

State Affordability Infrastructure Districts (SAIDs) — A Financing Tool for Taiwanese Investment in Arizona Science and Technology Parks

by Brad Wright

If you have developed a facility inside one of Taiwan's science or technology parks, you are accustomed to the one-stop-shop of government planning the park and delivering the roads, water, power, and other infrastructure before your building is even constructed. In the United States, including Arizona, land development generally does not work that way. In Arizona, the cost of infrastructure such as water, sewer, stormwater, roads, power, and the digital backbone, typically falls on the private landowner and is incurred up front before operations generate revenue to offset that cost. For a company entering the Arizona market, this is often the largest and earliest capital burden of the entire project.

Arizona recently created a tool that provides a more cost-effective way for landowners and developer to finance some of that infrastructure. House Bill 2999, signed into law June 2026 and codified at Chapter 40 of Title 48 of the Arizona Revised Statutes, establishes the creation of a State Affordability Infrastructure District (SAID).

How a SAID Works

Landowners are now able to use a SAID to finance public infrastructure such as water, sewer, stormwater, roads, parking, lighting, communications, rail sidings and signalization, and similar improvements, through tax-exempt bonds. The bonds are repaid over up to 30 years and secured solely by the property within the SAID. No city, county, or state credit is pledged, and no obligation falls on other taxpayers, and therefore no city, county, or state approval other than from the Arizona Finance Authority (AFA). In effect, a SAID lets you spread the cost of horizontal infrastructure over the life of the asset instead of funding it entirely at the outset. And tax-exempt bonds often offer a lower interest rate than taxable or other types of financing.

How a SAID is Formed

A SAID is formed upon the filing of a petition with the AFA. The petition must include the finance plan, general plan, estimated costs, maximum tax rate, appraisal, bond counsel certificate, consultant list, petitioner experience, legal description, title report, and other

Related People

- Brad Wright

Related Capabilities

- Real Estate & Land Use

materials. While the landowner is required to provide notice to the local governing jurisdiction, local governing jurisdiction does not have the right to approve or deny. The petition is reviewed administratively by the AFA through a standards-based process. For an inbound investor without long-standing local relationships, an objective, criteria-driven process is a meaningful advantage to the overt political process associated with other financing districts in Arizona.

Formation requirements. A SAID requires consent from 100% of landowners within the proposed district; public infrastructure costs must exceed \$5 million (easily met at any real scale); the district property must all be in the same county and need not be contiguous provided that noncontiguous property is located within five miles of the district's other property; and the board is initially appointed by the forming owners of the SAID district, later transitioning to election as ownership diversifies. Actual bond issuance requires an election of the SAID property owners.

Ownership and corporate structure. Consent rights and board seats run with title. If you hold the Arizona land through a U.S. blocker beneath your Taiwan parent, the standard model for Taiwanese/Arizona real estate and operating investment, the U.S. property-holding entity, rather than its corporate parent, is the landowner of record for the district. Before formation, our Dorsey team will confirm that you have the proper corporate structure and board mechanics to be compliant.

Board composition has no citizenship or residency requirement. This is a common concern for foreign investors, and the statute answers it cleanly. Under A.R.S. § 48-7004, a director must either hold fee title to real property in the district or be an individual designated or appointed by a fee-title owner. Corporations, partnerships, and other business entities are expressly permitted to be those owners, to vote as owners, and to designate an individual to serve. There is no requirement that a director be a U.S. citizen or resident. So your U.S. property-holding entity, as landowner of record, can appoint whichever of your principals you choose, including a Taiwan-based individual, as the three-member board.

Power infrastructure limitation. The enacted definition of "public infrastructure" in A.R.S. § 48-7001 does not include electrical power generation or transmission. The reference to electrical facilities appears only as components of lighting and traffic-control systems, and the Legislature removed broader energy infrastructure from the definition during the Senate amendments. A SAID will likely not finance the high-load power infrastructure required for semiconductor fabrication, data storage, or heavy manufacturing.

Water infrastructure within a current utility CC&N. Where water, sewer, or wastewater facilities fall within a regulated utility's certificated service territory, the SAID cannot build or own them without the utility's written consent and must convey them to the utility on completion.

Entitlements and zoning: The determination of entitlements, zoning, and other land use permitting, as well as construction permitting for a technology or manufacturing facilities

remain with the local jurisdiction and run on a separate track. Our Dorsey team will help you coordinate the financing and entitlement timelines together.

Our Dorsey team works regularly with Taiwanese and other Asia-Pacific companies entering the Arizona market. If a SAID fits your project, we can structure it for your cross-border ownership.