

March 21, 2024



Political Recap

On Mar. 18 Governor Hobbs vetoed HB 2570, dubbed the "starter home act", her second veto of the 2024 session. In her [veto letter](#), the governor said the bill went too far and lacked the nuance necessary for statewide reform. The bill - backed by the Homebuilders Association and the Arizona Neighborhood Project - narrowly passed the House and Senate, with bipartisan opposition and support. Municipalities collectively opposed the measure. Governor Hobbs called on stakeholders to identify a compromise.

The Legislature has another vacancy after Representative Jevin Hodge (D-Tempe) resigned on Mar. 19. His resignation came after news reports on sexual misconduct violations while at George Washington University in 2015. Hodge was appointed to the House of Representatives in February to replace former Representative Athena Salman. Legislative District 8 Democrats will submit names for replacing Hodge to the Maricopa County Board of Supervisors.

Phoenix City Councilmember Yassamin Ansari announced she will resign from the council on Mar. 28 to run for Congress. Ansari is seeking to replace current Representative Ruben Gallego in CD 3, who is running for the U.S. Senate seat. Candidates seeking the appointment to replace Ansari on the council have until Apr. 9. Sitting councilmembers can nominate candidates for the appointment, who must then receive a majority of the council's vote to be appointed.

The City of Surprise unanimously voted down a proposed 475-unit townhome and commercial complex. Developers for the project collected more than 200 letters of support, but the council cited residents' opposition, increased traffic and the planning and zoning commission's recommendation to deny the application as the reason to vote in opposition. The council agreed with the commission that it was not the time for additional high density in the area.

The National Association of Manufacturers is suing the Environmental Protection Agency over the proposed particulate matter rule. The EPA is required to review the National Ambient Air Quality Standards (NAAQS) every five years. Maricopa County is facing serious consequences with the new particulate matter standards and will see a significant impact on manufacturing and development if action isn't taken by the EPA or Congress. You can learn more about this and how it impacts your business at NAIOP's Lunch and Learn on Urban Air Quality on Mar. 26.

Arizona's Presidential Preference Election (PPE) was held on Mar. 19. Both President Biden and Donald Trump were largely unopposed in their races. As of early reporting, Trump won 77.9% of Republican voters' support, while Nikki Haley - who suspended her campaign but remained on the ballot - received 18.7%. Biden received 89.5% of Democrats support with Marianne Williamson in second with 3.5%. Voter turnout for the PPE was roughly 37%.



Legislature Takes Aim at the Arizona Commerce Authority

Senator Jake Hoffman (R-Queen Creek) has introduced an amendment to drastically reshape and reduce scope of the Arizona Commerce Authority. The bill would also eliminate the Arizona Competes Fund, the Research and Development Tax Credit, and removes the income tax subtraction for net capital gains derived from investment in a qualified small business.

NAIOP Arizona opposes the amendment and is working with stakeholders, policymakers and the business community to support the continuation of the Arizona Commerce Authority without punitive restrictions.



Senate Finance Committee to Consider GPLET Reduction

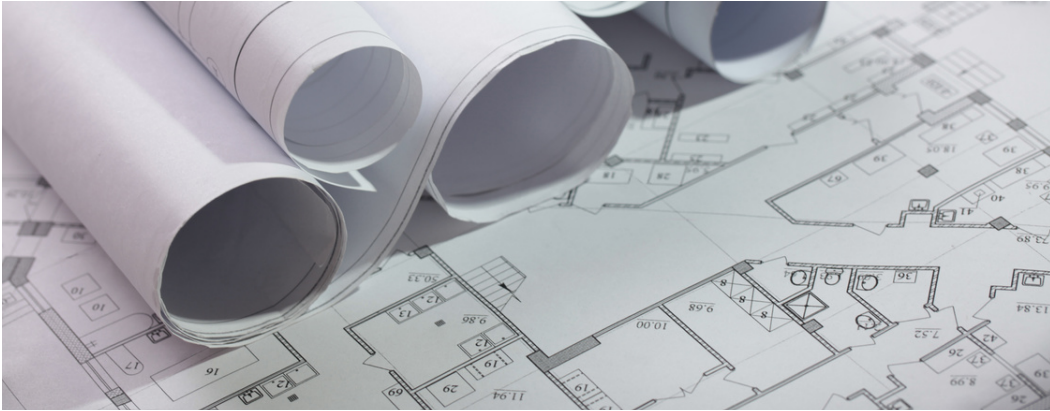
HB 2309 (GPLET; agreement posting; abatement period) is set to be considered by the full Senate and potentially make it onto the Governor's desk by next week. The bill would effectively eliminate the GPLET program, one of the few development incentives available in Arizona. **Reach out to your state senator and urge them to vote NO on HB 2309.**

[Urge Your Senator to Vote NO on HB 2309](#)



Water Policy

In a surprise move, **HB 2008 (commercial; industrial; conservation requirements; rules)**, was amended in the Senate Natural Resources, Energy & Water Committee and received a 6-0 vote. The amendment removes the prohibition of requiring assured water supply for commercial and industrial development. NAIOP's Water Policy Task Force met again in March to discuss the legislation and other proposals with the goal of identifying improvements to Arizona's water policy that truly conserve and manage water better and are economically feasible.



Housing & Zoning

HB 2297 (adaptive reuse; commercial buildings; zoning) passed out the Senate Finance & Commerce Committee in a 4-0 vote. The bill was amended to specify objective standards for municipalities to use for qualifying redevelopment, including adequate utility capacity, compliance with building and fire codes, and that existing buildings are functionally or economically obsolete. The League of Arizona Cities and Towns is now in support of the legislation.

HB 2518 (municipalities; housing needs assessment; zoning) failed to get heard in the Senate, meaning the bill is dead for this legislative session. However, proponents have amended the text of the bill to SB 1162, which was then passed out of the House Commerce Committee. The legislation creates requirements for municipalities to administratively review and make final decisions on zoning applications.

HB 2734 (public hearings; voting) passed out of Senate Finance & Commerce with a 3-2 vote. The bill requires municipalities to have no more than two public hearings for zoning ordinances. Members on the committee expressed concerns with the bill focusing on number of hearings rather than a timeline. The bill's fate is uncertain as it goes to the full Senate.



Salt River Project Board Election

The Salt River Project (SRP) Board election is on Apr. 2, 2024. If you're a property owner in the SRP service territory you can vote in the upcoming SRP Board election.

Why this matters to your business: Environmental activists are pushing to elect SRP board members who will require the utility to meet high solar energy requirements that will put stability of the grid at risk. We may lose the competitive advantage of attracting tenants and investors that rely on stable power for their properties.

REQUEST A BALLOT TODAY

- Any Qualified Elector (SRP serviced property owner) can make a verbal, written, or electronic request for an official Early Ballot to be mailed to them.
- Use the link below or call the SRP Elections Information Line: (602) 236-3048.
- Last day to request an Early Ballot: March 22.

VOTING IN PERSON

- Voting Center — SRP Administration Building: 1500 N. Mill Ave. Tempe, AZ 85288.
- Early Voting: Mar. 6 to Apr. 1, Monday – Friday, 8:30 a.m. to 5 p.m.
- Election Day Voting: Apr. 2 from 6 a.m. to 7 p.m.
- Early Ballots may also be dropped off at this location during election hours.

DROP OFF LOCATION

- On Election Day, April 2, two additional ballot drop-off only locations will be open from 6 a.m. to 7 p.m.
- SRP West Valley Service Center: 221 N. 79th Ave., Tolleson, AZ 85353
- SRP Southside Water Service Center: 3160 S. Alma School Road, Mesa, AZ 85210



Political Action Committee

Your support is not just an investment, it's a commitment to shaping the future of our industry.

WHAT IS A PAC?

A PAC is a fundraising entity that allows NAIOP to financially support candidates and campaigns that align with our mission and goals in Arizona.

CONTRIBUTE TODAY



WHY DO WE NEED ONE?

Your contribution fuels advocacy efforts aimed at promoting policies that bolster economic growth, streamline regulatory processes, and create a business-friendly climate. By actively engaging in the political arena, the NAIOP PAC helps shape public policies directly impacting your day-to-day operations and long-term strategic plans.

Here is the reason why **MEMBERS INVEST**

“2024 is a crucial year for commercial real estate. Public policy & upcoming ballot initiatives will impact our industry, and our future. NAIOP has the team to advocate for us at the state and local levels, but our Political Action Committee (PAC) must grow to make an impact - it needs our support. I contribute to the NAIOP PAC because I want to make a difference: promoting industry growth and creating jobs.
-Phil Breidenbach

WWW.NAIOPAZ.ORG/PAC



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Thank you to the NAIOP PAC contributors! Your investment helps us promote policies that bolster economic growth, streamline regulatory processes and create a business-friendly environment.

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COMMERCIAL REAL ESTATE
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ARIZONA CHAPTER



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[Arizona Legislature](#)

[Arizona Election Deadlines](#)

[Arizona Ballot Initiatives](#)



The NAIOP Arizona PAC is the voice of commercial real estate in Arizona. Your participation is crucial to the PAC and NAIOP's successes. Join your colleagues and invest in the PAC today.

Invest Today