AGENDA ITEM:  
DATE:  5/19/2014  

CITY OF CASA GRANDE  
REQUEST FOR COUNCIL ACTION

**Date Submitted:**  5/6/2014  
**Date Requested:**  5/19/2014  

<table>
<thead>
<tr>
<th>Type of Action Requested</th>
<th>Subject</th>
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<tbody>
<tr>
<td>Resolution</td>
<td>Adopt a resolution supporting a Foreign Trade Zone designation for the proposed Tractor Supply Company’s (TSC) distribution center</td>
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**RECOMMENDATION:**  
Staff recommends the Mayor and City Council adopt a resolution supporting a Foreign Trade Zone designation for the proposed Tractor Supply Company’s distribution center, and authorize and approve staff to enter into any necessary agreements with Tractor Supply Company as necessary.

**DISCUSSION:**  
Tractor Supply Company is a Fortune 500 company and the largest retail farm and ranch store chain in the United States. Stores operating over 1,276 retail stores in 48 states and employing more than 19,000 team members. Tractor Supply Company is in the process of purchasing 100 acres of land at the southeast corner of Burris Rd. and Peters Rd. to build a distribution center to service their existing and future retail stores in the southwestern United States. The distribution center will be approximately 640,000 square feet initially with an ultimate build out to over 1 million square feet. This facility will employ between 250 and 300 full-time employees representing over $7.5 million dollars of annual wages, and result in a capital investment in the community of over $70 million dollars. In addition, having a Tractor Supply Company distribution center in our community will continue to build upon our reputation as a great location for warehousing and distribution centers for national companies looking to provide service to their stores and customers in the southwestern United States.

Tractor Supply Company is applying to be part of an activated FTZ and a subzone under FTZ No. 75. They are pursuing this designation in order to receive the property tax reclassification incentive and tariff reduction that a FTZ provides. Without this designation, TSC has indicated they would be forced to locate the facility in another state.

As part of the application process, Tractor Supply Company is required to obtain a letter of support from all taxing entities that receive revenue from property taxes generated from this new facility, which includes the City of Casa Grande. Staff has been notified that all other taxing entities have passed similar resolutions supporting the designation.
**FISCAL IMPACT:**

If the designation is supported locally and approved by the required federal agency, the taxing ratio on the property will be reclassified from 19% to 5% for the next 20 years. The estimated variance in primary property tax revenues to the City is $109,000 annually. The estimated annual primary property tax revenue to the City is $38,900, which could change annually based on the assessed value on the property and the property tax rate levied each year.

**ALTERNATIVES:**

Not adopt a resolution in support of a Foreign Trade Zone designation for TSC’s distribution center.

Prepared by:  
Recommended by:  
Approved by:  

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Economic Development Manager  

*Larry Rains*  
Deputy City Manager  

*Jim Thompson*  
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Reviewed by  
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Reviewed by  
City Attorney:  *Brett Wallace*