



# Government Property Lease Excise Tax (GPLET) Program

**City of Tucson Economic Initiatives**  
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Tucson, Arizona 85701  
Phone: 520.837.4100  
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## OVERVIEW

Thank you for your interest in the City of Tucson Government Property Lease Excise Tax (GPLET) economic development incentive program. Arizona state statute allows the City to take temporary ownership of real property, lease it back to the prior owner, and charge an Excise Tax in lieu of ad valorem property taxes, generally at a lesser cost than the current property tax. Owners of property located within the Central Business District (CBD) may be eligible for an abatement of the Excise Tax. This program was authorized by resolution of the Mayor and Council on June 5, 2012, specifically to facilitate new development, and the redevelopment of existing properties that would not otherwise occur, but for the financial incentive provided through use of the GPLET tool. Government Property Lease Excise Tax is governed by Arizona Revised Statutes A.R.S. §§ 42-6201 through 42-6210.

## APPLICATION INSTRUCTIONS

Please contact the Office of Economic Initiatives prior to starting your application for an initial determination of eligibility. Deliver completed applications to [ConnectTucson@tucsonaz.gov](mailto:ConnectTucson@tucsonaz.gov)

### 1) Applicant Description

- a) Applicant Name: \_\_\_\_\_
- b) Name of Business (if applicable): \_\_\_\_\_
- c) Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_
- d) Email: \_\_\_\_\_ Phone: \_\_\_\_\_

### 2) Project Description

- a) Location Address: \_\_\_\_\_
  - a) Is property located in the Central Business District: Y      N
- b) New Development:      Or Renovation:

c) Existing Zoning: \_\_\_\_\_

a) Indicate whether the property is currently, or was recently, subject to a City zoning change process. If so, include Planning & Development Services Case Number: \_\_\_\_\_

b) Current Use (e.g., office, retail, multi-family, vacant): \_\_\_\_\_

c) Latest appraised value or purchase price: \_\_\_\_\_

**3) Detailed Description of the Project**

Along with a detailed description of the proposed improvements and uses, please include an explanation of why this project would not be possible but for the GPLET incentive

4) Break down each use by square feet:

|                | <b>SqFt</b> | <b>Stories</b> | <b>#Units/<br/>Rooms</b> | <b>LeaseRate<br/>/SqFt</b> |
|----------------|-------------|----------------|--------------------------|----------------------------|
| Office         | _____       | _____          | _____                    | _____                      |
| Retail         | _____       | _____          | _____                    | _____                      |
| Hotel/Motel    | _____       | _____          | _____                    | _____                      |
| Warehouse/ Ind | _____       | _____          | _____                    | _____                      |
| Parking        | _____       | _____          | _____                    | _____                      |
| Other          | _____       | _____          | _____                    | _____                      |

Remarks on breakdown

**CAPITAL INVESTMENT**

5) Detailed breakdown of proposed project costs

|  |       |
|--|-------|
| Land/building acquisition                                    | _____ |
| Soft cost (design and engineering)                           | _____ |
| Other soft cost (financing, taxes, insurance, permits, etc.) | _____ |
| Hard construction cost (including any site improvements)     | _____ |
| Contingency  | _____ |
| FF&E   | _____ |
| Total Capital Investment (including FF&E):                   | _____ |

6) Funding (*List all sources of funding for the project*):

| Name  | Amount |
|-------|--------|
| _____ | _____  |
| _____ | _____  |
| _____ | _____  |
| _____ | _____  |
| _____ | _____  |
| _____ | _____  |

Total funding amount: \_\_\_\_\_

Funding remarks: Please explain any difference between capital investment and total funding.

**Project Timing**

7) Construction Start Date:

Anticipated Completion:

**JOB CREATION & EMPLOYMENT IMPACT**

8) **Current Number of Employees:**

a) Full-time: \_\_\_\_\_ Part-time: \_\_\_\_\_

b) Employee salary range: \_\_\_\_\_ - \_\_\_\_\_

c) Average employee salary: \_\_\_\_\_

**Number of Employees Post Project Completion:**

d) Full-time: \_\_\_\_\_ Part-time: \_\_\_\_\_

e) Employee salary range: \_\_\_\_\_ - \_\_\_\_\_

f) Average employee Salary: \_\_\_\_\_

g) Number of new positions paying > \$54,932 per year: \_\_\_\_\_

*Please attach spreadsheet of job composition and pay along with this application*

**Revenue Impact**

9) Current Revenue (if applicable): \_\_\_\_\_ /Year

Post Completion Revenue: \_\_\_\_\_ /Year

# GPLET APPLICATION REVIEW & SCORING

Projects that meet all statutory requirements, as demonstrated by the Independent Economic Impact Analysis, and demonstrate Community Benefits as described in sections a through g below, may be awarded a greater incentive. Please include in the Project Narrative an explanation of how the project will provide and/or achieve any of the following Community Benefits. Points will be awarded under the categories described below, and the total score may be used to determine a GPLET incentive amount above the Baseline Abatement.

1. **Local Contractors** (3 points available)

The City of Tucson recognizes that the use of local subcontractors for construction projects boosts our local economy. The City encourages developers to hire a 70% Pima County construction workforce. The City also encourages subcontractors to participate in the Apprenticeship Program (Ordinance 10462) which helps prepare our workforce for future employment opportunities. The program is funded by subcontractors and is not a cost borne by the developer.

Name of Contractor(s) if known: \_\_\_\_\_

What percent of subcontractors are local? \_\_\_\_\_

Does the contractor use skilled labor and/or contribute to apprenticeship programs?

Y      N

2. **Transit and Parking** (3 points available)

Participation in Transit Pass Program for tenants/residents/employee? Y      N

Does project provide multimodal transportation facilities (pedestrian, bicycle, transit, other)? Y      N

3. **Public Art & Open Space** (3 points available)

Does the project incorporate public art? Y      N

Does project include the provision of new or enhancement of existing public and/or open space? Y      N

4. **Small & Local Business Job Creation** (3 points available)

Does the project preserve existing, and/or provide opportunities for new, small, and local businesses? Y      N

Does the project include a job creation component? Y N

5. **Housing Affordability** (3 points available)

If the project contains a residential component of at least five (5) units, does the project reserve units for residents with incomes of 80 percent or less than area median income (AMI) throughout the abatement period? Y N

Does the project make contributions in lieu of development of affordable housing units to a Tucson-area, federally recognized, Community Housing Development Organization (CHDO)? Y N

Does the project make contributions in lieu of development of affordable housing units to a Tucson-area Community Land Trust or Housing Trust Fund? Y N

6. **Historic Preservation & Adaptive Reuse** (3 points available)

Does the project preserve and protect significant historical resources? Y N

Does the project promote adaptive reuse of existing buildings? Y N

7. **Environmental Sustainability** (3 points available)

Does the project incorporate best practices in environmental design? Y N

Does the project incorporate sustainable features such as rainwater harvesting and/or on-site renewable energy generation? Y N

8. **Community Benefit** (3 points available)

Has a Community Benefits Agreement been signed between the developer and the neighborhood/interest groups? Y N

*If yes, provide a copy of the agreement with this application*

## Scoring Matrix & Award Guidelines

| <u>Points</u> | <u>Award</u>   |
|---------------|--|
| 0-8           | Baseline Abatement as determined by Independent Economic Impact Analysis             |
| 9-16          | 75% of maximum eligible award as determined by Independent Economic Impact Analysis  |
| 17-24         | 100% of maximum eligible award as determined by Independent Economic Impact Analysis |

Please note that GPLET award amounts, including the percentage of the Excise Tax abatement, and/or the number of years of abatement, are negotiable. The applicant shall pay an annual GPLET rent in an amount equal to 10% of the value of the GPLET incentive, spread over eight years. The City shall retain 10% of these dollars to cover staff costs associated with processing the incentive over the term of the agreement. The remaining 90% will be dispersed to Pima County annually in June for redistribution to all appropriate taxing entities. The City of Tucson Mayor & Council reserve the right to modify the GPLET award, terms, and conditions prior to final approval.

## NEIGHBORHOOD ENGAGEMENT

Neighborhood engagement may be considered during GPLET Application Review & Scoring and may result in execution of a “Community Benefits Agreement” between the property owner and affected Neighborhood Associations and/or interest groups.

The applicant shall conduct at least one community engagement meeting at a time and location to be determined in consultation with City staff. The applicant will provide written notification of such meeting to all owners of real property within 300 feet of the subject property, and to all registered Neighborhood Associations within 1-mile of the subject property.

The City will provide mailing labels to the applicant for delivery of written notice via first-class mail. This meeting shall be conducted prior to any Mayor & Council consideration and may be conducted concurrent with any neighborhood engagement processes required or encouraged as part of the Planning & Development Services entitlement process. Applicants who have successfully conducted neighborhood engagement meeting(s) as part of a zoning or other entitlement process are not required to conduct additional neighborhood engagements specifically related to their application for economic development incentives.



## APPLICATION REVIEW & FEE

An internal City team will review your application and make a determination regarding whether to move the request forward to the Mayor & Council for review. Upon direction from the Mayor and Council to proceed, the applicant will pay an application fee of \$5,000 to the City, and the City may request clarification or further explanation of items in the Application Narrative.

The City will commission an Independent Economic Impact Analysis of the project to determine the economic impact and to what degree the City will receive Direct Benefits from the project. City staff will review the Independent Economic Impact Analysis and forward a recommendation to the Mayor & Council.

If Mayor & Council approve the incentive request, they will direct staff to prepare an agreement formalizing the incentive in a development agreement and/or lease and provide the final agreement(s) for Council consideration and approval. The form of the GPLET lease agreement is available for review on the City of Tucson website at [www.ConnectTucson.com](http://www.ConnectTucson.com). All economic development incentive agreements are discretionary and subject to Mayor & Council approval.

## AUTHORIZATION

I/We certify that the information on this application is complete and accurate. I understand my responsibility, as the applicant, to respond to reasonable requests for information from the City and to be present at meetings regarding this application at the request of City staff. Submittal of this Application shall constitute an acknowledgement and authorization to process this request.

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|            |                     |      |
|------------|---------------------|------|
| Print Name | Applicant Signature | Date |
|------------|---------------------|------|

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|            |                          |      |
|------------|--------------------------|------|
| Print Name | Property Owner Signature | Date |
|------------|--------------------------|------|

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|            |                          |      |
|------------|--------------------------|------|
| Print Name | Property Owner Signature | Date |
|------------|--------------------------|------|