



## **South32 Hermosa Project | Cooperative Agreement Overview.**

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Arizona Minerals Inc. (AMI), which is wholly owned by South32, is proposing to dedicate to Santa Cruz County 134 acres of their private land and designate it as a public park to provide opportunities for public natural resource-based recreation (trails, hiking, birdwatching) open space, conservation and flood control management.

AMI has reserved certain rights set forth in the Deed which, at AMI's sole cost and expense, include making non-exclusive temporary use of a limited area of the Property for design, construction, maintenance and use of a low volume rural road for ingress and egress between Harshaw Road and SR 82 connecting to existing public rights of way. This road is commonly referred to as the Cross Creek Connector.

[The Cooperative Agreement as part of the April 13, 2022 Special Meeting of the Board of Supervisors can be viewed here.](#)

For the past two years or more, AMI has been exploring options for building a road to access their property and to haul their minerals to market. During this time frame, AMI has engaged with the neighbors and surrounding community members to gather feedback and alter the road design to better accommodate neighbors' concerns.

Recognizing that there has been numerous questions and concerns raised about this proposal, the Santa Cruz County Board of Supervisors has held two separate Study Sessions to receive information from AMI about their proposal, and to answer questions and concerns from the community. In addition to the opportunity for community input at the Study Sessions, the County has received numerous letters and emails from constituents who have expressed opinions and asked questions. Several residents near the proposed Cross Creek Connector sent a letter to South32 with 32 specific questions about this proposed road. [Their letter and S32's response can be viewed here.](#)

Below is a summary of the questions asked about the Cooperative Agreement during the two County Board Study Sessions and their respective answers.

### **Dedication of 134 acres of land as a public park:**

#### **1. What is the community benefit to this dedication?**

AMI has identified 134 acres of their privately owned land that is contiguous to the proposed Cross Creek Connector that will not be necessary for the development of the Hermosa Project. They would like to dedicate it to Santa Cruz County for use as a

public park and provide opportunities for public natural resource-based recreation (trails, hiking, birdwatching) open space conservation and flood drainage protection. They believe this land dedication will complement the local nature-based, restorative uses that so many people in the region have recognized as a priority.

Further, if the County owns the land being dedicated, it gives the County more opportunities to work creatively to design flood control amenities for the greater community, while also providing recreational amenities. Other counties throughout the state, have used this same approach of dual-purpose flood control and recreation.

The County has wanted to work on flood control and mitigation within the floodplain area, in which the 134 acres tract is located. Once the County owns the land it will have much greater flexibility in how to address these issues. As mentioned in the last Study Session the County has already issued a Solicitation of Qualifications (SOQ) for engineers to work in this area. Ownership of the land will allow the County to creatively incorporate park features with flood control measures.

## **2. What type of park amenities will be at this park and who will pay for it?**

AMI, the County and community members will work cooperatively to identify the types of amenities and uses for the park. The County agrees to retain ownership and jurisdiction over the property. Funding and Maintenance of Park Improvements will be funded solely by AMI. AMI will directly pay a vendor a minimum of \$150,000 to facilitate the identification, design, and subsequent installation of Park amenities. The selection and placement of amenities shall be mutually agreed upon by the Parties and include input from the public following the completion of one or more joint public workshops. Thereafter, pursuant to a mutually agreed annual budget based on the County's entire trail system maintenance costs, AMI shall provide sufficient funds to a third-party vendor and/or facilitate in-kind contributions to maintain the Park and shall cooperate with the County in the Park's administration. The County agrees to use reasonable efforts to identify matching or in-kind contributions from other private or non-profit entities to maximize the benefit of the AMI contributions in furtherance of implementation of the purposes of this Cooperative Agreement.

## **3. If this property is dedicated to the County, it will remove this property from the tax rolls. How much will the County lose in revenue?**

Currently, the property generates approximately \$7,500 annually in property taxes; however, AMI will be spending a minimum of \$150,000 to design and build the park improvements and they will fund the maintenance of the park.

### **Cross Creek Connector Road:**

**1. Where can we find a map to see specifically where the road will connect with State Route (SR) 82 and Harshaw Road.**

[You may view the map here.](#)

**2. Can AMI build the road on their private land without dedicating their land to the County?**

Yes, AMI can build the road regardless of whether the land is dedicated. If AMI built the road on their private land, the County's only role would be to issue permits for Flood Plain Use Permit and Right of Way permit.

**3. What role would the County have regarding the Cross Creek Connector and park if they do accept the dedication of land?**

This agreement would give County a "seat at the table" to plan and design facilities that suit the needs of the community and help to mitigate any impacts.

**4. Will AMI be exempt from permitting if the Cooperative Agreement is accepted?**

No, the County permitting requirements will remain the same. Again, this allows the County a seat at the table to help plan the amenities and to mitigate impacts to the surrounding community.

**5. Why must the County decide now instead of continuing to wait?**

AMI can build the road with or without the cooperative agreement. With the cooperative agreement in place, it provides a planning mechanism to share information, build partnerships and mutual assurances.

**6. AMI refers to the Cross Creek Connector as a temporary road, but the agreement does not have a date specific sunset clause. When will the road close?**

AMI has stated that the Cross Creek Connector is a temporary road that will aid in getting construction materials to the Hermosa Project site and provide a temporary market route in the early years of production. Their preferred long-term route is Flux Canyon. This road would be built in current right of way in the United State Forest Service (USFS) lands. To get approval for this route, they would need to seek permission from USFS and need to follow a National Environmental Planning Assessment (NEPA) process that will take a few years and the schedule date is not yet known. However, in the agreement with County, they will relinquish the use of the Temporary Easement Area (Cross Creek Connector) within 24 months from the approval of the Flux Canyon (preferred long term haul route) permits.

**7. Agreement refers to a "low volume rural road." What is the significance of that classification?**

“Rural Road” is a term used that means the road will not have curbs. “Low-volume” means it is designed to handle about 400 trips or less per day. It is similar to a Forest Service Road.

#### **8. How will this impact traffic on SR82 & SR83?**

As reported in the local media, AMI would need to apply for an Encroachment Permit with the Arizona Department of Transportation (ADOT). Before ADOT could issue this permit, AMI would be required to submit a traffic impact analysis to ADOT Southcentral Traffic Engineering and they would need to ensure this occurs in the safest way possible.

#### **9. How will dust, noise and vibration be minimized?**

Because this road is designed as a low-volume rural road, it will accordingly have an intentional lower speed for travel. AMI has stated that the speed on this road will be between 15 - 25 mph. These lower speeds will help to lessen the noise. Further, the trucks used to haul ore concentrate will be electric so they will have a quieter operation and less particulates emitted. The road is not paved but will be a "stabilized earth base" that will help to control dust, as compared to a typical dirt road.