

ECONOMIC DEVELOPMENT ADVISORY BOARD MINUTES

February 4, 2025

The Economic Development Advisory Board of the City of Mesa met in the boardroom at 120 North Center Street, on February 4, 2025, at 7:31 a.m.

BOARDMEMBERS PRESENT

Richard Blake*
Mark Drayna
Kurt D. Ferstl
Michelle Genereux, Vice Chair
Charles Gregory*
Amanda Kay
Frank Sanders
Laura Snow

BOARDMEMBERS ABSENT

STAFF PRESENT

Jaye O'Donnell
Maria Laughner
Maribeth Smith
Jack Vincent

EX-OFFICIO MEMBERS PRESENT

Sally Harrison
Natascha Ovando-Karadsheh
Jennifer Zonneveld, Chair

EX-OFFICIO MEMBERS ABSENT

Mayor Freeman (Excused)
Chris Brady (Excused)
Ed Carr (Excused)
Sonny Cave (Excused)

GUESTS

Jeff Robbins
Rachel Nettles
Elyce Gobat

(*Participated in the meeting via video conference equipment)

1. Call meeting to order.

Chairperson Zonneveld called the meeting to order at 7:31 a.m.

2. Items from Citizens Present.

There were no items from citizens present.

3. Approval of minutes from November 5, 2024, Economic Development Advisory Board meeting.

It was moved by Board member Amanda Kay, seconded by Board member Kurt Ferstl, that the December 3, 2024, Economic Development Advisory Board meeting minutes be approved.

Upon tabulation of votes, it showed:

AYES – Blake-Drayna-Ferstl-Genereux-Gregory-Kay-Sanders-Snow

NAYS – None

ABSENT – None

Chairperson Zonneveld declared the motion carried unanimously.

4. Hear a presentation on the City of Mesa's Redevelopment Strategy, followed by a discussion.

Senior Economic Development Project Manager Jeff Robbins displayed a presentation on the City of Mesa Redevelopment Strategy. He emphasized the importance of creating momentum for redevelopment opportunities, proactively identifying and engaging target properties, and assisting applicants through the development review process. He shared that many buildings constructed prior to 1990 are near the end of their useful life and highlighted the benefits of redevelopment, such as leveraging existing infrastructure, increasing economic activity, supporting diverse housing, and optimizing the highest and best use of land. (See pages 1 - 4 of Attachment 1)

Mr. Robbins presented examples of successful projects, including Venture on Country Club which converted an old motel into apartments; OVIO housing development which is under construction at Main and Dobson; Jalapeno Dragon Sonoran Sushi on Main Street which converted an old office into a restaurant; West Main Station Village Phase 2; Pedal Haus Brewery on Main Street conversion of automotive station to a brewery; Gus' World Famous Fried Chicken which came from out of state and converted retail space into a restaurant utilizing grant funds for the façade improvement; Coyotes Community Ice Center converted a roller rink into an ice rink and phased offsite improvements to keep costs down; Outcast Donuts and Rebel Wine Lounge converted retail on Main Street to restaurant space; Chicanos Por La Causa's (CPLC) Residences on Main is under construction at the northwest corner of Country Club and Main and required assemblage of three different owner's parcels; and The George at Superstition Springs was an underperforming retail site converted to a multi-use residential development. He emphasized the importance of flexibility and collaboration for these projects. (See pages 5 - 16 of Attachment 1)

Mr. Robbins outlined the city's five main strategies for redevelopment, including site selection criteria, best use analysis, collaboration with partners, use of existing tools, and marketing and promotion. (See pages 17 -18 of Attachment 1)

In response to a question from Board member Sanders, Mr. Robbins replied that Arizona's primary redevelopment incentive tool is a Government Property Lease Excise Tax (GPLET) which allows for an eight-year tax abatement within certain parts of the city.

Mr. Robbins discussed the criteria for identifying priority redevelopment areas and shared that although priority areas have been identified, they have not yet been presented to the City Council. Once a site is identified the following site feasibility criteria would be evaluated - a willing property owner, the land value is higher than the building on it, vacant or relatively vacant, utility capacity, arterial roads where the city has invested, and traffic counts. (See pages 19 -21 of Attachment 1)

In response to a question from Board member Ovando-Karadsheh, Mr. Robbins replied that residential drives commercial development so we look to leverage density near commercial centers which in turn may improve sales tax revenue. Ms. Laughner echoed the point that improving density eventually increases sales tax revenue according to the retail study.

Mr. Robbins shared that we determine the highest and best use of redevelopment sites by ensuring the proposed developments are consistent with city goals, physically possible, and financially feasible. He commented that Fiesta Mall is a long-term redevelopment project. Economic development has built a relationship with the owner(s) over the years so when the time is right for action that relationship with the city exists. The redevelopment team's next steps include identifying priority areas and engaging strategic sites, infill and adaptive reuse ordinance, and accelerating the implementation of the redevelopment plans. (See pages 22 - 25 of Attachment 1)

Chairperson Zonneveld thanked Mr. Robbins for the information presented.

5. Hear a presentation on Mesa's Housing Statistics, followed by a discussion.

Assistant Planning Director Rachel Nettles displayed a presentation on the city's housing statistics. Mesa's Balanced Housing Plan was adopted by City Council in 2024. It provided a comprehensive understanding of current housing needs and made recommendations for policy and program strategies. Beginning in 2025 and every five years after, Senate Bill 1162 requires municipalities to publish a housing needs assessment that includes projected population growth, projected jobs growth, the amount of land zoned single-family and multi-family residential, and housing needs. Additionally, in 2025 and every year after, municipalities must submit an annual report detailing the number of housing development applications, the number of units contained in the housing applications, the number of units approved and disapproved, the percentage of multi-family land versus single-family land needed to meet population demand, and progress in meeting housing needs. The city may also use this information to inform decisions on land zoning and annexation. (See pages 1 - 3 in Attachment 2)

Ms. Nettles shared Balanced Housing Plan statistics which reflect that the city is already meeting its housing needs based on population and job growth projections; however, there is a shortage of housing for lower and higher income earners. This is driven by the real estate market and difficult for the city to influence. Land capacity reflects a potential yield, based on zoning district maximum density, of 181,427 single-family units and 396,719 multi-family units. Housing development applications for Fiscal Year 2023/2024 proposed 206 single-family units and 1,061 multi-family units. A graph of building permit applications from 2018 to 2024 was displayed reflecting a single-family trend in 2018, but a multi-family trend beginning in 2021. (See pages 4 - 13 in Attachment 2)

In response to a question from Board member Ovando-Karadsheh, Ms. Nettles replied that mobile home units are considered single family units; however, they were also separated within the Balanced Housing Plan. She shared that ten percent of the units within the city are mobile home units and while zoning still allows it, there have not been any new applications for mobile home parks.

Chairperson Zonneveld thanked Ms. Nettles for the information presented.

6. Hear an update on the City of Mesa's Retail Attraction Initiative, followed by a discussion.

Deputy Economic Development Director Maria Laughner provided an update and background on the retail attraction strategy. She shared that 138 total leads were generated since November 2023, and 64 of those leads qualified as prospects. Recent retail locates included ALDI, Total Wine, Pedal Haus Brewery, and The Vig. Gallery Park's development, located at the northeast corner of Power and Ray

Roads, includes plans for a full-service Tempo by Hilton, the first of its kind in Arizona, with a unique contemporary restaurant and Homewood Suites. Medina Station, a 60-acre mixed-use project at the southeast corner of Signal Butte and Southern, has plans for a restaurant row with first-of-their-kind Mesa retail offerings. Ms. Laughner noted that this project began as a commercial mall with an anchor tenant and became a more walkable, high-quality, mixed-use development through discussions with Councilmember Goforth, city departments, and the developer. She emphasized the need for more catalytic projects to drive additional activity and revitalization. (See pages 1 - 8 of Attachment 3)

Ms. Laughner shared plans for additional hotels that include a Marriott at Gateway East, two hotels near Arizona Athletic Grounds, a Cambria at Elliot and Ellsworth, and a Wyndham at Skybridge. She reviewed the status of Superstition Springs Mall after Macy's closure and shared that Macerich and the city are working towards a redevelopment study. (See pages 9 - 10 of Attachment 3)

Project Manager Elyce Gobat reviewed the implementation of the retail work plan since July 1, 2024, which has included networking and relationship development with brokers, developers, and retailers, as well as trade show attendance in Palm Springs and Las Vegas. Retail marketing progress included a planned redesign of the Office of Economic Development's retail webpages, a retail newsletter which is in the design phase, and the engagement of a marketing firm to develop a regional awareness campaign. (See pages 11 - 13 of Attachment 3)

Chairperson Zonneveld thanked Ms. Laughner and Ms. Gobat for the information presented.

7. Economic Development Director's current events summary including conferences attended.

Economic Development Director Jaye O'Donnell announced that Deputy Director Maria Laughner would be leaving the City of Mesa on Thursday, February 6 as she had accepted a director position with Peoria. She shared that recruitment for both Deputy Director positions would open soon.

Recent events included the unveiling of two Asian district monument signs on January 29 along the east and west side of Dobson Road just south of Main Street. Mesa's Meta Data Center Campus held a grand opening ceremony on January 30. A groundbreaking ceremony was held for Mesa Grandview Business Park on February 5. The 270,000 square foot, three-building industrial development is located at the southwest corner of Loop 202 Red Mountain Freeway and Greenfield Road.

Ms. O'Donnell shared that staff would be attending Urban Land Institute (ULI) Trends Day, International Economic Development Council (IEDC) Leadership Summit, Site Selectors Guild Annual Conference, and the Industrial Asset Management Council (IAMC) Spring Forum.

8. Introduction of new business to be discussed at a future meeting.

Chair Zonneveld announced that she had accepted a new position with Northrop Grumman in Utah and would resign from the Board Chair position. Numerous board members thanked Ms. Zonneveld for her service on the Economic Development Advisory Board.

Board member Snow shared her appreciation for the leadership and commitment to the long-term, long-standing city strategies that support growth within the community. She proposed an assessment of the impacts recent federal policy changes were likely to have on jobs and revenue growth within Mesa; specifically, the impact the Federal funding freeze would have on the city, its schools, public infrastructure projects, the local business community, and key non-profits. Additionally, consideration of the impact of tariffs, as well as the inevitable retaliatory tariffs that could be put in place by key international partners, on employers, their continued growth, and the stability of our economic environment. Recently, just the threat of tariffs had a chilling effect on markets. Finally, an assessment of the impact immigration policy changes could have on Mesa's workforce and educational initiatives. Every building block of a comprehensive economic development strategy may potentially be impacted directly and indirectly, including public safety, workforce, education, healthcare, housing, transportation, infrastructure, climate initiatives, and the overall livability within Mesa. Ms. Snow felt it was incumbent of the board to understand what impact these changes may have on our business community's job and revenue growth. Ultimately, the directive of the Economic Development Advisory Board is to provide advice to Mayor and City Council. She requested this item be included in March's agenda to begin discussions to quantify the impact these changes may have on jobs and revenue and solicit the voice of the local business community and local non-profits.

9. Schedule of meetings.

The next Economic Development Advisory Board meeting is scheduled for March 4, 2025.

10. Adjournment.

Without objection, the Economic Development Advisory Board meeting adjourned at 8:38 a.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Economic Development Advisory Board meeting of the City of Mesa, Arizona, held on the 4th day of February 2025. I further certify that the meeting was duly called and held and that a quorum was present.

Submitted by:



Jaye O'Donnell

Economic Development Director

ms

(Attachments – 3)

Redevelopment Strategy

Economic Development Advisory Board

February, 4 2025

Jeff Robbins, CECD, AZED Pro

**Redevelopment Program
Administrator**

MESA'S REDEVELOPMENT TEAM

- **Create momentum for redevelopment opportunities**
- **Proactively identify and engage target properties**
- **Assist applicants through the development review process**

WHY REDEVELOPMENT?

- **Limited land area remaining for greenfield development**
- **Less than 10% of Mesa is considered undeveloped**
- **Many buildings constructed prior to 1990 are near the end of their useful life**

BENEFITS OF REDEVELOPMENT

- Improves quality of life
- Leverages existing infrastructure
- Increases economic activity
- Supports diverse housing
- Supports City MCAP goals
- Optimizes highest and best use of land
- Creates momentum for further private reinvestment

Recent & Active REDEVELOPMENT PROJECTS

SUCCESSFUL REDEVELOPMENT TOOLS



Venture on Country Club



OVIO



Jalapeno Dragon Sonoran Sushi



Images Courtesy
Jalapeno Dragon.com



West Main Station Village Phase 2



Before



Phase 1 Shown

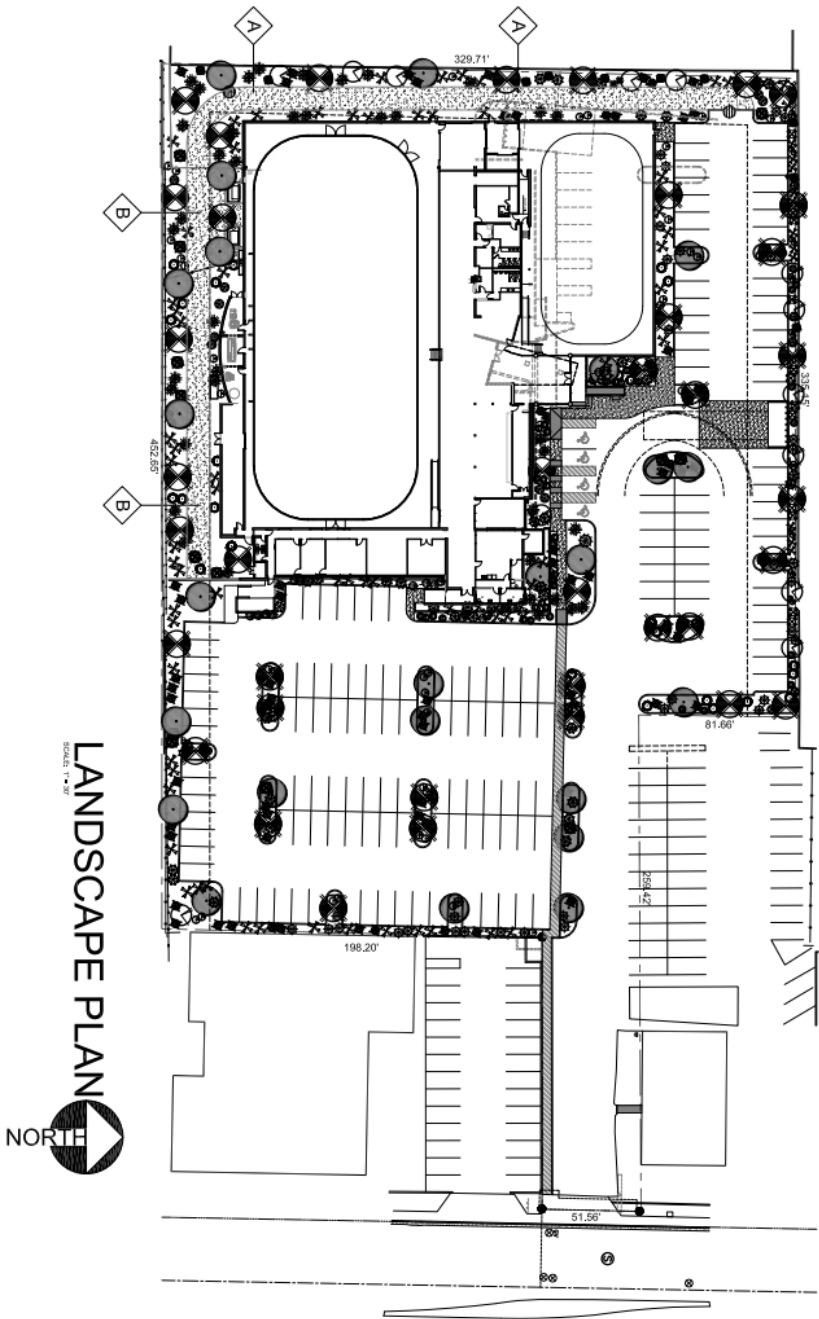
The Pit Stop to Pedal Haus Brewery



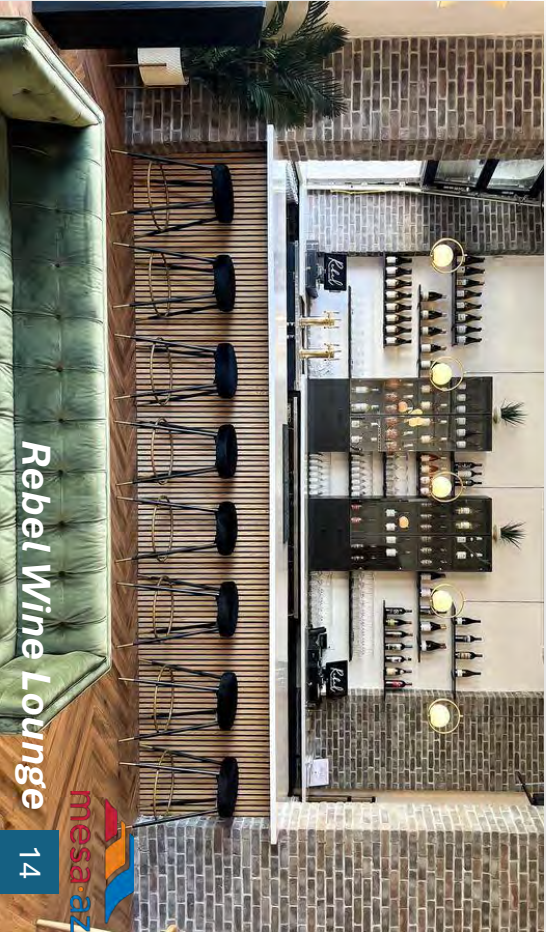
Retail to Restaurant Gus's World Famous Fried Chicken



Coyotes Community Ice Center



104 W. Main Retail Conversion to Outcast Donuts and Rebel Wine Lounge



Chicanos Por La Causa Residences on Main



The George At Superstition Springs



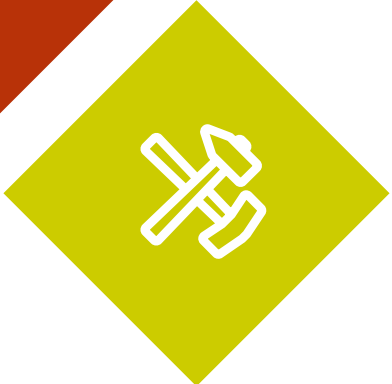
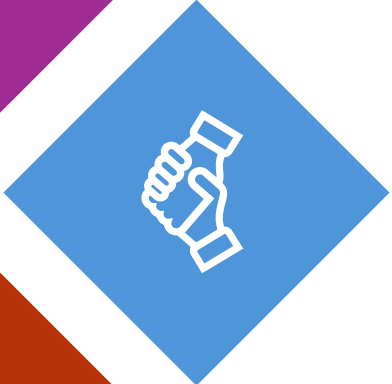


REDEVELOPMENT FOCUS

REDEVELOPMENT STRATEGIES

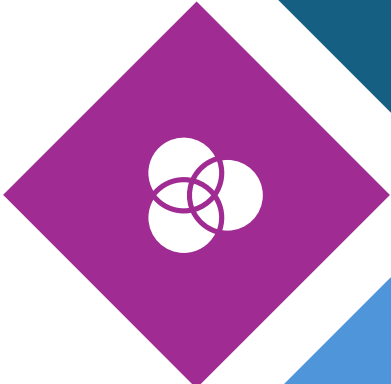
SITE SELECTION

CRITERIA



EXISTING TOOLS
AND TECHNIQUES

BEST USE ANALYSIS

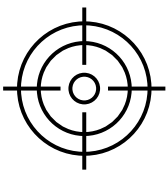


MARKETING AND
PROMOTION

COLLABORATION WITH
PRIVATE PARTNERS

REDEVELOPMENT FOCUS

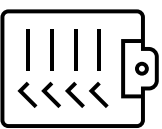




IDENTIFY PRIORITY AREAS

01

- Redevelopment Areas
- Regional Centers
 - Fiesta
 - Superstition Springs
- Proximity to activity centers
- Proximity to active redevelopment projects



APPLY SITE FEASIBILITY CRITERIA

02

- **Willing Owner**
- **Land Value > Improvements**
- **Vacant or Relatively Vacant**
- **Utility Capacity
(Especially Electric)**
- **Arterial Roads**
- **Traffic Counts/Transit
Supported**
- **Other public Investments**



**DETERMINE
HIGHEST
AND BEST
USE OF
SITES**

03

Consistent With City Goals

- General Plan
- Zoning and overlays

Physically Possible

- Lot shape and size
- Access and infrastructure

Financially Feasible

- Development costs
- Market data (e.g., absorption rate and vacancy rate)

Fiesta Mall



Aerial Circa 1979



Aerial 2024

NEXT STEPS

- Identify priority areas and engage strategic sites
 - Developer and broker engagement
- Infill and adaptive reuse ordinance
- Accelerate implementation of the RDA Plans



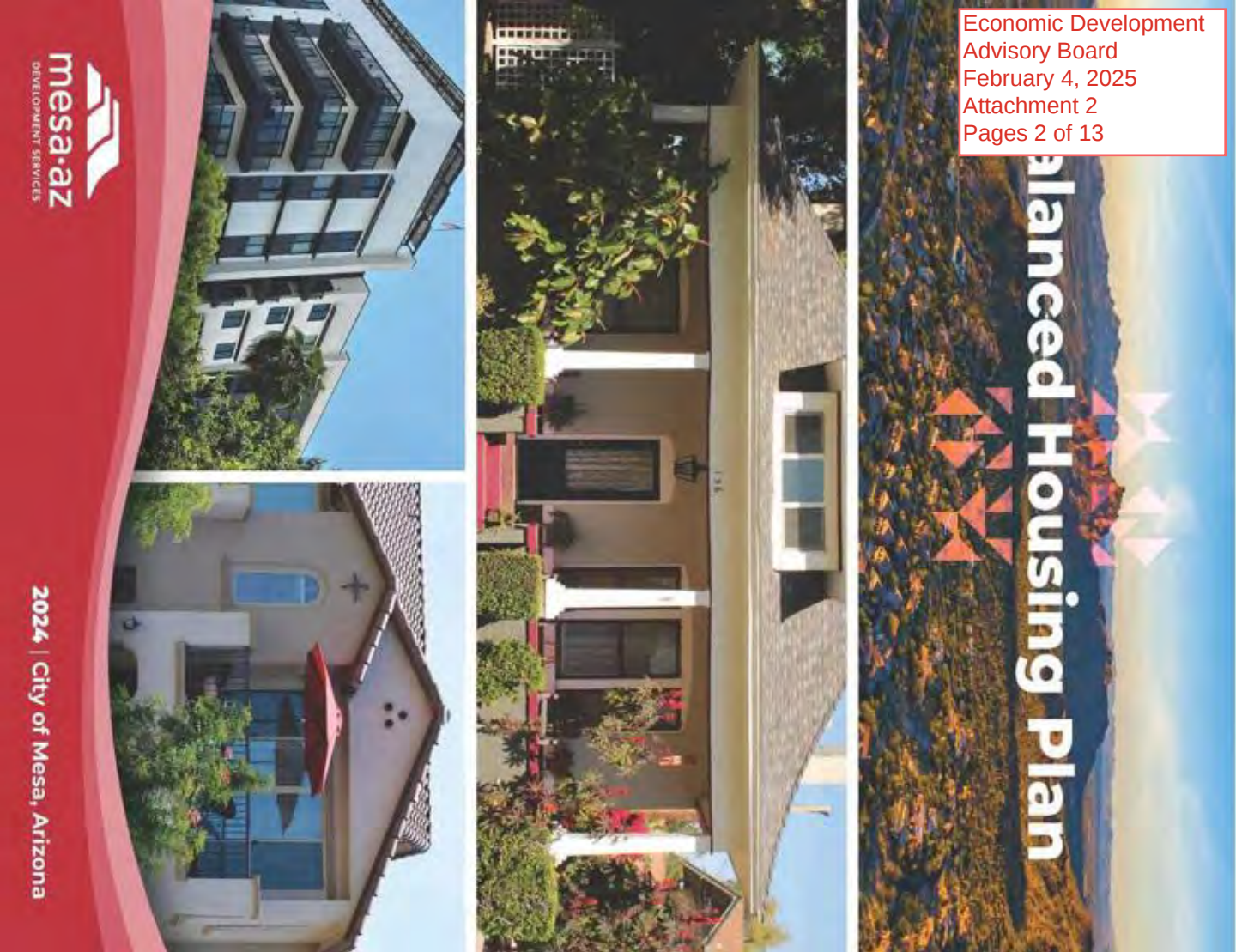
QUESTIONS?

Housing Statistics

2024 EOY

Economic Development Advisory Board
February, 4 2025

Rachel Nettles, AICP
Assistant Planning Director



- 2024 - Adopted by City Council
- Provided a comprehensive understanding of current housing needs
- Included a housing needs assessment and a housing gap analysis
- Made recommendations for policy and program strategies

SB 1162

- **Beginning 2025 and every 5 years after, municipalities must publish a housing needs assessment:**
 - **Projected population growth**
 - **Projected jobs growth**
 - **Amount of land zoned single-family and multi-family residential**
 - **Housing needs**
- **Beginning 2025 and every year after, municipalities must submit an annual report**
 - **# housing development applications**
 - **# units contained in housing applications**
 - **# of units approved and disapproved**
 - **% multi-family land vs single-family land needed to meet population demand**
 - **Progress in meeting housing needs**



HOUSING DATA



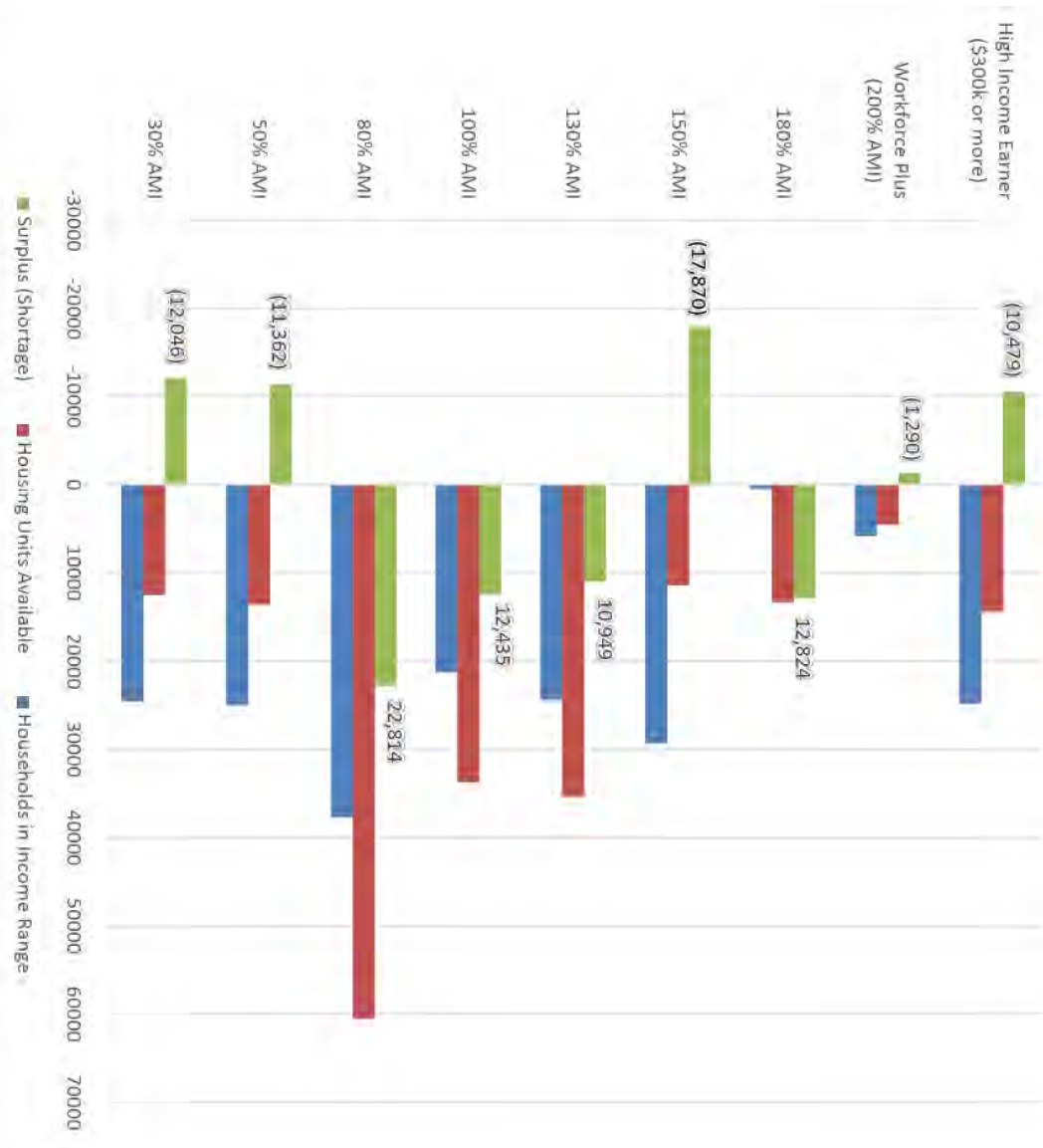
BHP - HOUSING NEEDS

- 2024
 - 193,316 households
 - **222,220 housing units**
 - (203,623 housing units needed)
- Between 2024 and 2030
 - Projected to grow 8,038 households
 - Projected to add approximately 22,000 jobs
- By 2030
 - Projected to need 216,612 housing units
 - Average need of 2,165 housing units per year
- City already meeting housing needs



BHP - HOUSING GAP ANALYSIS

Housing Gap Analysis by HUD Income Categories in Mesa



- Shortage of housing in both lower income and higher-priced housing
- City may benefit from 20,000 to 23,000 units
 - With rental rates less than \$800/mo
 - For sale price less than \$126,000
 - Current market conditions unlikely to support such a supply
- City could use 16,815 more units for those making more than 150% AMI (~\$110,000)

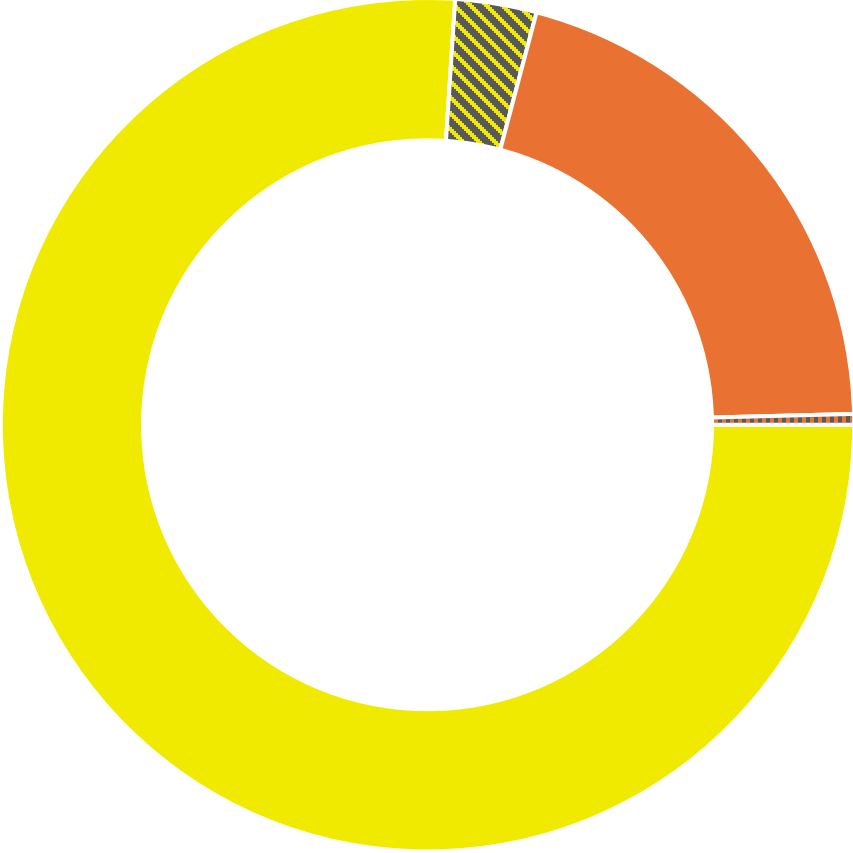
HOUSING SUPPLY

Year	2022 - 2023	2024	2025
Housing Supply	219,909*	222,220	224,123
Total Housing Needs Balanced Housing Plan	--	203,623	205,788
Certificate of Occupancy Single-Family	1,713	1,094	
Certificate of Occupancy Multi-Family	598	809	
Deficit or Surplus	18,597	20,500	18,335

* Per Balanced Housing Plan

LAND CAPACITY

- Acres Single-family Zoned Land (Developed) 33,585 acres
- ▨ Acres Single-family Zoned Land (Undeveloped) 1,361 acres
- Acres Multi-family Zoned Land (Developed) 9,046 acres
- ≡ Acres Multi-family Zoned Land (Undeveloped) 179 acres



Potential Yield - based on zoning district max. density

• 181,427

Single-family units

• 396,719

Multi-family units

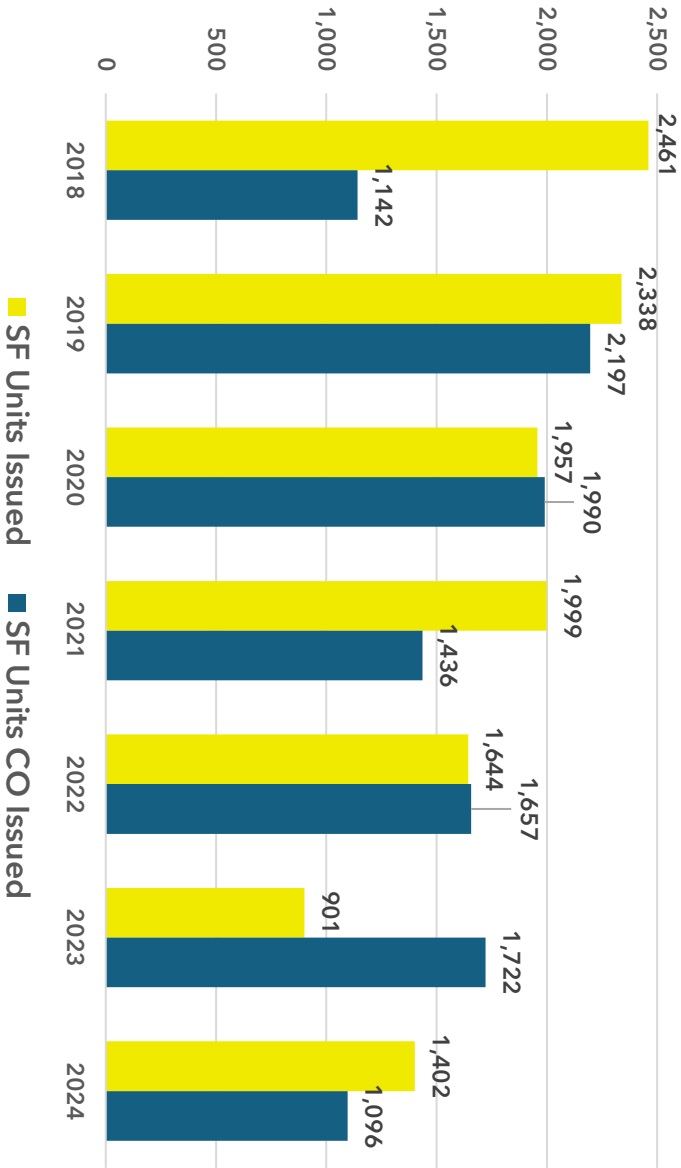
HOUSING DEVELOPMENT APPLICATIONS

July 1, 2023 to June 30, 2024
State Housing Report

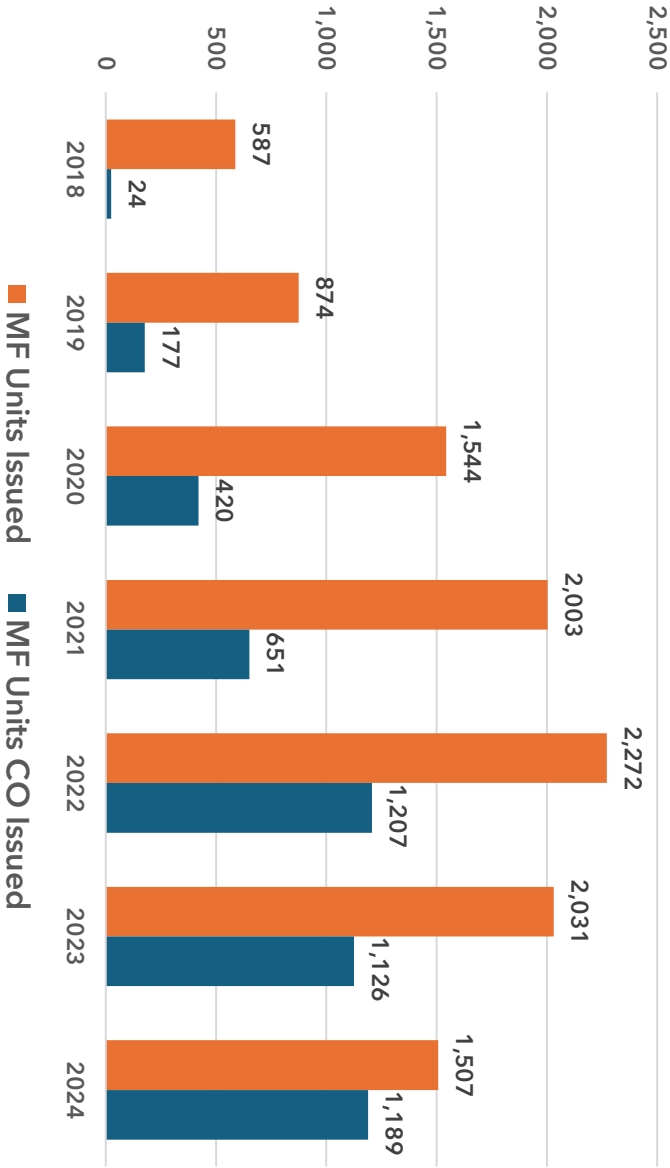
	Single-family	Multi-family	Total
# of project received	6	9	15
# of units proposed	206	1,061	1,267
# of units approved	29	162	191
# of units disapproved	0	0	0
# of units pending decision	71	1,005	1,076

BUILDING PERMIT APPLICATIONS

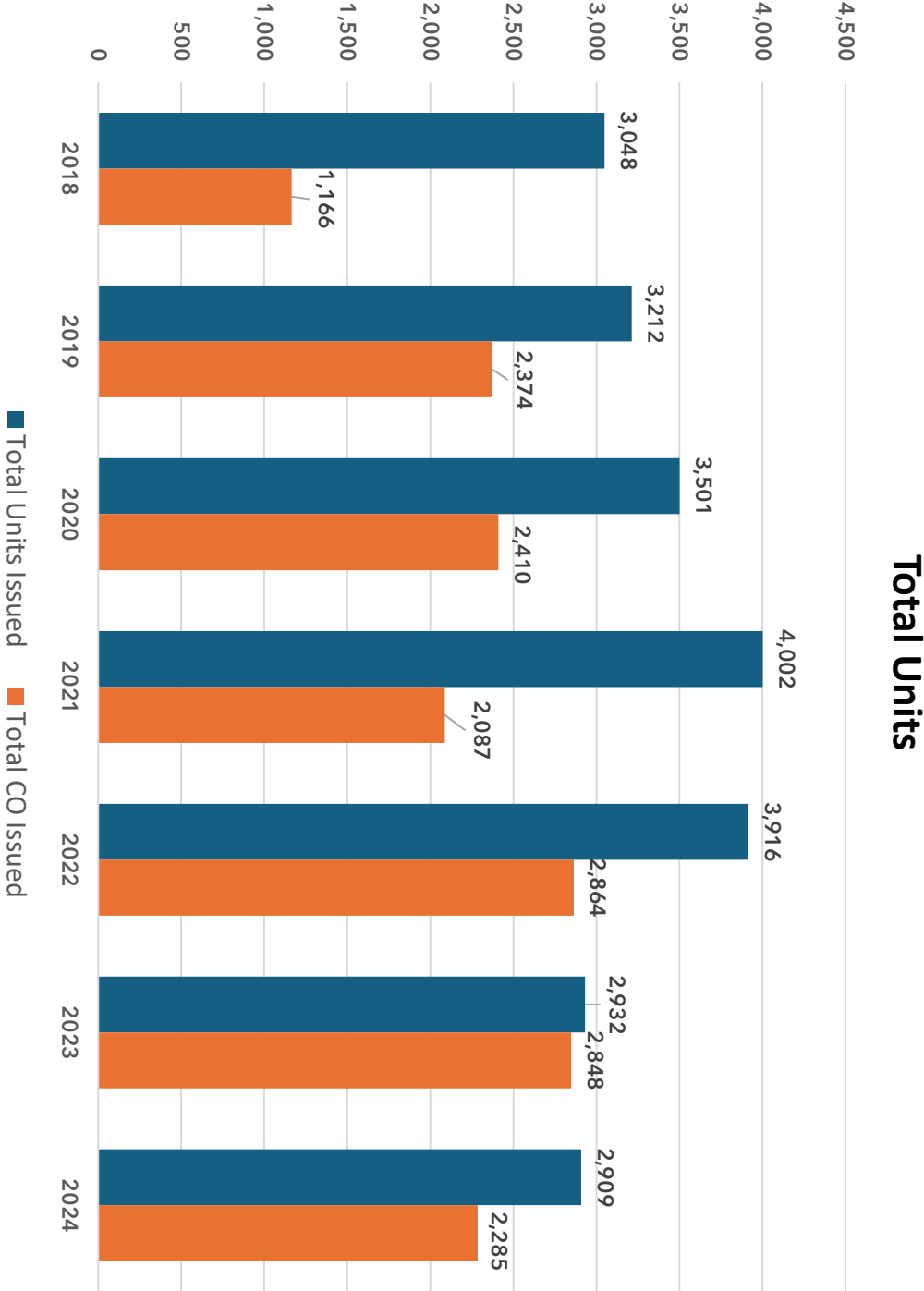
Single-family Units

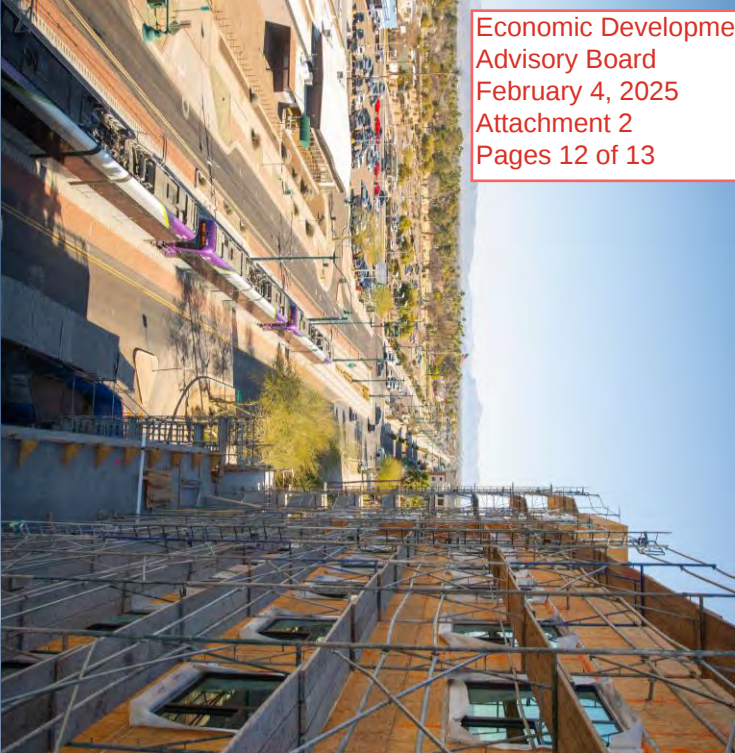


Multi-family Units



BUILDING PERMIT APPLICATIONS





Summary

- Currently have a surplus of housing units and are meeting housing needs in terms of number
- Continue to see steady interest in housing construction as shown in zoning entitlements and building permits
- Have land capacity in residentially zoned land to meet demand
- Shortage of low-income and high-income housing

QUESTIONS?

City of Mesa Office of Economic Development

Retail Attraction Update

Economic Development Advisory Board

Maria Laughner
Deputy Director

Elyce Gobat
Project Manager

February 4, 2025



mesa·az
ECONOMIC DEVELOPMENT

Agenda

- Retail Leads
- Upcoming Projects
- Retail Strategy Progress
- Next Steps



Background

- June 2023: OED begins Retail Attraction Planning
 - Develop and Issue RFP
- November 2023: The Retail Coach (TRC) Engaged as Consultant
 - Conduct stakeholder meetings, data analysis, and writing of strategy
- July 2024: Retail Attraction Strategy Finalized
- November 2024: Strategy Presented to Economic Development Advisory Board and Economic Development Council Committee

Retail Attraction

Total Leads Generated (since Nov 2023)	138
OED Leads to date	22
TRC Leads to date	116
Qualified Prospects	64
Locates to date (OED + TRC)	10

Recent Retail Locations / Openings



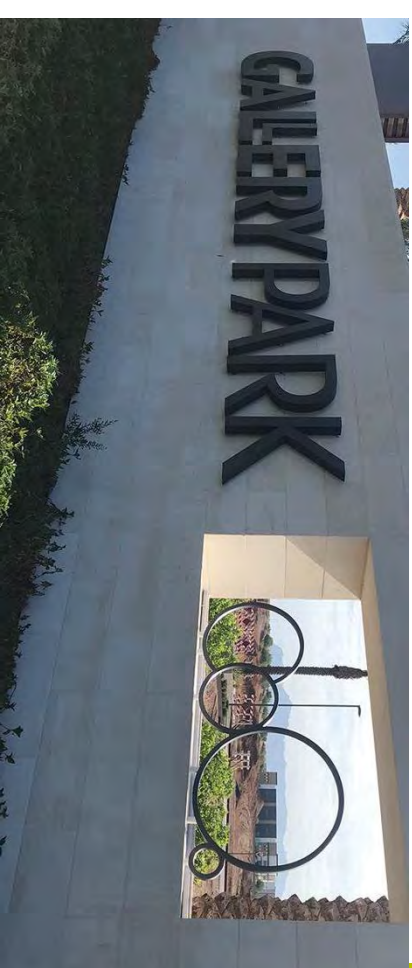
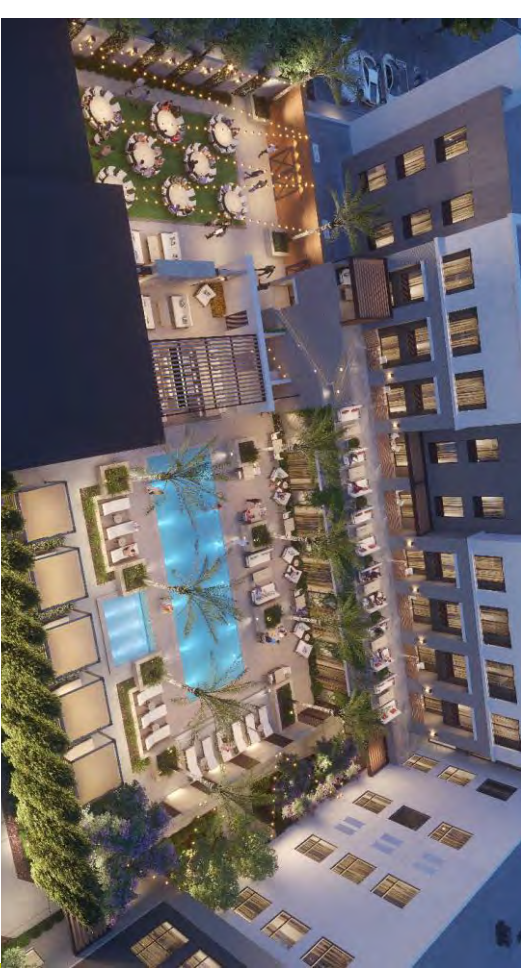
Gallery Park

Tempo by Hilton and Homewood Suites at Gallery Park

- Full-service Tempo = 97 keys
- Homewood Suites = 77 keys
- Unique contemporary restaurant
- Groundbreaking - Dec 2024
- Estimated Completion - Spring 2026



mesa·az
ECONOMIC DEVELOPMENT



Medina Station

60-acre mixed-use project at SEC Signal Butte and Southern

- Simon CRE Developer (Prasada)
- Approved Zoning, Annexation, and Use DA
- 213,000 square feet of majors and retail shops
- 58,175 square feet of restaurants
- 30,250 square feet of services



Medina Station

60-acre mixed-use project at SEC Signal Butte and Southern

- Restaurant row features patios and proximity to create a sense of place
- First-of-their-kind in Mesa Retail Offerings:
 - Target-Anchored
 - Five NEW upscale and casual restaurants

FIREBIRDS
WOOD FIRED GRILL

CHSO
BREWERY + DISTILLERY

COOPER'S HAWK
WINERY & RESTAURANT



Planned Hotels

- Marriott brand LOI with Gateway East
 - Mid-range extended stay hotel
 - Currently in plan review
- Two hotels at Arizona Athletic Grounds
 - Limited-service hotels to service the sports facility are being evaluated
- Cambria @ Elliot and Ellsworth
- Wyndham at Skybridge



Superstition Springs Mall

Potential Redevelopment Project

- Current situation with Macy's and Sears
- Working with Macerich to conduct redevelopment study



Retail Work Plan Implementation

Progress since July 1, 2024

- Networking and Relationship Development with Brokers, Developers, & Retailers
- Trade show attendance
- ICSC Palm Springs
- ICSC Las Vegas



Retail Work Plan Implementation

Progress since July 1, 2024

- Retail Marketing Progress
 - OED Retail Webpages redesign in progress
 - Retail Newsletter in design phase
 - Marketing firm engaged and developing Regional Awareness Campaign



Questions?

