



CITY OF KINGMAN COMMUNICATION TO COUNCIL

TO: Honorable Mayor and City Council

FROM: Bennett Bratley

MEETING DATE: December 2, 2025

AGENDA SUBJECT: Authorization to Enter Into a Site Specific Economic Development Agreement Between the City of Kingman and Hobby Lobby Stores Inc.

SUMMARY:

The City of Kingman negotiated a Site-Specific Economic Development Agreement with Hobby Lobby Stores, Inc. The development agreement includes provisions for a sales tax rebate equal to 30% of the 2.5% general fund sales taxes generated by the operations of Hobby Lobby. The rebate does not include construction sales tax or sales taxes on leases. The maximum amount of rebate is up to \$250,000 over a period of up to ten years. The first payment of the rebate begins two years after the Development Agreement Effective Date.

The 2025 Kingman Retail and Restaurant survey, conducted by the City of Kingman's Economic Development Department, indicated strong demand from citizens to recruit various retail businesses to Kingman. That survey showed that Hobby Lobby was the 3rd most requested retailer the community wanted the City of Kingman to pursue, right behind Sam's Club and Costco.

This Site-Specific Economic Development Agreement between the City of Kingman and Hobby Lobby Stores, Inc., aims to enhance the economic welfare of the City's residents, increase the City's tax base, and provide a better quality of life for City residents through enhanced retail shopping opportunities.

Hobby Lobby must maintain a yearly average of at least 12 full-time jobs and 11 part-time jobs at an average wage of at least \$40,000 for all full-time jobs within six months of receiving a certificate of occupancy. The value of these jobs in the form of direct wages is \$480,000 per year, or \$4.6 million over the term of the development agreement.

FISCAL IMPACT:

The maximum fiscal impact will be \$250,000 to the General Fund over the agreement's term.

STAFF RECOMMENDATION:

Staff recommends approval of the agreement.

SUGGESTED MOTION:

Move to approve the agreement.

ATTACHMENTS:

[Site Specific Economic Development Agreement 10-29-25 TM Final Edits.pdf](#)

[Applied Economics Review Letter.pdf](#)