



Proposed Foreign Trade Zone Policy Update

PREVIOUS ACTIONS

July 2009 - City Council approved participation in the Greater Maricopa Foreign Trade Zone (GMFTZ) and designated two Magnet FTZ sites

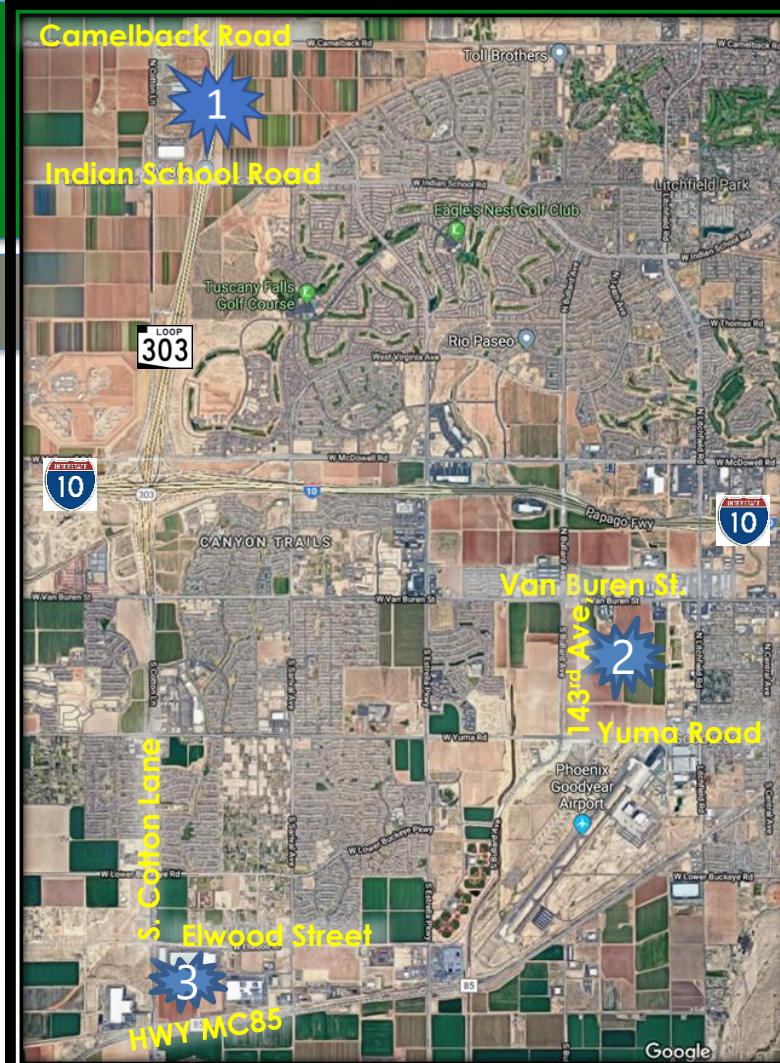
Purpose:

- Assist with attracting quality companies
- Encourage SPEC building development
- Create shovel ready sites

October 2010 – City Council approved an amended policy clarifying the PILOT Fee and approved the Goodyear Crossing Magnet FTZ site

December 2014 – City Council approved an amended FTZ policy providing administrative approval of User Driven FTZ sites with SPEC building requirements thru January 1, 2018

April 2021 - City Council Worksession

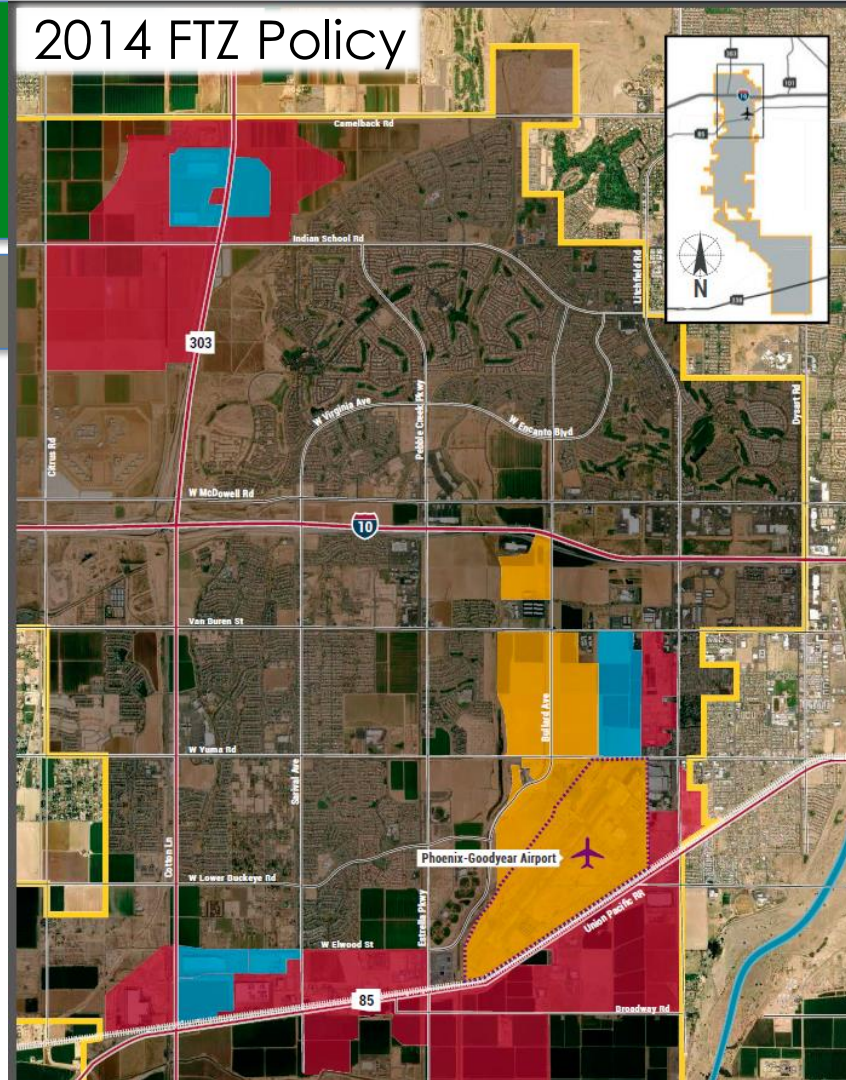


Prior Approvals 2014 Policy

USER DRIVEN SITES-SPEC BUILDINGS

- High Wage Employment Requirements (manufacturing)
 - 51% are paid 125% of median annual wage
 - Minimum of 75 jobs
- Internet Fulfillment
 - \$25M in AZ End User Sales annually
- \$25M Capital Investment
- 75% employer contribution to health insurance

2014 FTZ Policy



Policy Direction



April 12, 2021 Council Work Session

- Continue to encourage development
- Provide incentives consistent with the City's development policies
- Encourage the location of the City's targeted industries, specifically high-wage jobs
- Provide a periodic review of the policy to Council and assess if the policy may need to be amended

Recommendation



ADOPT RESOLUTION

Proposed New Magnet & User Driven FTZ Policy

- Manufacturing companies
 - employ at least 100
 - pay 51% of employees 125% of the AZ median wage
- Internet fulfillment companies
 - Minimum of \$25M in AZ End User sales annually
- Company invests minimum of \$25M
- Company pays at least 65% of employees health insurance
- All other companies pay a PILOT fee
- Review of policy provided to Council every three years

