

AGENDA ITEM #: _____

DATE: June 27, 2016

COAC #: 16-5842

**CITY OF GOODYEAR
CITY COUNCIL ACTION FORM**

SUBJECT: Adopt Resolution No. 16-1767 designating an area as the single Central Business District of the city of Goodyear in conjunction with Government Property Lease Excise Tax (GPLET) legislation.

STAFF PRESENTER: Michelle Lawrie,
Economic Development Director

CASE NUMBER: N/A

OTHER PRESENTER: N/A

RECOMMENDATION:

ADOPT RESOLUTION NO. 16-1767 DESIGNATING AN AREA AS THE SINGLE CENTRAL BUSINESS DISTRICT OF THE CITY OF GOODYEAR.

PURPOSE:

This resolution designates an area as a single Central Business District (CBD) consistent with certain provisions of the Government Property Lease Excise Tax (GPLET) legislation.
(Michelle Lawrie, Economic Development Director).

BACKGROUND AND PREVIOUS ACTIONS:

Changes to GPLET Program

Changes to the GPLET program require that a city declare by resolution a CBD in order to leverage the eight-year property tax abatement provision of the program and any property to be abated consistent with the GPLET program must be located within the established CBD. All properties not in the CBD would still qualify for the GPLET rates consistent with the program, but not the eight-year property tax abatement.

Pertaining to A.R.S. § 42-6209(A)(1)(C)(i)(ii), the CBD must be geographically compact, be located entirely within a city's Redevelopment Area, and be no larger than the greater of five percent of the total land area within the exterior boundaries of the city or 640 acres.

Establishing Goodyear's Redevelopment Area

On December 13, 2004 the city of Goodyear Redevelopment Area was established, which was reauthorized / continued by Goodyear's City Council in December of 2014.

Recent GPLET History

In October of 2007 the city entered into an agreement with Cancer Treatment Centers of America (CTCA) to provide the property tax abatements of the GPLET program within the city's Redevelopment Area. In 2010, the Arizona Legislature established new legislation governing the use of the GPLET program. The new legislation (attached) provided a definition of the CBD and required the designation of the CBD by each municipality's city council in order to utilize the program.

CURRENT POLICY:

This change is being requested to comply with current state law as described in the background section.

STAFF ANALYSIS:

The Economic Development, Development Services and Legal Departments have analyzed the legislation requiring the designation of a CBD in order to utilize the property tax abatement consistent with the GPLET program. Because the CBD must be contiguous, and within the city's designated Redevelopment Area (map attached), and because the GPLET program had been established in Goodyear by the CTCA agreement, there were certain parameters around which the staff could recommend the designation of a CBD. Thus, the CBD area must be south of Interstate 10 and located along the Litchfield Road and / or Bullard Avenue corridors. In order to maximize the capabilities of the new GPLET program, staff is recommending the Redevelopment Area be designated as the CBD.

FISCAL ANALYSIS:

The designation of the CBD in coordination with the revision to the Arizona Revised Statutes of the Government Property Lease Excise Tax provision does not in itself have a fiscal impact to the city. If this resolution is adopted, GPLET agreements entered into with property owners in the designated CBD, which will be considered on a case-by-case basis, may have a taxation impact. All agreements in which the city decides to enter through this program must be individually brought to Council.

ATTACHMENTS:

- Resolution No. 16-1767
 - Exhibit A: City of Goodyear Central Business District
- A.R.S. § 42-6209 State Legislation
- Redevelopment Area / CBD Plan Map