

Frequently Asked Questions

ASU Downtown Phoenix Campus

Q. Why is the city making this investment?

A. The city recognizes the significant value of a major university presence in our downtown, as measured in economic, social and cultural impacts. 15,000 students and 1,800 faculty and staff will have major positive impacts on the city's fiscal health, annually generating millions of dollars in new tax revenue. Private development in the downtown area will be stimulated by this investment with the university. The university's presence along with ASU President, Michael Crow's vision of "social embeddedness" will have a significant impact to neighborhoods throughout the city. And, it is important to remember that more than \$35 million of the proposed city investment will be allocated for the development of a downtown civic space and streetscape improvements to be enjoyed by residents, students and workers.

Q. How is the city paying for the land acquisition and facilities for the ASU downtown campus?

A. The city plans to pay for all of the cost of the ASU downtown campus through the planned 2006 bond program. In the interim, the city will pay interest only for the first \$100 million necessary to open Phase I of the campus in the fall of 2006. ASU will pay 50 percent of the interest cost for up to three years or until revenue is available from the next bond program.

Q. You say that \$188 million will be committed for downtown ASU in the next bond program. Is there support for this?

A. Yes. The ASU downtown campus is a high priority for the city. The Mayor and City Council unanimously adopted the Downtown Strategic Plan, which includes the ASU Downtown Phoenix campus that brings 15,000 students and 1,800 faculty and administrators to downtown Phoenix, as well as, light rail, an expanded Civic Plaza, and a new downtown hotel.

Q. What is the timing and amount for the next bond program?

A. The city will present the bond program to voters on March 14, 2006. The \$878.5 million 2006 bond program was developed by more than 700 Phoenix residents.

Q. If the voters commit \$223 million of the next bond program to the ASU downtown campus, will there be enough money remaining to service the capital needs of the rest of the city?

A. Yes. About \$655 million is dedicated for citywide needs. Because the city is challenged with operating costs for new facilities, having the ASU campus that requires no city operating assistance is advantageous.

Q. Will the \$223 million for ASU take away from other needed city services paid for out of the general fund?

A. No. The city's general fund dollars, which pay for police, fire, parks, libraries and other important city services, will not be used to pay for the ASU downtown campus.

Q. Why doesn't the State of Arizona build these academic facilities?

A. The State actually does not pay for capital costs for university facility needs unless there is a special and specific appropriation, such as the research buildings bill two years ago. Universities fund capital needs through their own operating budget to the extent they can.

Q. Why can't the private sector build these academic facilities?

A. There will be significant opportunities for private investment in student housing, ground floor retail and market-rate development integrated in and around the campus. In fact, two public/private development projects have been negotiated as part of the ASU downtown campus and have been approved by the City Council.

Q. What are the public/private partnerships you have referred to?

A. The city was able to procure two separate development pads for development of university facilities at no cost to the city. In addition, the property owners will provide parking for ASU at reduced rates. Equally important, the owners will pursue significant private development on the remainder of the two sites.