

RESOLUTION NO. 2018-1900

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF GOODYEAR, MARICOPA COUNTY, ARIZONA, APPROVING, AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXECUTE A JOB CREATION AGREEMENT FOR ANDERSEN REGIONAL MANUFACTURING, INC., AUTHORIZING CITY STAFF TO TAKE ACTIONS CONSISTENT WITH TERMS OF RESOLUTION AND AGREEMENT, AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Andersen Regional Manufacturing, Inc., a subsidiary of Andersen Corporation, which is an international manufacturer of windows and doors, with its United States corporate headquarters located in Bayport, Minnesota; and

WHEREAS, Andersen Regional Manufacturing, Inc. has identified the need for a new regional manufacturing facility to serve Arizona and portions of the western United States; and

WHEREAS, Andersen Regional Manufacturing, Inc. identified the City as its preferred location for its new regional manufacturing facility that will accommodate its immediate and long-term expansion plans and otherwise meet its business needs, and will cause to be constructed a new approximately 546,000 square foot building generally located at the southeast corner of S. Cotton Lane and W. Commerce Drive in Goodyear, Arizona within the City of Goodyear (the “Goodyear Facility”) as more particularly described in Exhibit “1” attached hereto; and

WHEREAS, the location of the Andersen regional manufacturing facility at the Goodyear Facility will involve the investment of at least \$105,000,000 in capital investments in “Phase I” of the Goodyear Facility, which capital investments will include purchase of the land, the construction of a new building containing approximately 546,000 sq. ft., the installation of tenant improvements within said building, the construction of exterior improvements required for operations of said Phase I portion of the Goodyear Facility, such as drive aisles, sidewalks and parking, and the installation of interior and exterior equipment required for Andersen’s business and manufacturing operations at said Phase I portion of the Goodyear Facility. Andersen also has an option to make an additional investment of at least \$95,000,000.00 in capital investments in “Phase II” of the Goodyear Facility, which capital improvements will include the construction of a second building containing several hundred thousand square feet, the installation of tenant improvements within said building, the construction of exterior improvements required for operations of said Phase II of the Goodyear Facility, such as drive aisles, sidewalks and parking, and the installation of interior and exterior equipment required for Andersen’s business and manufacturing operations at said Phase II portion of the Goodyear Facility. If Andersen proceeds with said Phase II portion of the Goodyear Facility, Andersen would make a total combined investment of \$200,000,000.00 in constructing the Goodyear Facility; and

WHEREAS, the city recognizes that the location of Andersen Regional Manufacturing, Inc. 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 Andersen Regional Manufacturing, Inc.'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 Andersen Regional Manufacturing, Inc.'s operations; tax revenues generated by Andersen Regional Manufacturing, Inc.'s operations, its employees, vendors, and service providers; the 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; and the catalytic effect it will have on further development within the city, which will generate additional jobs and revenue within the city; and

WHEREAS, Andersen Regional Manufacturing anticipates starting operations in 2020, and over the course of six (6) years thereafter, Andersen will add lines and operations to fully put the Phase I portion of the Goodyear Facility into service, and at the end of such period Andersen should cumulatively provide at least 415 full-time jobs to the City, paying each Qualified Employment Position (QEP) 125% of the applicable state of Arizona Median Wage (currently \$41,133 annually), not including overtime or bonuses ; and

WHEREAS, the city commissioned Applied Economics Corporation to conduct an economic and fiscal impact analysis of the Andersen Regional Manufacturing, Inc. operations at the Goodyear Facility; and

WHEREAS, Applied Economics estimates the direct revenue benefit to the City of Goodyear from sales taxes, personal property and real property taxes, permit and impact fees, and utility franchise fees, generated by Andersen during the first six (6) years of operation will be approximately \$3,720,073 and for the first ten (10) years, assuming the implementation of Phase II in year seven (7), direct revenues will be approximately \$7,962,598; and

WHEREAS, Applied Economics estimates the total economic impacts of Andersen's operations in Goodyear will total approximately \$373.4 million over the first six (6) years of operation and for the first ten (10) years, assuming the implementation of Phase II in year seven (7), economic impacts will be approximately \$969.8 million; and

WHEREAS, the Parties understand that the decision of Andersen Regional Manufacturing, Inc. to locate in the city and purchase the property upon which the Goodyear Facility will be located is based on the city's willingness to provide assistance to Andersen Regional Manufacturing, Inc. regarding job creation, design review and permit fees, expedited development process, and Foreign Trade Zone designation support;

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 Andersen Regional Manufacturing, Inc.

SECTION 2. The City Manager or designee is further authorized to take all actions and execute any and all documents necessary to carry out the intent of the Job Creation Agreement with Andersen Regional Manufacturing, Inc.

Exhibit I

