



Incentives help Surprise lure Toyota dealership to auto mall

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The northwest Valley's first major autoplex, named the 303 Auto Show, is primed to snag customers from Surprise, Glendale and as far northwest as Wickenburg.

That was the motive in offering a host of economic incentives to land the complex, a project that easily could have gone to west Glendale rather than Loop 303 and Cactus Road in Surprise, City Manager Jim Rumpeltes said.

The project's first dealership is expected to open in late 2008.

After landing nine major domestic dealerships with incentives in 2005, Surprise needed to ensure the auto mall's success by inking a company that sold at least two popular foreign brands, said John Hagen, city economic development director.

A deal to land United Auto Group, a company committed to selling Toyota in Surprise and another brand yet to be announced, has earned City Council approval.

In the deal:

- United Auto Group will receive a 50 percent rebate on the sales tax its dealers generate over 10 years. The company's two dealers are expected to generate about \$2 million a year in total sales tax revenue.
- Before the 10 years starts, the company will be reimbursed the fees it pays for all city permits, estimated at \$200,000 for each car brand, Hagen said.
- The city will reimburse the company \$10,000 for publicity, provided that the company mentions its Surprise location in advertising. For example, a billboard will read, "The 303 Auto Show in Surprise" rather than just the mall's name. Hagen estimates the \$10,000 will buy about a year's worth of ads.

Similar deals passed for the complex's domestic dealerships, which include Chevrolet, Ford, Lincoln/Mercury, Pontiac, GMC, Dodge, Chrysler and Jeep.

The dealers are not required to create a minimum number of jobs, but Hagen estimates that United Auto Group's portion will provide 200 jobs and the entire auto mall will create 1,000 to 1,500 positions.

The autoplex is the first part of Westcor's Prasada project, a 3,000-acre, mixed-use development, and is expected to fuel other development and infrastructure additions. At build-out, Prasada will encompass 4 square miles and include a regional mall, power centers, residential space and a hospital.

"The Auto Show coming in will hopefully speed up the 303 improvements and any other shopping," Vice Mayor Doc Sullivan said.

The autoplex at first will span 120 acres, with an adjacent 60 acres to grow. Hagen expects 10 other smaller dealers to move in later. Those dealers will not be offered incentives, he said.

Rumpeltes said the incentives offered to the Auto Show's core dealers are necessary to ensure economic sustainability by building a tax base and creating jobs.

"We don't want to do any more of these deals than we have to, to get that tax base," he said.

Despite the incentives, the city will maintain firm control over the autoplex's cosmetic features, because each project must abide by all city planning and zoning restrictions, Rumpeltes said.

United Auto Group's primary Valley location is in north Scottsdale at Scottsdale Road and Chauncey Lane.

The incentives offered to the 303 Auto Show's dealers are separate from a \$240 million sales-tax reimbursement deal the city cut with Westcor in February to build infrastructure for Prasada.