

**INTERGOVERNMENTAL AGREEMENT
BETWEEN THE CITY OF PEORIA AND
THE ARIZONA DEPARTMENT OF REVENUE
FOR DISTRIBUTION OF REVENUES UNDER A.R.S. § 42-5032.02**

THIS INTERGOVERNMENTAL AGREEMENT (the "**Agreement**") is entered into this ___th day of ___, 2025, pursuant to Arizona Revised Statutes ("A.R.S.") §§ 11-951 through 11-954 by and between the Arizona Department of Revenue ("ADOR") and the City of Peoria, acting by and through its Mayor and City Council (the "City"). The City and ADOR are referred to collectively in this agreement as the "Parties" and each individually as a "Party." A.R.S. references shall be to the code version in effect as of the effective date of this Agreement ("Effective Date"), unless otherwise provided expressly in this Agreement.

DEFINITIONS

The following definitions shall apply throughout this Agreement:

1. "**Amkor**" means AMKOR TECHNOLOGY ARIZONA, INC., an Arizona-domiciled corporation.
2. "**Capital Investment**" means an expenditure to acquire, lease, or improve property that is used for the benefit of the Facility, including land, buildings, machinery, and fixtures, as the term "capital investment" is defined in A.R.S. § 42-5032.02 and identified under Section I of this Agreement.
3. "**Certification**" means the sworn certification submitted by Amkor to the Arizona Commerce Authority on April 14, 2021.
4. "**Construction Phase Services**" has the same meaning prescribed in A.R.S. § 42-5075(N)(1).
5. "**Facility**" means an establishment that:
 - a. Is engaged in the mechanical, physical, or chemical transformation or fabrication of materials, substances, or components into new products within the State of Arizona;
 - b. Is classified within sections 31 through 33 inclusive of the 2007 edition of the North American Industry Classification System as published by the National Information Service of the United States Department of Commerce; and
 - c. Agrees to make at least five hundred million dollars (\$500,000,000) in Capital Investment.
6. "**Prime Contractor**" means any contractor identified in connection with a Capital Investment or Public Infrastructure Improvement Project under this Agreement who is liable for reporting and remitting TPT levied under A.R.S. § 42-5075.

7. "**Public Infrastructure**" means water production, delivery, and disposal facilities; wastewater production, delivery, and disposal facilities; and roads that are necessary to support the activities of the Facility.
8. "**Public Infrastructure Improvement Project**" or "**PIIP**" means any project identified under Section II of this Agreement.
9. "**Public Infrastructure Master Agreement**" means the written agreement between Amkor and the City that identifies and states the cost of the Public Infrastructure Improvement Projects that will be constructed and identifies the source of monies that will be used to pay for the same under A.R.S. § 42-5032.02.
10. "**Reporting Code**" means a code that ADOR provides to a Prime Contractor under Section 111 of this Agreement for the purpose of allowing the Prime Contractor to separately identify to ADOR such income reported under A.R.S. § 42-5075 that is derived from a contract for Capital Investment and Public Infrastructure Improvement Projects under this Agreement.
11. "**Statutory Maximum**" means the total amount paid to all cities, towns, and counties under A.R.S. § 42-5032.02, which shall not exceed a maximum of two hundred million dollars (\$200,000,000).
12. "**TPT**" means state transaction privilege tax.

RECITALS

1. ADOR is authorized to enter into this Agreement under A.R.S. §§ 42-1004(A)(4) and 42-5032.02(G).
2. The City is authorized to enter this agreement pursuant to Article I, Section 3 of the Peoria City Charter and A.R.S. § 42-5032.02.
3. Amkor intends to engage in business at a production facility to be constructed within the City that qualifies as a Facility under this Agreement.
4. Amkor has agreed with the City to make a qualifying Capital Investment and has filed its Certification to this effect with the Arizona Commerce Authority.
5. On or before the Effective Date, Amkor has agreed with the City to provide a cost report to ADOR demonstrating that it has made ten percent (10%) of the Capital Investment identified in the Certification that constitutes "construction phase services," as that term is defined in A.R.S. § 42-5075.
6. The City has determined that certain PIIPs are necessary to support Amkor's Capital Investment.

7. Amkor and the City have entered into a written agreement that identifies and states the cost of the PIIPs that will be constructed and identifies the source of monies that will be used to pay for such PIIPs.
8. Under A.R.S. § 42-5032.02(H), the City can obtain funding for up to eighty percent (80%) of the cost of a PIIP from the portion of TPT revenue under A.R.S. § 42-5075 derived from the construction of buildings and associated improvements for the benefit of the Facility and the PIIPs that benefit the Facility.
9. The purpose of this Agreement is to facilitate ADOR's distribution of funds to the City under A.R.S. § 42-5032.02 and to ensure compliance with the requirements of that statute and other applicable laws.

WHEREFORE, IN CONSIDERATION of the foregoing and of the mutual covenants expressed in this Agreement, the Parties agree as follows:

I. Capital Investment.

- A. The Capital Investment and associated Prime Contractors covered by this Agreement are identified in the attached Addendum A.
- B. Future Capital Investments may be identified under this Agreement through the use of similar addenda, and in that event, the terms and conditions of this Agreement shall apply.

II. Public Infrastructure Improvement Projects (PIIPs).

- A. The Public Infrastructure necessary to support the Capital Investment is identified in the attached Addendum B.
- B. The actual amount of the construction funding that will be derived from sources other than the State is also identified in Addendum B.
- C. Using the form attached as Addendum B-1, the City shall notify ADOR of each Prime Contractor or other service provider awarded a contract under A.R.S. Title 34 for the Public Infrastructure Improvement Project and any other City expenses related to the PIIP, together with an updated project cost, estimated start of construction date, and estimated completion date.
- D. Future PIIPs may be identified under this Agreement through the use of similar addenda and, in that event, the terms and conditions of this Agreement shall apply.
- E. The City shall submit additional Addendum B and Addendum B-1 for each separate PIIP.

III. Prime Contractors.

- A. ADOR shall provide written notification, with a copy to the City, to each Prime Contractor identified under this Agreement as to the means and method of reporting the portion of its income separately identified to ADOR under A.R.S. § 42-5075 as being derived from a contract for Capital Investment or PIIP under this Agreement.
- B. ADOR shall separately account for state TPT revenues identified, reported, and collected under A.R.S. § 42-5075 of the prime contracting classification from any Prime Contractor identified under this Agreement for both the PIIPs and Capital Investment project.
- C. Revenue derived from contracts subject to A.R.S. § 42-5075 for PIIPs under this Agreement shall be used exclusively to pay for PIIPs identified under this Agreement until either:
 - i. The Statutory Maximum for payments to all cities, towns, and counties under A.R.S. § 42-5032.02 is reached or
 - ii. December 2027 or such later date as amended in A.R.S. § 42-5032.02.
- D. In the event there is more than one PIIP undertaken by more than one city, town, or county for the benefit of Amkor that will be funded by the same Capital Investment project, it shall be allocated by ADOR among the PIIPs based on available funds and whether the eighty percent (80%) threshold for each PIIP has been met.
- E. The City agrees that any amounts paid by ADOR to a Prime Contractor resulting from an audit adjustment or claim for credit or refund of taxes collected under A.R.S. § 42-5010(A) and derived from a contract for the construction of a PIIP or Capital Investment project under this Agreement shall be recovered by ADOR by reducing the amount paid to the City under A.R.S. § 42-5029 from monies designated as the distribution base in the month next succeeding the month in which the adjustment or claim is paid. In the event that there is more than one PIIP undertaken by more than one city, town, or county for the benefit of Amkor, any amount paid by ADOR to a Prime Contractor under this section shall be recovered in the manner prescribed by this section only from the city, town, or county to whom the monies were allocated pursuant to Section III (D) above.
- F. The City agrees that if, on notification by ADOR, the State Treasurer ceases payments because the City has received monies that meet or exceed either eighty percent (80%) of the cost of a PIIP or the Statutory Maximum, the City shall have

no claim to additional payments if ADOR subsequently pays amounts to a Prime Contractor due to an audit adjustment or claim for credit or refund of taxes.

IV. Payments to the City.

- A. Within ten (10) business days after all of the conditions set forth in Sections IV(B)(1) through IV(B)(4) have been satisfied for a PIIP to be funded under this Agreement, and provided that TPT funds identified under A.R.S. § 42-5075(H) are available, ADOR shall provide written notice to the Slate Treasurer, with a copy to the City, to begin making payments to the City under this Agreement.
- B. ADOR shall not instruct the State Treasurer to begin making payments to the City under this Agreement until each of the following conditions has been met:
 - i. ADOR has received a cost report demonstrating that Amkor has made ten percent (10%) of the Capital Investment identified in the Certification that constitutes Construction Phase Services.
 - ii. ADOR has received documentation from the City that it has entered into a contract for a PIIP to be funded under this Agreement.
 - iii. ADOR has received all of the information to be provided under Addendum B for a PIIP.
 - iv. At least one Prime Contractor or other service provider has been identified, and all of the information required to be provided for that Prime Contractor or other service provider under Addendum B-1 has been provided for a PIIP. Payments to the City for any Prime Contractor, other service provider, or other City expense identified in Addendum B-1 shall not exceed eighty percent (80%) of the construction cost, contract cost, or other expense as set forth in Addendum B-1.
- C. The total amount paid to the City for any PIIP under this Agreement shall not exceed: (a) eighty percent (80%) of the total cost of the PIIP as set forth in Addendum B or (b) the Statutory Maximum for payments to all cities, towns, and counties under A.R.S. § 42-5032.02. If the amount needed to meet eighty percent (80%) of the PIIP would exceed the Statutory Maximum, such amount shall be funded by the City. In no event shall payments be made to the City under this Agreement from and after December, 2027 or such later date as amended in A.R.S. § 42-5032.02.
- D. The City agrees that the monies received under this Agreement shall be used exclusively to pay for PIIPs that are necessary to support the activities of Amkor.
- E. The City agrees that it will commit all of its portion of the revenue received pursuant to A.R.S. § 42-5029(G) derived from contracts subject to A.R.S. § 42-

5075 for the construction of buildings and associated improvements for the benefit of the Facility (identified in this Agreement as Capital Improvements and PIIPs) for PIIPs under this Agreement.

- F. The City will promptly notify ADOR if monies received under this Agreement exceed eighty percent (80%) of the cost of any PIIP and will return the amount of the excess to the State Treasurer for deposit according to A.R.S. § 42-5032.02(G)(4) or successor provision.
- G. ADOR shall notify the State Treasurer to cease payments under this Agreement when either: (a) the total for all payments to the City meets or exceed eighty percent (80%) of the cost of the PIIPs under this Agreement, or (b) payments to all cities, towns, and counties under A.R.S. § 42-5032.02 have reached the Statutory Maximum. The City agrees that it has no claims to additional payments under these conditions.
- H. ADOR shall distribute, and the City shall receive funding payments for eligible PIIP costs rendered after the City substantiates to ADOR that the cost has been expended, is allowable, and is relevant for the submitted program expenditures. To request reimbursement, the City shall submit its request to ADOR for review and processing in a form and manner agreed upon by both the City and ADOR. Unless otherwise specifically indicated, the City as a funding recipient is not required to submit any supporting documentation with a reimbursement request. However, the City is required to maintain all necessary supporting documentation to ensure such documentation is available to ADOR for review, upon request. The City must maintain records that show:
 - i. The total amount of funds received under this Agreement;
 - ii. How the City used the funds;
 - iii. The total cost of the projects; and
 - iv. Other records to facilitate an effective audit.
- I. Allowable costs are those eligible PIIP costs invoiced to the City on or after the month of the Effective Date of this Agreement, as substantiated by supporting documentation.
- J. ADOR will process reimbursement requests under A.R.S. § 42-5032.02 on a first-come, first-served basis, so it is important for the City to submit payment requests as early as possible. The City may request updates on the remaining amounts available under A.R.S. § 42-5032.02 from time to time.

V. Meet and Confer Process.

A. In order to ensure timely compliance with the requirements of A.R.S. § 42-5032.02, the Parties shall adopt a meet and confer schedule for each PIIP at approximately the following intervals as determined by the City, but in no event less than on a quarterly basis or upon request by ADOR:

- i. At or near project initiation;
- ii. At or near 20% project completion;
- iii. At or near 60% project completion;
- iv. At or near 80% project completion; and
- v. At or near 90% project completion.

B. Representatives of Amkor and/or any Prime Contractor may attend at the request of the City or ADOR.

VI. Calculation of Statutory Maximum. ADOR shall use, inter alia, the amounts subject to any distribution to the City under A.R.S. § 42-5032.02(A) in calculating the Statutory Maximum.

VII. Other Funding. The actual amount of funding for a PIIP that will be derived from sources other than the State will be twenty percent (20%) of the overall project costs that shall be paid by the City. In addition, the City shall pay one hundred percent (100%) of any project costs not reimbursed by the State under A.R.S. § 42-5032.02(A) for any reason.

VIII. Effective Date and Duration. This Agreement shall become effective upon execution by the City and ADOR, and shall remain in effect until the earlier of either the point at which the Statutory Maximum is reached or September 30, 2033.

IX. Termination. A Party desiring to terminate this Agreement shall provide written notice to the other Party at least sixty (60) days in advance of the proposed termination date.

X. Choice of Law. The laws and regulations of the State of Arizona shall govern the rights of the Parties, the performance of this Agreement, and any disputes arising from this Agreement, including the City's appeal rights pertaining to ADOR's agency actions contained herein.

XI. Entire Agreement. This Agreement constitutes the entire agreement between the Parties pertaining to its subject matter and correctly sets forth the rights, duties, and obligations of each to the other as of its Effective Date. All prior or contemporaneous agreements and understandings, oral or written, are superseded and merged into this Agreement. The provisions of this Agreement may be abrogated, modified, rescinded, or amended in whole or in part only by mutual written consent of the Parties.

XII. **Notices.** All written notices concerning this Agreement shall be sent electronically and by first-class mail, postage prepaid, to the Parties as follows:

To City:

Henry Darwin, City Manager
City of Peoria
8401 West Monroe Street
Peoria, Arizona 85345

Copy to:

Emily Jurmu, City Attorney
City of Peoria
8401 West Monroe Street
Peoria, Arizona 85345

To ADOR:

Robert Woods,
Director
1600 W. Monroe St.
Phoenix, AZ 85007
rwoods@azdor.gov

Copy to:

Hsin Pai,
General Counsel
1600 W. Monroe St.
Phoenix, AZ 85007
hpai@azdor.gov

The address to which any notice, demand, or other writing may be given, made, or sent to any Party may be changed by written notice given by such Party as above provided.

XIII. **Equal Opportunity; Compliance; Executive Order 2023-09.** Notwithstanding any provision of the Agreement to the contrary, the Parties agree to abide by the following terms and provisions:

- A. The Parties shall comply with Executive Order 2023-1, which mandates that all persons, regardless of race, color, religion, sex, age, or national origin, shall have equal access to employment opportunities, and all other applicable state and Federal employment laws, rules, and regulations, including the Americans with Disabilities Act. The Parties shall take affirmative action to ensure that applicants

for employment and employees are not discriminated against due to race, creed, color, religion, sex, national origin, or disability.

- B. The Parties shall comply with Executive Order 2023-09 prohibiting race-based hair discrimination.
- XIV. **Cancellation.** The requirements of A.R.S. § 38-511 shall apply to this Agreement. Either Party may cancel this Agreement without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting, or creating this Agreement on behalf of ADOR or the City is, at any time while this Agreement or any extension is in effect, an employee, agent, or consultant of the other Party with respect to the subject matter of this Agreement.
- XV. **Other Agreements.** This Agreement in no way restricts either Party from participating in similar activities with other public or private agencies, organizations, or individuals.
- XVI. **Records Retention.** The City and ADOR shall retain all data, books, and other records ("**Records**") relating to this Agreement for at least six (6) years after the termination of this Agreement and following each annual renewal thereof. All Records shall be subject to inspection by ADOR at reasonable times. Upon request, ADOR and the City shall produce any or all such records. This Agreement is subject to A.R.S. §§ 35-214 and 35-215.
- XVII. **Compliance with Immigration Laws.** ADOR and the City shall comply with all Federal immigration laws and regulations relating to employees and warrant compliance with A.R.S. § 23-214(A). A breach of compliance with immigration laws and regulations shall be deemed a material breach of this Agreement and may be grounds for the immediate termination of this Agreement. ADOR and the City retain the legal right to inspect the papers of any employee who works on the Agreement to ensure ADOR and the City are complying with applicable Federal immigration laws and regulations and State statutes as set forth above.
- XVIII. **Relationship.** It is not intended by this Agreement to, and nothing contained in this Agreement shall be construed to, create any partnership, joint venture, or employment relationship between the Parties or to create any employer-employee relationship between the City and any ADOR employee, or between ADOR and any City employee. Neither Party shall be liable for any debts, accounts, obligations, or other liabilities whatsoever of the other, including, without limitation, the other Party's obligation to withhold Social Security and income taxes for any of its employees.
- XIX. **Nonavailability of Funds.** Every payment obligation of ADOR under this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not appropriated, allocated, and available, or if the appropriation is changed, resulting in funds no longer being available for the continuance of this Agreement, this Agreement may be terminated at the end of the

period for which funds are available. No liability shall accrue to the State in the event this provision is exercised, and the State shall not be obligated or liable for any future payments or for any damages as a result of termination under this Section.

XX. **Failure to Enforce.** The failure to exercise any right, power, or privilege under this Agreement shall not constitute a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of that or any right, power, or privilege.

XXI. **Authorization to Enter into Agreement.** Attached to this Agreement and incorporated by reference is the written determination of each Party's legal counsel that each Party is authorized under the laws of the State of Arizona to enter into this Agreement and that the Agreement is in proper form.

**The remainder of this page is intentionally left blank.
(Signature page follows)**

IN WITNESS WHEREOF, the Parties have executed this Agreement as authorized by the State of Arizona.

CITY OF PEORIA

By _____ Date _____
JASON BECK
Mayor

ATTEST:

By _____ Date _____
AGNES GOODWINE
City Clerk

I have reviewed the above referenced Intergovernmental Agreement among the State of Arizona, acting by and through its Department of Revenue, and the City of Peoria, an agreement among public agencies which, has been reviewed pursuant to A.R.S. §§ 11-951 through 11-954 and A.R.S. § 48-572, and declare this Agreement to be in proper form and within the powers and authority granted to Peoria under the laws of the State of Arizona.

No opinion is expressed as to the authority of the remaining Parties, other than the Peoria or its agencies, to enter into said Agreement.

Approved as to Form:

By _____ Date _____
EMILY JURMU
Peoria Attorney



Date 10/27/2025

~~XXXXXXXXXXXXXXXXXXXX~~
Deputy Director

APPROVAL OF THE ARIZONA ATTORNEY GENERAL

Pursuant to Arizona Revised Statutes § 11-951 through § 11-954. I have reviewed the foregoing intergovernmental agreement between the ARIZONA DEPARTMENT OF REVENUE and the CITY OF PEORIA and declare this Agreement to be in proper form and within the powers and authority granted to the Department under the laws of the State of Arizona.

No opinion is expressed as to the authority of the City to enter into this Agreement.

By _____ Date _____
KRIS MAYES
Attorney General

By _____ Date _____
Name:
Tax Section Chief Counsel

ADDENDUM A

Capital Investment

The following Capital Investment and Prime Contractor(s) are identified pursuant to Section 2 of the Intergovernmental Agreement entered into between the Arizona Department of Revenue and the City of Peoria on or about ____, 2025 (the "Agreement"):

Constructing a Semiconductor Packaging Facility at 9303 Amkor Way in Peoria, AZ
Prime Contractor(s): Okland Construction Company
Construction Start Date: September, 2025
Estimated Date of Completion: July, 2028
Estimated Construction Cost: \$2 Billion

Each Prime Contractor identified above has been notified as to which portion of the Prime Contractor's income shall be separately identified to the Department pursuant to A.R.S. § 42-5075(H).

The provisions of the Agreement are incorporated and shall control as fully as if they were set forth in this Addendum.

By _____ Date _____
HENRY DARWIN
City Manager

ATTEST:

By _____ Date _____
AGNES GOODWINE
City Clerk

Approved as to Form:

By _____ Date _____
EMILY JURMU
Peoria City Attorney

Addendum B

Public Infrastructure Improvement Project - Project No.

City represents that the following Public Infrastructure Improvement Projects are necessary to support the Capital Investment identified in Addendum A, dated ____, 2025, to the Intergovernmental Agreement entered into between the Arizona Department of Revenue and the City of Peoria on or about ____, 2025 (the "Agreement"):

Constructing Lake Pleasant Parkway, Amkor Way, and 93rd Lane roadway and utility improvements at the Peoria Innovation Core 2 Site:

Prime Contractor:	Hayden
Construction Start Date:	July, 2025
Estimated Date of Completion:	July, 2027
Estimated Construction Cost:	\$ 71,200,000

Constructing Pump Station and Reservoir water utility improvements at the Peoria Innovation Core 2 Site:

Prime Contractor:	Felix Construction
Construction Start Date:	July, 2025
Estimated Date of Completion:	December, 2026
Estimated Construction Cost:	\$ 45,900,000

Constructing water utility mains at the Peoria Innovation Core 2 site:

Prime Contractor:	Archer-Western Construction
Construction Start Date:	July, 2025
Estimated Date of Completion:	July, 2027
Estimated Construction Cost:	\$ 10,400,000

Constructing a sewer lift station, force mains, and sewer main along 96th Avenue to serve the Peoria Innovation Core 2 site:

Prime Contractor:	Archer-Western Construction
Construction Start Date:	December, 2025
Estimated Date of Completion:	July, 2027
Estimated Construction Cost:	\$ 24,100,000

Constructing 96th Avenue roadway and utility improvements at the Peoria Innovation Core Site:

Prime Contractor:	To Be Determined
Construction Start Date:	2027
Estimated Date of Completion:	2029
Estimated Construction Cost:	\$ 42,500,000

Constructing the Loop 303/96 Avenue TI serving the Peoria Innovation Core 2 site:

Prime Contractor:	To Be Determined
Construction Start Date:	To Be Determined
Estimated Date of Completion:	To Be Determined
Estimated Construction Cost:	\$ 75,000,000

Prime Contractors are as shown above and as may further be identified in Addendum B-1

Total Construction Cost: Approximately \$269.1 Million

State TPT (80%) \$ 215.28 Million

City (20%) \$ 53.8 Million

The Parties shall meet and confer at or near the start of construction and at such subsequent times as provided under Section 6 of the Agreement.

The provisions of the Agreement are incorporated and shall control as fully as if they were set forth in this Addendum.

By _____ Date _____
HENRY DARWIN
City Manager

ATTEST:

By _____ Date _____
AGNES GOODWINE
City Clerk

Approved as to Form:

By _____ Date _____
EMILY JURMU
Peoria City Attorney







IGA City of Peoria and ADOR

Final Audit Report

2025-10-27

Created:	2025-10-27
By:	Christine Ryan (CRyan@azdor.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAACmhOyGlzX4HD9i0IqRvmD2EdmmyoE4CF

"IGA City of Peoria and ADOR" History

-  Document created by Christine Ryan (CRyan@azdor.gov)
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-  Signer ndeshpande@azdor.gov entered name at signing as Neeraj Deshpande
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-  Document e-signed by Neeraj Deshpande (ndeshpande@azdor.gov)
Signature Date: 2025-10-27 - 8:10:18 PM GMT - Time Source: server
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