

RESOLUTION NO. 2022-2243

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF GOODYEAR, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE CITY MANAGER OR HER DESIGNEE TO EXECUTE THE JOB CREATION AGREEMENT BETWEEN THE CITY OF GOODYEAR AND HB ENTERPRISES, LLC, AN ARIZONA CORPORATION PROVIDING FOR THE CITY MANAGER OR HER DESIGNEE TO EXECUTE THE JOB CREATION AGREEMENT.

WHEREAS, HB Enterprises, LLC, dba Potato Barn, is an Arizona family owned retailer of unique furniture and one-of-a-kind design pieces and home furnishings from around the world; and

WHEREAS, the Potato Barn has retail locations in the east valley, including Mesa, Scottsdale and Chandler; and

WHEREAS, the Potato Barn has identified the need for a new retail and warehouse facility in the west valley market and has identified Goodyear as its preferred location that will accommodate its immediate and long-term expansion plans and otherwise meet its business needs, and will cause to be constructed a new 100,000 square foot building generally located west of the southwest corner of N. Pebble Creek Parkway and W. McDowell Road within the City of Goodyear (the "Goodyear Facility") as more particularly described in Exhibit "1" attached hereto; and

WHEREAS, the location of the Potato Barn at the Goodyear Facility should involve the investment of at least \$15,300,000 in capital investments in acquiring the property, causing the construction of a new 100,000 square foot building, and tenant improvements and equipping of the Goodyear Facility; and

WHEREAS, the City recognizes that the location of the Potato Barn within the City with its resulting capital investment and job creation will provide a significant public benefit to the City and its citizens and that the City's citizens will receive direct consideration from the Parties' obligations under this Agreement; and

WHEREAS, the City recognizes that the Potato Barn's operations at the Goodyear Facility will have significant economic impact on the City, including but not limited to: the quantity and quality of the jobs that will result from the Potato Barn's operations; tax revenues generated by the Potato Barn's operations, its employees, vendors, service providers; increased economic activity, or multiplier effect, associated with its operations being located within the City; the qualitative value of the City having a high-profile, well respected company locate a critical piece of its business within the City; the catalytic effect it will have on further development within the City, which will generate additional jobs and revenue within the City; and

WHEREAS, the Potato Barn along with its tenant John Michael's Designs, anticipates that over the course of five (5) years, its operations should cumulatively provide 45 full-time jobs to the City, paying employees a cumulative average hourly wage of \$22.78 per hour, not including overtime or bonuses ; and

WHEREAS, the City commissioned Applied Economics to conduct an economic and fiscal impact analysis of Potato Barn's operations at the Goodyear Facility; and

WHEREAS, Applied Economics estimates the direct tax benefit to the City of Goodyear from the construction sales tax, personal property tax, occupancy tax, and real property tax

generated by Potato Barn during the first five (5) years of operation will be approximately \$2,416,408; and

WHEREAS, Applied Economics estimates the total economic impacts of Potato Barn's operations in Goodyear will total approximately \$39,607,665 over the next five (5) years; and

WHEREAS, current economic conditions within the United States including increased construction and materials costs, supply chain issues, and increasing financing costs, have materially impacted the ability of the Goodyear Facility to move forward without the assistance from the City as provided in this Agreement; and

WHEREAS, the Parties understand that the decision of the Potato Barn to locate in the City and construct the facility upon which the Goodyear Facility will be located is based on the City's willingness to provide assistance to the Potato Barn regarding job creation; design review and permit fees, expedited development process, and waiver of certain development impact fees; and

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GOODYEAR, MARICOPA COUNTY, ARIZONA, AS FOLLOWS:

SECTION 1. The City Manager or designee is authorized to execute the Job Creation Agreement with HB Enterprises, LLC

SECTION 2. Resolution 2022-2243 shall be effective upon the date of its adoption.

PASSED AND ADOPTED by the Mayor and Council of the City of Goodyear, Maricopa County, Arizona, by a _____ vote, this _____ day of _____, 2022.

Joe Pizzillo, Mayor

Date: _____

ATTEST:

APPROVED AS TO FORM:

Darcie McCracken, City Clerk

Roric Massey, City Attorney