Appendix IX — Potential Funding Mechanisms
Appendices: Southeast Chandler Area Plan

APPENDIX IX - POTENTIAL FUNDING MECHANISMS

"Adopt an area plan for the Southeast Chandler Character Area that preserves the agricultural atmosphere of the community and creates open spaces, community gardens, and a feeling of openness."

— City of Chandler Land Use Element

Section A — Potential Funding Mechanisms

Funding is always an issue with respect to public improvements. This section summarizes a variety of potential methods for funding improvement projects in Southeast Chandler. This listing is not intended to exclude any other available funding source nor does it require the use of any source listed. Included in some of the funding descriptions are ideas for possible applications in Southeast Chandler.

Subsection A1 — Conditions of Approval for Individual Projects

Under this method of financing, individual developers are required to construct infrastructure and other facilities as part of their project approval when such improvements are directly related to their project.

Construction of facilities by individual developers is the easiest financing method to implement and should be employed whenever possible. This method allows developers to move ahead with their projects subject to their own timing without the potential delays which might accrue in the creation of more elaborate financing schemes.

However, issues of equity preclude developer construction for features of area wide or general benefit unless reimbursement is involved. In requiring construction of facilities by developers, even if there is to be reimbursement, care must be taken to avoid overloading front end development costs to the point that on-site project amenities be sacrificed in favor of up-front costs for off-site facilities/improvements.

Subsection A2 — Special Districts and Fees

Special fee districts are frequently established by local agencies to address specific infrastructure needs such as sewer, water or drainage. In most instances fees are collected upon the development of land within the fee district, based on a master plan for the specific facility. Fees are usually collected on a per acre, per unit, or per square foot basis.

Impact fees are monetary exactions (other than taxes or special assessments) that are charged by local agencies in conjunction with approval of a development project. Impact fees are levied for the purpose of defraying all or a portion of the costs of any public improvements or amenities which benefit the project. The collection of impact fees does not require formation of a special district.

Impact fees are paid by builders or developers, typically at the time a building permit is issued. The public facilities funded by impact fees must be specifically identified. There must be a reasonable relationship, in compliance with Arizona Revised Statutes, other relevant laws, and case law, between the type of development project, the need for the facilities, the cost of the facilities and the need to impose a fee.
While developer fees cannot typically be leveraged (i.e. provide security for bonds or other debt instruments), fees can be used in conjunction with debt financing to help retire bonds secured by other means (e.g. land). In this case, developer fees can generate supplemental revenues to reduce future special taxes or assessments, or free up tax increment or other revenues for alternative uses. Developer fees can also be used to generate reimbursement revenues to property owners or public agencies who have previously paid more than their fair share of public improvement costs.

Subsection A₃ — Urban Development Through Tourism

The Economic Development Administration (EDA) provides strategy grants to perform regional and local studies for assessing the feasibility of tourism activities. EDA has also provided public works grants for local public infrastructure necessary to accommodate tourism activity. This resource could assist the City in determining the viability of agricultural tourism opportunities in Southeast Chandler.

Subsection A₄ — Public Works & Development Facilities

The EDA provides grants for funding of public works and development facilities that contribute to the creation or retention of private sector jobs. Eligible activities include water and sewer systems, access roads to industrial areas, port facilities, railroad siding/spurs, public tourism facilities, vocational schools, and site improvements for industrial parks. These are frequently combined with other funding sources (such as CDBG). Matching funds of varying proportions are required. This could be an excellent source of funding for creating a multi-modal transit center along Arizona Avenue, industrial development along Arizona Avenue, or contributing to a natural reclaimed water facility or agricultural facility in Southeast Chandler that also serves as a public tourism facility. For more information, contact: Economic Development Administration.

Subsection A₅ — National Small Business Administration

Tree Planting Program

Up to $200,000 is available for tree planting projects on land owned by the applicant agency. Trees must be purchased from small business nurseries and planted by small business contractors. This could be a feasible resource for street tree planting along major arterials in Southeast Chandler as well as in parks and open spaces. For more information, contact: Small Business Administration.

Subsection A₆ — TEA-21: Transportation Efficiency Act for the 21st Century (H.R. 2400)

TEA-21 gives local governments unprecedented flexibility in developing a mix of highway corridor enhancements, with funds for such projects as public transit, bikeways, highway enhancements, recreation, historic preservation, scenic byways, and other alternatives to address transportation and community needs. Contact source for funding amounts. States and localities are permitted to use federal dollars (provided primarily from the gas tax) more flexibly to meet their transportation needs. More comprehensive planning, taking into account such factors as desired land use patterns and environmental effects, is required as a prerequisite to federal funding. For more information, contact: U.S. Dept. of Transportation - Federal Highway Administration.
Appendices: Southeast Chandler Area Plan

APPENDIX IX - POTENTIAL FUNDING MECHANISMS

Subsection A_7 — "Information Superhighway" Grants to Nonprofits and State and Local Governments

The National Telecommunications and Information Administration (NTIA), Department of Commerce, serves as the President's principal advisor on telecommunications and information policy. Through its Office of Telecommunications and Information Applications, NTIA administers four Federal assistance programs, including the Telecommunications and Information Infrastructure Assistance Program (TIIAP), to support the development of educational economic and cultural telecommunication services to the public. The TIIAP was created by the Congress in 1993 to promote the widespread use of telecommunications and information technologies in the public and nonprofit sectors. Funds must be matched by contributions generated by the applicant. For more information, contact: Department of Commerce, Telephone (202) 482-2048. This could be a beneficial resource for attracting opportunities for telecommuting in Southeast Chandler.

Subsection A_9 — Revenue Bonds

These debts involve payback methods that are tied to specific revenue streams. This form of debt does not require a public vote. Common uses include industrial development, housing, and social services. Requires local government support. For more information, contact: Private banking industry.

Subsection A_10 — Adopt-a-Light Program

As a unique method for paying for streetscape improvements or major gateway entries or other design amenity, a small projected plaque sign could be affixed to the light pole with the name or logo of the local merchant/business/person/entity who purchased or contributed to the fixtures. This program can be applied to most any facility in Southeast Chandler.

Subsection A_8 — Bonds

Nonprofit, 501 (c)(3) organizations may now borrow for land purchases, acquisition and/or improvement of facilities, design and financing of same. Museums, performing arts, theaters, social services (e.g., teen centers), historical societies and others are included. This could provide a resource for nonprofit groups in Southeast Chandler who have an interest in trails development, agricultural preservation, etc.