

## **FIRST AMENDED CHANDLER INFILL INCENTIVE PLAN**

The Arizona Revised Statutes (“ARS”) § 9-499.10 enables cities and towns to establish infill incentive districts and adopt an infill incentive plan to encourage redevelopment in the district. Further, State statutes require that each city identify, in its General Plan, specific policies to promote infill development and locations where such development should be encouraged. As such, the Chandler General Plan, in its vision for maintaining a sustainable city, sets forth the policies listed below.

- Implement redevelopment programs and incentives that transform vacant commercial shopping centers into more intense uses in strategic nodal locations (e.g., arterial intersections).
- Administer flexibility in site development standards whenever possible without sacrificing quality or safety in order to facilitate adaptive reuse or redevelopment of sites located within the Infill Incentive District.
- Support the redevelopment of underutilized commercial properties to residential and/or office uses and higher densities through the Infill Incentive Plan.
- Facilitate adaptive reuse of vacant or underutilized buildings/properties to create opportunities for new housing and business developments.
- Redevelop vacant, underutilized commercial/retail properties into different uses that reduce commercial saturation, support other existing commercial properties, and help to revitalize the area.

City Council’s Strategic Framework also emphasizes the importance of infill and redevelopment, identifying it as a focus area for the city and calling for:

- Targeted use of adaptive reuse, infill, mixed-use and redevelopment tools and plans supporting the vitality of commercial centers and neighborhoods.
- A predictable development process based on exceptional customer service and finding creative ways to get to “yes.”

This First Amended Chandler Infill Incentive Plan (hereinafter, the “Chandler Infill Incentive Plan” or the “Plan”) seeks to implement these policies by providing tools to encourage redevelopment in the Infill Incentive District (see Attachment A) through a variety of development incentives as provided for by State statutes. Specific incentives and eligibility criteria are addressed in the following section.

### Intent and Purpose

The primary intent of the Chandler Infill Incentive Plan is to encourage the private redevelopment of commercial properties that have experienced vacancy rates higher than citywide averages caused by increased competition, tenant relocations, small business closures, and the significant costs and time necessary to upgrade older buildings to meet market standards.

Through the Plan, the city is seeking to support projects that redevelop all or a significant portion of an existing retail center<sup>1</sup> or Class C office building<sup>2</sup> to introduce new and/or additional uses. The focus on redevelopment recognizes that some of the city's older commercial buildings may no longer represent the highest and best use of the land, and that redevelopment of these sites may have significant positive impacts on the community, including:

- decreasing the supply of available commercial square footage, thereby increasing demand for the remaining commercial space;
- encouraging the renovation and/or redevelopment of surrounding properties which would spur new economic activity; and
- bringing new residents and/or daytime employees to older commercial areas, which would support the remaining commercial properties.

### **Section 1.1 Eligibility Criteria and General Requirements**

Any applicant wishing to qualify for incentives, as outlined in Section 1.2, must submit an Infill Incentive Plan Application<sup>3</sup> to the Economic Development Director. The application shall include a description of the project being proposed (describes the project and the mix of uses, how the project meets current market demands and the potential impacts and benefits to the surrounding neighborhoods), phasing plans if any, anticipated date of completion, capital investment and job creation estimates to enable Economic Development staff to perform an economic and fiscal impact analysis, and an assessment of how the project proposed meets the following eligibility criteria and general requirements:

- a) The applicant must be an owner, or an owner's representative, of an existing retail center or Class C office building located within the Infill Incentive District (see Attachment A).

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<sup>1</sup> The term "retail center" shall mean either a multi-suite building of any size floor area where at least sixty percent (60%) of the floor area is designed for retail occupancies or a single tenant building intended for retail use.

<sup>2</sup> The lowest classification of office building and space is Class C. These are generally older buildings, located in less desirable areas, and are often in need of extensive renovation. Architecturally, these buildings are the least desirable, and building infrastructure and technology is outdated.

<sup>3</sup> The Infill Incentive Plan Application may be submitted prior to, or in conjunction with, an application seeking building permit approval, or with an application seeking rezoning/preliminary development plan approval.

- b) The retail center or Class C office building must be a minimum of fifteen (15) years old or its vacancy rate must be at least fifty percent (50%) higher than the overall average vacancy rate<sup>4</sup> for its property type .
- c) The property owner will be responsible for obtaining all building permits, meeting applicable building and zoning codes and obtaining all additional licenses or permits.
- d) For any project to be granted the incentives provided in Section 1.2 of this policy, the applicant shall enter into an agreement with the city, in a form to be approved by the City Attorney, to ensure that the project will be developed for the purposes stated by the applicant, in conformance with this policy. Said agreement shall be subject to approval by the City Council.

### **Section 1.2 Incentives**

The city may authorize any or all of the following incentives to support a project that meets the Plan's primary intent to stimulate redevelopment of existing retail centers and Class C office space to include new and/or additional mix of uses:

a) **Fee Waivers**

The city may approve up to a 100 percent waiver of building permit fees, building plan review fees, and City of Chandler development impact fees. The approval of any application that requests a waiver of fees or partial waiver of fees shall be subject to approval by the City Council, essentials of a waiver of which shall be contained in a binding agreement that is subject to approval by the City Council.

b) **Expedited Building Plan Review**

The City of Chandler Development Services Department is committed to an expeditious review of all documents. The approval of any application that includes a request for expedited building plan review shall be subject to approval by the City Council. The essentials of the expedited building plan review shall be contained in a binding agreement that is subject to approval by the City Council.

c) **Reimbursement of Public Infrastructure Costs**

The city may provide a reimbursement of costs for pre-approved public infrastructure. The public infrastructure must be dedicated to the city upon completion. Below is a list of public infrastructure for which applicants may request reimbursement:

- Roads
- Sidewalks

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<sup>4</sup> As reported by CoStar at the time of application.

- Public Utilities – Water and Wastewater
- Streetscape Improvements – Landscaping, Shade Structures, Public Seating Areas, Decorative Lighting, Public Art.

The amount of city funding available to an individual project is capped at \$250,000, contingent upon availability of funding. This \$250,000 cap does not include the value of any fee waivers or expedited permitting offered by the city. All applications seeking reimbursement for planned public infrastructure costs will be evaluated and awarded funding on a first come, first serve basis.

Additionally, the city's payment for public infrastructure costs (up to the \$250,000 cap) depends on the improvement type and whether it meets or exceeds city development standards.

- For improvements that simply meet city development standards, there will be a 50/50 cost split between the city and applicant.
- For water and wastewater lines, the city will determine the size line needed to serve the project. If that size line is installed, the city and applicant will split the costs 50/50. If the city elects to upsize the line to better serve future development, the city will pay 100 percent of the additional costs.
- For streetscape improvements that exceed city development standards, the city will pay 75 percent of additional costs and the applicant will pay 25 percent.

To be approved for reimbursement, applicants must comply with Title 34 of the Arizona Revised Statutes, which contains public construction requirements for expenditures of public funds for public infrastructure. Exemptions from competitive bidding are included in ARS § 34-201(G) and ARS § 34-201(D).

Reimbursement terms will be outlined in a binding agreement that is subject to approval by the City Council.

### **Section 1.3 Chandler Infill Incentive Plan Administration**

The Economic Development Division will administer the Chandler Infill Incentive Plan. Economic Development staff will coordinate the application and review process. Recommendations will be made by staff to City Council based upon the merits of the proposals submitted under the program. For approved applications, staff will monitor construction activities and administer the release of funds, according to the provisions of the program and the approved agreement.

Attachment A  
(Amended Infill Incentive District Boundaries)

