The following study and presentation represents the findings for the Gilbert Heritage District. The information contained serves as Kimley-Horn's or The Calfee Group's recommendations and information to Gilbert, AZ for real estate, traffic and circulation and parking.

Gilbert, AZ

Heritage District Redevelopment Plan Update

Phase 1

Real Estate, Housing & Land Use Assessment

Submitted: June 21, 2015

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Gilbert, AZ Heritage District Redevelopment Plan Update Phase 1
Scope and Tasks

Scope of Work for Gilbert's Heritage District Redevelopment Plan Update – Phase 1

Phase 1 of this effort is intended to provide a foundation for the Redevelopment Plan activities grounded in sound land use planning and market-based assumptions which are intended to advance redevelopment activities in the district. Subsequent phases of the plan update such as Circulation and Parking will be guided by the outcomes of Phase 1 and will support and aid in the implementation of goals and specific projects identified as a deliverable as part of the Phase 1 Scope. The Consultant will stay engaged with the project until the update to the redevelopment plan is complete.

Task 1: Real Estate Development and Land Use. Gilbert is the largest land owner in the Heritage District. Conduct assessment of vacant parcels in the District and provide recommendations for what parcels should be retained for public use (parking, open space, etc.) and which parcels should be developed. Attention to historic structures and assets will also be included in this task. A deliverable of this task shall include highest market demand and highest rate of return for the identified parcel(s). In addition the consultant will provide information as to how the development will impact parking, open space, pedestrian access and the District as a whole. Specific detail shall be provided about parcel assemblage needed to make a site more suitable for development and which may inform the subsequent Parking Plan. The expected deliverable is a map as an appendix to the redevelopment plan that considers the timing of the each development, naming of parcels or sectors of the District, timing and "if – then" statements for parcel(s) that are identified for future development. A master plan of the newly acquired 11 acres will also be a requirement. These statements should focus on if developed then what public infrastructure and parking needs to be delivered.

Task 2: Housing. The housing stock in the Heritage District is some of the oldest in the Gilbert community. The deliverable from this task shall focus on the need for new housing in the District and identify politically acceptable strategies to removing conditions that promote slum and blight within the existing neighborhoods. The deliverable from this task shall reference Task 1 and provide a review of the Heritage Village Center Zoning District in the Gilbert Land development Code to

make recommendations that support or do not support the need for additional residential density in the District.

Task 3: Tool and Program Recommendations. The Heritage District is a redevelopment area with special consideration provided through the Arizona Revised Statues. This task shall recommend specific tools and programs to aid existing businesses expand and promote new development. The deliverable from this task shall include a review of benchmark communities and programs offered in their downtown districts. This task shall include aspects of Task 1 & 2. For each identified tool or program a comprehensive summary of the program, available funding source(s) and cost(s) shall be included in the deliverable of the task.

Recommended 2015 Policy Initiatives for Gilbert's Heritage District

1. Implement In-Lieu Parking Program for new businesses seeking Gilbert-owned parking to satisfy ordinance requirements
2. Pursue immediate disposition of certain Gilbert-owned properties within the Heritage District
3. Continue targeted parcel acquisitions to complete existing assemblages, secure options where outright purchase is not feasible
4. Study the feasibility of narrowing Gilbert Road to one lane in each direction between the Western Canal and the Railroad Tracks via the installation of On-Street Parking
5. Study the feasibility of an Enhanced Services District
6. Utilize annual discretionary CDBG and HOME Funds within the Heritage District
7. Implement a Residential Code Compliance Program to combat neighborhood blight
8. Modify MF/L Zoning Category within the Heritage District
9. Encourage additional Special Events in the Heritage District; create an Events Plaza at the site of the existing park-and-ride at the southwest corner of Page and Ash Streets.

Implement In-Lieu Parking Program for New Businesses Seeking Gilbert-Owned Parking to Satisfy Ordinance Requirements

Gilbert should immediately implement an In-Lieu program by which it charges **new** business, whom elect to utilize Gilbert-owned parking to satisfy their ordinance requirements, for the non-exclusive use of those parking spaces. Existing property owners and businesses whom have already secured the required parking rights from Gilbert would not be subject to the In-Lieu program, unless they intensify their uses and require additional parking.

Per-space charges depend on the given market but are intended to capture value for the parking provided and recognizes that parking is provided at a cost. Such payments are not exorbitant for new businesses and are commiserate with the cost to build parking spaces in a typical commercial development project. While objections may be lodged claiming that an In-Lieu program places an unfair burden on new businesses, it is important to note that any typical suburban office or retail project must accommodate its own parking on-site, which means paying for the additional property needed to accommodate the parking as well as paying the cost to construct the spaces themselves.

Pursue immediate offering of certain Gilbert-owned properties within the Heritage District

With Gilbert controlling the majority of developable property within the Heritage District, it is in the best position to advance the goals and priorities of the Redevelopment Plan through strategic dispositions of property. It should not be Gilbert's intent to compete with the private sector, but rather to spur future economic opportunities in the district through positioning and offering community assets for specific purposes such as

increasing residential density or diversifying the district's economic base. Further, all revenues derived from sale of Gilbert assets in the district should be retained and earmarked for use within the Heritage District.

Continue targeted parcel acquisitions to complete existing assemblages, secure options where outright purchase is not feasible

Gilbert has wisely pursued an aggressive strategy of purchasing and assembling property throughout the Heritage District. This has allowed blighted influences to be mitigated through targeted demolition and created successful development opportunities on key locations. While it is recommended that Gilbert continue acquire property it should do so in a targeted manner to complete existing assemblages (where Gilbert is already the adjacent landowner). Additional acquisitions that are not assembly-related should be considered where Gilbert is presented with an opportunity but not pursued proactively. Should immediate acquisition of a targeted property not be feasible, Gilbert should seek to secure a purchase option as an intermediate step in gaining ownership of that property.

Study the feasibility of narrowing Gilbert Road to one lane in each direction between the Western Canal and the Railroad Tracks via the installation of On-Street Parking

The Heritage District is gaining critical mass and has evolved into a regional destination which features Gilbert Road as an authentic, walkable retail/restaurant street; such streets are rare commodities in the Phoenix metro area. By contrast, Gilbert Road is also a significant arterial street that acts as through-way for daily commuter and regional traffic. A tension has emerged between the role of Gilbert Road as a means of conveying vehicles into and through the area in an efficient and expeditious manner and Gilbert Road as an amenity to the Heritage District that functions as more than just a street.

Assessing the current function and treatment of this street is a worthy exercise given the trajectory of the Heritage District. The addition of on-street parking could have an immediate and lasting positive impact on the Heritage District and elevate it to one of the Valley's great downtown destinations.

Study the formation of an Enhanced Services District

Currently, Gilbert provides all funding and services associated with the operation of the Heritage District, including maintenance, cleaning, trash pick-up and police/security services. As the district continues its inevitable growth and rising popularity, the increasing number of visitors will eventually strain the existing level of services beyond what is practically and financially feasible for Gilbert alone to provide. At issue is the fact that municipal governments (Gilbert's or otherwise) are not capable of providing the types and frequency of services that a thriving downtown requires (public safety notwithstanding). This is a common situation faced by other successful downtown throughout the Phoenix metro area and the establishment of an Enhanced Services District (ESD), as provided in Arizona State Statutes, has been successfully used to address this condition.

Utilize annual discretionary CDBG and HOME Funds within the Heritage District

Gilbert's annual appropriation of federal housing funds can be deployed within the Heritage District's neighborhoods to provide funding to reduce or eliminate slum and blight and to encourage investment in the existing housing stock. Programs such as targeted homeowner or rental rehabilitation, property acquisition and/or demolition can be implemented to great effect in the Heritage District using these funds. Targeted community investment by government has shown to be quite effective in sparking additional private investment as property owners see investment being made and incremental positive changes occurring; they are more likely to invest in their own properties creating a virtuous cycle of neighborhood reinvestment.

Implement a Residential Code Compliance Program to combat neighborhood blight

Many factors contribute to what causes and sustains neighborhood blight, and once a cycle of disinvestment takes hold of an area it has the tendency to spread. Thus, it takes multiple tools and approaches to reverse blighting influences and keep and keep them out of neighborhoods for the long term.

A Neighborhood Code Compliance Program could be tested within the Heritage District as a means of targeting area blight and determining what might work best for Gilbert as a whole. It's worth noting that most new master-planned communities contain their own version of these concepts within their CCR's, effectively enacting a neighborhood-based nuisance code. As with most things, how these programs are written and administered is the key to their success and effectiveness; however, the principals are the same: individual property owners should not be allowed to negatively affect their neighbors through neglecting basic maintenance standards or using their property in a manner that creates a visible blight in a neighborhood.

Modify the MF/L Zoning Category within the Heritage District

Allowing and encouraging additional density in the area designated as MF/L is a sound strategy to mitigate blight and promote reinvestment. However the MF/L zone, as it is written and applied today, is flawed in its application because it creates barriers to development that require parcel assemblage or variances to mitigate. The goal should be to make infill and redevelopment in this area as easy as possible so that property owners are encouraged to reinvest in their properties. To address this condition the MF/L zone in the Heritage District should either be modified via an overlay zone or wholly replaced with a new category which can address parcel size and configurations in this area.

Encourage additional Special Events in the Heritage District; create an Events Plaza at the site of the existing park-and-ride at the southwest corner of Page and Ash Streets.

Much discussion has occurred regarding the desire to broaden the economic base in the Heritage District beyond its current focus on restaurants. In addition to actions such as increasing residential density, and providing more office and retail space in the Heritage District, a robust special events program can also serve to broaden the economic base by attracting new visitors to the district. The possibilities are endless: concerts, festivals, art exhibitions, car shows, carnivals; all of which can be staged over a short period of time and bring hundreds, if not thousands, of new visitors into the Heritage District for each event. Such events may be well-established on a regional or national scale or they can be created and operated specifically for the Heritage District. Saint Xavier University will also be a likely source of special events as well.

Task 1: Real Estate Development and Land Use

While this task focused on the real estate and development of Gilbert-owned parcels only, because Gilbert's holdings comprise the vast majority of the developable property in the Heritage District, it was necessary that the entire district be evaluated and planned so that site specific recommendations would be compatible with surrounding privately held property. The following is a series of findings and recommendations regarding the property acquisition, disposition of Gilbert property as well as the land use and infrastructure implications associated with such development.

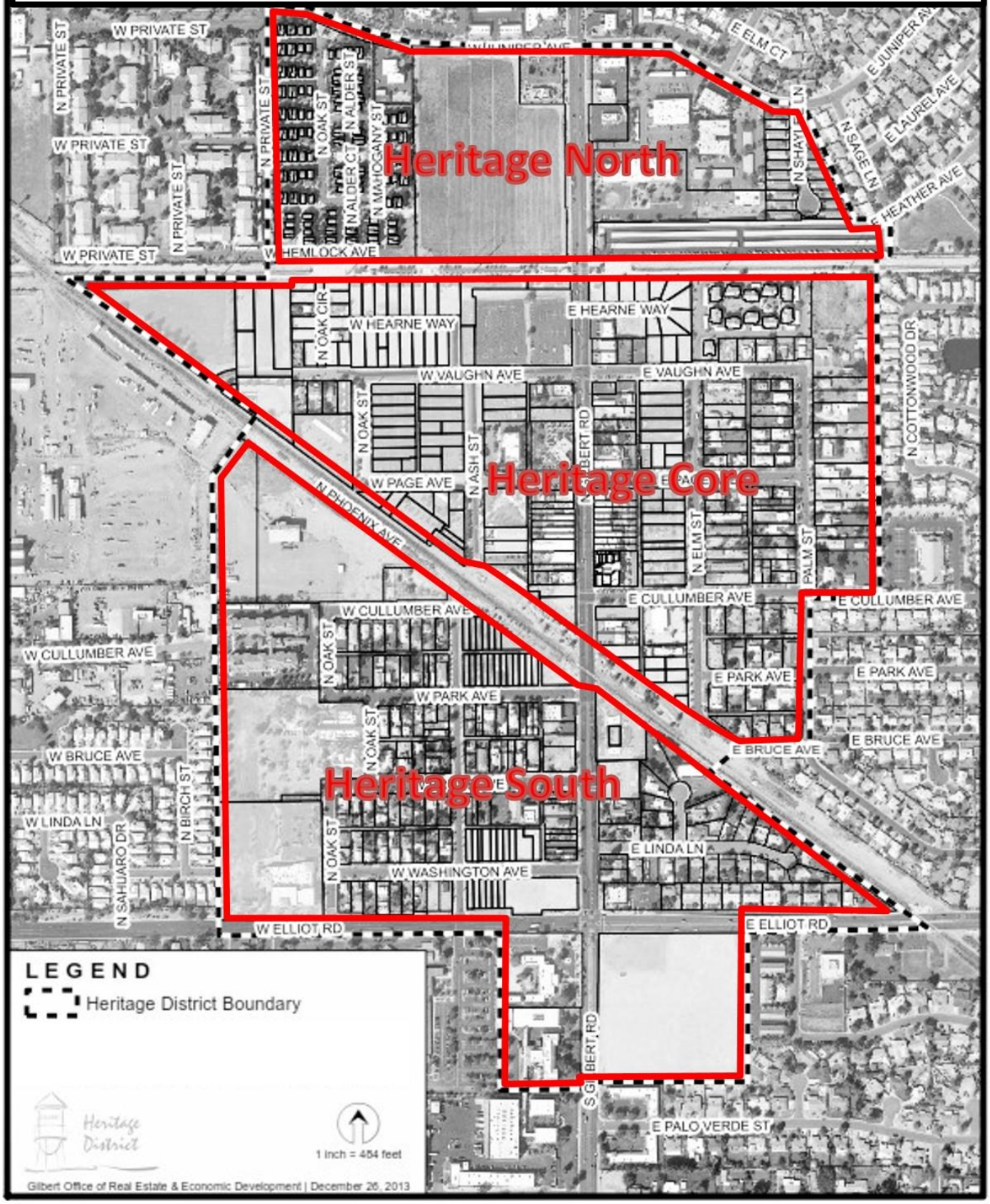
Development Zones – The Heritage District (the "District") in total is comprised of a wide variety of land uses and building types which do not necessarily relate to each other throughout the District. The district is also bisected by the Western Canal and the railroad tracks which provide both character-defining elements and constraints for traffic and pedestrian circulation. Based on the current development pattern and the placement of the canal and tracks the District can be divided into three zones for planning purposes: Heritage North, Heritage Core and Heritage South (see ***Figure 1*** for a map of the Development Zones)

1. Heritage North – area from the Western Canal north, east and west of Gilbert Rd. to the northern boundary of the Heritage District. This zone does not include any "Heritage" elements and minimally relates to rest of district in character or connectivity. Suburban design character and density have developed east of Gilbert Rd. including a mix of retail, office and self-storage. Given the relative newness of the construction and commercial success this area is unlikely to redevelop in the next decade at least.

2. Heritage Core – Defined as the area south of the Western Canal to the Railroad Tracks. This is the heart of the District and includes the vast majority of the defining character elements that provide authenticity and sense of place. New development and redevelopment along either side of Gilbert Rd within the Heritage Core must maintain the historic design elements and scale of the existing building fabric, otherwise the unique elements that differentiate the District from typical retail development would be lost. Efforts should be made to strengthen the pedestrian experience on Gilbert Road in the Heritage Core, specifically through some form of separation between the sidewalk and the adjacent vehicle travel lanes.

3. Heritage South – includes all District property south of the railroad tracks. This area possesses some scattered heritage character elements on the Gilbert Rd frontage and anchored by the historic complex at the southwest corner of Gilbert and Elliot. However, the primary land uses in the Heritage South zone are single-family residential and community/educational. Assemblage and redevelopment opportunities will be limited when compared to the Heritage Core and are generally confined to the comparatively-shallow Gilbert and Elliot Road frontages.

Figure 1: Heritage District Development Zones



Projected Land Use

While the creation of a projected land use map the Heritage District was not an express deliverable under this Task, yet it is necessary planning the future use of currently vacant Gilbert-owned properties. This plan does not call for extraordinary changes to the existing land use pattern in the District and attempts to combine preservation of existing character elements which define the District with new development.

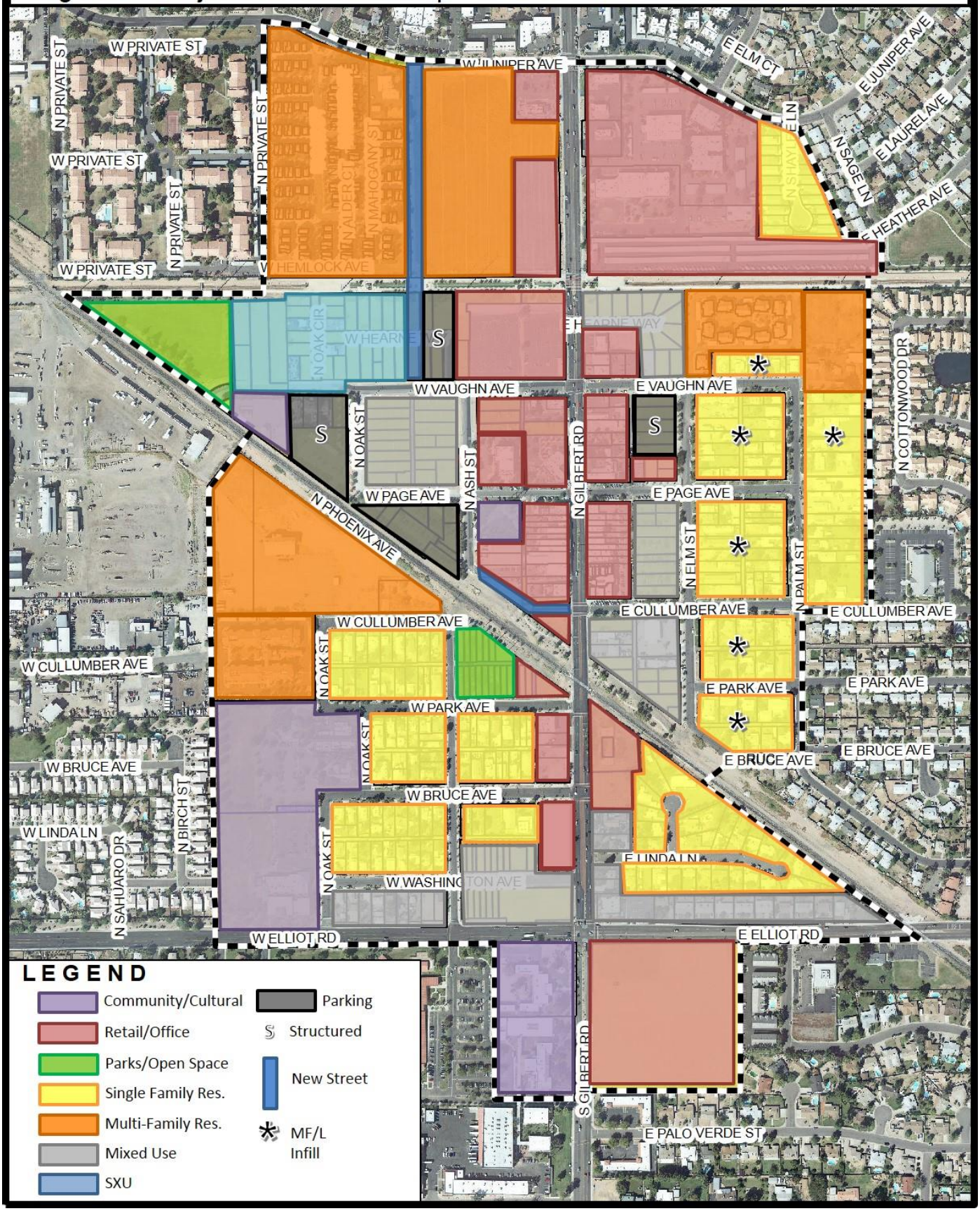
Projected Land Use Plan Elements worth noting:

- The majority of Gilbert-owned property east and west of Gilbert Road in the Heritage Core serve as surface parking lots whose spaces are allocated to Heritage Core businesses to satisfy ordinance requirements for parking. Development of these properties involve either integrating the existing parking into a new development or relocating the parking to another site within the Heritage Core. It is recommended that the latter approach be taken, whereby Gilbert constructs additional parking structures at strategic locations east and west of Gilbert Rd. to accommodate the existing surface parking encumbrances which then allow previously-encumbered sites to be developed.

- The expansion of St. Xavier University (SXU) is recommended to occur in a westward direction from their current site to the Vaughn Avenue Basin, this is intended to accommodate additional academic and student housing facilities. In conjunction with SXU's growth and expansion, an additional parking structure is recommended to be developed south of Vaughn at the existing Park-and-Ride lot.

- "MF/L Infill" Designation. This area within the Heritage Core is zoned MF/L which is a multifamily zoning category, however, the predominant character is single family residential with some duplex and triplex units. As noted in the Housing section of this report the MF/L zone is not well-suited for this area by virtue of the zoning's category's development standards which do not recognize the relatively small parcels that dominate this area. Assuming the zoning can be modified, it is recommended that the "MF/L Infill" area allow for intensification of residential density through the development of duplexes, triplexes, townhomes and accessory dwelling units.

Figure 2: Projected Land Use Map



Housing and Density – the existing single family housing stock within the district is diverse in its relative sizes and condition. Every effort should be made to enhance the quality and viability of this housing. A targeted rehabilitation program using federal funds should be considered to help income-qualified residents enhance their homes. Gilbert may also consider using its own funds to incentivize aesthetic and landscape enhancements to homeowners in the district via matching grants or other means. Existing multi-family housing is relatively new construction and does not exhibit any outward signs of blight or distress. New infill housing should be encouraged to be as dense as feasible and include both ownership and rental opportunities.

Why does Increasing Residential Density Matter to the Gilbert's Heritage District?

Across the country, increasing residential density in a downtown environment is a mainstay tactic intended to capitalize on efficiencies gained in service delivery and transportation as well as to grow market share for downtown businesses. While Gilbert's Heritage District isn't a burgeoning mixed-use urban hub like Seattle or Denver, it can certainly benefit from increasing the number of people living in and around the district. Local merchants would benefit from the additional close-by clientele, and vehicular trips could be reduced as those new customers could bike or walk into the District. Housing choice is another byproduct of density; not everyone wants to live in a single family, detached home – attached/multifamily housing provides options to those who don't want the expense or responsibility of owning and maintaining a traditional single-family home. Additional residential density may also lead to new business opportunities in the District as merchants seek to provide goods and services to that new population and job creation may increase as employers seek to locate near residential hubs.

In some quarters the term 'Density' is a dirty word; it is associated with urban blight, crime, traffic gridlock or a host of other problems. And like many stereotypes, there's some margin of truth that creates the perception. However, density alone isn't the sole cause of any of these problems; blight, crime and traffic congestion can (and does) occur in low-density communities as well. Where dense communities do experience problems, it is often the case that the density was developed over time and due to poor planning and lack of resources, the surrounding infrastructure and services (municipal or commercial) did not keep pace with the growth.

By comparison, Gilbert is a relatively-new, low-density community that has the resources and human capital to plan for and manage increased density. Much of what is considered scary about density can be addressed upfront through good planning and design, which Gilbert is more than capable of guiding through its entitlement processes. Issues such as design, access and infrastructure can be addressed such that new higher-density projects can function as well or better than their low-density counterparts being developed in other parts of the community.

Assuming additional residential density could be developed correctly, the primary benefits include improved economics and greater efficiencies in service and traffic.

Consumer Spending – Various studies have found that households spend 80% of their total spending within a 10 to 20 mile radius of their homes. Encouraging the development of dense residential product within the District will create a base of consumers whom will shop and dine within the District. Prospective residents to any new residential project in the District will assuredly know what shopping and dining options are available to them in the area and will be ready and willing consumers upon move in. This creates additional incremental revenue to merchants, including additional off-peak revenue opportunities aimed at attracting the "locals" at times like Sunday through Thursday nights.

Building in a close-in consumer base also acts to hedge against inevitable competition and erosion of market share. Virtually all of the District's customers arrive by car, which means they have mobility and choice – making the District vulnerable to shifts in consumer tastes and/or competing projects. Allowing and encouraging residential density gives the District a means to grow and sustain its own market in the face of certain competition.

Housing Choice – Gilbert is regularly ranked as one of the best places to live in Arizona, if not the entire country and is boasting the population growth to prove it. And while Gilbert's housing stock comprised mostly of low-density, single family homes, that housing type may not be fully serving the needs of its current and future residents. Socio-economic and demographic trends are pointing to groups such as Millennial's and Baby Boomers who are seeking housing choices that are more affordable and/or less complicated than the prototypical detached single family home. Empty-nesters who may have raised a family in a detached home with a yard are now downsizing and looking for new models of housing with less upkeep and more amenities. The District would be the ideal location for attached and multifamily housing types that could serve these diverse populations and allow them to either continue to grow up or grow old in Gilbert.

Increasing residential density in the District would convey many benefits to the district itself and to the community as a whole. The key is to plan and execute the new developments in a way that works within the existing fabric of the area and provides the access and service needed for the new projects to be successful over time.

The following provides a sample of on-line resources that expand upon the density discussion and provide different perspectives and ideas from around the country:

- Argument for Density from Minneapolis

  https://www.minnpost.com/line/2014/07/complete-city-why-density-and-amenities-are-essential-everyday-urban-living

- Spending Habits of Millennials:

  http://time.com/money/2820241/10-things-millennials-wont-shell-out-for/

- Where people spend money relative to where they live

  http://streetfightmag.com/2012/09/10/80-of-disposable-income-is-spent-within-20-miles-of-home-or-is-it/

- Baby Boomer Housing Trends/Options

  http://www.agelessons.com/images/article_housing.pdf

Special Events - Much discussion has occurred regarding the desire to broaden the economic base in the District beyond its current focus on restaurants. In addition to actions such as increasing residential density, and providing more office and retail space in the District, a robust special events program can also serve to broaden the economic base by attracting new visitors to the district. The possibilities are endless: concerts, festivals, art exhibitions, car shows, carnivals; all of which can be staged over a short period of time and bring hundreds, if not thousands, of new visitors into the District for each event. Such events may be well-established on a regional or national scale or they can be created and operated specifically for the District. Saint Xavier University will also be a likely source of special events as well.

The District contains many spaces which are conducive for special events of all sizes including the existing surface parking lots and streets (or a combination thereof). The existing park and ride at the southwest corner of Park and Ash Streets could be improved to serve both as its current function as a parking lot and a special events plaza when needed. Its size, configuration and location adjacent to the railroad tracks makes it uniquely suited for this use, the presence of permanent restroom facilities on-site is also a strong advantage. To facilitate events in this space, parking blocks and trip hazards should be removed or mitigated, stage locations should be identified and sight lines for crowds be considered through the relocation of existing landscaping. The potential to integrate Park and/or Ash Streets for large events should be considered and appropriate improvements implemented. The overall goal is to create a space that functions both as streets and a parking lot which can be easily converted into a special events venue of varying configurations and sizes when needed.

Open Space – The District is currently well served by numerous parks and open spaces, which are both formal and informal in nature and use. However, an increase in residential density within the District will apply greater pressure on the existing parks and may necessitate the creation of new open spaces or the expansion of existing parks. For example:

- Vaughn Avenue Basin – this open space serves as the primary storm water catch basin for much of Heritage Core. It is turfed with mature trees but contains little other improvements. This basin could be marginally improved with lighting and furniture to make it more appealing for use. This basin could be an informal gathering place for St. Xavier students on a daily basis or serve as a formal event space on occasion.
- Heritage Core Pocket Park East of Gilbert Rd – This area does not currently include any publicly available open space within the District boundary or the surrounding area. As residential density increases, a pocket park should be planned on an existing Gilbert-owned parcel or integrated into a new development.

Parking – as is common, no discussion of Land Use in the District is complete without addressing parking. Gilbert has achieved a cohesive and compact development pattern in the Heritage Core through allowing parking requirements to be largely satisfied using adjacent Gilbert-owned surface parking lots rather than requiring on-site parking. This parking has been provided at no charge to the businesses for Gilbert to allocate the spaces, nor is there any charge for the ongoing maintenance and upkeep. While this strategy has been effective from both a design and a business attraction standpoint, it is not a sustainable practice by Gilbert without substantial investment.

The following provides a series of operational and development recommendations regarding parking as it relates to the Real Estate aspects of the Redevelopment Plan Update. The companion studies traffic circulation and parking conducted by Kimley-Horn, provide in-depth analysis and recommendations regarding approaches to achieve better efficiencies and functionality to the parking and transportation systems, across transportation modes, within the District. The recommendations contained in this report are intended to address the financial challenges of providing and maintaining parking and to help Gilbert balance its real estate development goals while maintaining its existing parking commitments to District businesses. The real estate impacts of transportation improvements are also considered as well.

1. Establish an In-Lieu Parking Program. An In-Lieu program would be established and administered by Gilbert and would sell non-exclusive parking rights to property owners or businesses to satisfy their given parking requirements. In-Lieu parking payments are one-time charges that are collected as part of the entitlement or plan review process to ensure adequate parking is accounted for prior to a new use opening. Per space rates would be established and reviewed annually to ensure fair value is being charged for parking. The In-Lieu proceeds would be utilized by

Gilbert to fund the construction of new parking and to maintain existing parking spaces.

2. Discontinue Gilbert-subsidized parking. New projects or businesses whom do not have sufficient parking to satisfy their ordinance requirement should be given three options:
   i. Construct the required parking within the boundaries of their property (subject to the applicable design standard for the District)
   ii. Purchase parking rights from adjacent property owners within 500 feet of their property- subject to review and approval by the Gilbert.
   iii. Purchase parking rights from Gilbert via an In-Lieu Parking Program.

3. Balance parking supply to satisfy demand east and west of Gilbert Road. The current pattern of development and distribution of parking in the Heritage Core has placed a large portion of the parking burden for the east side of Gilbert Road on the west side of the street. While the parking requirements for the east side of the street have been satisfied technically as part of the district-wide parking program, customers naturally seek parking at the closest possible location which has reportedly maxed out the surface lots east of Gilbert Road during peak hours. Seeking to balance the parking supply and demand between east and west of Gilbert Road would have numerous benefits including:
   i. Reduce vehicular circulation within the Heritage Core as customers are able to readily find parking near their chosen destination rather than driving around looking for parking.
   ii. Parking burden is reduced for Gilbert-owned properties west of Gilbert Road
   iii. Greater satisfaction from customers and business owners alike as parking needs are met in a rational proximity to demand generators

4. Relocate/Consolidate Existing Parking Encumbrances on Gilbert-Owned Property As it relates to the future development of Gilbert-owned property, the allocation of surface parking rights to adjacent businesses creates a substantial encumbrance upon the effected properties and reduces the property's value while complicating the development process. To develop these properties the existing parking rights must either be relocated or integrated into the new development. Each option carries a cost to Gilbert as relocation involves the acquisition or development of new parking facilities while integration would result in a sharp reduction in land value. The integration option may also bring additional challenges to feasibly integrate additional parking into a given project.

It is recommended that additional parking structures be developed as needed to relocate the existing surface parking encumbrances. As noted on the Projected Land Use Map, certain Gilbert-owned sites east and west of Gilbert Road would be held for this purpose and are intended to locate parking in strategic locations that will be easily accessed by visitors and provide a short walk to adjacent businesses.

Circulation & Streets – Detailed review and analysis of the District's circulation is being conducted by Kimley-Horn, the following provides a brief discussion about circulation as it relates to Real Estate and Land Use. Please refer to the Kimley-Horn study for detailed options and recommendations.

The District is generally well-served by its street grid and sidewalk system and does not exhibit any glaring circulation deficiencies (notwithstanding peak traffic volumes which create periodic congestion). Challenges do exist with access into the Heritage Core due to the barriers created by the canal and railroad tracks which effectively make Gilbert Road the only way in and out of this portion of the District. Gilbert has sought to mitigate this condition by the pending construction of Ash Street across the canal, creating a secondary link between Vaughn St. and Juniper Ave. It is recommended that the extension of Ash terminate at Vaughn and not continue to Page; this is intended to preserve the existing street grid within this portion of the Heritage Core and to discourage cut-through traffic.

While it is feasible to bridge the canal to facilitate the Ash St. connection, it is nearly impossible to facilitate additional railroad crossings. However, in an effort to mitigate some traffic congestion related to the railroad tracks it is recommended that Cullumber Ave. be extended west of Gilbert Rd. and connect to Ash Street (as depicted of both the Projected Land Use Map and the Proposed Acquisition Map). This connection would effectively create a vehicular circulation loop around the District and could allow the closure of Gilbert Rd. between Cullumber Ave. and Vaughn St. for special events.

The treatment of Gilbert Rd. through the Heritage Core also warrants discussion as the design and function of this street has direct bearing on the continued success of the District as a whole. Gilbert Road is an authentic, walkable retail/restaurant street and such streets are rare commodities in the Phoenix metro area. By contrast, Gilbert Road is also a significant arterial street that acts as through-way for daily commuter and regional traffic. A tension has emerged between the role of Gilbert Road as a means of conveying vehicles into and through the area in an efficient and expeditious manner and Gilbert Road as an amenity to the District that functions as more than just a street.

Acknowledging that in the foreseeable future, vehicle traffic will be the dominant means by which visitors will arrive at the District; accommodating cars in a safe and convenient way is of paramount importance. At issue is whether Gilbert Road should continue to prioritize cut-through traffic as it does in its current configuration or should it function to convey traffic into, and out of, the District while making pedestrian and bicycle travel safer and more enjoyable?

For Gilbert Road between the Western Canal and the Railroad Tracks, conversion of the northbound and southbound travel lanes to on-street, parallel parking (while maintaining the remaining travel lanes and center turn lane) would provide the following immediate benefits:

- Slower vehicular speeds as drivers are reflexively more cautious in a constrained environment.

- Left turn movements from Gilbert Road onto side streets would be easier as only one travel lane is crossed. Pedestrian crossing would also be facilitated more easily and safely as only one travel lane in each direction is crossed.
- Additional parking will be created directly adjacent to businesses
- The current condition whereby the Gilbert Road sidewalk directly abuts the travel lane would be mitigated by the parallel parking spaces making the pedestrian experience more enjoyable and safer.
- The addition of bike lanes in this zone may also be possible
- This plan can be implemented with minimal capital investment as it only requires re-striping the street and the installation of new street signage. Perhaps more importantly, the situation can be easily reversed if it is found to be unsuccessful.

Assessing the current function and treatment of this street is a worthy exercise given the trajectory of the District. The addition of on-street parking could have an immediate and lasting positive impact on the district and elevate it to one of the Valley's great downtown destinations.

The following provides a sampling of on-line resources which can provide additional information and opinions regarding street configuration and placemaking:

- A discussion of how narrowing lane widths to 10' can achieve traffic calming goals and potentially make room for bike lanes without reducing overall street capacity:

  http://www.citylab.com/design/2014/10/why-12-foot-traffic-lanes-are-disastrous-for-safety-and-must-be-replaced-now/381117/

- From the Project for Public Spaces on how downtown Main Streets can themselves be considered destinations:

  http://www.pps.org/blog/placemaking-main-street-into-a-destination-downtown/

- From the Missola Institute for Sustainable Transportation, an FAQ on converting a 4-lane roads to 3-lane (one lane each direction and a center turn lane)

  http://www.strans.org/4to3faq.html

- A link to the paper: Economic Effects of Traffic Calming on Urban Small Businesses by: Emily Drennen, Department of Public Administration San Francisco State University December, 2003

  http://www.sfbike.org/download/bikeplan/bikelanes.pdf

Projected Land Use and FAR by Parcel – As a collaboration with Kimley-Horn, the following table provides a parcel-by-parcel projection of land use and development size for the entire District. This data can be utilized to evaluate further transportation, parking and circulation needs as well as utility infrastructure requirements.

Figure 3: Land Use & FAR Table

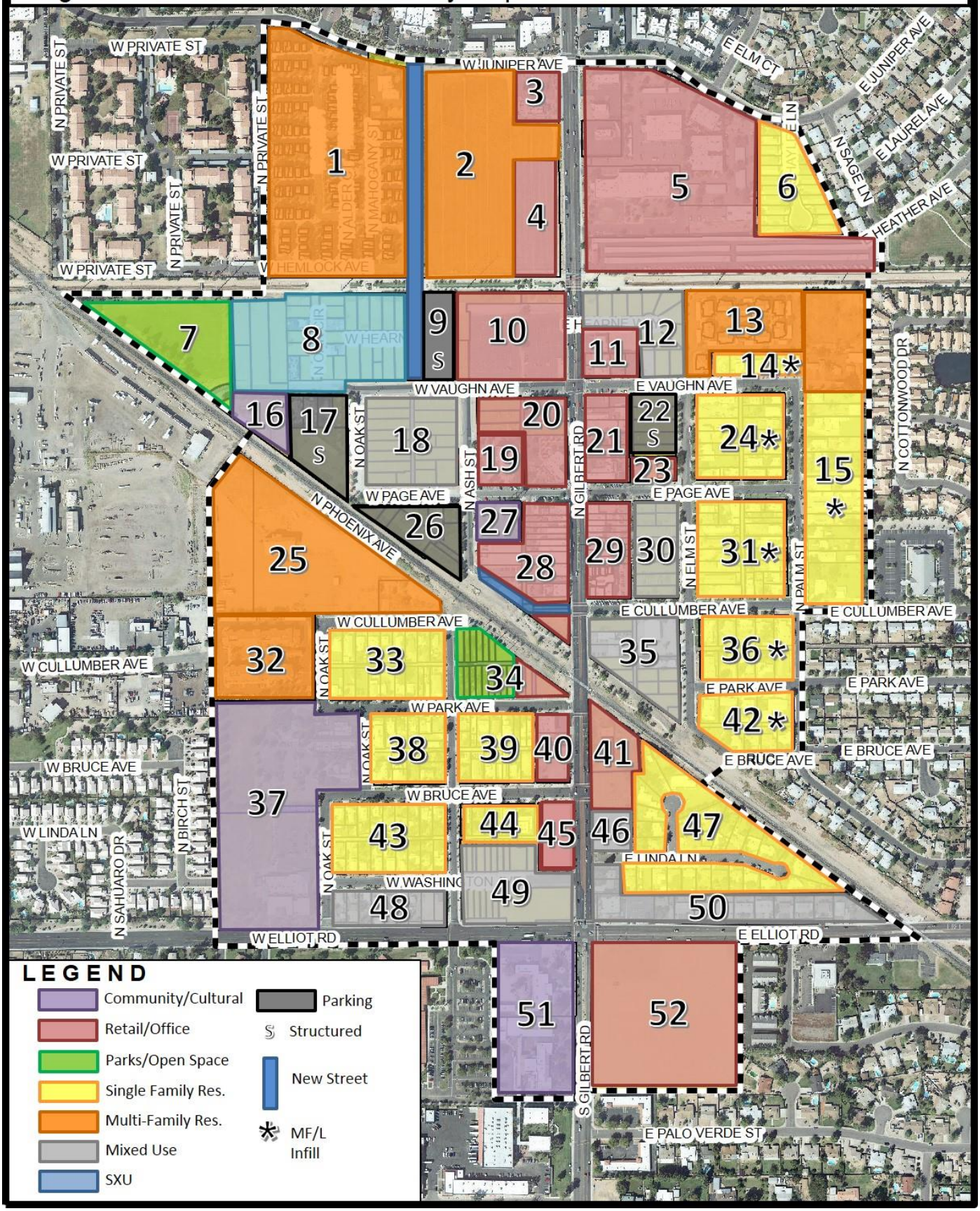
Block #	Projected Build-out Land Use	Projected Maximum Stories	Projected Build-out Retail (ft^2)	Projected Build-out Office (ft^2)	Projected Build-out Multi-Family Units	Projected Build-out Single-Family Units	Existing Lot Size (ft^2)	Existing Lot Size (acres)	Projected Floor Area Ratio (FAR)	Projected Build-out Development (ft^2)	Existing Land Use	Existing Development (ft^2)
1	MF	2			138		381,000	8.75	0.5	190,500	MF	190,500
2	MF	3			300		327,375	7.52	1	327,375	VACANT	-
3	COM	2	17,500				35,000	0.80	0.5	17,500	COM	17,500
4	COM	2	40,250	40,250	0		80,500	1.85	1	80,500	VACANT	-
5	COM	4	-	-	0		595,000	13.66	0.3	178,500	COM	178,500
6	SF	2				17	72,000	1.65	0.2	14,400	SF	14,400
7	OPEN	0					122,000	2.80	0	-	OPEN	-
8	SXU	5			100		266,400	6.12	1	266,400	SXU	28,200
9	PKG	4					57,000	1.31	2	114,000	PKG	114,000
10	COM	2	59,000	59,000			118,000	2.71	1	118,000	COM	31,832
11	COM	2	24,500	20,000			44,500	1.02	1	44,500	COM	6,335
12	MU	4	5,000	17,000	60		89,500	2.05	1	89,500	VACANT	-
13	MF	2			40		98,900	2.27	0.75	74,175	MF	74,175
14	SF	2				8	35,200	0.81	0.75	26,400	SF	16,500
15	SF	2			60	48	306,300	7.03	0.75	229,725	SF	-
16	GOV	0					88,800	2.04	0	-	GOV	-
17	PKG	4					80,600	1.85	3	241,800	SF	4,500
18	MU	5	20,000		150		127,800	2.93	3	383,400	PKG	-
19	COM	2	8,500				35,000	0.80	0.3	8,500	COM	8,500
20	COM	2	44,000				88,000	2.02	0.5	44,000	COM	10,894
21	COM	2	27,500				55,000	1.26	0.5	27,500	COM	7,035
22	PKG	3					34,400	0.79	3	103,200	PKG	-
23	COM	3	17,500	17,500			17,500	0.40	2	35,000	COM	3,600
24	SF	2				30	126,000	2.89	0.75	94,500	SF	63,000
25	MF	3			150		243,000	5.58	1	243,000	VACANT	-
26	PKG	1					64,500	1.48	0	-	PKG	-
27	GOV	0					27,000	0.62	0	-	GOV	-
28	COM	2	70,000	22,000			92,000	2.11	1	92,000	COM	35,335
29	COM	2	86,000	30,000			58,000	1.33	2	116,000	COM	56,156
30	MU	3	11,000		75		58,000	1.33	3	174,000	PKG	-
31	SF	2				33	126,000	2.89	0.2	27,720	SF	27,720
32	MF	2			75		146,000	3.35	1	146,000	MF	146,000
33	SF	2				18	126,000	2.89	0.2	25,200	SF	25,200
34	OPEN	3	2,000		0		73,000	1.68	0	2,000	OPEN	-
35	MU	4	15,000		100		105,000	2.41	2	210,000	COM	8,030
36	SF	2				12	93,000	2.13	0.2	18,600	SF	18,600
37	GOV	2					49,967	1.15	0.2	9,993	GOV	9,993
38	SF	2				20	78,400	1.80	0.2	15,680	SF	15,680
39	SF	2				20	78,400	1.80	0.2	15,680	SF	15,680
40	COM	2	20,000	15,700			35,700	0.82	1	35,700	COM	2,633
41	COM	1	6,870				65,000	1.49	0.1	6,870	GOV	6,870
42	SF	2				8	78,000	1.79	0.2	15,600	SF	15,600
43	SF	2				20	131,000	3.01	0.2	26,200	SF	26,200
44	SF	2				16	39,200	0.90	0.2	7,840	SF	7,840
45	COM	2	15,700	20,000			35,700	0.82	1	35,700	COM	8,554
46	MU	2	28,000			0	28,000	0.64	1	28,000	COM	4,805
47	SF	2				23	230,000	5.28	0.2	46,000	SF	46,000
48	MU	2		3,000		10	74,000	1.70	0.2	14,800	SF	8,880
49	MU	3	10,000		40		93,600	2.15	0.75	70,200	VACANT	-
50	MU	2	4,700	6,600		22	140,000	3.21	0.2	32,700	COM/SF	32,700
51	GOV	1					195,000	4.48	1	10,000	GOV	10,000
52	COM	1	170,000				340,000	7.81	0.5	170,000	VACANT	-
Total for Blocks 1-52			703,020	251,050	1,288	305	6,185,242	141.99	-	4,304,858	-	1,297,947

Table Key:

MF=Multi-family Residential	SF=Single Family Residential
FAR=Floor Area Ratio	COM=Retail, Office & Service Uses
MU=Mixed Use-Residential&Commercial	OPEN=Open Space/Parks
SXU=St. Xavier University	PKG=Parking
GOV=Government/Community	

Note: Block map follows this table (Figure 4)

Figure 4: Land Use/FAR Parcel Key Map



Recommended Parcel Acquisition Strategy

Gilbert has wisely pursued an aggressive strategy of purchasing and assembling property throughout the District. This has allowed blighted influences to be mitigated through targeted demolition and created successful development opportunities on key locations. While it is recommended that Gilbert continue acquire property, it should do so in a targeted manner to complete existing assemblages (where Gilbert is already the adjacent landowner). Additional acquisitions that are not assembly-related should be considered where Gilbert is presented with an opportunity but not pursued proactively.

Should immediate acquisition of a targeted property not be feasible, Gilbert should seek to secure a purchase option as an intermediate step in gaining ownership of that property. A recorded option would ensure that when the time is right for property to sell, Gilbert is in first position to acquire the property, minimizing the chances that an acquisition opportunity is missed. Options are generally purchased from the property owner either through a one-time payment or on-going annual payments. In any event, an option is a binding agreement between the property owner and potential buyer and are recorded to ensure that a public record of the option is created, ensuring that a targeted parcel cannot be lawfully sold to another party other than the option holder.

Parcel Disposition - The following depicts the recommended disposition phasing and use of Gilbert-owned parcels within the District. The proposed disposition schedule is separated into three priorities; High, Medium and Low.

High Priority – Property should be offered as soon as feasible to either take advantage of current market conditions or to spurn certain development goals within the District. High Priority properties are generally unencumbered and appear to have strong development potential in the current market.

Medium Priority – (5 to 10 year development timeframe) these properties are generally encumbered and/or do not currently have the market potential of the High Priority sites. However, the Medium Priority sites are incomplete assemblages and require parcel consolidation to be viable; development priority may change with the completion of the assemblages. In two cases, Parcels E and I are slated to be developed as structured parking which would accommodate the existing parking encumbrance from surrounding parcels which would elevate those parcel's development potential and timing.

Low Priority – (10+ year development timeframe) these properties are intended to be held to continue their current use (generally parking) and allow the market to mature in a way that will support the proposed development. The most common encumbrance is surface parking which generally needs to be relocated or incorporated into whatever is developed on a given site.

Disposition priority can change based on market conditions or unsolicited offers for Gilbert-owned sites.

The following ***Figure 5*** depicts the “High/Medium/Low” disposition timing as well as the parcel key for the Disposition Parcel Table which follows. The Disposition Parcel Table describes the specific disposition timing and circumstance for each Gilbert-owned parcel. Figure 8 depicts the Gilbert-Owned Parcels by their respective Projected Land Use categories.

Figure 5: Disposition Priority Map and Key

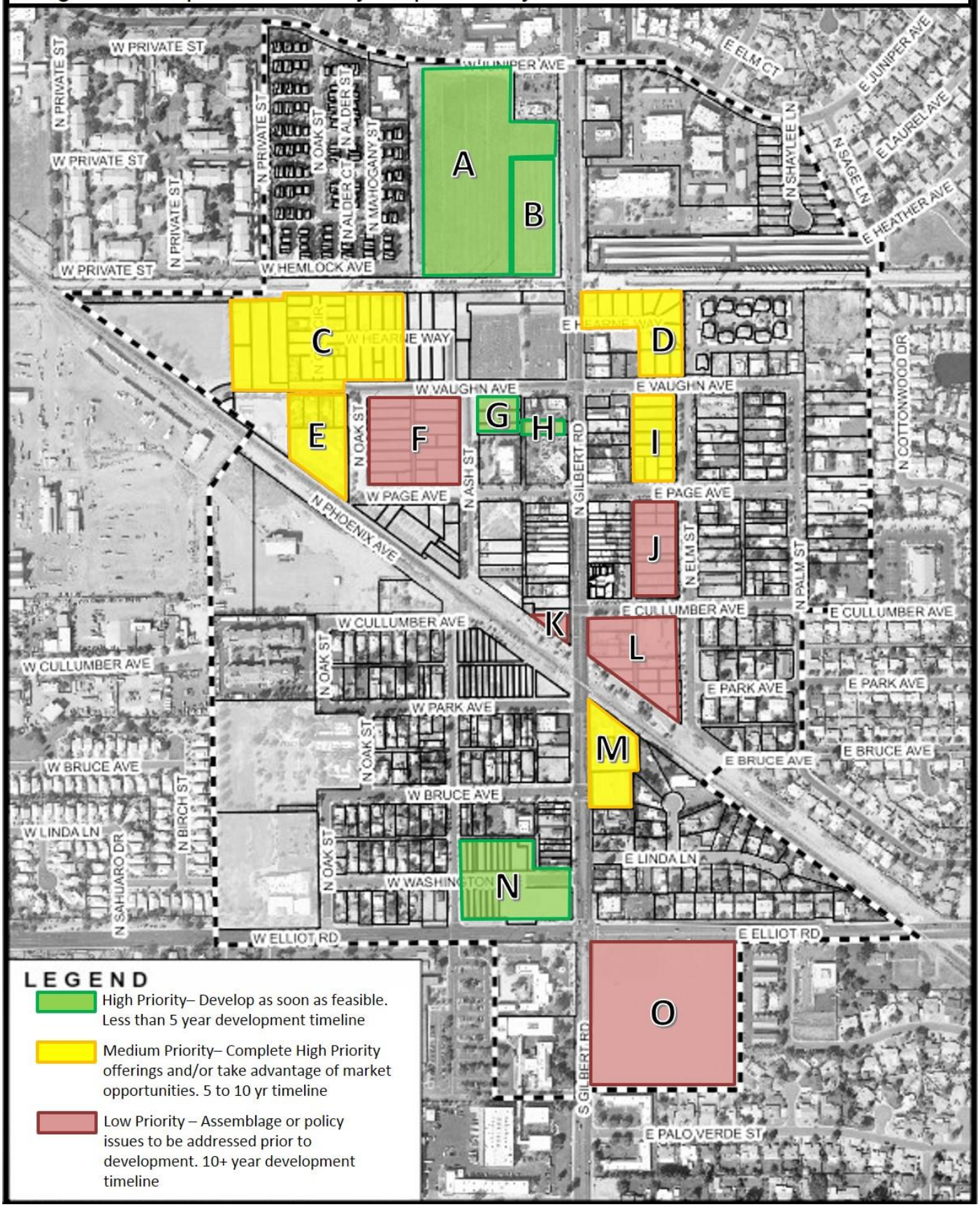


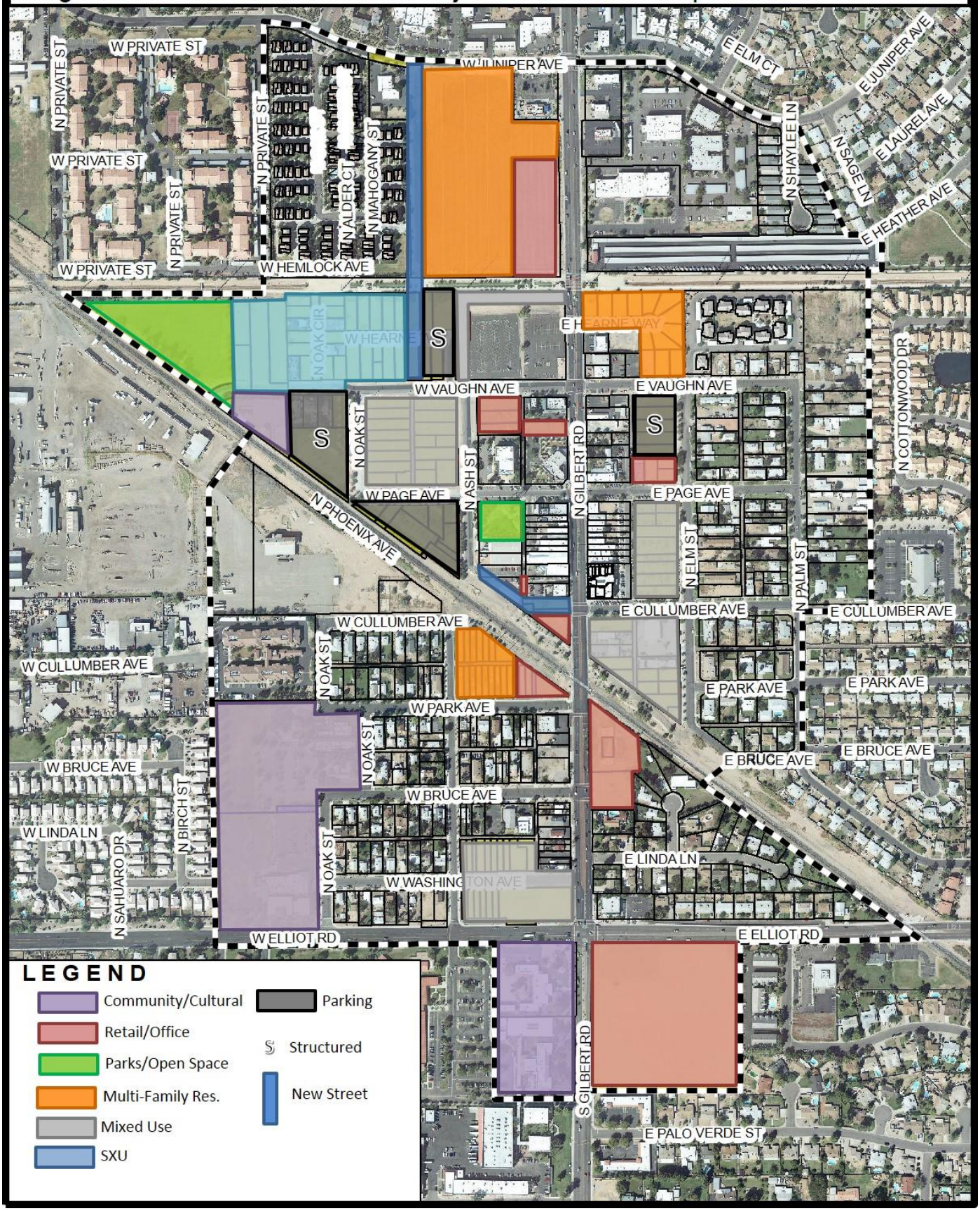
Figure 6: Parcel Disposition Table

Parcel	Current Use	Proposed Use	Priority	Rationale for Priority	If/Or/And
A	Vacant	Multi-Family Housing	High	Unencumbered property with strong development potential given the lack of quality sites of this size in the submarket	Offer as soon as feasible
B	Vacant	Retail/Office	High	Should be packaged as part of Parcel A offering but may not hold strong market position for Retail and/or Office at this time.	Development if: a) Market demand verified AND b)development schedule acceptable to Gilbert
C	Vacant/ Assemblage	SXU Expansion	Med	Hold for SXU Academic and/or Housing development. Gilbert to complete assemblage	Development if: a) Gilbert completes assemblage AND b)SXU prepared to expand academics or housing
D	Vacant	Mixed Use	Med	Unencumbered and could be developed at any time, but not a current priority given other opportunities. Priority can change if the right offer/proposal is made	Development if: a) substantive unsolicited offer OR b) "High Priority" offerings successful AND market is feasible
E	Parking	Structured Parking	Med	Hold for Parking Garage to support SXU expansion OR to transfer adjacent surface parking rights to enable development of other Gilbert-Owned property	Development if: a) SXU expands OR b) parking demand necessitates a new garage
F	Parking	Mixed Use	Low	Hold to preserve surface parking rights. Priority may change if existing parking encumbrance satisfied and/or transferred.	Development if: a) parking encumbrance transferred to adjacent property OR b) parking encumbrance feasibly incorporated into proposed project

Parcel	Current Use	Proposed Use	Priority	Rationale for Priority	If/Or/And
G	Parking	Retail/ Entertainment	High	Strong market potential and land value should be capitalized upon as soon as feasible. Existing parking encumbrance minor enough to be absorbed in current supply	Offer as soon as feasible
H	Parking	Retail/Office	High	Strong market potential and land value should be capitalized upon as soon as feasible. Existing parking encumbrance minor enough to be absorbed in current supply	Offer as soon as feasible
I	Parking	Parking and Retail	Low	Hold for Parking Garage to transfer adjacent surface parking rights to enable development of other Gilbert-Owned property east of Gilbert Road	Development if: a) parking structure built on site OR b) parking encumbrance feasibly incorporated into proposed project OR c) parking encumbrance transferred to adjacent property
J	Parking	Mixed Use	Low	Hold to preserve surface parking rights. Priority may change if existing parking encumbrance satisfied and/or transferred	Development if: a) parking encumbrance feasibly incorporated into proposed project OR c) parking encumbrance transferred to adjacent property

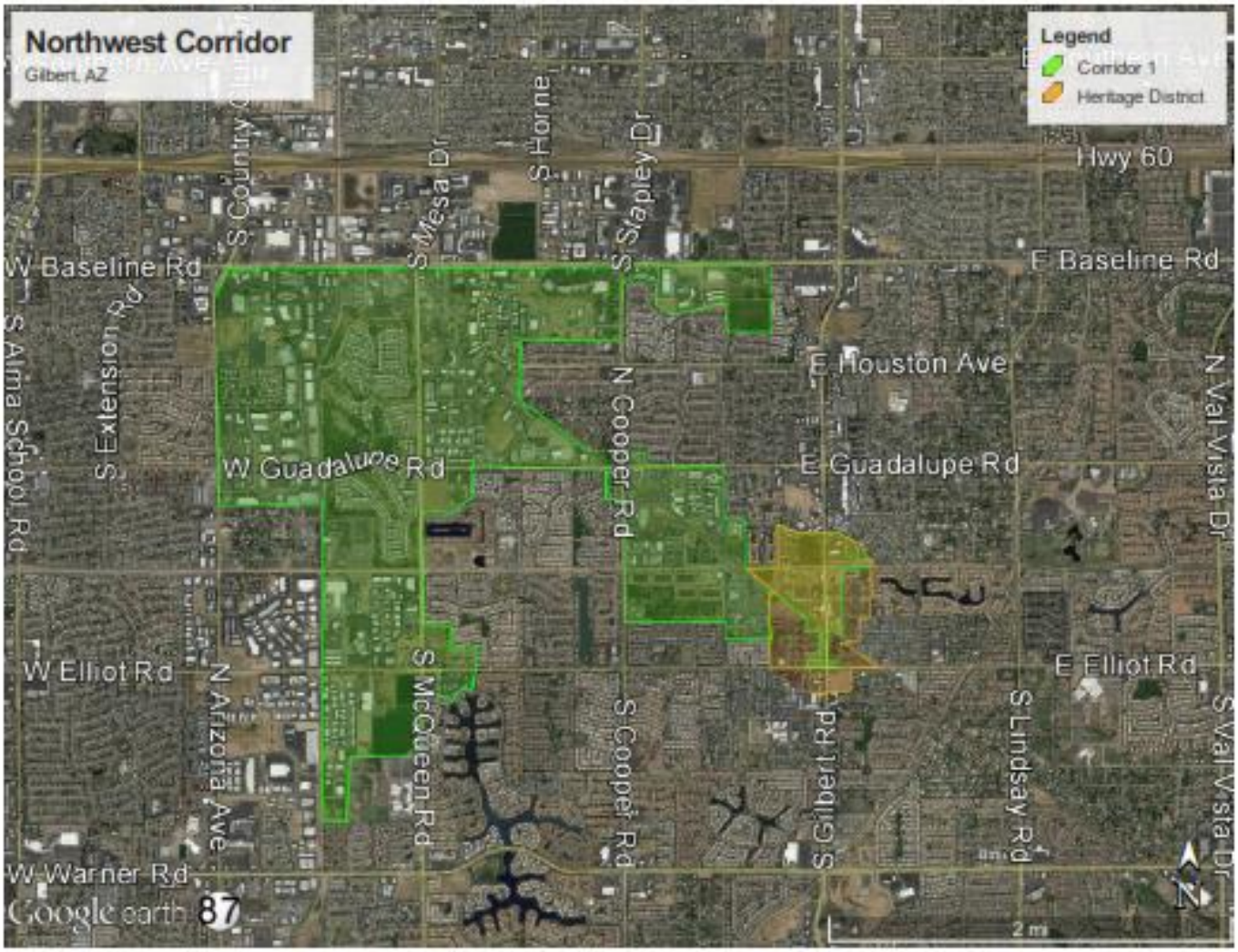
Parcel	Current Use	Proposed Use	Priority	Rationale for Priority	If/Or/And
K	Vacant	Retail/Office	Low	Hold pending decision regarding Cullumber bypass route	Development if: a) Cullumber bypass approved AND b) street design allows for feasible development site
L	Multiple Uses	Mixed Use	Low	Hold to determine feasibility of completing assemblage	Development if: a) Gilbert Completes Assemblage AND b) All required parking accommodated on-site
M	Office/ Community	Retail/Office	Med	Study historic building reuse and integration into larger, mixed use project. Priority can change if the right offer/proposal is made	Development if: a) viable historic building reuse plan created OR b) building considered unusable
N	Vacant	Mixed Use	High	Unencumbered and holds strong market potential	Offer as soon as feasible
O	Vacant	Retail/Service	Low	Deed restricted to municipal use.	Development if: a)Deed restrictions addressed AND b) sufficient market for proposed use.

Figure 7: Gilbert-Owned Parcel Projected Land Use Map



Northwest Corridor – The Northwest Corridor Study Area includes a portion of the Heritage District and encompasses a large swath of the older portions of the northwest quadrant of Gilbert (See attached ***Figure 8***). While this study area as a whole is not expressly addressed in the plan update, many of the tools and strategies are directly applicable and should be considered for application in the Northwest Corridor.

Figure 8: Northwest Corridor



Task 2: Housing

Encouraging new housing and increasing residential density should be one of the main priorities for the District. By increasing the number of residents living in and around the district, the economic base for the local businesses is improved as residents are more likely to shop and dine close to where they live and traffic congestion may be lessened as alternative modes become more practical given the proximity of housing to the district.

Given the overall market interest in development of both commercial and residential projects within the District there would appear to be no negative perceptions about living in the district and that the only real constraint at this time would be the lack of suitable development sites offered in the market. By virtue of its land holdings, the Gilbert is in the best position of any district stakeholder to facilitate the development of new residential units. The 11-acre parcel north of the Western Canal is a prime opportunity which can be capitalized upon immediately as the residential market is seeking development sites and this property is unencumbered. This property should be offered as soon a feasible in an effort to facilitate the development of new housing in the current development cycle.

Redevelopment Plan Housing Objective

The approved Redevelopment Plan does not include a distinct Goal or Objectives regarding Housing. Consideration should be given to adding a new Goal and Objectives regarding housing in an effort to recognize its importance to the successful development of the District. The following is a suggested Goal and Objectives for Housing:

Goal – Promote the development of new housing and encourage reinvestment in the existing housing stock.

Objectives:

- *Increase overall residential density throughout the District.*
- *Acknowledge the importance of achieving a mix of home ownership and rental developments.*
- *Encourage diverse residential product types such as multifamily, townhome and lofts as well as accessory units in the single family neighborhoods.*
- *Enact policies and programs which encourage property owners to maintain and upgrade their residential properties.*

Zoning and Guideline Review

Of the numerous zoning classifications present within the District the HVC and MF/L have the most potential for new development or redevelopment and warrant detailed review. The District Design Guidelines were also reviewed as they inform the design layout of the projects developed in these zoning categories.

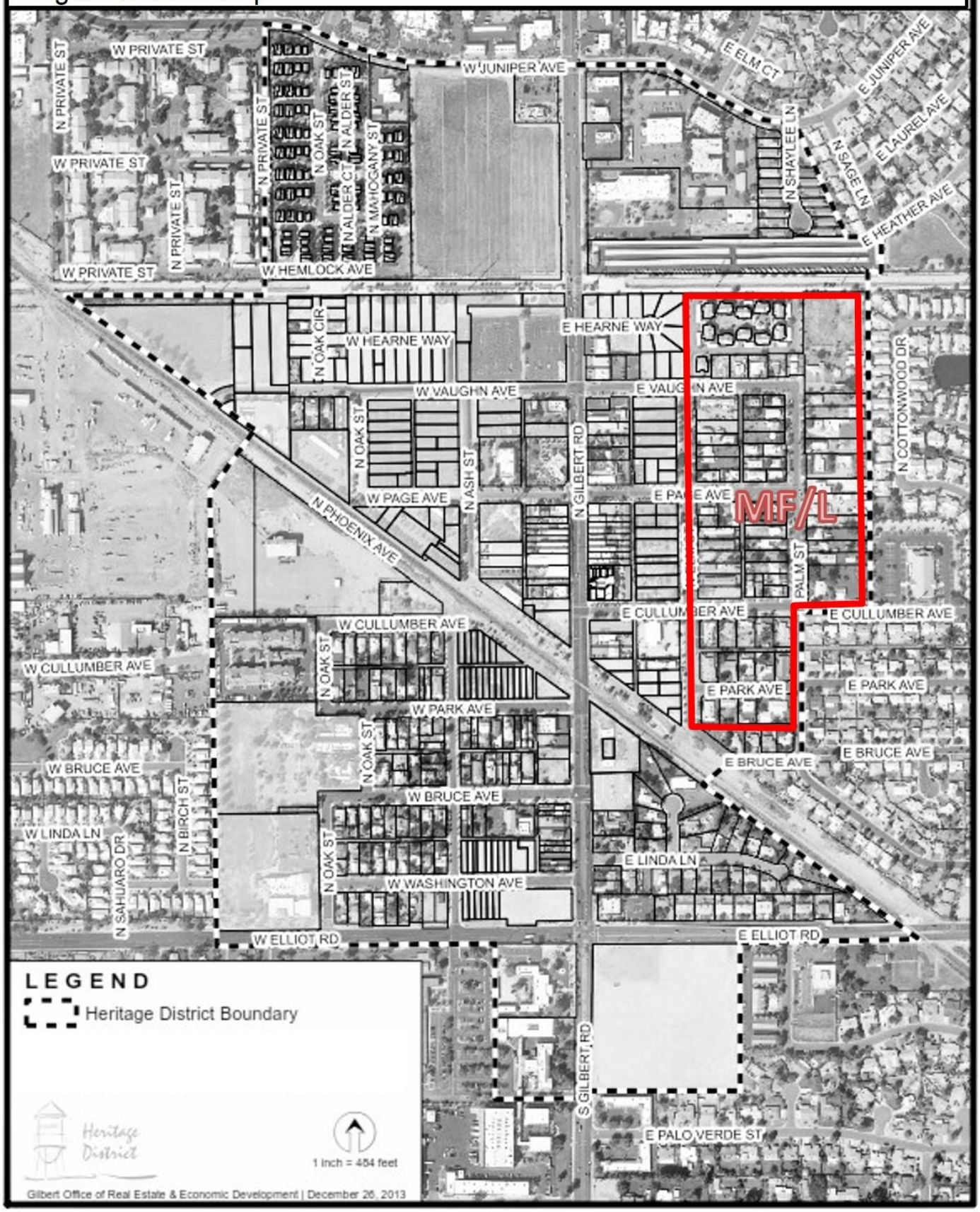
HVC - A review of the HVC zoning category did not reveal any particular issues that may discourage or impair residential development on properties with this zoning classification. The height, density and use requirements of the HVC district are all conducive to current market demands for residential development and it would not appear that any variances from these standards would be needed but for site configurations which may necessitate setback modifications. Additionally, when comparing Gilbert's HVC district with comparable districts in Chandler, Tempe and Scottsdale; the HVC district generally conforms with the standards in those districts indicating that Gilbert is not at a competitive disadvantage regarding residential development when compared to surrounding communities.

MF/L - The MF/L category as it is applied in the District (as depicted in ***Figure 9***) poses several challenges to increased density and new development. The district properties which are zoned MF/L are generally 8,000 to 20,000 square feet in size and are developed at single family homes with some lots including duplexes or accessory units. At issue are the minimum lot sizes and setback requirements within the MF/L zone which essentially preclude any development on a majority of these properties without zoning relief. For example, if multiple residential units were proposed for a typical 8,000 square foot lot with measurements of 50' by 160', variances would be necessary for the minimum lot size, the side yard setbacks, as well as the perimeter landscaping areas.

Allowing and encouraging additional density in the area designated as MF/L is a sound strategy to mitigate blight and promote reinvestment. However, the MF/L zone is flawed in its application because it creates barriers to development that require parcel assemblage or variances to mitigate. The goal should be to make infill and redevelopment in this area as easy as possible so that property owners are encouraged to reinvest in their properties. To address this condition the MF/L zone in the District should either be modified via an overlay zone or wholly replaced with a new category which can address parcel size and configurations in this area.

Heritage District Design Guidelines – the Guidelines provide a guidance and a vision for the design of new projects within the District and are intended to be utilized in a flexible manner to allow for site-specific characteristics and innovation. Overall, the Guidelines provide a strong and coherent vision for the design expectations for residential development and do not appear to impose any extraordinary requirements that would hamper development. Some applicants may seek relief from aspects of the Guidelines because they call for a higher standard of design and materials than may be generally acceptable in conventional greenfield development, however, those efforts should be strongly resisted and should indicate that a project seeking such relief would not be appropriate for the District.

Figure 9: MF/L Map



Tools to Mitigate Slum and Blight and Encourage Reinvestment

As noted, the existing housing stock within the District is some of the oldest in the community and varies widely in its quality and upkeep. As new commercial development had been attracted to the district, the surrounding neighborhoods have also experienced improvements in stable, if not increasing, property values. The goal is to build on the momentum of the district as a whole and create conditions in the neighborhoods where property owners and residents want to spend time, money and energy on their homes.

- **Utilize annual CDBG and HOME Allocation within the District** – Gilbert's annual federal appropriations should be targeted to programs which preserve and enhance the quality and safety of the neighborhoods within the District. These funds can be used for a variety of uses including infrastructure improvements and housing rehabilitation. The key is to target the funds for the maximum sustained impact that generate tangible, visible results that can encourage surrounding property owners to invest in their properties as well.

  Acknowledging common concerns related to the utilization of public funds for housing rehabilitation, it's worth noting that such programs can be structured as loans versus grants. Loan programs are generally structured as a secured note on the home that is payable upon sale or refinance, such note may or may not accrue interest as well. Loan programs can provide a pool of funds which can be redeployed within the District allowing for sustained reinvestment.

- **Utilization of unrestricted funds for Aesthetic Grants** – Using federal funds for housing rehabilitation can only address structural or systems issues within a home but cannot be used for aesthetic purposes like exterior paint and landscaping. A pool of general funds could be used in conjunction with the federal dollars to upgrade the exterior appearance of a home for an income-qualified resident.

- **Organize Annual Neighborhood Clean-Ups** – a common cause of blight is the accumulation of trash, debris and overgrown vegetation. In many cases, residents are willing to clean up their properties but lack the resources to dispose of large items or large volumes of trash. Organizing a neighborhood clean-up generally involves the placement of roll-off dumpsters at strategic locations throughout a neighborhood where residents can dispose of trash and debris. Ideally Gilbert personnel would participate and utilize heavy equipment to facilitate the removal and disposal of large items.

  A neighborhood clean-up is also a unique opportunity for service groups or volunteer organizations who are looking for a project. For example, a scout troop may sponsor the painting of a home of an elderly resident who can't afford to do so themselves.

- **Create a Tool Trailer** – another cause of blight, especially in lower-income neighborhoods, is a lack of proper landscape and home maintenance tools. A tool trailer is literally that: an enclosed trailer filled with tools that can be hauled to a given neighborhood for a day (usually on a weekend) and residents can check out tools from the trailer to conduct maintenance functions on their homes and yards. Typical tools included are lawn mowers, trimmers, rakes, shovels, gloves, bags and other common tools. Painting supplies may also be included as well.

  Such trailers are not uncommon in cities with aging housing (Tempe and Scottsdale for example) and are typically operated by the city's code compliance or neighborhood services divisions. While there is a capital cost to purchase the trailer and tools, some or all of these costs may be mitigated through donations or sponsorships from local businesses, especially local hardware and paint stores. Like the neighborhood clean-up, the tool trailer can be helpful to service groups who want to undertake a clean-up project but may lack the hardware to carry out such a project.

- **Enact a Neighborhood Nuisance Ordinance** – Many factors contribute to what causes and sustains neighborhood blight. Similarly, it takes multiple tools and approaches to reverse such blight and keep it out of neighborhoods. Where blight has been successfully reversed in neighborhoods it has taken a concerted effort of many agencies and volunteers using a 'Carrot and Stick' approach. The 'Carrots' are things like neighborhood clean-ups, homeowner rehabilitation programs, and public infrastructure investments. An improving economy and rising property values can also spurn the removal of blight. However, relying on the 'Carrots' only is a risky strategy which could produce spotty results and take a long time to achieve success.

  However, relying on the 'Carrots' only is a risky strategy which could produce spotty results and take a long time to achieve success. Other than wholesale acquisition and slum clearance, the next most effective 'Stick' is a strong and well-implemented Neighborhood Code Compliance Program (aka Nuisance Code). Neighborhood Code Compliance by municipalities is a legal and proven tool utilized throughout Arizona which gives those communities a way to proactively deal with blighted properties through a variety of means by holding owners and residents accountable for the condition of their properties. Unfortunately, it oftentimes takes punitive measures to cause certain owners to maintain their properties in a manner that is not a detriment to their neighborhood. The ability to address such conditions proactively can have a dramatic impact on a neighborhood as owners are held accountable and properties are cleaned up, surrounding residents are incentivized to maintain their properties and a cycle of blight and disinvestment can be broken.

Unfortunately, it oftentimes takes punitive measures to cause certain owners to maintain their properties in a manner that is not a detriment to their surroundings. The ability to address such conditions proactively can have a dramatic impact on a neighborhood as owners are held accountable and properties are cleaned up, surrounding residents are incentivized to maintain their properties and a cycle of blight and disinvestment can be broken.

A Neighborhood Code Compliance Program could be tested within the District as a means of targeting area blight and determining what might work best for the community as a whole. It's worth noting that most new master-planned communities contain their own version of these concepts within their CCR's, effectively enacting a neighborhood-based nuisance code. As with most things, how these programs are written and administered is the key to their success and effectiveness; however, the principals are the same: individual property owners should not be allowed to negatively affect their neighbors through neglecting basic maintenance standards or using their property in a manner that creates a visible blight in a neighborhood.

Task 3: Tool and Program Recommendations

This deliverable was formatted as a revision to the existing Redevelopment Tools Section in the Heritage District Plan. Many of the applicable tools and programs where already included in the existing plan, however, many included outdated information which required revisions and several of the listed tools were no longer viable and were deleted. Several additional tools were added below to reflect current best practices, unfortunately the legislative and political climate has limited the creation of new Redevelopment or Revitalization tools in recent years.

Redevelopment can only occur in an environment of integrated public and private financial participation. Redevelopment projects require creative investment strategies and may include multiple financing streams. They should afford the developer or business owner an opportunity to recoup costs and successfully compete with newer projects outside of the District.

The following is a brief description of some resources that may be available to implement redevelopment projects within the District.

Municipal Resources

Development Agreements

Gilbert has used development agreements and project specific incentives to attract targeted development to the District. These agreements must demonstrate community benefit in order for incentives to be granted. Possible incentives include full or partial permit fee waivers, fast track approval process, and reimbursement for the installation of public infrastructure.

Redevelopment Bonds

State statutes allow Gilbert to issue debt for redevelopment purposes. This debt is in the form of revenue bonds, and the proceeds must be repaid from other than municipal property tax sources. The debt is outside of regular municipal debt limits, and must stand on its own merit.

Private Placement Activity Bonds

Gilbert has access to Private Placement Activity Bonds for eligible projects. As a matter of policy, Gilbert has not used capacity for anything other than manufacturing and employment purposes. Other communities have used these funds for single and multifamily housing construction. The future of these funds and their legal application is subject to renewal by Congress.

Improvement Districts

There are several forms of improvement districts available under state law. Each requires benefited property owners to financially participate in their share of the improvements through special assessments collected as part of their overall property tax levy.

Formation of districts requires consent and approval, through petitions and election. Protest periods regarding their formation are also required. Applicable districts include:

Improvement Districts for Enhanced Municipal Services (ARS 48-575) – A district may be formed in a designated area where certain municipally-provided services are required to be delivered to a greater degree than is customarily provided in the rest of the community. These services include: public safety, fire protection, refuse collection, street or sidewalk cleaning or landscape maintenance in public areas, planning, promotion/marketing, transportation and public parking.

Improvement districts for the operation, maintenance, repair and improvement of pedestrian malls, off-street parking facilities and parkways (ARS 48-574) – this district would facilitate the construction and on-going operation of certain public infrastructure amenities associated with parking or pedestrian circulation that generally benefit a designated district within the community.

State Resources

State Historic Preservation Office (SHPO) Rehabilitation Resources

SHPO is involved with two programs which can provide tax savings to owners of eligible properties.

Investment Tax Credit (ITC) Program – The ITC Program provides owners of eligible income-producing properties to claim a 20% federal tax credit on rehabilitation activities as well a accelerated depreciation on the historic asset. Eligible properties include those listed on the National Register of Historic Places or a property which is certified as contributing to a National Register Historic District or a state or local equivalent. SHPO determines property eligibility and approves rehabilitation plans.

State Property Tax Reclassification (SPT) Program – The SPT Program allows owners of eligible commercial and owner-occupied residential properties to substantially reduce their state property tax assessments. Owners enter into an agreement with SHPO and the County Assessor's Office and are required to rehabilitate and/or maintain their properties in a manner consistent with the Secretary of Interior's standards for historic properties. SHPO determines property eligibility, approves rehabilitation plans and monitors on-going maintenance activities.

Arizona Heritage Fund

Applications are available annually for urban parks, open space and trail development funding. The funding for this grant program is provided by proceeds from the Arizona Lottery. Applications are limited to government entities.

State Housing Fund

This program provides loans for housing activities through the Arizona Department of Housing. Loans are available in the form of gap financing for the development of new

rental housing projects which include affordable housing units. Gap financing may be available to projects seeking Low Income Housing Tax Credits. Loans are also available for the acquisition or rehabilitation of existing affordable housing units. Applications can be submitted several times throughout the year in accordance with published notices of funding availability.

Low Income Housing Tax Credits (LIHTC)

The LIHTC program provides a dollar-for-dollar federal tax credit to the owner (developer or investor) of newly created affordable housing units. Such units are restricted in how much rent can be charged and occupants must also meet certain federal income guidelines ensuring the affordable units are occupied by low-income individuals. . For profit and non-profit developments can apply to the Arizona Department of Housing for the credits. Funding amounts and priorities are set annually.

Federal Resources

Community Development Block Grant (CDBG) Program

Gilbert is a CDBG entitlement community which means the community receives an annual allocation of funding from the U.S. Department of Housing and Urban Development based on population. . CDBG funds can be used for a variety of purposes to support the program's primary objectives of 1) To benefit low and moderate income persons; 2) To aid in the prevention or elimination of slums or blight; 3) To meet community development needs having a particular urgency. In addition to prototypical uses such as the creation and maintenance of affordable housing, CDBG funds can also be used for activities linked to job-creation, historic preservation, and community development. The flexibility of CDBG funds provides numerous opportunities for deployment within the Heritage District including Façade Improvements, Historic Rehabilitation, Site Clearance, and Property Acquisition.

Home Investment Partnership (HOME) Program

HOME funds are provided by the U.S. Department of Housing and Urban Development and are used to fund a wide range of activities including building, buying, and/or rehabilitation affordable housing for rent or homeownership or providing rental assistance to low-income people (NOTE: Preceding sentence copied from Gilbert Web Page) . HOME funds may also be used in conjunction with other funding programs such as CDBG or LIHTC to build new affordable housing projects.

Section 108 Loan Guarantee Program

Section 108 loans are available from the federal government to CDBG Entitlement Communities to fund eligible activities which meet one or more of the national objectives of the CDBG program. The program is designed to give Entitlement Communities the ability to borrow up to five times their annual CDBG allocation and are generally used to assist in eligible economic development efforts.. Section 108 Loans have a maximum repayment period of twenty years and are secured by the Entitlement Community's annual CDBG allocation. Applications are accepted annually based on published notice of funding availability. .

Economic Development Initiative (EDI)

Special purpose EDI grants are available for congressionally earmarked projects. Once approved by Congress, the project completes the application process, funds are awarded, and the project can begin.

New Markets Tax Credits (NMTC)

The NMTC program is intended to facilitate investment in new business and real estate projects in low income communities. The tax credits are awarded to Community Development Entities (CDE) whom provide those credits in return for qualified equity investments. The CDE's use that capital to aid in the financing and development of commercial enterprises and/or real estate projects in qualified census tracts. The program was created in 2000 and has seen various funding levels over the years. Funding allocations are announced annually and are awarded to competitively to CDE's. The CDE's can operate locally, regionally or nationally and have multiple years to place allocated tax credit funds.