

EXHIBIT 1

FOREIGN TRADE ZONE POLICY OF THE CITY OF GOODYEAR DATED DECEMBER 15, 2014

1. The City of Goodyear is located within the boundaries of FTZ No. 277 Western Maricopa County.

2. FTZ Policy. The City hereby establishes this Foreign Trade Zone Policy (“Policy”). The City reserves the right to amend, modify, supplement and/or terminate this Policy at any time.

POLICY TERMS

A. The City will only support requests for property to be included as Zone Site within the boundaries of FTZ No. 277 Western Maricopa County. This provision shall not be interpreted as conveying any right of support from the City for any request to include property as a Zone Site within the boundaries of FTZ No. 277 Western Maricopa County.

B. Definitions. The following definitions apply to the terms set forth in this Policy:

1. Activate(d) or Activation: shall mean the approval of a Grantee and U.S. Bureau of Customs and Border Protection (“CBP”) pursuant to the provisions of 19 CFR Part 146, *et. seq.*, authorizing foreign trade zone operations at a Zone Site (or portion thereof).

2. ASF: means Alternative Site Framework which is the optional approach to designation and management of zone sites adopted by the U.S. Foreign Trade Zones Board, as it may be modified.

3. Baseline Date: shall mean the date used for determining what real and personal property are considered Existing Facilities and what real and personal property are considered New Facilities for purposes of determining the amount of the PILOT Fee that is applicable to improved sites that are included as Zone Sites within FTZ No. 277 Western Maricopa County.

a. Magnet Sites – the Baseline Date shall be the FTZ Application Date for Magnet Sites.

b. User Driven Sites – the Baseline Date shall be the FTZ Application Date for User Driven Sites.

4. Capital Expenditure: means the expenditures incurred in the development of a site, which shall include expenditures for: the building, the value of capital equipment, whether leased or purchased, and all on-site and infrastructure needed to serve the site.

5. Existing Facilities: shall mean the real and personal property upon which property taxes were assessed in the last Property Tax Statement issued by the Maricopa County Treasurer prior to the Baseline Date.

6. FTZ Application Date:

a. Magnet Site: for a Magnet Site, the FTZ Application Date is the later of the following: the date an application or letter is submitted to the Grantee requesting sponsorship to include property as a Magnet Site within the boundaries of FTZ No. 277 Western Maricopa County; the date the City Council approves a request to include property as a Magnet Site within the boundaries of FTZ No. 277 Western Maricopa County; or the date Grantee is paid all fees, including application fees, required by Grantee to process any application to include such property as a Magnet Site within the boundaries of FTZ No. 277 Western Maricopa County.

b. User Driven Site: for a User Driven Site, the FTZ Application Date is the later of the following: the date an application or letter is submitted to the Grantee by the user of the site whose operations qualify the site for FTZ status requesting sponsorship to include the property as a User Driven Site within the boundaries of FTZ No. 277 Western Maricopa County; the date the City Council approves a request by the user of the site whose operations qualify the site for FTZ status to include the property as a User Driven Site within the boundaries of FTZ No. 277 Western Maricopa County; or the date Grantee is paid all fees, including application fees, required by Grantee to process any application to include such property as a User Driven Site within the boundaries of FTZ No. 277 Western Maricopa County.

7. Full-Time Employee: means a permanent employee whose normal work week would result in the employee working a minimum of 1,750 hours per year.

8. Grantee: shall mean the corporate recipient of a grant of authority to operate FTZ No. 277 Western Maricopa County as provided in 15 CFR Part 400 *et seq*, which currently is Greater Maricopa Foreign Trade Zone, Inc.

9. Greenfield Site: shall mean property, or portion thereof, that is to be included as a Magnet Site, which by definition **does not** include User Driven Sites, within FTZ No. 277 Western Maricopa County for which the last Property Tax Statement issued by the Maricopa County Treasurer for the property (or portion thereof) prior to the FTZ Application Date assessed property taxes only on land.

10. High Wage Employment Criteria: shall mean that at least 51% of the operator's full-time employees are paid at least 125% of the median annual wage computed annually by the Arizona Department of Commerce and all full time employees are offered health insurance for which the employer pays at least 75% of the premium or membership costs of such insurance. Operators who are self-insured for health care shall establish annual up-front fixed costs that is to be paid by employees as described in the Arizona Commerce Authority Qualified Facility Tax Credit Program's requirements for employers who self-insure for employee health care.

11. Improved Site: shall mean a parcel, included within the boundaries of FTZ No. 277 Western Maricopa County as a Magnet Site or User Driven Site, for which the last

Property Tax Statement issued by the Maricopa County Treasure for the parcel prior to the FTZ Application Date assessed property taxes on real property improvements and/or personal property.

12. Magnet Sites: also known as General Purpose Sites or General Purpose Zones, are Zone Sites that are included within the boundaries of FTZ No. 277 Western Maricopa County consisting of larger tracts of land that are organized and function as an integrated unit, such as all or part of an industrial park or airpark facility, that are intended to be used by multiple users for multiple activities and that are intended to draw future users to that location. The Magnet Sites located within the City of Goodyear currently approved, subject to certain stipulations, include: 416-acre Airport Gateway at Goodyear Industrial Complex, Bullard Avenue and Van Buren Street; 234.84 Acres within the 1,600-acre Palm Valley 303 Industrial Park, Camelback Road and the 303; 198 Acres at Goodyear Crossing Industrial Park, Cotton Lane and Ellwood Road.

13. PILOT Fee: an annual fee paid by either the Owner or Operator of an Improved Site after the site has been “Activated,” and the real and personal property at the site has been reclassified and is being taxed as property within a foreign trade zone.

14. User Driven Site is a Zone Site that is tied to a single operator or user under the ASF whose operations qualify the site for FTZ status and that is included within the boundaries of FTZ No. 277 Western Maricopa County but that loses its status as a Zone Site when that operator or user leaves the site.

15. Zone Site: property located within the City of Goodyear that has been approved by the Foreign Trade Zone Board to be included within the boundaries of FTZ No. 277 Western Maricopa County and consists of User Driven Sites and Magnet Sites.

C. PILOT Fee Payment - Improved Sites. So as not to impair the property tax base relied upon by the various stakeholders, the policy of the City is to require the execution of a PILOT Agreement requiring the payment of a PILOT Fee on Improved Sites except as otherwise provided in this Policy.

1. The PILOT Fee shall be a flat annual fee that is determined when an owner or operator of an Improved Site seeks to activate the Improved Site. The amount of the PILOT fee shall be the difference between the property taxes that would have been paid for Existing Facilities on the Improved Site had the Improved Site not been activated less the amount of the property taxes attributable to the Existing Facilities under the reclassification resulting from the activation. In determining the amount of the PILOT Fee, the value of the Existing Facilities and the assessment ratios shall be the values and assessment ratios for the latest tax year reflected in the records of the Maricopa County Assessor prior to the Baseline Date. If the tax rates have not been set for the latest tax year, the tax rates used to calculate the PILOT Fee shall be the rates reflected in the last Property Tax Statement issued by the Maricopa County Treasurer prior to the Baseline Date. If the PILOT Fee is a negative number no PILOT Fee shall be owed.

2. The PILOT Fee shall be paid only during the years the Improved Site is being taxed under the classification applicable to real and personal property within an activated foreign trade Zone Site (or portion thereof).

3. The PILOT Fee shall be paid to the City in two equal payments with half of the PILOT Fee being due on October 1st of each year the PILOT Fee is owed and the second half of the PILOT Fee being due on March 1st of the following year.

4. The City shall distribute, within thirty days of receipt of the PILOT Fee, the portion of the PILOT Fee applicable to each of the taxing jurisdictions reflected in the last Property Tax Statement issued by the Maricopa County Treasurer prior to the Baseline Date.

D. PILOT Fee Payment Exemptions. No PILOT Agreement or PILOT Fee shall be required for any of the following:

1. Greenfield Sites

2. User Driven Sites that meet the requirements of the Spec Building Policy for User Driven Sites December 15, 2014 attached hereto as Exhibit A.

3. Zone Sites for which the Goodyear City Council, by Resolution, waives the PILOT Fee requirement.

E. Inclusion within a Foreign Trade Zone. The City shall not support an Application to include property in Goodyear within a foreign trade zone as a Zone Site unless the following conditions are met:

1. Public Benefit. The Applicant must demonstrate to the satisfaction of the City that a significant public benefit will result from the inclusion of the property within FTZ No. 277 Western Maricopa County.

2. Zoning. The property to be included within FTZ No. 277 Western Maricopa County is zoned I-1 or, for User Driven Sites, the property is located in zoning district other than I-1, but the actual use of the User Drive Site is a permitted use under the I-1 zoning district.

3. Federal Eligibility. The Applicant meets Federal eligibility guidelines found in 15 CFR Part 400 *et. seq.*

F. Activation. For any Zone Site (or portion thereof) within the City of Goodyear that wants to Activate, the City and Grantee will require the following:

1. PILOT Agreement. For an Improved Site for which a PILOT Fee is required, the owner or operator of any Improved Site that wants to activate such site shall execute a written agreement that requires the payment of a PILOT Fee (“PILOT Agreement”); and a copy of the fully executed PILOT Agreement shall be submitted to the Grantee with the letter from the owner or operator requesting Activation concurrence from the Grantee as required under 19 CFR Part 146.

2. High Wage Manufacturing Agreement. For an Improved Site that is not required to pay a PILOT Fee pursuant to category 2 of the Spec Building Policy for User Driven Sites December 15, 2014, attached hereto as Exhibit A (the “Spec Building Policy”), the owner or operator of the improved User Drive Site that wants to activate such site shall execute a High Wage

Manufacturing Agreement pursuant to category 2 of the Spec Building Policy, and a copy of the fully executed High Wage Manufacturing Agreement shall be submitted to the Grantee with the letter from the owner or operator requesting Activation concurrence from the Grantee as required under 19 CFR Part 146.

3. Minimum Arizona Internet Sales Agreement. For an Improved Site that is not required to pay a PILOT Fee pursuant to category 3 of the Spec Building Policy for User Driven Sites dated December 15, 2014, attached hereto as Exhibit A (the “Spec Building Policy”), the owner or operator of the improved User Drive Site that wants to activate such site shall execute a Minimum Arizona Internet Sales Agreement pursuant to category 3 of the Spec Building Policy, and a copy of the fully executed High Wage Manufacturing Agreement shall be submitted to the Grantee with the letter from the owner or operator requesting Activation concurrence from the Grantee as required under 19 CFR Part 146.

G. Property Tax Assessments. The Maricopa County Assessor's Office will continue to be responsible for assessing the value of activated Zone Sites (or portions thereof).

H. Zoning. This Policy does not create any right to have any property within the City rezoned to make it eligible for FTZ status.

I. Other Taxing Jurisdictions. The applicant who is seeking to include property as a Zone Site within the boundaries of FTZ No. 277 Western Maricopa County shall be responsible for obtaining all letters of support from other taxing jurisdictions whose support is required.

J. Interpretations. The City Attorney is responsible for interpreting the provision of this Policy.

EXHIBIT A

SPEC BUILDING POLICY FOR USER DRIVEN SITES DECEMBER 15, 2014

No PILOT Fee shall be required for the *first activated user* of a User Driven Site that meets all of the conditions of one of the following three categories of Spec Building:

1. Spec Building – Any Use

a. Prior to June, 1, 2014, the last Property Tax Statement issued by the Maricopa County Treasurer for the property that is to be included as a User Driven Site within the boundaries of FTZ No. 277 Western Maricopa assessed property taxes only on land; and

b. The property is located within the area identified as Proposed FTZ Spec Building Sites on the map titled Proposed Spec Building and High Wage Foreign Trade Zone Sites attached hereto; and

c. The property seeking to be included as a User Driven Site within a foreign trade zone is located within an I-1 zoning district or it is located within a zoning district other than I-1, but the actual use of the User Drive Site is a permitted use under the I-1 zoning district; and

d. A building of at least 200,000 square feet must be constructed and a temporary certificate of occupancy must be obtained by January 1, 2018; and

e. The building must be occupied by any user by January 1, 2020.

2. Spec Building – High Wage Manufacturing

a. Prior to June, 1, 2014, the last Property Tax Statement issued by the Maricopa County Treasurer for the property that is to be included as a User Driven Site within the boundaries of FTZ No. 277 Western Maricopa assessed property taxes only on land; and

b. The property is located within the area identified as Proposed FTZ Spec Building Sites or within the area identified as Proposed High Wage FTZ Sites on the map titled Proposed Spec Building and High Wage Foreign Trade Zone Sites attached hereto; and

c. The property seeking to be included as a User Driven Site within a foreign trade zone is located within an I-1 zoning district or it is located within a zoning district other than I-1, but the actual use of the User Drive Site is a permitted use under the I-1 zoning district; and

d. At least 75,000 square feet of the building constructed on the property that is to be Activated is used for manufacturing purposes; and

e. Prior to the Activation of the site for the first time, documentation is provided to the City that demonstrates a Capital Expenditure of at least \$25,000,000.00 was made in the development of the site; and

f. Prior to the Activation of the site, the operator enters into a High-Wage Agreement with the City, the form of which shall be provided by the City Attorney, pursuant to which the operator of the User Driven Site agrees: it will employ a minimum of 75 Full-Time Employees; the operator will meet the High Wage Employment Criteria; it will provide the City whatever documentation and records the City requests to verify compliance with these requirements; and in the event the operator fails to meet these requirements, the operator shall pay a PILOT Fee equal to the entire property tax that would be owed in absence of its foreign trade status during the period of non-compliance.

3. Spec Building – Internet Fulfillment Center

a. Prior to June, 1, 2014, the last Property Tax Statement issued by the Maricopa County Treasurer for the property that is to be included as a User Driven Site within the boundaries of FTZ No. 277 Western Maricopa assessed property taxes only on land; and

b. The property is located within the area identified as Proposed FTZ Spec Building Sites on the map titled Proposed Spec Building and High Wage Foreign Trade Zone Sites attached hereto; and

c. The property seeking to be included as a User Driven Site within a foreign trade zone is located within an I-1 zoning district or it is located within a zoning district other than I-1, but the actual use of the User Drive Site is a permitted use under the I-1 zoning district; and

d. The site to be activated is used for internet fulfillment operations that will generate a minimum of \$25,000,000.00 of end user sales in Arizona; and

e. Prior to the Activation of the site for the first time, documentation is provided to the City that demonstrates a Capital Expenditure of at least \$25,000,000.00 was made in the development of the site; and

f. Prior to the Activation of the site, the operator enters into a Minimum Arizona Internet Sales Agreement with the City, the form of which shall be provided by the City Attorney, pursuant to which the operator of the User Driven Site agrees: a minimum of \$25,000,000.00 of end user sales in Arizona from the site will be generated annually; it will provide the City whatever documentation and records the City requests to verify compliance with this requirement; and in the event the operator fails to meet this requirements, the operator shall pay a PILOT Fee equal to the entire property tax that would be owed in absence of its foreign trade status during the period of non-compliance.