

SUPREME COURT OF ARIZONA

DARCIE SCHIRES, et al.,

Plaintiffs/Appellants,

v.

CATHY CARLAT, et al.,

Defendants/Appellees.

Arizona Supreme Court
No. CV-20-0027-PR

Court of Appeals
Division One
No. 1 CA-CV 18-0379

Maricopa County
Superior Court
No. CV2016-013699

**BRIEF OF AMICUS CURIAE GREATER PHOENIX LEADERSHIP,
SOUTHERN ARIZONA LEADERSHIP COUNCIL, GREATER PHOENIX
ECONOMIC COUNCIL, VALLEY PARTNERSHIP, ARIZONA
CHAPTER OF NAIOP, INC., PHOENIX COMMUNITY ALLIANCE,
ARIZONA MULTHOUSING ASSOCIATION, AND PHOENIX
COMMUNITY ALLIANCE IN SUPPORT OF
DEFENDANTS/APPELLEES CATHY CARLAT, ET AL.**

FILED WITH WRITTEN CONSENT OF ALL PARTIES

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INTEREST OF AMICI

Greater Phoenix Leadership, Southern Arizona Leadership Council, Greater Phoenix Economic Council, Valley Partnership, the Arizona Chapter of NAIOP, Inc. Phoenix Community Alliance and Arizona Multihousing Association are organizations that have a strong interest in the continued development of the Arizona economy and communities as well as the ability of Arizona to compete with other states in the attraction of new companies and industries. They are vitally concerned with the third issue accepted for review by this Court: Did the Court of Appeals err by concluding that economic development is a public purpose under the Gift Clause? They are particularly concerned with this issue in light of the potential negative impact on the ability of Arizona, its counties, and cities to engage in economic development that benefits the citizens of this state.

INTRODUCTION

This Court has repeatedly held that investigation of public purpose is significantly deferential and that it will only overrule a city's¹ public purpose determination when the city has “grossly abused” its discretion. To hold, as Petitioners argue here, that any transaction with economic development as its purpose must fail the public purpose prong of the Gift Clause analysis would completely undermine that appropriate deference and eliminate an entire class of projects previously upheld by the courts.

It has long been settled throughout the country, including those states with gift clauses similar to Arizona's, that economic development *is* a valid concern of state and local governments—because such concern is consistent with government's goals of providing employment for its citizens and strengthening its tax base, along with other goals. As a result, courts, including those in Arizona, have found that encouraging economic development is a valid public purpose to support government programs challenged under so-called “gift clauses.” Given that these courts have already broadly construed “public purpose” to include economic development, the Court should refrain from issuing a blanket holding precluding economic

¹ The term “city” refers to state and local government for the sake of brevity and clarity.

development from constituting a public purpose. Such a holding would be contrary to Arizona jurisprudence and would be harmful to the public.

The Court of Appeal's conclusion that Peoria did not abuse its undoubted discretion in concluding that economic development projects serve a public purpose is correct for three reasons. First, this Court and the Court of Appeals have repeatedly applied a highly deferential standard of review to the public purpose determination to conclude that economic development serves such a public purpose. Second, numerous courts in other states whose constitutions contain a gift clause have overwhelmingly concluded that economic development is a valid public purpose. Third, government initiatives premised on economic development do serve the public good because they create more jobs, elicit more capital investment in our State, and, among other things, may serve community-specific needs as well. The consequences of eliminating economic development from ever serving as a public purpose will leave Arizona at a significant disadvantage as it tries to compete with its neighboring states, which readily deploy government incentives.

I. ARIZONA COURTS HAVE PROPERLY DEFERRED TO LEGISLATIVE BRANCHES OF GOVERNMENT TO CONCLUDE THAT ECONOMIC DEVELOPMENT IS A PUBLIC PURPOSE.

Turken v. Gordon, 223 Ariz. 342 (2010) contains the most definitive discussion of the Gift Clause's public purpose prong. In *Turken*, this Court distilled several principles to determine whether a transaction satisfies the required public

purpose. The Court noted that, although public purpose is difficult to define precisely and its ultimate determination is the province of the courts, courts owe significant deference to the judgments of elected officials as to whether an expenditure meets a public purpose and must not be overly technical in reviewing that judgment. *Id.* at 346–47, ¶ 14. In analyzing whether a government expenditure has a public purpose, the Court made clear that “the primary determination of whether a specific purpose constitutes a ‘public purpose’ is assigned to the political branches of government, which are directly accountable to the public.” *Id.* at 349, ¶ 28. The Court also indicated that courts should take an “expansive view of public purpose,” *id.* at 346, ¶ 13, meaning that public purpose will be lacking “only in those rare cases in which the governmental body’s discretion has been ‘unquestionably abused,’” *id.* at 349, ¶ 28.

In applying the foregoing to evaluate whether the grant at issue in *Turken* served a public purpose, *Turken* applied a panoptic view of the public purpose behind the project. *Id.* at 349, ¶ 28. The Court determined not only that securing public parking served a valid public purpose, but also recognized that obtaining “indirect benefits,” such as increasing the city’s tax base and providing increased employment for its citizens, supported the city’s conclusion that the public parking agreement had a valid public purpose. *Id.* at 348–49, ¶¶ 24–25. Under *Turken*, these

indirect benefits aimed at economic development satisfied the Gift Clause’s public purpose test.

Several Arizona cases have already upheld economic development as a public purpose. This Court addressed the issue of whether industrial or economic development is a public purpose for purposes of the Gift Clause in *Industrial Development Authority of Pinal County v. Nelson*, 109 Ariz. 368 (1973). In *Nelson*, the Authority brought a special action to require the Attorney General to issue an opinion that Authority bonds, the proceeds of which would be used by a private company to finance the installation of air pollution control equipment, were lawful. The Attorney General refused to issue the requested opinion on the grounds that the legislation authorizing the bond’s issuance violated the Gift Clause.

This Court began its analysis by noting that many courts in other jurisdictions had already considered bonds to finance the “attraction and development of industry within their area” and had upheld the bonds against challenges asserting that financing of economic development was not a public purpose. *Id.* at 373; *id.* at 372 (acknowledging that the legislature added Arizona to the list of some 42 other states authorizing some form of government financing to encourage local industrial development). This Court “believe[d] that the best reasoned cases support the view taken by the great majority of jurisdictions that such method of financing does not constitute a loan or gift to private persons or corporations, but it is an expenditure in

the public interest.” *Id.* at 373. As a result, the Court concluded that the financing at issue was supported by the public purpose of limiting pollution *and* industrial development. *Id.*; *see also Turken*, 223 Ariz. at 349, ¶ 27 (“In so ruling [in *Nelson*], we also noted that the issuance of bonds for industrial development in general was consistent with the Gift Clause.”).

Other cases have broadly relied on economic development satisfying the required public purpose to reject Gift Clause challenges. *City of Tempe v. Pilot Props., Inc.*, 22 Ariz. App. 356 (1974) held that a lease of public property for a spring training baseball facility at a nominal rent satisfied the Gift Clause. *Id.* at 358, 362. The plaintiffs argued that “the public purpose in bringing major league baseball to Tempe with its attendant economic and recreational benefits” was a valid public purpose under the Gift Clause. *Id.* at 360. The Court upheld that economic purpose as sufficient. *Id.* at 362.

Similarly, in *Shaffer v. Allt*, 25 Ariz. App. 565 (1976), the court determined that the sale of liquor by a city at a municipal facility fulfilled a public purpose within the meaning of that limitation on municipal power. There, the court expressly relied on economic development as satisfying the requisite public purpose, noting “[t]he encouragement of immigration, new industries and investment in a city is a valid public purpose for the exercise of a municipal corporation’s proprietary powers.” *Id.* at 569.

Petitioners ask this Court to reject its own precedents supporting the Court’s broad construction of “public purpose” and, in its place, create a new test whereby a public expenditure is only found to serve a public purpose if the expenditure “primarily, tangibly, and directly benefits the public at large” and “involves a traditional government function.” Petitioners’ Supp. Br. at 13. This is not the law in Arizona, nor should it be.

Petitioners’ reliance on direct versus incidental benefits to the public and private parties seeks to resurrect a Gift Clause test that this Court has twice rejected. In *Wistuber*, the majority adopted the current two-prong test (public purpose and adequate consideration) and expressly rejected a primary/incidental benefit test. Compare *Wistuber v. Paradise Valley Unified Sch. Dist.*, 141 Ariz. 346, 349 (1984) (majority opinion), with *id.* at 351–52 (Cameron, J., dissenting). Similarly, in *Turken*, the Court rejected the Court of Appeals’ addition of a third requirement into the *Wistuber* test prohibiting a government expenditure that “unduly promoted private interests.” 223 Ariz. at 348, ¶¶ 21–22. As this Court has repeatedly held, public purpose turns not on whether the benefits to the private party are direct or whether the benefits to the City are indirect but, instead, on whether the City has “unquestionably abused” its undoubted discretion in deciding that a public purpose is served. *Id.* at 349, ¶ 28.

Petitioners also try to manipulate the public purpose requirement into a public *benefits* requirement. *See* Petitioners’ Supp. Br. at 13, 16 (arguing that “a public purpose exists when the government spends money on something that primarily, tangibly, and directly benefits the public at large” and that the economic development plan at issue does not serve a public purpose because there is no “guarantee” that the public will receive any benefit from this project). But that is not the correct inquiry to determine whether an expenditure has a public purpose. The public purpose test is not whether, prospectively, the public is guaranteed to receive a primary, direct, tangible benefit or, in hindsight, whether it received such a benefit. The public purpose test examines whether the expenditure is *intended* for the public good.²

There is also no Arizona precedent requiring that expenditures be made for a “traditional government function” in order to serve a public purpose.³ Petitioners merely read this additional requirement into the *Wistuber* test, even though

² The amount of the benefit the City receives and its relationship to what the City gives is relevant to the consideration prong of the Gift Clause test, not the public purpose prong. *See Turken*, 223 Ariz. at 348, ¶ 21 (explaining that *Wistuber* rejected the primary/incidental benefit approach “in favor of a simpler question: Does the expenditure, even if for a public purpose, amount to a subsidy because ‘[t]he public benefit to be obtained from the private entity as consideration . . . is far exceeded by the consideration being paid by the public?’” (quoting *Wistuber*, 141 Ariz. at 349)).

³ Indeed, this Court has repeatedly rejected the idea that only public functions that existed at the time of statehood support a finding of public purpose. *See Turken*, 223 Ariz. at 346, ¶ 13; *City of Glendale v. White*, 67 Ariz. 231, 236 (1948).

Wisturber never required such. Regardless, economic development is a traditional government function. The United States Supreme Court has found that “[p]romoting economic development is a **traditional and long-accepted** function of government.” *Kelo v. City of New London, Conn.*, 545 U.S. 469, 484 (2005) (emphasis added); *see also Maready v. City of Winston-Salem*, 467 S.E.2d 615, 624 (N.C. 1996) (“Economic development has long been recognized as a proper governmental function.”).

Further, the Arizona Legislature has repeatedly evidenced its understanding that economic development is a public purpose. *See, e.g.*, A.R.S. §§ 9-500.11, 42-6201, *et seq.* Under Petitioners’ theory, these statutes would be invalid under the Gift Clause or Ariz. Const. art. IX, § 1.

Contrary to the Petitioners’ arguments, ample Arizona authority supports the conclusion that economic development serves a valid public purpose. This Court should reject Petitioners’ effort to create a new, narrow public purpose test.

II. OTHER JURISDICTIONS RECOGNIZE THAT ECONOMIC DEVELOPMENT IS A PUBLIC PURPOSE.

“Today, every state provides tax and other economic incentives as an inducement to local industrial location and expansion.” Walter Hellerstein & Dan T. Coenen, *Commerce Clause Restraints on State Business Development Incentives*, 81 Cornell L. Rev. 789, 790 (1996). Numerous courts have considered and rejected Petitioners’ arguments that economic development does not serve a public purpose.

Similar to Arizona’s Gift Clause jurisprudence, these jurisdictions take an expansive view of public purpose and agree that courts owe significant deference to the judgments of elected officials to determine what serves a public purpose.

For example, the ordinance at issue in *Burkhardt v. City of Enid*, 771 P.2d 608 (Okla. 1989), which is quite similar to Peoria’s plan, withstood a “gift clause” challenge because the court found that economic development was a public purpose. The ordinance established a sales tax to stimulate economic development, which included the purchase of a private Christian university. *Id.* at 609–10. The appellants argued the plan unconstitutionally subsidized a private institution rather than furthering a public purpose, in violation of the Oklahoma Constitutional provisions restricting the use of public funds to expenditures for a public purpose. *Id.* The Oklahoma Supreme Court disagreed, holding that economic development is a legitimate public purpose for which public funds may be expended. *Id.* at 611.

Similarly, in *Blinson v. State*, 651 S.E.2d 268 (N.C. App. 2007), the plaintiffs challenged as unconstitutional a county economic development plan that provided tax incentives and a tax credit to a private company to build a computer manufacturing facility in the county. *Id.* at 271. The plaintiffs argued that the incentives were “directly and exclusively” for the private company’s benefit. *Id.* at 277. The court held that the expenditure of public money for economic development incentives to induce a private company to build a manufacturing facility in the

county satisfied the public purpose clauses of the state constitution. *Id.* at 278. In so holding, the court reasoned, in part, that it is for the legislature, not the court, to engage in economic projections as to the potential monetary benefits resulting from economic development. *Id.*

In *Hale v. State*, 818 N.W.2d 684 (N.D. 2012), the plaintiff brought suit alleging that state statutes authorizing government entities to implement economic development programs violated North Dakota’s gift clause. 818 N.W.2d at 687, ¶¶ 1–2. The North Dakota Supreme Court held that economic development constitutes a “public purpose” under North Dakota’s gift clause. *Id.* at 695–96, ¶¶ 33–34. The court explained that “public purpose includes the promotion of prosperity and general welfare of all the inhabitants or residents within a given governmental entity,” and noted that “[a]n obvious goal of economic and job development programs is to increase the general economic health, welfare and prosperity of the people in a governmental entity.” *Id.* at 695, ¶ 34.

Numerous other courts have held that economic development plans serve a public purpose under the state gift clauses and are, therefore, constitutional. *See, e.g., Hayes v. State Property and Buildings Comm., Ky.*, 731 S.W.2d 797, 798–80 (Ky. 1987) (upholding incentive package to entice Toyota Motor Company to build a manufacturing plant in the county, explaining that “[t]he successful inducement of location of a revenue producing facility is an important element which provides a

new source of tax revenue which did not previously exist”); *People ex rel. City of Salem v. McMackin*, 291 N.E.2d 807 (Ill. 1972) (holding that Illinois’ Industrial Project Revenue Bond Act (the “Act”), which was designed to attract industrial developments to Illinois communities, satisfied the public purpose requirement of the state gift clause, reasoning that the Act promotes reduction of unemployment, provides work and opportunity through expansion of industry in communities within the state, and provides potential impetus to economic development within the state that might otherwise be lost to other states); *Bordeleau v. State*, 960 N.E.2d 917, 923–24 (NY App. 2011) (public loans and grants issued to private companies to stimulate economic development did not violate New York’s gift clause because the purpose of the plan was to obtain specialized marketing services to promote a major industry in New York for the overall benefit of the public, and it was not for the court to question the legislature’s policy decisions); *Moschenross v. St. Louis Cty.*, 188 S.W.3d 13, 17–22 (Mo. App. 2006) (development and financing of major league baseball stadium and surrounding area did not violate Missouri’s gift clause, even though the baseball team owners benefited from the development of the stadium, because the project’s primary purpose was to increase convention and sports activity, which was projected to result in economic benefits to the public).

Ultimately, economic development undoubtedly serves a public purpose. As the foregoing courts have found, bringing growth, employment opportunities, tax

revenues, revitalization of neighborhoods, and diversification of industries into cities benefits the residents as well as the public at large.

III. GOVERNMENT INCENTIVES FOR ECONOMIC DEVELOPMENT IMPROVE THE LIVES OF ITS CITIZENRY, AND THE CONSEQUENCES OF PROHIBITING INCENTIVES ARE GRAVE.

A. Permitting cities to utilize government incentives for economic development is necessary to achieve various public and social goals.

Economic development serves a public purpose by providing material benefits to the public. An obvious goal of government development initiatives is to attract or retain business to increase capital investment and job creation, which ultimately leads to an increase in tax revenue and provides for a larger tax base to fund the government's overall budget. Economic development initiatives, however, rarely (if ever) only serve to increase jobs or a tax base. They also provide *other* significant benefits to the public at the same time.

For example, the downtown Phoenix Fry's grocery store (located on the northeast corner of First and Jefferson Street) is a result of an economic development initiative by the City of Phoenix. Prior to its arrival, the United States Department of Agriculture had defined downtown Phoenix as a "food desert." See "Fixing the food desert problem in downtown Phoenix," AZ Big Media, <https://azbigmedia.com/lifestyle/restaurants/fixing-food-desert-problem-downtown-phoenix/>. For decades private developers were either unwilling or unable

to create the space for a grocery store to serve that part of the City.

That changed, however, in June 2016 when the City provided \$18.3 million (through a combination of payments and sales-tax reimbursements) to a private developer to create a high-rise project housing 300 apartments, 150,000 square feet of office space, and—most importantly—an urban grocery store. In exchange, the developer agreed to purchase the city-owned land for \$18 million over 50 years. *See* “Phoenix OKs incentives for downtown Fry’s grocery store, high-rise,” *azcentral.com*, <https://www.azcentral.com/story/news/local/phoenix/2016/10/05/phoenix-incentives-downtown-frys-grocery-store/91551508/>. This deal not only created significant economic development for downtown Phoenix, but it also served (and continues to serve) a desperate public need for a nearby grocery store.⁴

On average, government initiatives premised at least in part on economic development provide more jobs, higher salaries, and more investment into Arizona. The Greater Phoenix Economic Council (“GPEC”) analyzed the impact of incentives provided to private businesses in fiscal year 2020 and fiscal year 2021 to date and found that projects receiving government incentives well outperformed those

⁴ Some experts have even noted that ending downtown Phoenix’s “food desert” could lead to the decrease in the likelihood of obesity, diabetes, and heart disease. *See* “New Fry’s grocery store ends food desert for downtown Phoenix,” *Cronkite News, Arizona PBS*, <https://cronkitenews.azpbs.org/2019/10/21/new-frys-store-in-downtown-phoenix/>.

projects without incentives in all three categories.⁵ For example, projects eligible⁶ for government incentives created, on average, nearly four times the amount of jobs per project compared to those that were not eligible for incentives. *See* Declaration of Kristen Stephenson, attached to the Appendix, ¶ 3. The average salary for these projects is 14% higher than projects not eligible for incentives and is 41% higher than the overall median wage in metro Phoenix. *Id.* ¶ 4. Capital investment on average is 50% higher for projects eligible for incentives compared to those that are not eligible. *Id.* ¶ 5. Government incentives predicated on economic development lead to better outcomes for the government’s citizens than without such initiatives.

B. Preventing Arizona governments from engaging in economic development initiatives will severely handicap the State in competing to attract and retain business and industry.

If this Court were to prohibit economic development from serving as a public purpose, Arizona and its cities will be severely handicapped in vying to attract business and industry. Governments throughout Arizona currently utilize various forms of incentives to stimulate economic development. *E.g.*, “Subsidy Tracker: State Summary of State and Local Awards: Arizona,” Good Jobs First, <https://subsidytracker.goodjobsfirst.org/prog.php?statesum=AZ>. Many of the

⁵ The incentives GPEC analyzed are designated to close the gap in terms of operational costs between locations being considered for the project.

⁶ Incentives are ultimately awarded on a post-performance basis.

states Arizona competes with—Nevada⁷, Utah⁸, Colorado⁹, and New Mexico¹⁰—also utilize government-incentivized financing to encourage economic development.¹¹ (These states all have gift clauses similar to Arizona’s as well. *See* Nev. Const. art. VIII, § 9; Utah Const. art. VI, § 29; Colo. Const. art. XI, § 1; N.M. Const. art. IX, § 14.) If this Court were to hold that economic development alone is

⁷ Nevada even has an Incentive Guide, which specifies what government-incentives are available based upon the projected economic impact in either an urban or rural community. *See* Nevada Urban/Rural Incentive Guide, Nevada Governor’s Office of Economic Development, https://goed.nv.gov/wp-content/uploads/2020/08/202008_GOED_incentive_guide.pdf.

⁸ Utah’s listed “Tax Credits and Other Programs” include Utah State Job Creation (EDTIF) Tax Credit, Industrial Assistance Fund, Utah New Market Tax Credit, and Life Science and Technology Tax Credits. *See* “Corporate Recruitment & Incentives,” Utah’s Governor’s Office of Economic Development, <https://business.utah.gov/programs-initiatives/corporate-recruitment-incentives/>.

⁹ Colorado provides financing and incentive programs, which are made up of cash incentives, business grants, tax credits, and debt and equity financing, among others. *See* “Funding and Initiatives,” Colorado Office of Economic Development & International Trade, <https://choosecolorado.com/doing-business/incentives-financing/>.

¹⁰ New Mexico has two primary government-subsidized finance programs for economic development: the Local Economic Development Act Capital Outlay Program and the New Mexico FUNDIT. *See* “Finance Development,” Economic Development Department, <https://gonm.biz/business-development/edd-programs-for-business/finance-development/>.

¹¹ In actuality, “[n]early every government unit at every level offers some type of subsidy in an attempt to influence firm location decisions.” Stephen Ellis et. al., *A Game Changer for the Political Economy of Economic Development Incentives*, 56 Ariz. L. Rev. 953, 955 (2014).

not a “public purpose” for gift-clause purposes, Arizona would lose the economic incentive programs that it has and could not compete for business in comparison to its neighboring states at all.

Indeed, Arizona has already missed out on economic development because it was “underbid” with government initiatives from competing states. In May 2019, Uber was considering Phoenix and Dallas for its next corporate hub, looking to provide either city with a 400,000 square foot building and thousands of jobs for salespeople, executives, and developers.¹² The Dallas’ City Council, however, provided Uber with \$9.35 million in government incentives, which Uber ultimately accepted in exchange for its commitment to bring 2,500 jobs (with an average annual salary of \$100,000) and a \$110 million investment into Dallas’ city center. *See* “Dallas OKs \$9.35M incentives to lure Uber; Phoenix was on short list,” Phoenix Business Journal, <https://www.bizjournals.com/phoenix/news/2019/08/16/dallas-oks-9-35m-incentives-to-lure-uber-phoenix.html>. If Arizona is not able to provide

¹² As the Uber example demonstrates, incentives are critical to site selectors and corporate location executives. According to Area Development, tax exemptions are one of the top 10 factors in site selection and incentives are one of the top 15 factors for corporations choosing to relocate. *See* “34th Annual Corporate Survey & 16th Annual Consultants Survey, Site Selection— Corporate Exec Survey Results,” Area Development, <https://www.areadevelopment.com/Corporate-Consultants-Survey-Results/Q1-2020/34th-annual-corporate-survey-16th-annual-consultants-survey.shtml> (noting that 75% of survey respondents view exemptions as important or very important and 70.2% of survey respondents consider state and local incentives as important or very important).

similar incentives premised on economic development, it simply will be unable to compete in the national marketplace for high-paying jobs and infrastructure investments and will lag behind its counterparts.

IV. CONCLUSION

This Court should reject Petitioners' argument that economic development can never serve as a valid public purpose under the Gift Clause.

RESPECTFULLY SUBMITTED this 22nd day of October, 2020.

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APPENDIX

SUPREME COURT OF ARIZONA

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**DECLARATION OF KRISTEN STEPHENSON IN SUPPORT OF BRIEF
OF AMICUS CURIAE GREATER PHOENIX LEADERSHIP, SOUTHERN
ARIZONA LEADERSHIP COUNCIL, GREATER PHOENIX ECONOMIC
COUNCIL, VALLEY PARTNERSHIP, NAIOP, INC. ARIZONA
CHAPTER, AND PHOENIX COMMUNITY ALLIANCE, ARIZONA
MULTIHOUSING ASSOCIATION IN SUPPORT OF
DEFENDANTS/APPELLEES CATHY CARLAT ET AL.**

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Phoenix Community Alliance, and Arizona Multihousing Association*

I, Kristen Stephenson, make this Declaration of my own knowledge, and I am competent to testify to the matters contained herein, which I believe to be true and correct.

1. I am a Senior Vice President for Research and Analytics at the Greater Phoenix Economic Council (“GPEC”). I have first-hand knowledge of the facts declared herein and am willing to testify to such at any hearing that the Court may schedule.

2. As part of its business, GPEC regularly compiles data regarding new business ventures (commonly referred to as “Projects”) coming to Arizona. For each Project, GPEC measures the number of jobs created, the payroll for such jobs, and the capital investment created by that Project. GPEC also notes whether the Project received a government incentive. For fiscal year 2020 and fiscal year 2021 to date, GPEC recorded 53 new Projects arriving in Arizona.

3. Projects eligible¹ for government incentives created on average nearly four times the amount of jobs per project compared to those that were not eligible for incentives.

4. The average salary for these projects is 14% higher than projects not eligible for incentives and is 41% higher than the overall median wage in metro Phoenix.

¹ Incentives are ultimately awarded on a post-performance basis.

5. Capital investment on average is 50% higher for projects eligible for incentives compared to those that are not eligible.

Pursuant to Arizona Rule of Civil Procedure 80(c), I declare under penalty of perjury of the laws of the state of Arizona, County of Maricopa, that the foregoing is true and correct to the best of my knowledge, information, and belief.

Executed this 22nd day of October, 2020.



Kristen Stephenson

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