

RESOLUTION NO. 5458

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, AUTHORIZING SUPPORT FOR A FOREIGN TRADE ZONE APPLICATION FOR THE VIAVI SOLUTIONS INC. MANUFACTURING FACILITY TO BE LOCATED AT 3455 SOUTH MCQUEEN ROAD; AUTHORIZING SUPPORT FOR A PROPERTY TAX RECLASSIFICATION FROM CLASS ONE TO CLASS SIX FOR ALL NEW PERSONAL PROPERTY AT THE SITE; AUTHORIZING A DEVELOPMENT AGREEMENT BETWEEN VIAVI SOLUTIONS INC. AND THE CITY OF CHANDLER; AND AUTHORIZING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF CHANDLER AND THE CITY OF PHOENIX.

WHEREAS, Viavi Solutions Inc. ("Viavi") is a leading manufacturer of network testing, measurement, assurance and light management and optical coatings products and technologies, and is evaluating locations within the metropolitan Phoenix area and outside of Arizona to establish a new manufacturing facility and headquarters; and

WHEREAS, Viavi has agreed to establish its new manufacturing facility and relocate its corporate headquarters to the City of Chandler in exchange for the City's cooperation and support in seeking a Foreign Trade Zone ("FTZ") designation for its facility; and

WHEREAS, Viavi is in escrow to purchase an industrial facility at 3455 South McQueen Road, Chandler, Arizona ("Site"); and

WHEREAS, without receiving FTZ designation for its industrial facility and a property tax reclassification from class one to class six for all new personal property, Viavi is put at a competitive disadvantage, which is detrimental to the economy of the City of Chandler, as well as the State of Arizona; and

WHEREAS, Chandler desires to support Viavi in applying for FTZ Operator status at the Site under FTZ No. 75, provided that Viavi agrees to not pursue reclassification of any real property at the Site to class six; and

WHEREAS, Viavi is agreeable to such limitation on state tax treatment; and

WHEREAS, the City of Phoenix has received a grant from the federal Foreign-Trade Zones Board to establish Foreign Trade Zone No. 75 and Chandler does not have any such grant of authority; and

WHEREAS, Phoenix is willing to submit an application to the Foreign-Trade Zones Board on behalf of Viavi for the property at the Site to be established, operated, and maintained as a foreign-trade zone usage driven site.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Chandler, Arizona, as follows:

- Section 1. Authorizes support for a Foreign Trade Zone application for the Viavi manufacturing facility to be located at 3455 South McQueen Road, and authorizes the Acting City Manager or designee to submit such documents or statements as may be necessary to establish Chandler's support of Viavi's application.
- Section 2. Authorizes support for a property tax reclassification from class one to class six for all new personal property at the Site, and authorizes the Acting City Manager or designee to submit such documents or statements as may be necessary to establish Chandler's support of the tax reclassification for new personal property at the Site.
- Section 3. Authorizes the Mayor to execute a development agreement between Chandler and Viavi, a copy of which is attached as Exhibit A to this Resolution.
- Section 4. Authorizes the Mayor to execute an Intergovernmental Agreement between Chandler and Phoenix to memorialize the agreement of the two cities to work together to assist Viavi in its efforts to obtain FTZ Operator status for the Site, a copy of which is attached to this Resolution as Exhibit B.

PASSED AND ADOPTED by the City Council of the City of Chandler, Arizona, this ____ day of April, 2021.

ATTEST:

CITY CLERK

MAYOR

CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Resolution No. 5458 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on the ____ day of April, 2021, and that a quorum was present thereat.

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY TA