

ECONOMIC DEVELOPMENT ADVISORY BOARD MINUTES

September 3, 2024

The Economic Development Advisory Board of the City of Mesa met in the board room at 120 North Center Street, on September 3, 2024, at 7:30 a.m.

BOARDMEMBERS PRESENT

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

BOARDMEMBERS ABSENT

STAFF PRESENT

Jaye O'Donnell
Maria Laughner
Elyce Gobat
Maribeth Smith
Jack Vincent

EX-OFFICIO MEMBERS PRESENT

Chris Brady
Ed Carr
Sonny Cave*
Sally Harrison
Natascha Ovando-Karadsheh
Jennifer Zonneveld

EX-OFFICIO MEMBERS ABSENT

Mayor Giles (Excused)

GUESTS

Aaron Farmer

(*Participated in the meeting via video conference equipment)

1. Chair's Call to Order.

Chair Jennifer Zonneveld called the September 3, 2024, meeting of the Economic Development Advisory Board to order at 7:30 a.m.

2. Items from Citizens Present.

There were no items from citizens present.

3. Approval of minutes from August 6, 2024, Economic Development Advisory Board meeting.

It was moved by Board member Amanda Kay, seconded by Board member Laura Snow, that the minutes from the August 6, 2024, Economic Development Advisory Board meeting be approved.

Upon tabulation of votes, it showed:

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

NAYS – None

ABSENT – None

Carried unanimously.

4. Hear an update on the results and recommendations from the Quality Retail Attraction Strategy Report, followed by a discussion.

Chair Zonneveld welcomed the President of The Retail Coach, Aaron Farmer, Deputy Director Maria Laughner, and Project Manager Elyce Gobat. Background on the retail strategy was shared including the catalyst and timeline. Ms. Gobat shared that the method of approach included data analysis, stakeholder engagement, strategy recommendations and next steps. She discussed the extensive research and stakeholder engagement conducted from December to March, resulting in a report released in July that targeted eight areas in Mesa: Riverview, Asian District, Downtown, Fiesta District, Northeast Mesa, Superstition Springs and Dana Park, Power Road Corridor, and the Gateway area. (See Pages 2 – 4 of Attachment 1)

Mr. Farmer explained that each of these areas were analyzed individually. Cell phone data was reviewed to understand who is shopping and where they are coming from. Demographics analyzed included population, median household income, and 2023 - 2028 demand growth. Mr. Farmer noted the very high growth outlook potential of the Power Road/Gateway trade area. (See Pages 5 and 6 of Attachment 1)

Ms. Gobat shared feedback from stakeholders that included inconsistencies in planning and zoning code policy interpretation and communication; a need to better understand retailer requirements in relation to zoning codes; the lack of existing desirable commercial centers; retailers/brokers being unaware of new development opportunities; and the fact that Mesa faces perception issues locally and regionally from consumers. Mr. Farmer noted that national brokers' perception of Mesa is changing but additional information needs to be communicated. (See Pages 7 and 8 of Attachment 1)

Ms. Laughner reviewed each district at a high-level including challenges and opportunities/advantages. For instance, Riverview's challenges include a lack of population density, an unclear center designation, cell phone data does not show a major increase in traffic during Spring Training, and Kimco restrictions. Opportunities include tourism draw, co-tenant location, ample space for special events or multi use projects to draw traffic, accessibility to 101 and 202 intersection, location is near ASU Main Campus and enhancing the relationship with Kimco. City Manager Chris Brady commented that Kimco has not been interested in encouraging retail sales during Spring Training or the Mesa Marathon, instead traffic is discouraged with barricades. (See Pages 9 through 16 of Attachment 1)

Ms. Laughner highlighted the challenges and opportunities for redeveloping the Fiesta District and Superstition Springs. She mentioned the potential for mixed-use development, entertainment, retail, and green space. (See Pages 12 and 14 of Attachment 1)

Ms. Laughner discussed the short-term strategy recommendations, including: clarifying Economic Development staff designations on the website; actively recruiting retail/hospitality/entertainment users; establishing relationships with brokers and retailers; regularly updating contacts with development opportunity news; attending retail trade shows; enhancing Economic Development retail webpages; and creating a marketing campaign to shift regional perceptions about Mesa's retail environment and offerings. (See Page 17 of Attachment 1)

Long-term strategy recommendations included enforcing city code to enhance corridor beautification; marketing Mesa as a destination in print publications; creating marketing campaigns for visitors to local hotels/destinations of Mesa's things to do; and focusing on redevelopment and considering the use of incentives for higher quality retail in a competitive market. (See Page 18 of Attachment 1)

Mr. Farmer explained the importance of sustainability and flexibility in urban planning to ensure longevity and adaptability to changing consumer preferences. He suggested increasing design standards to attract higher quality tenants and emphasized the potential for reusing spaces for different purposes than originally intended. Mr. Farmer mentioned Grapevine Mills Mall makeover in Grapevine, Texas as an example. Grapevine Mills now includes LEGoland Discovery Center, SeaLife Aquarium, and Peppa Pig World of Play.

Ms. Laughner outlined the FY24/25 Plan of Work's three main objectives which will begin the execution of a three-year plan. The first objective is to budget for and actively recruit retail to Mesa, with a focus on unique destination prospects. The second objective is to develop and enhance relationships with retailers, brokers, and developers. The third objective is to market Mesa as a retail destination. Ms. Laughner emphasized the importance of the long-term strategy, as recruitment of quality retailers could take 12 to 36 months. (See Page 19 of Attachment 1)

Board member Ovando-Karadsheh inquired about the budget allocated for marketing or staff specific to this strategy. Economic Development Director Jaye O'Donnell replied that \$100K was allocated for this report, research, and initial marketing and approximately \$35K is left for implementation this fiscal year. Board member Ovando-Karadsheh commented that as a non-property tax city why would we not invest in driving sales tax revenue. She asked what our competitors spend in this space and what the return on investment is. Mr. Farmer replied that he will research competing communities and come back with suggestions, further noting that since starting recruitment for Mesa a few months ago, there has been a strong level of interest already.

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

Economic Development Director Jaye O'Donnell shared that the Office of Economic Development's FY24 Annual Report was released last week, and a link will be shared with the Board. Recruitment for a Deputy Director and Project Manager is ongoing. The Mesa Chamber of Commerce bus tour is scheduled for October 9, 2024. Recent attraction announcements included Magna, North America's largest automotive supplier, who will establish a manufacturing plant near Power and Pecos Roads, and KoMiCo, a semiconductor equipment facility, will locate near Superstition Springs Mall. She also mentioned the Office of Economic Development has issued a Request for Proposal for a marketing communications firm with the potential for collaboration with Visit Mesa.

The Office of Economic Development will receive an International Economic Development Council (IEDC) gold award for the Mesa Business Builder program and has been nominated for best of show. During September Ms. O'Donnell is attending the IEDC Conference in Denver and Ms. Laughner is attending the FTZ Conference in New Orleans and Site Selectors Forum in Detroit.

Board member Ovando-Karadsheh inquired about how Economic Development works with Visit Mesa to market Mesa. Ms. O'Donnell commented that destination marketing is typically done outside of the market. Board member Ovando-Karadsheh stressed that marketing outside of the market was just as critical to the retail strategy as marketing within the region.

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

Board member Snow requested a list of hashtags for use in promoting economic development social media posts.

7. Schedule of meetings.

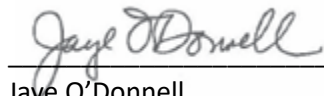
The next Economic Development Advisory Board meeting is scheduled for October 1, 2024.

8. Adjournment.

Without objection, the Economic Development Advisory Board meeting adjourned at 8:53 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 3rd day of September 2024. I further certify that the meeting was duly called and held and that a quorum was present.

Submitted by:

A handwritten signature in cursive script, reading "Jaye O'Donnell", is written over a horizontal line.

Jaye O'Donnell
Economic Development Director

ms

(Attachments – 1)

Quality Retail Attraction Strategy

For EDAB
Sept 3, 2024

Elyce Gobat, City of Mesa
Maria Laughner, City of Mesa
Aaron Farmer, The Retail Coach



Agenda

- Background of Retail Attraction Strategy
- Overview of Strategy Report
 - Opportunities
- Recommendations to Consider
- Mesa Office of Economic Development Next Steps



Background

CATALYST

- Retail Develops Independent of Office of Economic Development and Strategic Vision
- Perceived Lack of Quality in Mesa
- City Council Allocates Funds for Retail Attraction Strategy

TIMELINE

- August 2023: RFP Issued
- November 2023: The Retail Coach (TRC) Engaged as Consultant
- December 2023-March 2024: TRC Conducts Research and Stakeholder Meetings
- July 2024: Retail Attraction Strategy Finalized

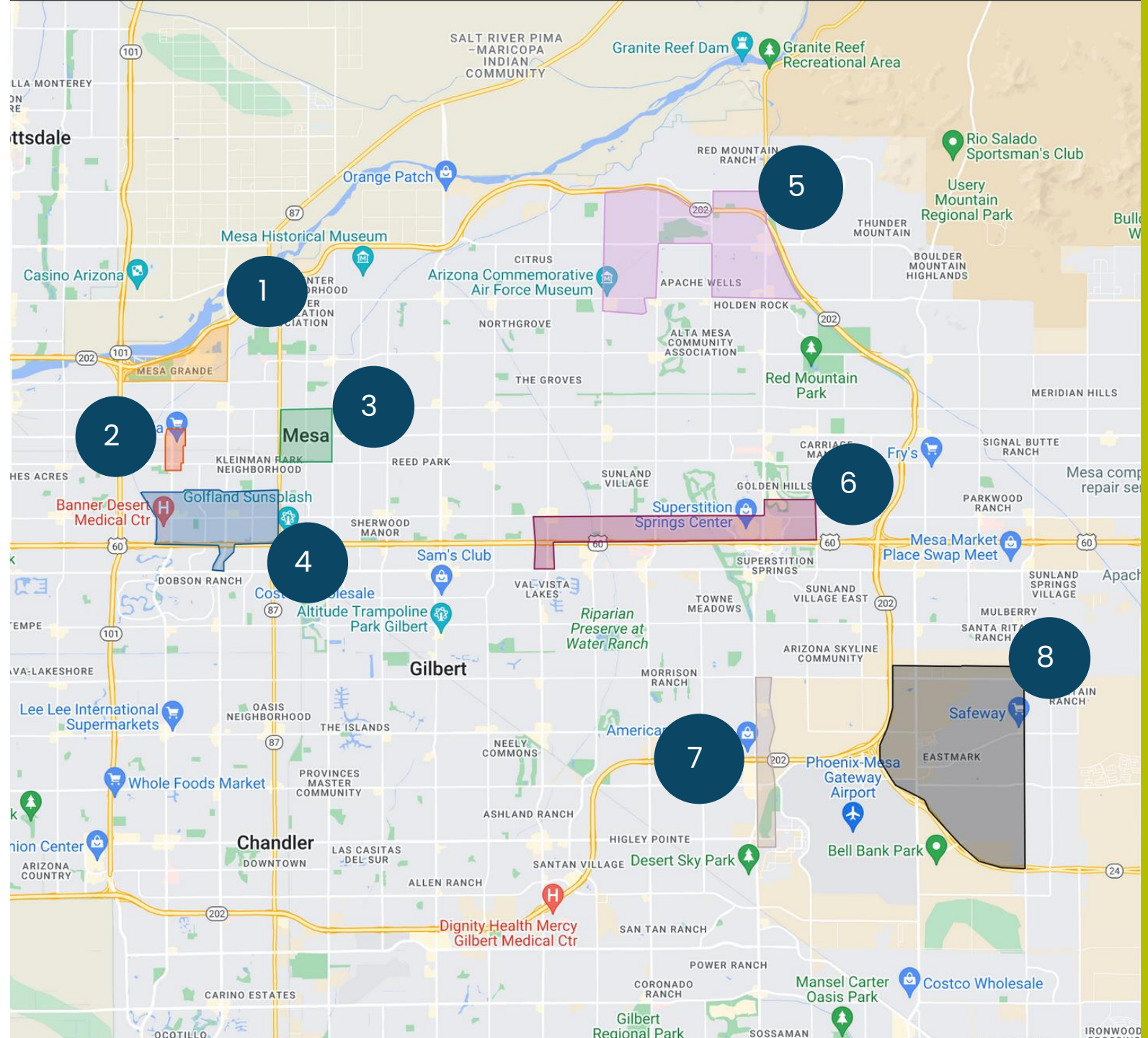
Strategy Overview / Method of Approach



- Data Analysis
- Stakeholder engagement
- Strategy Recommendations
- Next Steps

Targeted Areas

1. Riverview
2. Asian District
3. Downtown
4. Fiesta District
5. NE Mesa
6. Superstition Springs & Dana Park
7. Power Rd Corridor
8. Gateway



Task 1: Data Analysis

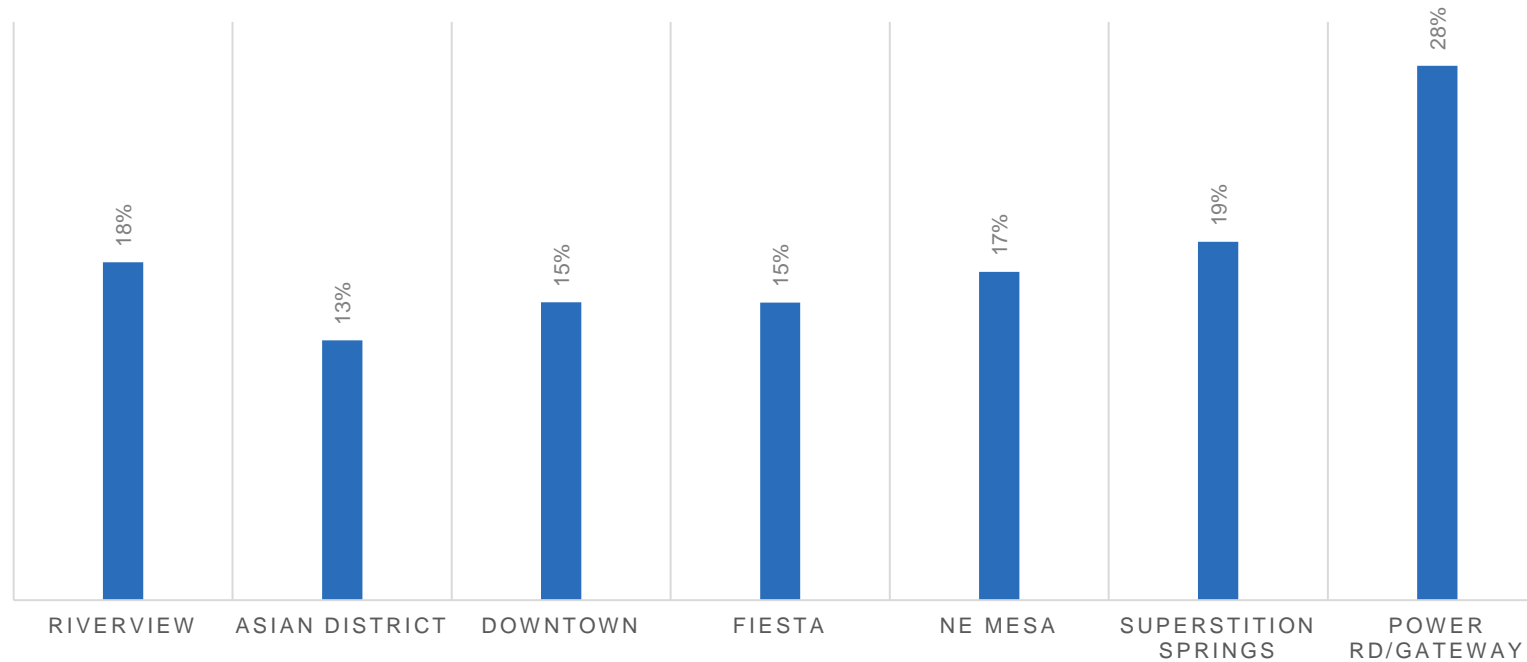
DEMOGRAPHICS

By Trade Area	Population	Median Household Income	2023 Demand	2028 Demand
Riverview	206,603	\$62,675	\$1,977,913,742	\$2,324,620,732
Asian District	176,488	\$53,173	\$1,673,148,255	\$1,898,677,076
Downtown	118,384	\$54,454	\$977,474,298	\$1,128,588,004
Fiesta	116,123	\$58,742	\$1,085,024,882	\$1,252,601,944
NE Mesa	215,999	\$78,063	\$2,490,601,810	\$2,914,682,581
Superstition Springs	465,066	\$79,648	\$5,210,767,627	\$6,179,257,242
Power Rd/Gateway	222,068	\$114,590	\$2,346,481,451	\$2,997,032,774

Task 1: Data Analysis

DEMAND OUTLOOK

DEMAND OUTLOOK GROWTH 2023-2028



Task 2: Stakeholder Engagement

CITY DEPARTMENTS

- **Downtown Transformation**
- **Community Services**
- **Economic Development Advisory Board**
- **Office of Economic Development**
- **Mesa City Manager**
- **Mesa Art Center**
- **Mesa City Council**
- **Mesa Convention Center**

BUSINESS/DEVELOPERS

- **CBRE**
- **Capital Asset Management**
- **Evolve Ventures**
- **Phoenix Commercial Advisors**
- **Longbow Business Park**
- **Whitestone REIT**
- **Downtown Merchants**
- **Macerich**
- **Vivo Partners**
- **Vestar**
- **Levine Investments**
- **Brookfield**

EXTERNAL STAKEHOLDER

- **Greater Phoenix Economic Council**
- **Visit Mesa**
- **Mesa Chamber**
- **Downtown Mesa Association**

Stakeholder Feedback

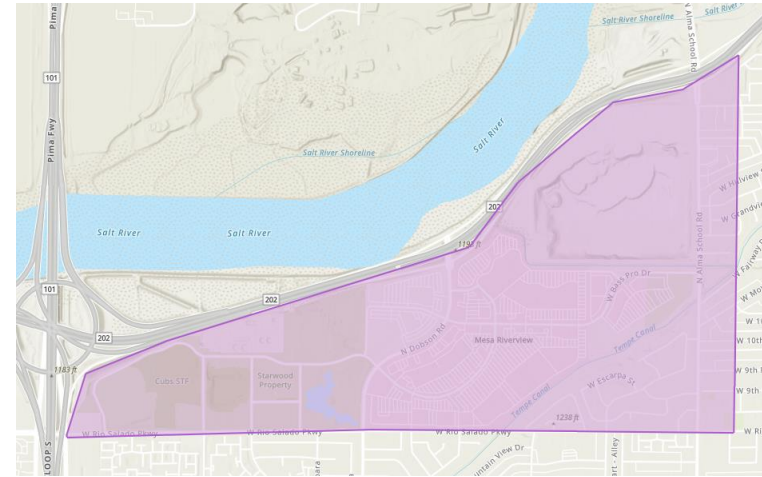
CHALLENGES/OPPORTUNITIES

- Inconsistency in planning and zoning code policy interpretation and communication
- There is a need to understand retailer requirements in relation to zoning codes
- Lack of existing desirable commercial centers hinders retail growth
- Retailers/brokers are unaware of new development opportunities
- Mesa faces perception issues locally and regionally by consumers

Riverview

CHALLENGES

- Lack of population density
- Unclear center designation
- Cell phone data does not show major increase in traffic during Spring Training
- Kimco Restrictions



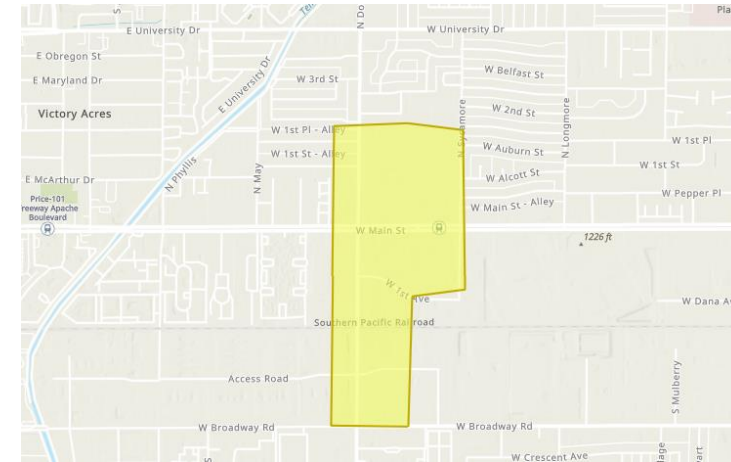
OPPORTUNITIES/ADVANTAGES

- Tourism draw
- Enhancing relationship with Kimco
- Co-tenant location
- Great space for events to draw traffic
- Space for multi-use projects
- Accessibility: 101 and 202 intersection
- Close to ASU Main Campus

Asian District

CHALLENGES

- Lack of population density
- Older buildings need revitalization
- Lower income area
- Mature aesthetic
- Lack of walkability



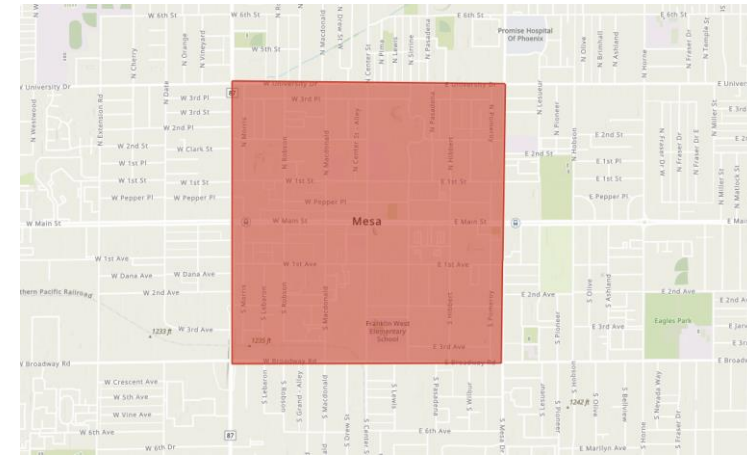
OPPORTUNITIES/ADVANTAGES

- Branding potential
- Regional draw
- Synergy with existing Asian businesses
- New multifamily projects with 500 units opening in 2025
- Space for events
- Light rail and streetcar

Downtown

CHALLENGES

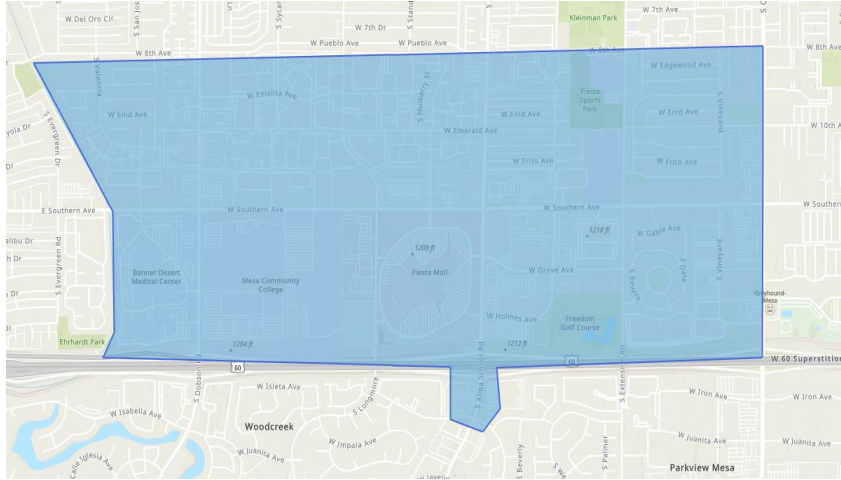
- Lack of foot traffic
- Walkability
- Unfavorable perception of area by outside residents
- Distance from other parts of Mesa
- Lack of resident population in square mile
- Daytime vs Nighttime population



OPPORTUNITIES/ADVANTAGES

- Unique retail and restaurant offerings
- Events attract people
- Available buildings to create destination experiences/retail
- Convention center and hotel
- Increase number of residents/housing types in immediate downtown
- Light rail

Fiesta District



OPPORTUNITIES/ADVANTAGES

- Prime for redevelopment
- Fiesta Mall/City Collaboration
 - Continue working with development group
- High-density area
- High daytime traffic
- Access to US 60

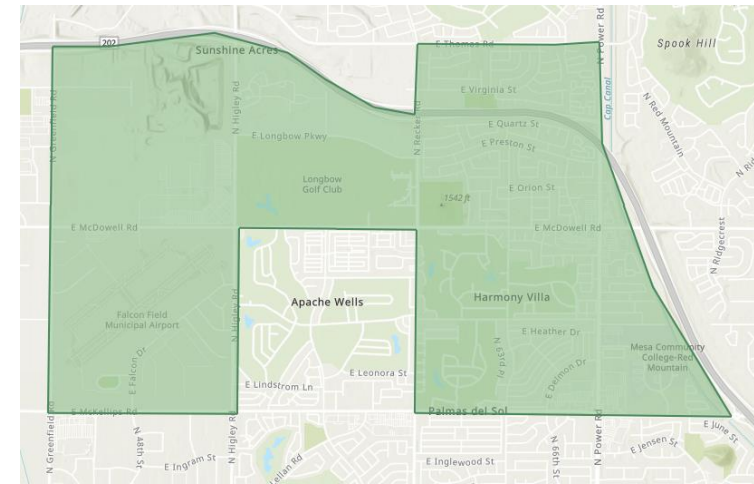
CHALLENGES

- Needs continued visioning for the future
- Lower income area

Northeast Mesa

CHALLENGES

- Lack of population density
- Lack of building availability
- No major retail draw
- Falcon Field Airport/Boeing restrictions



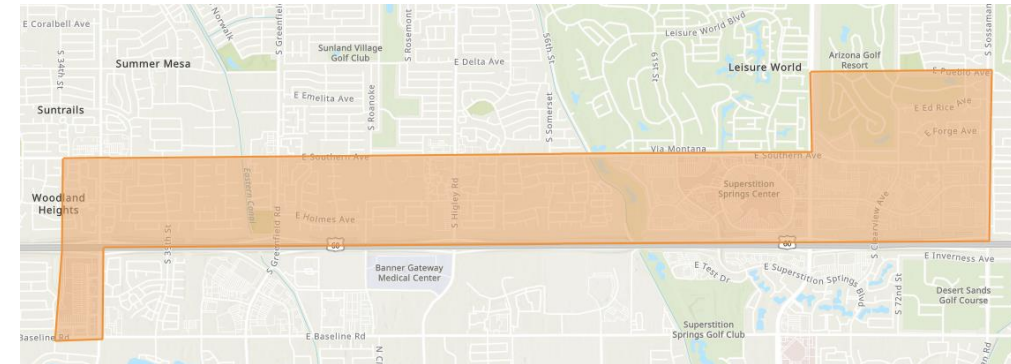
OPPORTUNITIES/ADVANTAGES

- High income levels
- Available land for development
- Destination retailer could bring traffic
- Existing residents support destination retail and entertainment

Superstition Springs

CHALLENGES

- Declining mall needing revitalization
- Unfavorable perception of demographics in the area
- Immediate population largely retirees
- Some residents believe mall is closed
- New retail outside of the area is attracting nearby residents



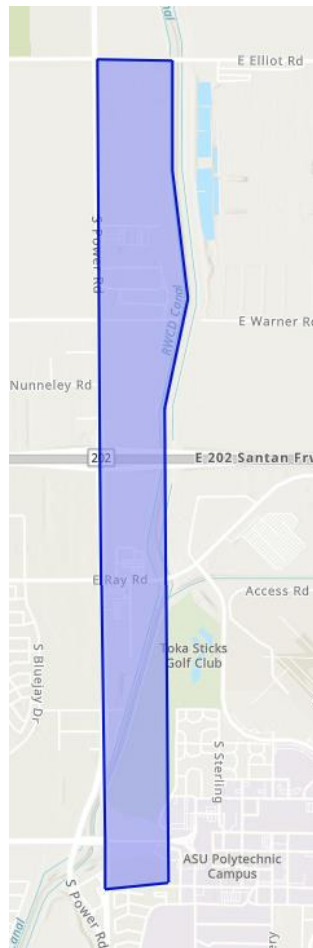
OPPORTUNITIES/ADVANTAGES

- Redevelopment opportunities/mixed-use
- Large trade area reach
- Ownership willing to collaborate with City for a vision
- Pad sites and large parking lots that could be redeveloped

Power Road Corridor

CHALLENGES

- Faces direct competition from Gilbert
- No clear brand yet
- Hotels needed



OPPORTUNITIES/ADVANTAGES

- Land for development
- High income levels
- High traffic along Power Rd
- Close to Airport and ASU Poly
- Unique offerings coming online with Cannon Beach
- Gallery Park

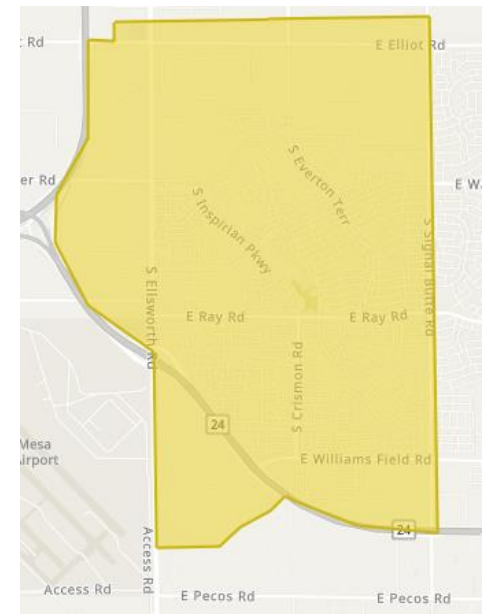
Gateway

CHALLENGES

- Lack of existing buildings
- Proximity to Queen Creek/Gilbert stores limit some retailers
- Hospitality needed to support employers, visitors, and AZ Athletic Grounds

OPPORTUNITIES/ADVANTAGES

- Land for development
- High income levels
- Arizona Athletic Grounds attracts 2.5 million attendees a year
- Hotel room nights



Strategy Recommendations

SHORT-TERM

- Clarify Economic Development staff designations on website
- Actively recruit retail/hospitality/entertainment users
- Establish relationships with brokers and retailers
- Regularly update contacts with development news and opportunities
- Attend retail trade shows
- Enhance Economic Development retail webpages
- Create marketing campaign to shift regional perceptions about Mesa's retail environment and offerings

Strategy Recommendations

LONG-TERM

- Enforce city code to enhance corridor beautification
- Market Mesa as a destination in print publications
- Create marketing campaigns for visitors to local hotels/destinations of Mesa's "things to do"
- Focus on redevelopment and consider use of incentives for higher quality retail

FY24/25 Plan of Work

BUILD AND BEGIN EXECUTION OF 3-YEAR PLAN

- Objective 1: Actively Recruit Retail to Mesa
 - Attend ICSC Las Vegas & ICSC@Western
 - Renew The Retail Coach as consultants
- Objective 2: Develop/Enhance Relationships with Retailers, Brokers, Developers
- Objective 3: Market Mesa as a Retail Destination

