



NEWS RELEASE

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City of Tucson Mayor and Council Approve Incentive Agreement with American Battery Factory

In December 2022, American Battery Factory (ABF) announced that Tucson had been selected as the company's corporate headquarters and site of the country's largest facility for the production of lithium iron phosphate battery cells. Tonight, the Mayor and City Council approved a Primary Jobs Incentive development agreement with ABF.

The City of Tucson Primary Jobs Incentive is a financial tool that supports the City's efforts to attract quality jobs and investment. The incentive provides up to a 100% reimbursement of construction sales tax to qualifying expenses such as required public infrastructure improvements, offsets to impact fees, and job training.

ABF intends to hire 1,000 new employees over the next several years with an average salary of \$65,000. Under the Primary Jobs Incentive development agreement, the company will be eligible for a maximum reimbursement of \$3.965 million, once construction is complete and the company demonstrates that it has met specific performance criteria.

The overall economic impact of the ABF project - to be constructed on 267 acres south of Tucson International Airport - is estimated at more than \$2.5 billion over five years. Construction is expected to start in June with completion in late 2024.

"The future of green jobs and battery manufacturing is right here in Tucson," said Tucson Mayor Regina Romero. "Our investment in American Battery Factory is a down payment on a more sustainable and thriving future. I am grateful for our partnership with Pima County and the Arizona Commerce Authority as we welcome American Battery Factory to Tucson," added the Mayor.

According to Barbra Coffee, the City's Director of Economic Initiatives, this project demonstrates true collaboration in the region. "The alignment among state, regional and local government entities made the decision easy for ABF," said Coffee. "The County's ability to move quickly with the land transaction and the commitment of local and state support makes us competitive in these efforts to attract quality industrial investments."

About City of Tucson Office of Economic Initiatives:

The Office of Economic Initiatives coordinates the City's economic development programs for the purpose of attracting jobs and investment to the City of Tucson. The Office of Economic Initiatives also offers local small business and entrepreneurial assistance and encourages regional workforce development efforts to foster a sustainable and diverse local economy. For more information or to contact the Office of Economic Initiatives, visit www.ConnectTucson.com.