

EXHIBIT B

GREATER PHOENIX: GREATER OPPORTUNITY

PV303 FTZ MAGNET SITE ECONOMIC IMPACT ANALYSIS



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PV303 FTZ MAGNET SITE

ECONOMIC IMPACT ANALYSIS

March 2017

Overview

The City of Goodyear has requested an analysis of the projected economic and revenue impact of the proposed magnet site Foreign Trade Zone No. 277 at PV303 Business Park in the City of Goodyear on the County over the next 10 years to demonstrate the economic value the magnet site increase will generate to both the City and the County.

Based on the assumptions outlined below, the magnet site would generate an estimated \$4.39 million in direct tax revenues and an additional \$2.97 million in indirect tax revenues for a total of \$7.39 million in tax revenue to Maricopa County over a 10 year period. Additionally, the site would generate an estimated \$7.42 million in direct tax revenues and an additional \$3.62 million in indirect tax revenues for a total of \$11.03 million in tax revenue to the city of Goodyear over the same 10 year period.

Assumptions, evenly divided on all parameters between distribution and manufacturing operations:

Total Employment: 400 people

Payroll: \$18,000,000

Total Square Feet of Property: 400,000 SF

Total Real Property Improvement Investment: \$76 million

Total Personal Property Investment: \$110 million

City of Goodyear 10-Year Revenue Impact Summary

CITY OF GOODYEAR	DIRECT REVENUES	INDIRECT REVENUES	TOTAL REVENUES
Total	\$7,418,766	\$3,620,070	\$11,038,837

10-Year Revenue Impact to Maricopa County

YEAR	DIRECT REVENUES	INDIRECT REVENUES	TOTAL REVENUES
2017	\$978,210	\$297,300	\$1,275,510
2018	\$423,777	\$297,300	\$750,577
2019	\$409,311	\$297,300	\$706,612
2020	\$399,032	\$297,300	\$696,332
2021	\$390,451	\$297,300	\$687,752
2022	\$379,138	\$297,300	\$676,439
2023	\$369,781	\$297,300	\$667,082
2024	\$360,424	\$297,300	\$657,725
2025	\$348,260	\$297,300	\$645,560
2026	\$338,435	\$297,300	\$635,735
Total	\$4,396,819	\$2,973,000	\$7,399,324

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City of Goodyear Direct Revenue

YEAR	SALES TAX	PROPERTY TAX	UTILITY TAX	STATE SHARED REVENUES	OTHER LOCAL REVENUES	TOTAL REVENUES
2017	\$2,355,675	\$191,110	\$27,684	\$47,217	\$175,660	\$2,797,346
2018	\$116,175	\$194,358	\$27,684	\$47,217	\$175,660	\$561,093
2019	\$116,175	\$179,070	\$27,684	\$47,217	\$175,660	\$545,806
2020	\$116,175	\$167,818	\$27,684	\$47,217	\$175,660	\$534,554
2021	\$116,175	\$158,426	\$27,684	\$47,217	\$175,660	\$525,161
2022	\$116,175	\$146,042	\$27,684	\$47,217	\$175,660	\$512,778
2023	\$116,175	\$135,800	\$27,684	\$47,217	\$175,660	\$502,535
2024	\$116,175	\$125,557	\$27,684	\$47,217	\$175,660	\$492,293
2025	\$116,175	\$112,242	\$27,684	\$47,217	\$175,660	\$478,977
2026	\$116,175	\$101,487	\$27,684	\$47,217	\$175,660	\$468,222
Total	\$3,401,246	\$1,511,909	\$276,844	\$472,167	\$1,756,600	\$7,418,766

City of Goodyear Indirect Revenue

YEAR	SALES TAX	PROPERTY TAX	UTILITY TAX	STATE SHARED REVENUES	OTHER LOCAL REVENUES	TOTAL REVENUES
2017	\$112,399	\$27,531	\$6,444	\$45,682	\$169,951	\$362,007
2018	\$112,399	\$27,531	\$6,444	\$45,682	\$169,951	\$362,007
2019	\$112,399	\$27,531	\$6,444	\$45,682	\$169,951	\$362,007
2020	\$112,399	\$27,531	\$6,444	\$45,682	\$169,951	\$362,007
2021	\$112,399	\$27,531	\$6,444	\$45,682	\$169,951	\$362,007
2022	\$112,399	\$27,531	\$6,444	\$45,682	\$169,951	\$362,007
2023	\$112,399	\$27,531	\$6,444	\$45,682	\$169,951	\$362,007
2024	\$112,399	\$27,531	\$6,444	\$45,682	\$169,951	\$362,007
2025	\$112,399	\$27,531	\$6,444	\$45,682	\$169,951	\$362,007
2026	\$112,399	\$27,531	\$6,444	\$45,682	\$169,951	\$362,007
Total	\$1,123,990	\$275,309	\$64,439	\$456,822	\$1,699,511	\$3,620,070

City of Goodyear Total Revenue

YEAR	SALES TAX	PROPERTY TAX	UTILITY TAX	STATE SHARED REVENUES	OTHER LOCAL REVENUES	TOTAL REVENUES
2017	\$2,468,074	\$218,641	\$34,128	\$92,899	\$345,611	\$3,159,353
2018	\$228,574	\$221,889	\$34,128	\$92,899	\$345,611	\$923,100
2019	\$228,574	\$206,601	\$34,128	\$92,899	\$345,611	\$907,813
2020	\$228,574	\$195,349	\$34,128	\$92,899	\$345,611	\$896,561
2021	\$228,574	\$185,956	\$34,128	\$92,899	\$345,611	\$887,168
2022	\$228,574	\$173,573	\$34,128	\$92,899	\$345,611	\$874,785
2023	\$228,574	\$163,331	\$34,128	\$92,899	\$345,611	\$864,542
2024	\$228,574	\$153,088	\$34,128	\$92,899	\$345,611	\$854,300
2025	\$228,574	\$139,772	\$34,128	\$92,899	\$345,611	\$840,984
2026	\$228,574	\$129,018	\$34,128	\$92,899	\$345,611	\$830,230
Total	\$4,525,236	\$1,787,218	\$341,283	\$928,989	\$3,456,111	\$11,038,837

PROPERTY TAX ANALYSIS

The table on the following page demonstrates in detail the potential gain for relevant taxing jurisdictions for a current parcel in the proposed FTZ magnet site. Below is an outline of the existing versus improved parcel:

Existing Parcel

Full Cash Value: \$3,932,600

Limited Property Value: \$2,980,940

Assessment Ratio: 15%

Taxable Value: \$447,141

Parcel a Manufacturing and Distribution Project

\$76 million Real Property Improvement

\$110 million Personal Property (Equipment and Machinery)

Real Property Value

Full Cash Value¹: \$76,000,000

Limited Property Value²: \$76,000,000

Assessment Ratio: 5%

Taxable Value: \$3,800,000

Personal Property Value

Full Cash Value: \$110,000,000

Depreciated Property Value³: 97,900,000

Assessment Ratio: 5%

Taxable Value: \$4,895,000

As shown on this table the property improvements to the site with an FTZ designation would generate more than 19 times the amount of property tax revenue in total to taxing jurisdictions.

This includes an increase of \$153,600 annually to City of Goodyear and \$115,544 in additional monies to Maricopa County.

Elementary and Secondary School Districts, including overrides and bonds see an estimated increase of \$601,071 annually.

¹Assuming that the value of improvements is equal to the full cash value of the completed industrial building does not account for any additional appreciation in value the parcel will achieve with this investment.

²For new improvements to property it is assumed that FCV=LPV

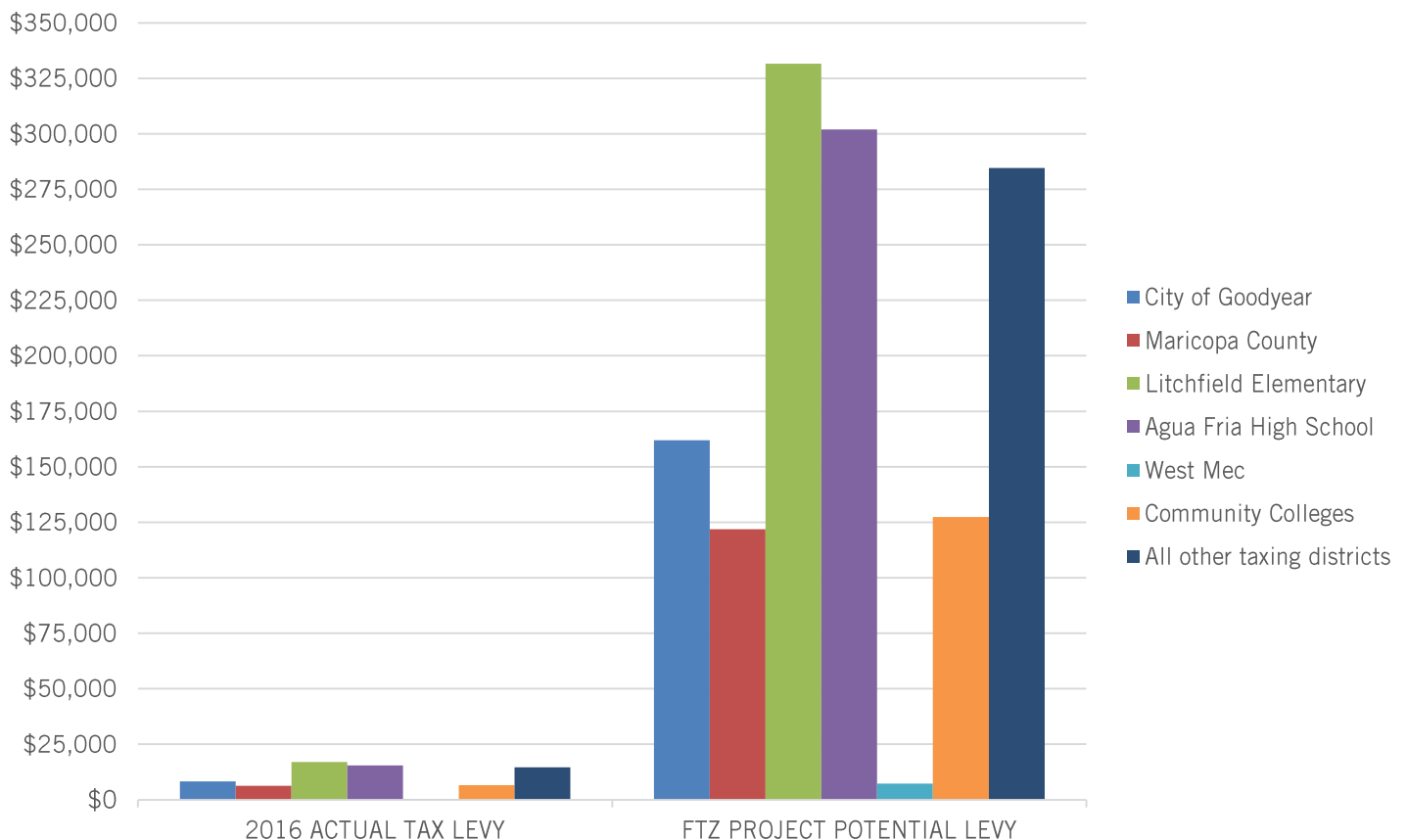
³Assuming a depreciation factor based on a 10 year lifespan, equipment is assumed 89% good after first year.

PV303 FTZ MAGNET SITE

PROPERTY TAX ANALYSIS

The table below displays the comparison of the 2016 tax levy and potential tax impact of \$186 million capital investments to the existing land parcel 501-02-352 and all taxing jurisdictions that apply to that parcel.

JURISDICTION	TAX/ \$100 ASSESSED VALUE	2016 ACTUAL TAX LEVY	FTZ PROJECT POTENTIAL LEVY
City of Goodyear	\$1.8623	\$8,327	\$161,927
Maricopa County	\$1.4009	\$6,264	\$121,808
Litchfield Elementary	\$ 3.8142	\$17,055	\$331,645
Agua Fria High School	\$ 3.4734	\$15,531	\$302,012
West Mec	\$0.0840	\$376	\$ 7,304
Community Colleges	\$ 1.4651	\$6,551	\$127,390
All other taxing districts	\$3.2731	\$14,652	\$284,613
Total	\$15.3730	\$68,756	\$1,336,699



*Central Arizona GRD included in "all other" is based on acreage of the parcel, not on assessed value.
Source: Maricopa County Treasurers Office, 2016 Detailed Tax Statement for Parcel #501-02-790

ECONOMIC IMPACT ANALYSIS

March 2017



About GPEC Economic Impact Model

The Greater Phoenix impact model calculates economic and revenue impacts of new business in the region. The underlying theory behind this regional model is that all communities benefit when a new business locates in the region, both in terms of employed residents and new revenues. The purpose of the model is to show how this distribution of economic benefits may occur.

Economic Impact

The impact model uses county-level multipliers from the Minnesota IMPLAN Group for Maricopa County to calculate direct and indirect impact on specific communities in the Greater Phoenix region. The model also calculates economic impact to the county and state economies in terms of new jobs, output, and revenue generated. In addition to jobs, new businesses create new consumer spending throughout. The payroll from the new businesses can be converted into effective buying income. On a regional basis, effective buying income is distributed across retail and service categories based on spending patterns from the Bureau of Labor Statistics.

Revenue Impact

Direct revenue impacts include revenues generated directly by the businesses, based on project information such as real property values, employment, direct sales, and local and nonlocal purchases. Additional revenues generated by related supplier and consumer jobs, and supported residents are included in the indirect and total impact results. All revenue projections are in current dollars.

Disclaimer

The results from this analysis suggest only one possible scenario based on given project parameters and assumptions, and do not exclude other development possibilities under different assumptions. The economic impact model serves as a tool for basic quantitative evaluations for economic development projects. The results are based on the current economic structure of the communities, and current tax rates. The results of the model are order-of-magnitude estimates, and are intended only as a general guide as to show how businesses and development projects may impact the region.

GREATER PHOENIX:

WHERE BUSINESS GOES TO SCALE

ABOUT THE GREATER PHOENIX ECONOMIC COUNCIL:

The Greater Phoenix Economic Council (GPEC) is Arizona's premier, nationally-ranked economic development organization representing Maricopa County, 23 member communities and more than 170 private-sector investors.

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