

## HOUSE FLOOR AMENDMENT EXPLANATION



Bill Number: **SB 1543**

Hendrix Floor Amendment

1. Specifies that the allowed ancillary use is *on land that is vacant as of the date of the application for the allowed ancillary use*.
2. Decreases the number of employees, from 2,000 to 1,000 full-time employees, that the international headquarters on the international headquarters campus (campus) will employ at an average annual compensation of more than 125% of the median wage of the county where the campus is located.
3. Increases the restriction of occupancy, from 20% to 30%, of the multifamily residential housing units located on the campus to individuals who are employed at the international headquarters.
4. Clarifies that the campus is bound by recorded instrument enforceable by the municipality and that restricts occupancy in at least 20% of the multifamily residential housing units located on the campus *which may include units designated at the discretion of the developer*.
5. Expands individuals eligible for the restricted occupancy, to include *police officers, firefighters, teachers, veterans or health care workers and who work within five miles of the campus*, in addition to employed individuals or individuals who are the families of individuals employed at the international headquarters.
6. Clarifies that the governing body of the municipality may not *unreasonably withhold a building permit or unreasonably delay a building inspection* for ancillary use as outlined.
7. Requires a municipality to allow a number of multifamily residential units within the campus that are equal to *27 units per gross acre based on the total gross acreage of the campus*, rather than that are equal to or more than the number of gross acres in the campus multiplied by 28.
8. Directs a municipality to allow a number of hotel rooms within the campus equal to *10 hotel rooms per gross acre based on the total gross acreage of the*

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*campus*, rather than equal to or more than the number of gross acres in the campus multiplied by seven.

9. Mandates that *at least* 10% of the hotel rooms within the campus must be allowed as for-sale residential units within the hotel, rather than not more than 10%.
10. Removes the stipulation that the municipality is not required to allow an aggregate number of hotel rooms and multifamily residential housing units as an ancillary use within the campus of more than the number of gross acres in the campus multiplied by 35.
11. Allows any utility provider that provides utility service to the ancillary use development to review construction documents to *reasonably* ensure adequate water and sewer capacity impacted by the proposed ancillary use development.
12. Requires, rather than allows, a certificate of occupancy to be granted for an ancillary use building developed before the municipality grants a certificate of occupancy for the international headquarters building if the Arizona State Land Department has received a bond, letter of credit or any other sufficient financial assurance as outlined.
13. Requires the developer of the ancillary use development to designate at least 5% of the total for-rent multifamily residential dwellings as affordable units, for 10 years after the ancillary use development.
14. Restricts the affordable units, at the developer's discretion, as low-income or middle-income housing or a mixture of both and allows the units to be contained within one building or within multiple buildings.
15. Redefines *international headquarters* and *light industrial use*.
16. Defines *low-income housing* and *medium-income housing*
17. Contains a severability clause.
18. Modifies the legislative findings.
19. Makes technical and conforming changes.

HENDRIX FLOOR AMENDMENT  
HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1543  
(Reference to INTERNATIONAL TRADE S/E Committee amendment)

Amendment instruction key:

[GREEN UNDERLINING IN BRACKETS] indicates text added to statute or previously enacted session law.

[Green underlining in brackets] indicates text added to new session law or text restoring existing law.

~~[GREEN STRIKEOUT IN BRACKETS]~~ indicates new text removed from statute or previously enacted session law.

~~[Green strikeout in brackets]~~ indicates text removed from existing statute, previously enacted session law or new session law.

<<Green carets>> indicate a section added to the bill.

~~<<Green strikeout in carets>>~~ indicates a section removed from the bill.

1 The bill as proposed to be amended is reprinted as follows:

2 Strike everything after the enacting clause and insert:

3 "Section 1. Title 9, chapter 4, article 6, Arizona Revised  
4 Statutes, is amended by adding section 9-461.19, to read:

5 9-461.19. Municipal allowed ancillary use; multifamily  
6 residential housing; hotel use; regulations;  
7 applicability; definitions

8 A. NOTWITHSTANDING ANY OTHER LAW, A MUNICIPALITY WITH A POPULATION  
9 OF TWO HUNDRED THOUSAND OR MORE PERSONS BUT NOT MORE THAN FIVE HUNDRED  
10 THOUSAND PERSONS SHALL ALLOW HOTEL USE AND MULTIFAMILY RESIDENTIAL HOUSING  
11 AS AN ALLOWED ANCILLARY USE [ON LAND THAT IS VACANT AS OF THE DATE OF THE  
12 BUILDING PERMIT APPLICATION FOR THE ALLOWED ANCILLARY USE] IN A ZONING  
13 DISTRICT THAT ALLOWS LIGHT INDUSTRIAL USE WITHOUT REQUIRING ANY TYPE OF  
14 APPLICATION THAT WILL REQUIRE A PUBLIC HEARING IF THE ANCILLARY USE MEETS  
15 BOTH OF THE FOLLOWING CRITERIA:

16 1. THE ANCILLARY USE IS LOCATED WITHIN AN INTERNATIONAL  
17 HEADQUARTERS CAMPUS THAT IS SOLELY OWNED BY EITHER A SINGLE ENTITY OR  
18 RELATED ENTITIES AT THE TIME THAT DEVELOPMENT OF THE INTERNATIONAL  
19 HEADQUARTERS CAMPUS COMMENCES AND, ON COMPLETION, THE INTERNATIONAL  
20 HEADQUARTERS ON THE INTERNATIONAL HEADQUARTERS CAMPUS WILL EMPLOY MORE  
21 THAN ~~[TWO]~~ [ONE] THOUSAND FULL-TIME EMPLOYEES AT AN AVERAGE ANNUAL  
22 COMPENSATION OF MORE THAN ONE HUNDRED TWENTY-FIVE PERCENT OF THE MEDIAN  
23 WAGE OF THE COUNTY WHERE THE INTERNATIONAL HEADQUARTERS CAMPUS IS LOCATED.

24 2. THE INTERNATIONAL HEADQUARTERS CAMPUS THAT CONTAINS THE  
25 ANCILLARY USE IS BOUND BY A RECORDED INSTRUMENT THAT IS ENFORCEABLE BY THE  
26 MUNICIPALITY AND THAT DOES BOTH OF THE FOLLOWING:

1 (a) RESTRICTS OCCUPANCY IN AT LEAST ~~[TWENTY]~~ [THIRTY] PERCENT OF  
2 THE MULTIFAMILY RESIDENTIAL HOUSING UNITS LOCATED ON THE INTERNATIONAL  
3 HEADQUARTERS CAMPUS~~[, WHICH MAY INCLUDE UNITS DESIGNATED PURSUANT TO~~  
4 ~~SUBSECTION I OF THIS SECTION AT THE DISCRETION OF THE DEVELOPER.]~~ TO  
5 INDIVIDUALS ~~[WHO ARE]~~ EMPLOYED AT THE INTERNATIONAL HEADQUARTERS ~~[AND]~~  
6 ~~[, OR WHO ARE POLICE OFFICERS, FIREFIGHTERS, TEACHERS, VETERANS OR HEALTH~~  
7 ~~CARE WORKERS AND WHO WORK WITHIN FIVE MILES OF THE INTERNATIONAL~~  
8 ~~HEADQUARTERS CAMPUS OR WHO ARE]~~ THE FAMILIES OF INDIVIDUALS EMPLOYED AT  
9 THE INTERNATIONAL HEADQUARTERS. THE RECORDED INSTRUMENT MUST ALSO PROVIDE  
10 THAT THE MUNICIPALITY WHERE THE INTERNATIONAL HEADQUARTERS CAMPUS IS  
11 LOCATED, IN THE MUNICIPALITY'S SOLE AND ABSOLUTE DISCRETION, MAY WAIVE THE  
12 OCCUPANCY REQUIREMENT.

13 (b) PROHIBITS AN AGREEMENT FOR OCCUPANCY OF ANY MULTIFAMILY  
14 RESIDENTIAL HOUSING UNIT WITHIN THE INTERNATIONAL HEADQUARTERS CAMPUS FOR  
15 A PERIOD OF LESS THAN NINETY CONSECUTIVE DAYS AND LIMITS OCCUPANCY TO THE  
16 SAME OCCUPANTS FOR THE ENTIRETY OF THE NINETY CONSECUTIVE DAYS UNLESS A  
17 TENANT OF THE MULTIFAMILY RESIDENTIAL HOUSING UNIT IS AN EMPLOYEE OR  
18 CONTRACTOR OF AN ENTITY LOCATED WITHIN THE INTERNATIONAL HEADQUARTERS  
19 CAMPUS AND THAT EMPLOYEE OR CONTRACTOR PERFORMS JOB DUTIES AT THE  
20 INTERNATIONAL HEADQUARTERS. THIS SUBDIVISION DOES NOT APPLY TO  
21 MULTIFAMILY HOUSING DEVELOPMENTS THAT ARE PLATTED FOR INDIVIDUAL OWNERSHIP  
22 OF UNITS.

23 B. AN ANCILLARY USE IS SUBJECT TO COMPLIANCE WITH GENERALLY  
24 APPLICABLE MUNICIPAL BUILDING CODES AND FIRE CODES AND THE OBJECTIVE  
25 DEVELOPMENT STANDARDS PURSUANT TO SUBSECTION E OF THIS SECTION.

26 C. THE GOVERNING BODY OF THE MUNICIPALITY MAY NOT ~~[UNREASONABLY]~~  
27 WITHHOLD A BUILDING PERMIT ~~[OR UNREASONABLY DELAY A BUILDING INSPECTION]~~  
28 OR A CERTIFICATE OF OCCUPANCY FOR AN ANCILLARY USE THAT COMPLIES WITH ONE  
29 OF THE FOLLOWING:

30 1. FOR INTERNATIONAL HEADQUARTERS CAMPUSES THAT INCLUDE MULTIFAMILY  
31 RESIDENTIAL HOUSING UNITS AS AN ANCILLARY USE PURSUANT TO THIS SECTION, A  
32 MUNICIPALITY SHALL ALLOW A NUMBER OF MULTIFAMILY RESIDENTIAL UNITS WITHIN  
33 THE INTERNATIONAL HEADQUARTERS CAMPUS THAT ARE EQUAL TO ~~[OR MORE THAN THE~~  
34 ~~NUMBER OF GROSS ACRES IN THE INTERNATIONAL HEADQUARTERS CAMPUS MULTIPLIED~~  
35 ~~BY TWENTY-EIGHT]~~ [TWENTY-SEVEN UNITS PER GROSS ACRE BASED ON THE TOTAL  
36 GROSS ACREAGE OF THE INTERNATIONAL HEADQUARTERS CAMPUS].

37 2. FOR CAMPUSES THAT INCLUDE HOTEL USE AS AN ANCILLARY USE PURSUANT  
38 TO THIS SECTION, A MUNICIPALITY SHALL ALLOW A NUMBER OF HOTEL ROOMS WITHIN  
39 THE INTERNATIONAL HEADQUARTERS CAMPUS EQUAL TO ~~[OR MORE THAN THE NUMBER OF~~  
40 ~~GROSS ACRES IN THE INTERNATIONAL HEADQUARTERS CAMPUS MULTIPLIED BY SEVEN.~~  
41 ~~NOT MORE THAN]~~ [TEN HOTEL ROOMS PER GROSS ACRE BASED ON THE TOTAL GROSS  
42 ACREAGE OF THE INTERNATIONAL HEADQUARTERS CAMPUS. AT LEAST] TEN PERCENT  
43 OF THE HOTEL ROOMS WITHIN THE INTERNATIONAL HEADQUARTERS CAMPUS SHALL BE  
44 ALLOWED AS FOR-SALE RESIDENTIAL UNITS WITHIN THE HOTEL. ~~[THE MUNICIPALITY~~  
45 ~~IS NOT REQUIRED TO ALLOW AN AGGREGATE NUMBER OF HOTEL ROOMS AND~~  
46 ~~MULTIFAMILY RESIDENTIAL HOUSING UNITS AS AN ANCILLARY USE WITHIN THE~~  
47 ~~INTERNATIONAL HEADQUARTERS CAMPUS OF MORE THAN THE NUMBER OF GROSS ACRES~~  
48 ~~IN THE INTERNATIONAL HEADQUARTERS CAMPUS MULTIPLIED BY THIRTY-FIVE.]~~

1 D. FOR CAMPUSES THAT INCLUDE HOTEL USE OR MULTIFAMILY RESIDENTIAL  
2 HOUSING UNITS AS AN ANCILLARY USE PURSUANT TO THIS SECTION, A MUNICIPALITY  
3 SHALL ALLOW COMPLEMENTARY RETAIL AND RESTAURANT USE WITHIN THE  
4 INTERNATIONAL HEADQUARTERS CAMPUS.

5 E. THE FOLLOWING OBJECTIVE STANDARDS APPLY TO AN ANCILLARY USE  
6 BUILDING DEVELOPED PURSUANT TO THIS SECTION:

7 1. A MUNICIPALITY MAY LIMIT THE HEIGHT OF THE ANCILLARY USE  
8 BUILDING TO TWO STORIES IN A INTERNATIONAL HEADQUARTERS CAMPUS SITE THAT  
9 IS LOCATED DIRECTLY ADJACENT TO AND WITHIN ONE HUNDRED FEET OF AN AREA  
10 THAT IS ZONED FOR SINGLE-FAMILY RESIDENTIAL USE.

11 2. EXCEPT PURSUANT TO PARAGRAPH 1 OF THIS SUBSECTION, A  
12 MUNICIPALITY MAY NOT RESTRICT THE MAXIMUM HEIGHT OF THE ANCILLARY USE  
13 BUILDING TO LESS THAN SIX STORIES, NOT INCLUDING MECHANICAL SCREENING OR  
14 ROOFTOP APPURTENANCES.

15 3. ANY UTILITY PROVIDER THAT MAY PROVIDE UTILITY SERVICE TO THE  
16 ANCILLARY USE DEVELOPMENT MAY REVIEW CONSTRUCTION DOCUMENTS TO  
17 REASONABLY ENSURE ADEQUATE WATER AND SEWER CAPACITY IMPACTED BY THE  
18 PROPOSED ANCILLARY USE DEVELOPMENT.

19 4. EXISTING MUNICIPAL ZONING ORDINANCES FOR SETBACK AND PARKING  
20 REQUIREMENTS FOR THE PROPOSED ANCILLARY USE DEVELOPMENT APPLY.

21 F. A BUILDING PERMIT FOR AN ANCILLARY USE BUILDING DEVELOPED  
22 PURSUANT TO THIS SECTION MAY NOT BE OBTAINED UNTIL THE MUNICIPALITY ISSUES  
23 A BUILDING PERMIT FOR CONSTRUCTION OF THE INTERNATIONAL HEADQUARTERS  
24 BUILDING. A CERTIFICATE OF OCCUPANCY MAY NOT BE GRANTED FOR AN ANCILLARY  
25 USE BUILDING DEVELOPED PURSUANT TO THIS SECTION BEFORE THE MUNICIPALITY  
26 GRANTS A CERTIFICATE OF OCCUPANCY FOR THE INTERNATIONAL HEADQUARTERS  
27 BUILDING.

28 G. NOTWITHSTANDING SUBSECTION F OF THIS SECTION, IF SUBSTANTIAL  
29 CONSTRUCTION OF THE INTERNATIONAL HEADQUARTERS BUILDING HAS COMMENCED, A  
30 CERTIFICATE OF OCCUPANCY ~~MAY~~ SHALL BE GRANTED FOR AN ANCILLARY USE  
31 BUILDING DEVELOPED PURSUANT TO THIS SECTION BEFORE THE MUNICIPALITY GRANTS  
32 A CERTIFICATE OF OCCUPANCY FOR THE INTERNATIONAL HEADQUARTERS BUILDING IF  
33 THE STATE LAND DEPARTMENT HAS RECEIVED A BOND, A LETTER OF CREDIT OR ANY  
34 OTHER SUFFICIENT FINANCIAL ASSURANCE THAT, IN THE REASONABLE DISCRETION OF  
35 THE STATE LAND COMMISSIONER, PROVIDES FOR PAYMENT TO THE STATE LAND TRUST  
36 OF AN AMOUNT EQUAL TO THE MARKET SALE VALUE OF THE LAND AND IMPROVEMENTS  
37 CONTAINING THE ANCILLARY USE DEVELOPMENT, LESS DEVELOPMENT COSTS, IF THE  
38 MUNICIPALITY DOES NOT GRANT A PERMANENT CERTIFICATE OF OCCUPANCY FOR THE  
39 INTERNATIONAL HEADQUARTERS BUILDING WITHIN FIVE YEARS AFTER GRANTING THE  
40 CERTIFICATE OF OCCUPANCY FOR THE ANCILLARY USE BUILDING.

41 H. A MUNICIPALITY SHALL CONSENT TO AMENDMENTS TO EXISTING  
42 DEVELOPMENT AGREEMENTS TO WHICH THE MUNICIPALITY IS A SIGNATORY THAT ARE  
43 REASONABLY NECESSARY TO ALLOW FOR THE DEVELOPMENT OF HOTEL USE OR  
44 MULTIFAMILY RESIDENTIAL USE AS AN ANCILLARY USE PURSUANT TO THIS SECTION.

1        [I. FOR TEN YEARS AFTER THE DEVELOPMENT OF AN ALLOWED ANCILLARY USE  
2 DEVELOPMENT PURSUANT TO THIS SECTION, THE DEVELOPER SHALL DESIGNATE AT  
3 LEAST FIVE PERCENT OF THE TOTAL FOR-RENT MULTIFAMILY RESIDENTIAL DWELLINGS  
4 AS AFFORDABLE UNITS. AT THE DEVELOPER'S DISCRETION, THE UNITS SHALL BE  
5 RESTRICTED PURSUANT TO SUBSECTION A, PARAGRAPH 2, SUBDIVISION (a) OF THIS  
6 SECTION AS LOW-INCOME HOUSING OR MIDDLE-INCOME HOUSING, OR A MIXTURE OF  
7 BOTH LOW-INCOME HOUSING AND MIDDLE-INCOME HOUSING AND MAY BE CONTAINED  
8 WITHIN ONE BUILDING OR WITHIN MULTIPLE BUILDINGS.]

9        ~~[I.]~~ [J.] THIS SECTION DOES NOT APPLY TO LAND IN THE TERRITORY IN  
10 THE VICINITY OF A MILITARY AIRPORT OR ANCILLARY MILITARY FACILITY AS  
11 DEFINED IN SECTION 28-8461.

12        ~~[J.]~~ [K.] FOR THE PURPOSES OF THIS SECTION:

13        1. "BUILDING CODE" HAS THE SAME MEANING PRESCRIBED IN SECTION  
14 9-1301.

15        2. "INTERNATIONAL HEADQUARTERS" MEANS A PRINCIPAL CENTRAL  
16 ADMINISTRATIVE OFFICE WHERE PRIMARY HEADQUARTERS-RELATED FUNCTIONS AND  
17 SERVICES ARE PERFORMED, INCLUDING FINANCIAL, PERSONNEL, ADMINISTRATIVE,  
18 LEGAL, [HUMAN RESOURCES, INFORMATION TECHNOLOGY,] PLANNING AND SIMILAR  
19 BUSINESS FUNCTIONS, AND THAT DOES NOT REPORT TO ANY PARENT COMPANY OUTSIDE  
20 OF THIS STATE.

21        3. "INTERNATIONAL HEADQUARTERS BUILDING" MEANS THE PRIMARY BUILDING  
22 THAT CONTAINS THE INTERNATIONAL HEADQUARTERS ON THE INTERNATIONAL  
23 HEADQUARTERS CAMPUS.

24        4. "INTERNATIONAL HEADQUARTERS CAMPUS" MEANS A CONTIGUOUS AREA OF  
25 NOT LESS THAN FORTY GROSS ACRES, PORTIONS OF WHICH MAY BE SEPARATED BY  
26 PUBLIC RIGHTS-OF-WAY, ON WHICH AN INTERNATIONAL HEADQUARTERS IS LOCATED  
27 AND WHICH MAY INCLUDE ANCILLARY USE PURSUANT TO THIS SECTION.

28        5. "LIGHT INDUSTRIAL USE" INCLUDES LIGHT  
29 MANUFACTURING[, SEMICONDUCTOR PRODUCTION, LAW ENFORCEMENT SUPPORT,  
30 MILITARY RESEARCH AND DEVELOPMENT] AND AERONAUTICAL USE.

31        [6. "LOW-INCOME HOUSING" MEANS HOUSING THAT IS FOR A PERSON OR  
32 PERSONS WHOSE HOUSEHOLD INCOME DOES NOT EXCEED EIGHTY PERCENT OF THE AREA  
33 MEDIAN INCOME.]

34        7. "MIDDLE-INCOME HOUSING" MEANS HOUSING THAT IS FOR A PERSON OR  
35 PERSONS WHOSE HOUSEHOLD INCOME DOES NOT EXCEED ONE HUNDRED TWENTY PERCENT  
36 OF THE AREA MEDIAN INCOME.]

37        ~~[6.]~~ [8.] "RELATED ENTITIES" MEANS ENTITIES THAT HAVE MORE THAN  
38 FIFTY PERCENT DIRECT OR INDIRECT COMMON OWNERSHIP.

39        ~~[7.]~~ [9.] "ZONING DISTRICT" MEANS A ZONING DISTRICT, PLANNED  
40 COMMUNITY DISTRICT, PLANNED AREA DEVELOPMENT OR PLANNED UNIT DEVELOPMENT.

41        <<Sec. 2. Severability

42        [If a provision of this act or its application to any person or  
43 circumstance is held invalid, the invalidity does not affect other  
44 provisions or applications of the act that can be given effect without the  
45 invalid provision or application, and to this end the provisions of this  
46 act are severable.]]>>

1       Sec. 3. Legislative findings  
2       The legislature finds:  
3       1. That it is in the [significant and legitimate] public interest  
4 of this state to encourage the location or relocation of corporate  
5 headquarters to this state.  
6       2. That the development of corporate international headquarters  
7 campuses as defined in section 9-461.19, Arizona Revised Statutes, as  
8 added by this act, that include primary commercial uses as well as  
9 ancillary residential uses contribute greatly to the economic prosperity  
10 and health of this state.  
11       3. That it is necessary to adopt a uniform law governing  
12 international headquarters campuses as defined in section 9-461.19,  
13 Arizona Revised Statutes, as added by this act, to encourage the  
14 development of corporate international headquarters campuses throughout  
15 this state."  
  
16 Enroll and engross to conform  
17 Amend title to conform

LAURIN HENDRIX

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