RESOLUTION NO. 5944

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, AUTHORIZING SUPPORT FOR A FOREIGN TRADE ZONE APPLICATION FOR ESSAI, INC., A SUBSIDIARY OF ADVANTEST AMERICA, INC. FOR MANUFACTURING FACILITIES LOCATED AT 280 S. 79TH STREET AND 4111 W SATURN WAY; AUTHORIZING SUPPORT FOR A PROPERTY TAX RECLASSIFICATION FROM CLASS ONE TO CLASS SIX FOR ALL NEW PERSONAL PROPERTY AT THESE SITES; AND AUTHORIZING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF CHANDLER AND THE CITY OF PHOENIX IN SUPPORT OF SAME.

WHEREAS, Essai, Inc., a subsidiary of Advantest America, Inc. ("Essai") is a leading manufacturer of design and sales of test sockets for testing semiconductors and has purchased and located to an existing facility at 280 S. 79th Street and built a new manufacturing facility at 4111 W Saturn Way in Chandler (collectively, the "Site"); and

WHEREAS, the City's cooperation and support in seeking a Foreign Trade Zone ("FTZ") designation for Essai's facilities was an important factor in Essai's decision to locate its industrial facilities in Chandler; and

WHEREAS, without receiving FTZ designation for its industrial facilities and a property tax reclassification from class one to class six for all new personal property, Essai is put at a competitive disadvantage, which is detrimental to the economy of the City of Chandler, as well as the State of Arizona; and

WHEREAS, Chandler desires to support Essai in applying for FTZ Operator status at the Site under FTZ No. 75, if Essai agrees to not pursue reclassification of any real property at the Site to class six; and

WHEREAS, Essai is agreeable to such limitation on state tax treatment; and

WHEREAS, the City of Phoenix has received a grant from the federal Foreign-Trade Zones Board to establish FTZ No. 75 and Chandler does not have any such grant of authority; and

WHEREAS, Phoenix is willing to submit an application to the Foreign-Trade Zones Board on behalf of Essai for the property at the Site to be established, operated, and maintained as a foreign-trade zone usage driven site.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Chandler, Arizona, as follows:

Section 1. Authorizing support for a FTZ application for the Essai manufacturing facility located at 280 S. 79th St. and 4111 W Saturn Way, and authorizing the Acting City Manager or designee to submit such documents or statements as may be necessary to establish Chandler's support of Essai's

application.

Section 2. Authorizing support for a property tax reclassification from class one to class six for all new personal property at the site and authorizing the Acting City Manager or designee to submit such documents or statements as may be necessary to establish Chandler's support of the tax reclassification for new personal property at the Site.

Section 3. Authorizing the Mayor to execute an Intergovernmental Agreement between Chandler and Phoenix to memorialize the agreement of the two cities to work together to assist Essai in its efforts to obtain FTZ Operator status for the Site, a copy of which is attached to this Resolution as Exhibit "A".

PASSED AND ADOPTED by the City Council of the City of Chandler, Arizona, this _____ day of December, 2025.

ATTEST:

_____ _____
CITY CLERK MAYOR

CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Resolution No. 5944 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on the _____ day of December, 2025, and that a quorum was present thereat.

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY

Exhibit A

Intergovernmental Agreement