



## ECONOMIC DEVELOPMENT ADVISORY BOARD MINUTES

April 2, 2024

The Economic Development Advisory Board of the City of Mesa met in the board room at 120 North Center Street, on April 2, 2024, at 7:30 a.m.

### BOARDMEMBERS PRESENT

Brian Campbell  
Richard Blake  
Michelle Genereux – Vice Chairperson  
Charles Gregory  
Laura Snow

### BOARDMEMBERS ABSENT

Kathleen “KJ” Jolivette (Excused)  
Amanda Kay (Excused)

### STAFF PRESENT

Jaye O’Donnell  
Angie Herrera  
Maria Laughner  
Maribeth Smith  
Jack Vincent

### EX-OFFICIO MEMBERS PRESENT

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

### EX-OFFICIO MEMBERS ABSENT

Mayor Giles (Excused)

### GUESTS

Jeff McVay  
Amy Malloy  
Heather Personne  
Councilmember Jen Duff  
Councilmember Alicia Goforth\*

(\*Participated in the meeting through the use of video conference equipment)

### 1. Chair’s Call to Order.

Board Chair Jennifer Zonneveld called the April 2, 2024, meeting of the Economic Development Advisory Board to order at 7:32 a.m.

### 2. Items from Citizens Present.

Rich Adams, a Mesa resident, expressed his appreciation and gratitude for the years he served on the Economic Development Advisory Board. While he had not intended such a rapid departure, he reiterated what a privilege it had been to work with his fellow board members and experience the wonderful things this team accomplished under Bill Jabjiniak’s, and now Jaye O’Donnell’s, leadership.

### 3. Approval of Minutes from March 5, 2024, Meeting.

It was moved by Board Vice Chair Michelle Genereux, seconded by Board Member Laura Snow, that the minutes from the March 5, 2024, Economic Development Advisory Board meeting be approved.

Upon tabulation of votes, it showed:

AYES – Campbell-Blake-Genereux-Gregory-Snow

NAYS – None

ABSENT – Jolivette-Kay

Carried unanimously.

4. Hear a presentation and discuss an update on Downtown Mesa development.

Jeff McVay, City of Mesa Manager of Downtown Transformation, shared a presentation highlighting development in Downtown Mesa. The Downtown Innovation District includes ASU @ Mesa City Center which will graduate their first cohort this Spring. Mesa's first library was renovated for The Studios @ Mesa City Center and was developed in partnership with ASU Entrepreneurship and Innovation Institute. The first phase opened last August and the second phase, Mesa Business Builder @ The Studios, will open in May. It will provide connectivity and access to resources and organizational partners for small businesses and entrepreneurs to improve their core business practices. The Plaza @ Mesa City Center encompasses two acres and offers a water feature, ice rink and event lawn. Last year's Mery Main Street boasted the ice rink's most successful year to date. Co+Hoots @ Benedictine features an innovative education partnership, entrepreneurship degree program, and co-working space.

The goal to bring residential development downtown is coming to fruition and select development projects were highlighted. The Grove on Main opened a year ago and proved that there is a market in downtown Mesa. City Creek Reserve, a development arm of the LDS Church, developed 340 high-end market rate residential apartments and townhomes which were leased within 6 months – the fastest in their portfolio. ECO Mesa, a former City owned parking lot at Robson and Pepper Place, is a sustainable development. 2<sup>nd</sup> Avenue Commons at Macdonald and 2<sup>nd</sup> Avenue is a market driven workforce project with 144 units. Melody on Main, the former Brown and Brown site, is currently leasing and will feature first floor retail. Residences on Main, at the NWC of Country Club and Main Street, was originally approved in 2016/2017. Construction began in early 2024 on 200 units with 16,000 square feet of first floor retail/commercial. Construction of The Grid at Pomeroy and Main Street has stalled but the project has garnered interest from a new development team. ZenCity, near Center and Main Street, is a 90-unit project that will be built like Legos and include first floor retail. The units will feature convertible integrated furniture, and the current building will be razed this summer. The Edge on Main, at the SEC of Country Club and Main, is working with Planning for approval of 400 units. The City Council approved a MOU with Culdesac for Site 17 at University and Mesa Drives. The development will feature a variety of housing options including walk-ups, apartments, and midrise styles (1,000 units and 50,000 square feet of commercial space) over three phases. The southern third of the development will include for sale townhomes.

City Council Chambers, at Center and Main, will bring government to the street and provide an inviting entrance into City Hall. The POST, built in 1936 with an addition added in the 1950's, was the first Post Office in Mesa. After renovation it reopened in October featuring a first-floor community event space and second floor City offices, which house the Downtown Transformation team. The Neon Garden @ The Post, located in the back lot of the Post next to ECO Mesa, will feature a park and rentable space. The City partnered with Mesa Preservation to save and display several neon signs. The Restaurant Incubator's design build contractor was approved by the City Council last night and will open in the Spring of 2026. The incubator at 111 W. Main Street will include a five bay retail space with food court style seating. The goal is to graduate participants after 12-18 months and have them open restaurants in Mesa.

The original Downtown Façade Improvement Program funded eight properties with a 1.2M budget and focused on removing/replacing colonnades, increasing jobs, increasing small business revenue, and reducing the downtown vacancy rate. The current program includes 4.4M in funding for 18 properties and 4 alternate properties. The Nile's sales have improved 40% after participating in the program. An overview of development projects includes 254 residential units added from 2010-2020, 397 residential units added since 2020, 867 residential units under construction, 1,900 residential units in planning/negotiation, 21 new businesses added since 2020, and 11 new businesses under construction or lease. Only one business was lost during COVID.

RX Strive, a compounding pharmacy, has purchased the old Department of Economic Security office building on 1<sup>st</sup> Avenue with plans for 150 employees initially, building to 300.

Board member Brian Campbell thanked Mr. McVay and his team for their work downtown and inquired if the current national refinancing challenges is manifesting in Mesa.

Mr. McVay replied that most of the project financing he highlighted was approved in 2019/2020 with favorable financial structures. Developers are more cost cautious currently, but when they are ready, we may be in a more favorable market.

Board member Sonny Cave congratulated Mr. McVay on the tremendous success and commented that Chris Camacho with GPEC mentioned an innovation focus to increase our region's competitiveness in the high-tech space. He inquired if Downtown was focused on bringing more innovation and R&D as well.

Jeff McVay replied that when the Mayor and City Council decided to identify an arts and innovation zone, City leadership invested in that vision. Now that the Downtown Mesa Innovation District includes an anchor institution in Arizona State University our focus will be to attract corporate users to foster a digital innovation zone. He shared that a feasibility study is being conducted on the property north of the Mesa Arts Center for this use.

Board member Natascha Ovando-Karadsheh expressed her appreciation of the City's leadership in the current transformation of Downtown Mesa. She inquired about grocery and health care choices on the horizon.

Mr. McVay reiterated that this transformation wouldn't happen without the support of the Council and City leadership. Although a full-service grocery store isn't on the horizon, he shared that ZenCity currently has a small grocer/daily market on board, and the Culdesac development also has plans for a small grocer.

Councilmember Jenn Duff commented that fine dining is an amenity that is missing and would complement the Mesa Arts Center programming.

Chair Jennifer Zonneveld thanked Mr. McVay for his work and the detailed presentation.

5. Hear a presentation and discuss an update on the Longbow Development Area Visioning Project.

Amy Malloy and Heather Personne, Managing Principals with Evolve Ventures, were approached by Councilmember Alicia Goforth to study the Longbow area. The goal is to protect its assets and build upon opportunities that encourage vitality and attract new prospects.

Evolve Ventures launched in 2019 to bring a wide array of commercial and residential projects to fruition with a focus on placemaking. Their previous background includes a combined 30+ years in commercial real estate.

The presentation included a look at the area's current status, constraints, opportunities, and next steps. The Longbow area boasts strong land ownership, nearby outdoor recreation, and a vested interest from its municipality. Outreach and discussions with existing landowners, employers, and city stakeholders to better understand wants, needs, and constraints is complete. Outreach and discussions with the larger development and brokerage community to determine market, best practices, and raise awareness of the

opportunities; a needs assessment of the area; and a review and analysis of national, regional, and local best practices for mixed-use and integrated land development projects is in process.

Ms. Personne shared a summary of the constraints impacting achievability of the city's goals. The employment driven by Falcon Field Airport and Boeing has been a significant benefit to the local area and economy. However, the associated restrictions are limiting the ability to attract additional residential development typically found in a mixed-use project. The type of density that is needed to fuel the hip and happening retail that's walkable and placemaking requires more population. Longbow is not considered a 360-degree trade area due to the amount of tribal and state land that is adjacent, which is sometimes looked at as a barrier. Infrastructure challenges on parcels north of Loop 202, piece-meal development, and the perception that the city isn't open to new development, which sometimes stems from those that were not approved, round out the constraints.

Evolve suggested initial areas of opportunity include considering multi-family on the Sunshine Acres parcel, considering a land swap allowing the bike park to relocate to the Sunshine Acres parcel and be replaced with multi-family, approval of larger format destination retail or recreational uses in order to bring more people to the area, and building infrastructure as a city-funded project to make new development in the area more financially viable. In addition, continued discussion with nearby employers for residential that would be supported to attract the amenities their employees desire, consideration of hospitality uses on the Sunshine Acres parcel and/or west of Fat Cats, and the requirement of an access easement to allow the parcel on the NWC of Loop 202 and Recker to have the fire access required to be developed for retail use.

Next steps include the completion of outreach to the development and brokerage community, the creation of a bubble plan to illustrate proposed short- and long-term land use assumptions, the creation of a shared vision for the greater Longbow area, and a summary of findings.

Board Member Ovando-Karadsheh stated she lives and works in the area and suggested that we need to tell the broader story by highlighting high-end residential north of Loop 202 (recent 6M home sale and current housing construction planned), widen the demographics versus relying on the 360-degree model, and include the strong workforce surrounding Falcon Field Airport (i.e., Boeing, Northrop Grumman, Nammo etc.). The number one complaint in the area is the lack of sit-down dining options. She emphasized the American Leadership Academy under construction as a regional draw as well.

Board Member Campbell echoed Ms. Ovando-Karadsheh's comments and encouraged Evolve to engage with the Salt River Pima-Maricopa Indian community. Additionally, he complimented the walkability focus and highlighted the City's plans for the Sun Circle Trail. Mr. Cambell recommended they review the ADOT sleeve infrastructure plans to understand the challenges north of Loop 202.

Board Member Charlie Gregory inquired if Evolve viewed the American Leadership Academy near Loop 202 as an asset, a liability, or a non-factor. He highlighted the educational aspect of the project and its location near a freeway as a regional draw.

Ms. Malloy replied that she felt the Academy would act as a regional draw and expressed her gratitude for the opportunity to gather feedback from the Board in the early stages of this study.

6. Discuss the formation of a subcommittee focused on retail recruitment.

Chair Zonneveld tabled the discussion of a subcommittee focused on retail recruitment to the next meeting due to time constraints.

7. Economic Development Director updates.

Economic Development Director Jaye O’Donnell introduced Angie Herrera, Marketing and Communication Specialist II, who was recently hired to support small business development efforts, the Mesa business license, and the marketing of Mesa’s business districts. Ms. O’Donnell stated that the Office of Economic Development’s Mesa Retail Survey is open, and 800 responses have been received. She requested board members consider participating and share the survey link with their networks.

Ms. O’Donnell also highlighted the upcoming State of the Arts in Business event on May 8, 2024, the grand opening of Mesa Business Builder @ The Studios on May 23, 2024, and the recent Mesa Workforce Development Center (MWDC) groundbreaking at Skybridge near the Phoenix-Mesa Gateway Airport.

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

No new business was introduced.

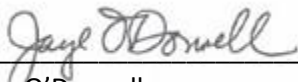
9. Other Business.

The next Economic Development Advisory Board meeting is scheduled for May 7, 2024.

10. Adjournment.

Without objection, the Economic Development Advisory Board meeting adjourned at 9:02 a.m.

Submitted by:



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Jaye O’Donnell  
Economic Development Director