihuahuan desert scrub vegetation while the riparian habitats contain deciduous riparian woodland and mesquite bosque vegetation (see Figures 1 and 2).

The land supports a diversity of MSCP-covered species, including Western yellow-billed cuckoo, Arizona Bell's vireo, giant spotted whiptail, Sonoran Desert tortoise, needle-spined pineapple cactus, and Townsend's big-eared bat. The riparian corridor and adjacent uplands also support a host of other plant and animal species such as white-nosed coati, mountain lion, black bear, desert purple martin, and a diversity of hawk and owl species.

The Bingham property is also culturally valuable. While surveys have not yet been conducted, it is within a zone of predicted moderate sensitivity as defined by the Sonoran Desert Conservation Plan (SDCP) and given previous research of nearby properties, it is likely the

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property encompasses ancestral Native American sites and features related to homesteading and ranching in the early 1900s.

Highway Maintenance Reimbursement Agreement

Pima County Transportation is responsible for the maintenance of many roads in the San Pedro Valley, including but not limited to Redington Road and San Pedro River Road. These are rural, unpaved roads that primarily serve the ranching communities in the area and those accessing state land. Annually the department budgets \$130,000 for the maintenance of these roads.

Rio Sol is building the second phase of a high voltage electric transmission line in the San Pedro Valley; the first phase was completed by SunZia. The construction of the transmission line requires large trucks to utilize the unpaved roads which causes an increase in the degradation of the graded surface.

To compensate for the added wear and tear of the roadway, Pima County negotiated a Highway Maintenance Reimbursement agreement for \$200,000 with Rio Sol. This additional funding allows the department to address the needed roadway repair and increased maintenance required due to the project. The County entered into a similar agreement with SunZia on October 1, 2024.

Status of Legal Challenge by Tribal Nations

For your awareness, in May 2025, a three-judge panel of the 9th U.S. Circuit Court of Appeals ruled that a lower court erred in dismissing a case filed by the Tohono O'odham Nation against the U.S. Department of Interior and SunZia Transmission, LLC last year and ordered the matter to be reconsidered.

The panel concluded the plaintiffs raised a plausible claim that a proper consultation would have resulted in the valley being designated as a historic property and that the agency was required to identify historic properties that would be affected and ensure any adverse effects would be avoided, minimized or mitigated before authorizing construction.

At this time, it is unclear what the remedy would be since construction is nearly complete for line one, which was constructed by SunZia (Pattern Energy). El Rio Sol purchased the right to build line two which is still to be constructed.

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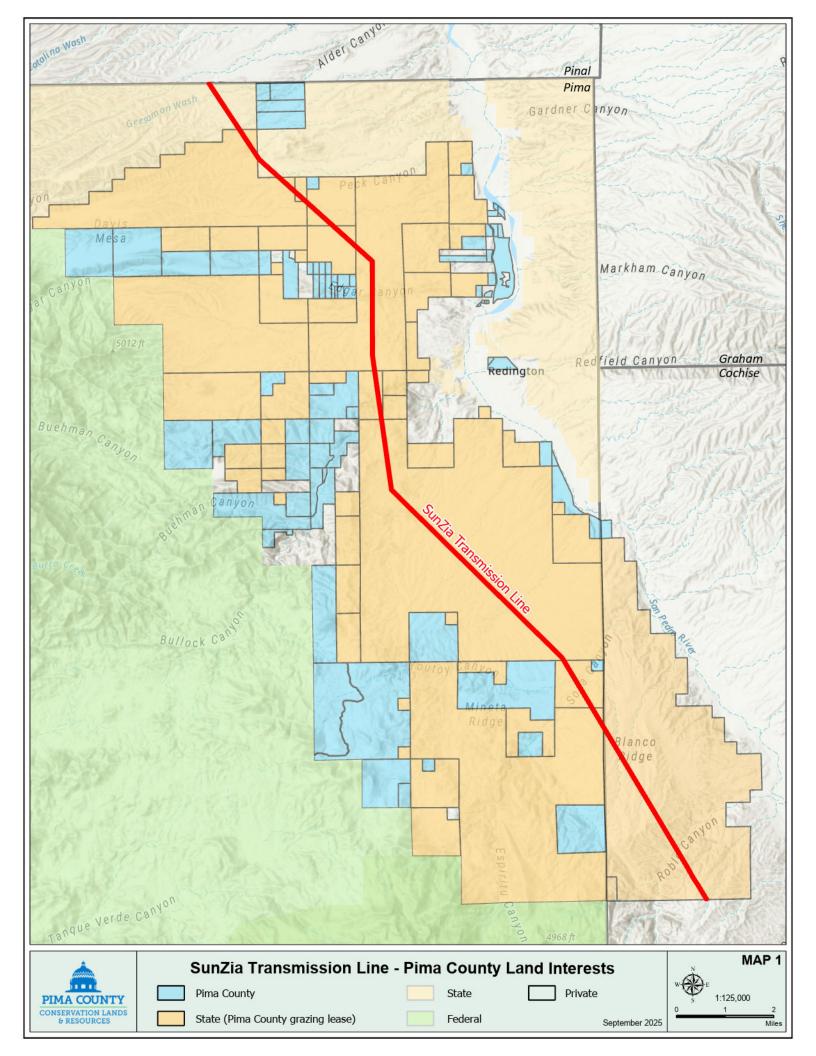
Recommendation

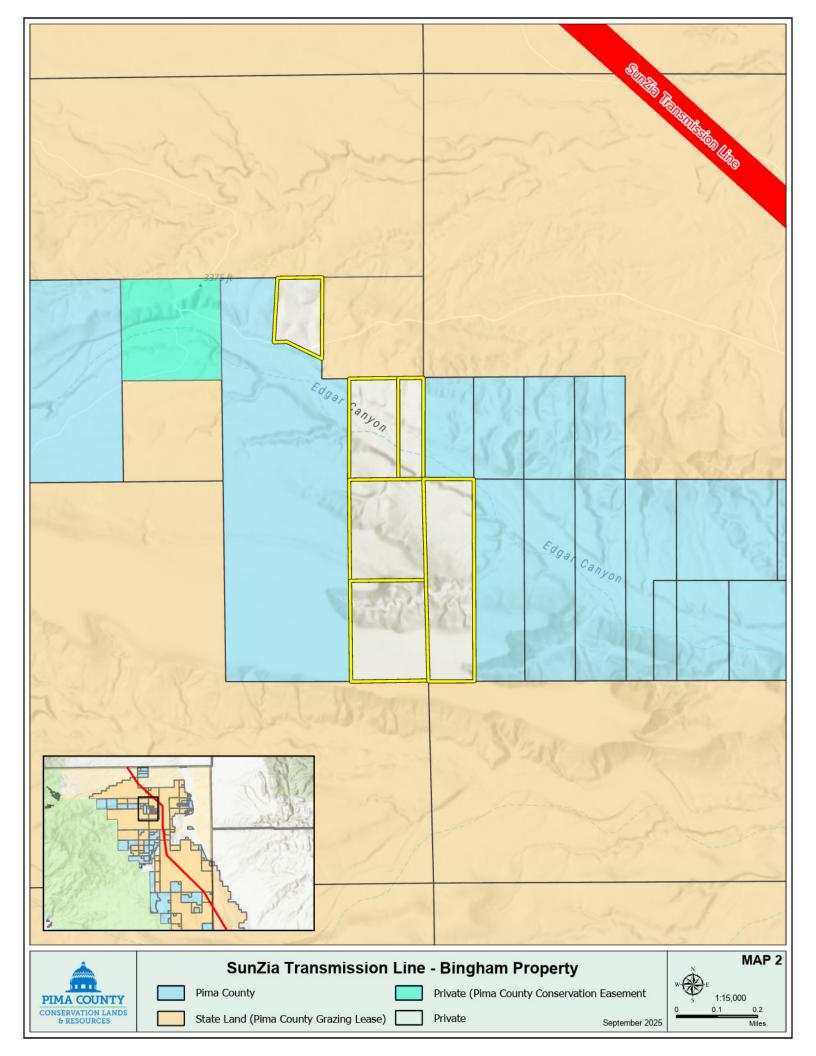
Staff recommends approval of the SunZia mitigation agreement and donation agreement, and the El Rio Sol mitigation agreement and highway maintenance reimbursement agreement.

JKL/anc

Attachments

c: Carmine DeBonis, Jr., Deputy County Administrator
Steve Holmes, Deputy County Administrator
Kris Gade, Director, Conservation Lands and Resources
Jeff Teplitsky, Director, Real Property Services





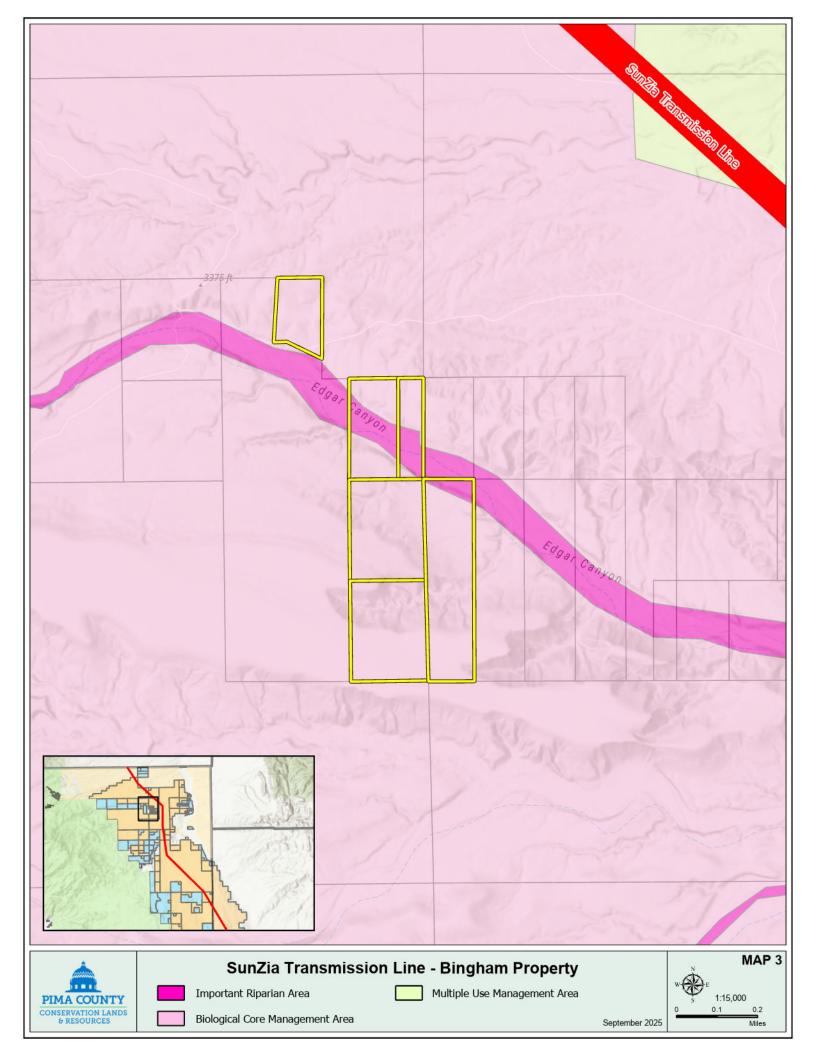




Figure 1: The Bingham Property area



Figure 2: Ribbon of riparian vegetation in the area of the Bingham Property (see line of trees starting in the center of the right border)