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Project Blue

A Community-Centered Fact Sheet — Updated July 2025

What is Project Blue?

Project Blue is a proposed **high-tech data center campus** being developed in Southern Arizona, and it represents one of the **largest private investments in Tucson's history**.

A data center is a specialized facility that stores and processes digital data for services we use every day: from cloud storage and streaming to online learning, banking, government systems, emergency communications and more. Data centers are the backbone of today's digital world—and they're only growing in importance.

Project Blue isn't just about technology. It's about making Tucson a major player in the digital economy while staying true to our community's values: **protecting natural resources, expanding opportunity and investing in a more sustainable future** for everyone.

Why Tucson?

Project Blue chose our region for several strategic reasons:

- We're close to **major population centers** like Phoenix, LA and Las Vegas, placing us close to where users and customers are.
- Tucson has **a stable climate and minimal natural disasters**, making it ideal for infrastructure that must stay online 24/7.
- Our community has a **diverse and skilled workforce**, and local schools are actively preparing the next generation of tech talent.
- We have a **strong, reliable energy grid** and a legacy of **water conservation leadership** through Tucson Water.

The first site is located just north of the **Pima County Fairgrounds** in the Southeast Employment and Logistics Center (SELC). A second site is under review within **Tucson city limits**.

What About Our Water Supply?

Water is sacred in the desert—and Tucsonans are right to demand responsible usage. Here's how Project Blue is designed to protect our most precious resource:

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No Impact on Tucson's Drinking Water

Project Blue will **not use the city's drinking water supply** in any permanent way. Instead, it will use **reclaimed water, which has** been cleaned and treated after use. Tucson's OneWater2100 plan calls for increasing industrial use of Tucson Water's reclaimed (also called recycled) water supply.

Designed to Be "Water Positive"

The project will return **more water to our system than it uses**. This is known as being **water-positive**.

This can happen in two key ways:

1. **Paying Tucson Water extra fees so the city can invest in expanding water sources and long-term supplies.**
2. **Funding local water replenishment projects**, such as removing "forever chemicals" from groundwater, improving river habitats and partnering with organizations to remove grass turf.

Examples of potential water projects may include*:

- **PFAS removal systems**
- **River restoration efforts**
- **Green infrastructure and stormwater capture**
- **Conservation upgrades**

These water commitments are outlined in the **Development Agreement with the City of Tucson**. The agreement also prohibits the long-term use of potable water for industrial purposes, with penalties for over-use.

Reclaimed Water Infrastructure Investment

Project Blue has committed to **privately fund over $100 million** to expand Tucson's reclaimed water infrastructure—the largest such investment from a private developer in Tucson's history.

This includes:

- An **18-mile reclaimed water pipeline** stretching across southeast Tucson.

- A proposed **30-acre aquifer recharge facility** that would store water underground for future use and include a **public park-like area** with trails and native landscaping, pending City planning.

This infrastructure is designed to also support:

- **Los Reales Sustainability Campus**, which uses about 100 million gallons of drinking water per year.

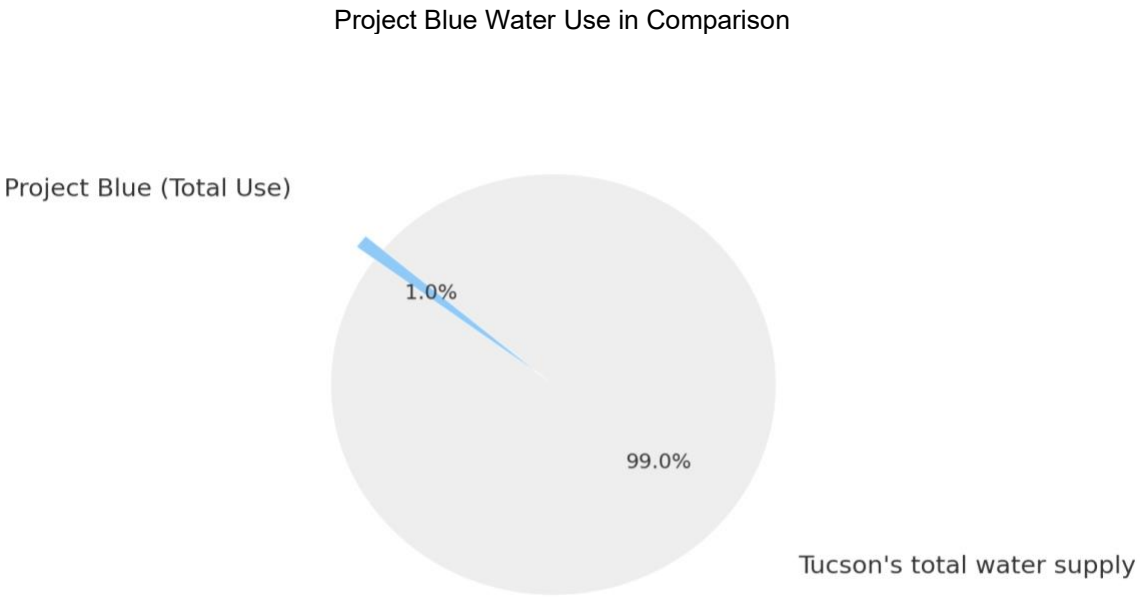
- The future **Los Reales Park** (a Master Planned multi-purpose sports park).

- Future businesses and facilities located along the pipeline route.

In short, **Project Blue is expected to help upgrade Tucson's water system in ways that go beyond its own use and move us toward our sustainability goals.**

How Much Water Will It Use?

Let's put the numbers in perspective:



Project Blue Water Use Chart

Together, that's roughly **equal to four golf courses' worth of water per year**.
That's **under 6% of Tucson's reclaimed water supply**, and **just 1% of Tucson's entire water portfolio**.

All wastewater used in Project Blue's cooling systems will be treated and returned to the regional reclaimed water system. No pollutants or toxic chemicals are added.

Did You Know?

Most businesses, parks and public facilities in Tucson still use potable (drinking) water for daily operations—including irrigation and cooling systems. Project Blue is contractually prohibited from doing this long-term and is investing in reclaimed water infrastructure most developments do not provide.

Likewise, most large electricity users in our region don't fund their own clean energy solutions. Project Blue is working with TEP to support grid-wide clean energy while covering 100% of its own grid upgrade costs. That means no hidden costs for existing customers and greater reliability for everyone.

How Will It Use Energy?

We understand concerns about energy usage, but Project Blue aligns well with Tucson's energy and community resiliency goals:

- It is expected to **run on renewable sources** like solar and wind wherever feasible.
- It supports **TEP's 2050 Net Zero Emissions** commitment and aligns with the **City of Tucson's Climate Action Plan** and its general plan, Plan Tucson.
- Project Blue will pay for any **grid upgrades** required by the project—ensuring **no additional cost to other customers**.

Project Phase	Estimated Power Capacity (MW)
Primary Project (Initial Phase)	250–350
Primary Project (Full Build)	400–600
Secondary Project (Full Build)	500–700

These estimates sound large, but much of the energy powers **advanced cooling systems**. Tucson Electric Power has already conducted planning to ensure reliable service across the grid, and state law requires that residential ratepayers do not subsidize large industrial customers.

What Will It Bring to Tucson's Economy?

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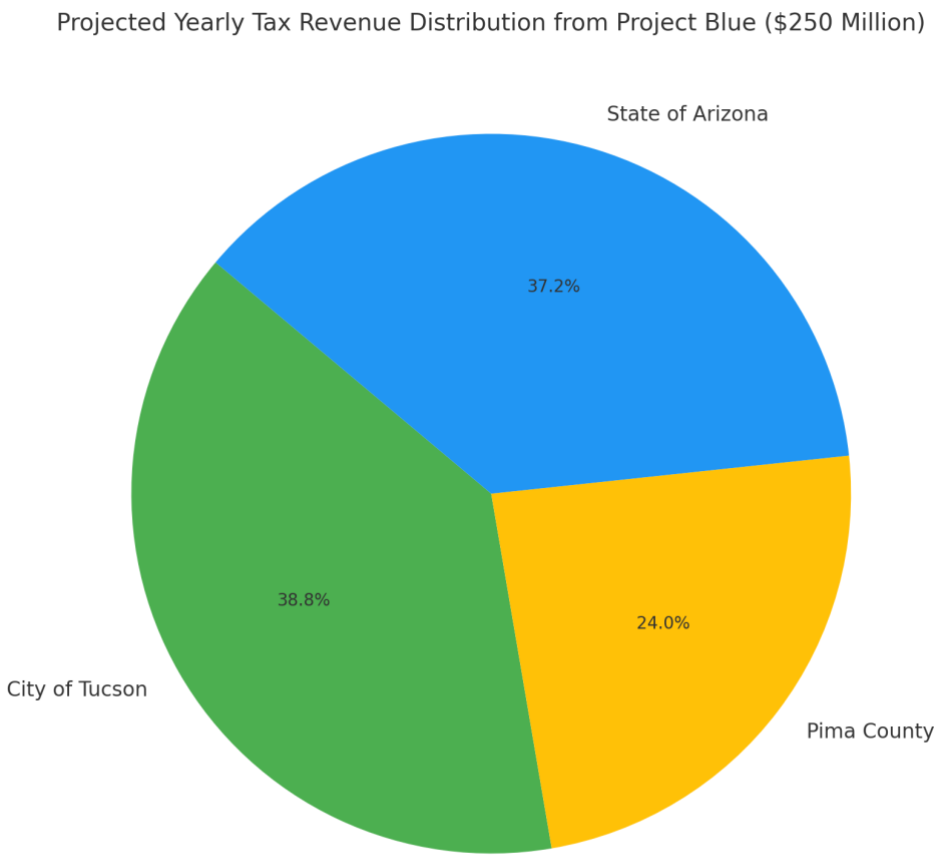

Tax Revenue Distribution Chart

For just the first phase, Project Blue is expected to generate substantial economic benefits:

- **Investing a total of $3.6 billion in Tucson and Pima County**
  - **That means a total of $250 million in new tax revenue**
    - $97 million to City of Tucson
    - $60 million to Pima County
    - $93 million to the State of Arizona
- **3,000 construction jobs** from 2025 to 2028—focused on local, skilled trades
- **180 permanent full-time jobs** by 2029, averaging **$64,000 in salary**

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- Helps local public schools qualify for more funding to build new classrooms and improve facilities

While the energy and water estimates are for the full, three-phase buildout, **the tax-revenue and jobs benefits are just for the first phase.** The next two phases would **quadruple** the jobs and economic impact.

Community Investment & Workforce Development

Project Blue intends to support local workforce development through programs like:

- Apprenticeships for skilled trades
- Education and technical training
- Internship and certification opportunities
- Educator workshops and curriculum support

These programs are being designed in collaboration with local experts to reflect Tucson's specific workforce needs.

Environmental and Sustainable Design

Project Blue is being designed with sustainability in mind. Proposed features include:

- Tree planting and adherence to the **Native Plant Protection Ordinance**
- **Rainwater harvesting** and "first flush" stormwater compliance
- On-site **EV charging stations**
- Potential installation of **solar panels** over parking areas
- A future public green space near the recharge facility (pending planning)
- Open space preservation in compliance with local floodplain and conservation ordinances

A Shared Opportunity for Tucson

Project Blue presents a chance for Tucson to lead the way in **responsible development for both digital infrastructure and industrial projects in general**.

✔ No permanent use of drinking water
✔ New tax revenue without raising taxes on residents
✔ No added strain on public services
✔ Yes to new jobs and new water & energy infrastructure

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We invite residents to learn more, ask questions and stay engaged as this project continues to evolve through public planning and oversight.

Appendix: Examples of Potential Water Projects

The following examples illustrate the types of replenishment projects that Project Blue may help fund to meet its water-positive commitments. These are subject to feasibility, regulatory approval and alignment with Tucson Water's One Water 2100 Plan:

PFAS Removal Systems

PFAS stands for per- and polyfluoroalkyl substances, a group of man-made chemicals that have been found in groundwater across the country—including in parts of Tucson. They're sometimes called "forever chemicals" because they don't break down naturally. Project Blue may help fund technology to remove PFAS from local water systems.

River Restoration Efforts

These could include efforts to revive dried-up or struggling desert rivers by increasing water flow, cleaning up pollution, and rebuilding natural habitats. In Tucson, this might involve enhancements to parts of the Santa Cruz River or its tributaries.

Green Infrastructure and Stormwater Capture

Potential projects may involve planting native vegetation, adding permeable pavement, and building bioswales (shallow, vegetated channels) to help capture and filter rainwater.

Conservation Upgrades

These may include replacing older fixtures with efficient alternatives, installing smart water meters that detect leaks early