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By Karen Schmidt
The Republic | azcentral.com
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Gilbert Public Schools' governing board cancelled Wednesday's meeting during which the board was supposed to vote on joining seven other government agencies in approval of a tax break for Apple, which has planned to open a manufacturing firm in Mesa.

The board's vote could potentially block Apple from opening the manufacturing firm if it refuses to sign a letter of no objection to the tax break.

The meeting was rescheduled for 7 p.m. Monday, Nov. 18.

The school district on Tuesday had been slated to vote, but after an hour of increasingly-heated discussion among board members a majority voted to hold off on the vote until tonight.

According to an email from GPS board president Staci Burk, the meeting was cancelled after the district's attorney advised the board

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that there might not have been the required 24-hour notice to publically post that a meeting was going to be held. No information about the meeting was posted online on the district website until Wednesday morning. No new meeting date has been set, but it's anticipated that it will be held later this week or next.

Apple has projected that it would pour about \$1 billion into the \$79 million property it wants to buy. In exchange, it would pay a lower percentage on the assessed value of the property. Even with the reduced percentage, the higher-valued property means the company is projected to pay more taxes, which would bring in \$1 million in property taxes to the district.

Without any property improvements or a tax break, the tax rate on the \$79 million property would be 19.5 percent. If Apple puts \$1 billion in improvements into the property, the tax rate on the property of far greater value would be 5 percent, under the proposed tax break.

Two board members, Lily Tram and Jill Humpherys, voiced strong support for signing the letter, while board members Daryl Colvin and Julie Smith were just as adamantly opposed. Board president Staci Burk, often the swing vote on the board, said she wanted more time to decide.

Seven government entities — Maricopa County, Mesa Community College, Maricopa Community Colleges, Central Arizona Project, Maricopa Integrated Health System, East Valley Institute of Technology and Mesa — have approved the break, said Mesa's Director of Economic Development Bill Jabjiniak.

"All the other entities looked at it as a big boon," Jabjiniak said, adding, "This is a win/win for everybody involved. These are opportunities that we get every so often. ... You're not going to get another crack at this."

If all eight agencies do not approve the tax break, then Apple would not be entitled to the reduced assessed tax ratio and could chose to move to another location, Jabjiniak said.

Although the representative for Mesa and a consultant working with Apple, Curtis Spencer, did not mention the company by name because of a non-disclosure agreement, but it was understood that Apple was the firm being referred to.

"There's an article every day about what's been going on so I don't think anything's been happening in the darkness," Spencer told the board.

Although Smith acknowledged during the meeting that Apple's presence would bring in more money, jobs and "stimulate the economy," she said she still did not support signing the letter.

"It would be good for our area. However, I do not believe it's appropriate for government to pick winners and losers, providing deals to some mega companies when we have all these entrepreneurs. ... They're not being given a break like this company is being offered," Smith said.

"Based on my principles, I do not support this for that reason."

Colvin offered similar objections, saying the system was "overtaxed" and "overregulated."

"If you force me into a vote tonight I'm going to vote nay," Colvin said.

In response to the board asking how long it could table a decision, Spencer said the firm was wanting to move quickly.

"If I don't get the letter, I have to go back to square one. The other states that are vying for this have not been told that they haven't gotten it," Spencer said.

While Colvin and Smith weighed in on their objections, Spencer said, "This firm is very supportive of public education. ... The starting point is they need to move here."

As the discussion wore on and it became evident a decision was being pushed to today, board members did not hide their exasperation with each other.

"Mr. Colvin, do you want to put yourself in a position where Gov. Brewer might get a little upset with you?" Humphreys asked, saying later, "May I ask what you hope to gain from postponement?"

Colvin, who had earlier said he'd spoken about the issue with the conservative organization the Goldwater Institute, said he wanted more time to "interact with the legislative delegation" and gain "some level of understanding and comfort level."

"I think that it could get rather uncomfortable for you, Mr. Colvin," Humpherys shot back.

Burk admonished Humphreys to "refrain from criticism."

"I don't think it was a criticism," Tram interjected. "We've had plenty of time to do your research (and) talk to your legislative group, talk to your Tea Party group, talk to the people back there (in the audience)."

As the debate degenerated into board members talking over one another, Burk moved for a break 40 minutes into the meeting, coming back for a vote 10 minutes later.

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Smith, who said she had spoken earlier about the matter with Victor Petersen on Gilbert's town, said she felt rushed to make a decision and thought there should have been a work study so board members could "interact with appropriate individuals."

Tram replied, "I do want to do this in a timely fashion so we don't miss this opportunity because it would be embarrassing for our district."

The board voted 3-2 to table the vote, with Burk, Colvin and Smith voting in favor and Tram and Humphreys against.

Scott Butler, Mesa's intergovernmental relations director, said property-tax breaks associated with a foreign trade zone must be approved by every taxing body with authority over the property.

Before the Apple deal was announced last week, Butler said, Mesa contacted all of the other taxing entities and received informal assurances of approval. He was not certain how many have already formally approved resolutions supporting the foreign trade zone, but said the "hiccup" in Tuesday night's Gilbert school board meeting was a surprise.

Butler said Mesa believes school board members' questions about the deal will be answered satisfactorily in time for a yes vote when the board makes its final decision tonight.

"This is a win-win for the city and the school district and all the other entities because this facility will not add one additional student to the district," Butler said. "We're not building houses, we're creating jobs. As we understand it, the valuation, even under the foreign trade zone designation, adds millions of dollars to the Gilbert school district."

He said he understands that some may have philosophical objections to tax breaks, but "we just don't believe this is a place to make a political statement because at the end of the day this is a plus for the Gilbert school district. They will have more money to go into their classrooms, their teachers and to support education after this deal than before this deal."

Republic reporter Gary Nelson contributed to this report.



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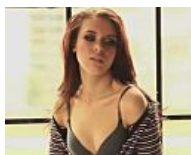
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