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Goodyear to get cancer treatment center

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Sara Bisker: Staff Writer



Cancer Treatment Centers of America is coming to Goodyear, and with it 400 new jobs and endless possibilities for cancer research and treatment.

The Goodyear City Council on Tuesday unanimously approved a development agreement with Arizona Healthcare Properties to develop the outpatient care center on 25 acres at the northeast corner of Bullard Avenue and Van Buren Street.

Cancer Treatment Centers of America, or CTCA, is a group of privately owned companies providing state-of-the-art cancer treatment based on a patient-centered integrative care model, said Harry Paxton, economic development director for Goodyear.

Incentives

Paxton said the terms of the agreement provide CTCA with two types of incentives.

First, the city will reimburse costs related to constructing public infrastructure that supports the cancer facility. Additionally, the city will reimburse costs associated with the relocation of the Roosevelt Irrigation District ditches, which run across the property.

The second incentive relates to tax breaks, he said.

Goodyear will assume ownership of the property and facility after it is bought by CTCA. It will then be leased back to CTCA at a rate of \$100 per year for 50 years.

Because the property and building will be government owned, it will not be subject to property taxes, Paxton said. Instead, the hospital will pay an annual Government Property Lease Excise Tax at a rate of \$1.25 per square foot.

At the end of the 50-year lease, CTCA will have the option to buy the facility for \$100, he said.

Community benefits

Economic firm Applied Economics was hired by Goodyear to conduct an analysis of the economic and fiscal impact of tax incentives' being provided to CTCA under the development agreement and lease, said Sarah Chilton, assistant city attorney.

The following conclusions were made, assuming a 50-year lease with the facility:

- Goodyear is providing an incentive of \$11.8 million in actual value in foregone real property taxes but will take in \$11.7 million in actual value in personal property taxes and lease excise taxes from CTCA.
 - CTCA will directly create 400 new jobs and \$20 million in annual payroll by 2013.
 - CTCA, through local supplier purchases and employee spending, will support the creation of an additional 162 jobs with \$3 million additional payroll at other local businesses.
 - At a fully operational level, CTCA will create an economic impact of \$53.1 million based on CTCA job creation.
 - The opening of CTCA will provide a catalyst for development for the surrounding property.
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- Comparing the amount of property taxes forgone to the amount of new property tax generated, the surrounding development will generate significant property taxes for local school districts and other taxing jurisdictions that outweigh the amount of real property tax from CTCA that is forgone under the terms of the development agreement.