

**Letter of Intent for Public /Private Partnership to Construct
“Goodyear Civic Square at Estrella Falls”**

The purpose of this Letter of Intent (“Letter of Intent” or “LOI”) is to outline terms of a potential Public/Private Partnership between Globe Land Investors, LLC, a Delaware limited liability company (“GLI”) which is an affiliate of Globe Corporation (“Globe”), and the City of Goodyear (the “City”, and collectively with GLI, the “Parties”) to design and develop Goodyear Civic Square at Estrella Falls. The project (hereinafter called the “Goodyear Civic Square Project”) will consist of (a) a City to-be-constructed building that will house certain departments of the City (the “Civic Square Development”) on a long-term basis that will relocate to Globe’s Estrella Falls development, and (b) a surrounding Class A office building and other mixed use improvements (the “Globe Surrounding Development”). We are excited to be working together to develop this concept.

Developer/Project Team: The Goodyear Civic Square Project land is currently owned by GLI, which is 100% owned and controlled by the Getz family through Globe. Globe is a private, family-owned, diversified investment company, concentrating its investments on real estate, asset management and private equity, building on the idea that it is more than a capital source – it is a strategic resource. Globe is based in Scottsdale, Arizona with an office in Deerfield, Illinois and has been in business for over one hundred years. Globe generally provides equity to development partners with expertise in specific real estate product segments. Once the Goodyear Civic Square Project deal terms are solidified and approved by the Goodyear City Council, Globe and GLI will assemble an appropriate team to finalize the development details and timeline to complete the project.

Architectural Plans: GLI and the City have selected Butler Design Group to perform the site planning and architectural work for the Civic Square Development. These costs will be absorbed by GLI until this LOI is signed by both parties and a public procurement process is in place allowing the allocation of a proportionate share of such costs to the Civic Square Development. The Parties agree that, upon approval of this LOI by the Goodyear City Council, up to \$250,000 of architectural and engineering pre-development work can be completed and included in the Civic Square Development costs even if incurred before the Title 34 or other public procurement process has been initiated.

Property / Location: The proposed location of the Goodyear Civic Square Project at Estrella Falls is generally located near 150th Avenue and Monte Vista Drive in Goodyear, Arizona, as depicted on Exhibit 1 attached hereto.

Current Property Ownership: The land on which the Goodyear Civic Square Project is to be located is owned by GLI. GLI previously entered into a Planning Agreement with a development partner that grants an indirect ownership in the proceeds from the land on which the Goodyear City Center

Project is to be located. It is not anticipated that the previous development partner will be involved in the Civic Square Development, and GLI will be solely responsible for acquiring the interest held by such current development partner prior to entering into the contemplated Development Agreement with the City.

Project Ownership Structure: While discussions are still preliminary, GLI envisions two separate ownership structures for the Goodyear Civic Square Project:

- 1) Civic Square Development Ownership: The Civic Square Development will be owned 100% by the City of Goodyear and consists of six to seven acres of land contributed by GLI to the City.
- 2) Globe Surrounding Development Ownership: GLI's development surrounding the Civic Square Development will be owned by an affiliate of GLI and its to-be-named development partner. GLI will contribute the Globe Surrounding Development land to the planned venture between GLI and GLI's development partner, and GLI's development partner will contribute cash to establish sufficient equity to obtain conservative project financing for the Globe Surrounding Development. GLI's development partner will likely have its own general contracting affiliate and be very experienced with this type of project.

Title 34 / Program Consultant: Any improvements to be financed by the City will be procured following Title 34 or other public procurement process. The City will be selecting a Program Manager to act as the City's representative in the design of all improvements independent of GLI's project team and assisting in creating the Title 34 Selection Committee. GLI or Globe may sit on the Selection Committee or act as the Selection Committee using predefined Selection Criteria.

Project Schedule: The timeline for the Civic Square Development and for the office building contemplated to be constructed by GLI as the first phase of its Globe Surrounding Development is still being established and will be dependent upon the timing of approval of the Estrella PAD Revision, finalizing the public/private partnership between the City and GLI, GLI's selection of a development partner and finalizing development plans. The key date for the City's Civic Square Development office building is to have a ground breaking no later than June of 2021 and a certificate occupancy not later than June of 2022. The City's CIP manager will be the point person for the development schedule related to the City's Civic Square Development office building and all of the related improvements.

Phasing: The Goodyear Civic Square Project will be developed in phases. Phase 1 is expected to include the Civic Square Development, the City Infrastructure (as hereinafter defined) and the initial Class A spec office building described hereafter that will be included in the Globe Surrounding Development. Future phases of the Goodyear Civic Square Project will be built based on market demand. An initial Phasing Plan will be included as an exhibit to the contemplated Development Agreement to be agreed upon as part of the Goodyear Civic Square Project.

Environmental Conditions: The subject property has been in agricultural status since it was acquired by Globe or its affiliates in 1970. There are no known environmental issues with the subject property. GLI will provide the City with a current Phase 1 Environmental Assessment on the Civic Square Development, which may include more real property.

ALTA Survey: GLI will provide the City, at GLI's cost, a current ALTA Survey on the Civic Square Development property by a Civil Engineer selected by GLI. The Civil Engineer will also develop the ultimate subdivision plan for the Civic Square Development, the Globe Surrounding Development and any other subdivisions required for the mixed-use development.

PAD Amendment: The commercial property owned by GLI south of Virginia Avenue, west of 150th Drive and east of the Bullard Wash, as well as a portion of the commercial property east of 150th Drive and south of Estrella Parkway, will be subject to a PAD Amendment that will be processed once this LOI is executed between the parties. A draft of the PAD Amendment is attached hereto as Exhibit 2.

Budget: To be developed for the Civic Square Development and for the City Infrastructure and mutually agreed to by the Parties.

City Center Financial Terms: The Development Agreement between GLI and the City will be structured as much like a private/public partnership as possible. A summary of the financial terms of the Development Agreement are as follows:

- GLI will donate 6 to 7 acres of land to the City for the Civic Square Development.
- GLI will be responsible for ensuring that any ID obligations or other encumbrances on the Civic Square Development land are paid off or removed prior to its donation to the City.
- The Civic Square Development will be developed and paid for by City bonding (or other City resources) and will include a +/- 125,000 SF, five-story Class A office building to house the City's client-facing departments; surface parking; a common area lawn for public/private events; and City Infrastructure to support the City's building, the future spec office or build-to-suit office space for the Globe Surrounding Development, and the surface parking / future parking garage for the Goodyear Civic Square.
- The City's obligation for project infrastructure (the "City Infrastructure") will equal, but not exceed, the mutually-agreed-to value of GLI's land being contributed to the City, plus the extinguished ID obligation for the land to be donated to the City, and the value of GLI's land and the City Infrastructure will be mutually agreed to by GLI and the City prior to execution of the Development Agreement.

- GLI will construct a +/- 100,000 SF class A office building concurrent with the Civic Square Development at a quality consistent with the requirements of Goodyear office tenants and current newly constructed Class A office space elsewhere in the Phoenix metropolitan area.
- GLI and Globe will be guaranteed access, and own the rights to, an agreed-upon number of parking spaces in locations approved by the Parties in the surface parking / future parking garage to support market level parking ratios for the contemplated GLI office building referenced in the preceding paragraph. The agreement will be structured in a way that is consistent with Arizona law.
- The City will own the 6 or 7 acres donated by GLI, as well as the Civic Square Development assets (City office building, parking garage, common area lawns).
- GLI will continue to own the land surrounding the Civic Square Development.
- The City intends to provide upfront and ongoing financing according to a financing schedule mutually agreed to by the Parties for the Civic Square Development. The Parties will negotiate a reasonable Development Management Fee based on total project costs of the Civic Square Development, which will be included in the Development Agreement. For the avoidance of doubt, for purposes of this paragraph, the reference to the City Square Development includes only the City's portion of the Goodyear Civic Square Project.
- Throughout the process the City has the right to verify the amount of payment toward the City financed infrastructure prior to making payment therefor.

Public Improvements / Maintenance Obligations: The City will maintain the Civic Square Development improvements and GLI will maintain the Globe Surrounding Development improvements. It is contemplated that the primary roads within the Goodyear Civic Square Project will be dedicated to the City as Public Streets. The City will also commit to improving the level of maintenance within the Bullard Wash.

Development Agreement: The Parties recognize that they may or may not entertain a future Development Agreement and, although both Parties are moving in that direction, there can be no assurances thereof, and nothing in this Letter of Intent shall obligate either party to enter into a Development Agreement.

City Economic Development: The City will promote the Globe Surrounding Development property in all of its discussions with office leasing prospects and other mixed-use prospects in contact with the City Economic Development department.

Term and Cancellation: Either Party may cancel this Letter of Intent by providing ten (10) days' written notice to the other party.


This Letter of Intent shall be effective upon execution by both Parties and shall continue in full force and effect until notice of cancellation or until such time that it is superseded by another agreement. Notice shall be given in writing by either of the Parties to the other.

[Signatures appear on following page.]

IN WITNESS WHEREOF, the Parties hereto have executed this Letter of Intent on this ___ day of April, 2019.

GLOBE LAND INVESTORS, LLC,
a Delaware limited liability company

By: Globe Corporation,
an Illinois corporation
Its Managing Member

By: 
Name: George Getz
Title: President

CITY OF GOODYEAR,

By: _____
Hon. Georgia Lord, Mayor

ATTEST:

By: City Clerk

APPROVED AS TO FORM:

City Attorney

EXHIBIT 1

LOCATION OF THE CITY'S CIVIC SQUARE DEVELOPMENT

EXHIBIT 2

DRAFT OF THE CONTEMPLATED PAD AMENDMENT