



City Council

Date: July 11, 2022
To: City Council
Through: Christopher J. Brady, City Manager
From: Jeff McVay, Manager of Downtown Transformation

Subject: Approving and authorizing the City Manager to enter into a License Agreement with Arizona State University to provide entrepreneurial and innovation programming within The Studios at Mesa City Center located at 59 E. 1st Street. The initial term of the License is five years, with an additional five-year automatic renewal. **(District 4)**

Purpose and Recommendation

Consider the proposed License Agreement between the City of Mesa and Arizona State University (“License”). The proposed License would provide ASU the right to use the first floor of the Studios at Mesa City Center for entrepreneurial and innovation programming, including programming required as part of the Lease between the City and ASU for the recently completed Media and Immersive eXperience (MIX) Center. In consideration of ASU providing the programming required by the proposed License, the City’s would license the first floor of the Studios at no cost to ASU. Staff recommends approval of the proposed License Agreement.

Background

The City of Mesa and ASU originally entered into an Intergovernmental Agreement (IGA), that included City design and construction of ASU at Mesa City Center, now know as the MIX Center, and a requirement to build out at least 7,500 square feet of the Studios at Mesa City Center. In consideration for the City building-out the Studios, the November 2018 Lease Agreement for ASU’s operation of the MIX Center, requires ASU to provide at least 25 film or other public events and 20 entrepreneurial events. In addition to those base programming requirements, the proposed License also includes additional programming and operations and maintenance requirements that will be managed by ASU’s J. Orin Edson Entrepreneurship + Innovation Institute.

Discussion

The following provides a summary of the primary deal points for the License.

Terms of License – ASU:

In addition to ASU programming obligations included in the Lease for the MIX Center, the Studios License further requires ASU to the following:

- 1) Completion of a Downtown Innovation District assessment
- 2) Provision of a mentorship program

- 3) Creation of an incubator and accelerator program
- 4) Management of community room reservations
- 5) Provision and management of ASU badging software for exterior door access, excluding one exterior door that will be operated with the City's badging software
- 6) Responsibility for one-third of the operating expenses
- 7) Provision of at least one full-time staff member at the Studios during normal business hours
- 8) Provision of technology equipment necessary to provide the required programming, which includes ASU WI-FI, 20 computer workstations, and two projectors

The License would allow ASU to begin occupying the Studios on August 1, 2022, with required programming anticipated to begin September 1, 2022.

Terms of License – City of Mesa:

The proposed License commits the City to design and construct the Studios at Mesa City Center, totaling approximately 26,500 square feet. In addition to construction of the Studios, which was recently completed, the License includes the following City obligations:

- 1) Provision of ASU rights to approximately 8,800 square feet within the first floor of the Studios, including the right to enter, occupy, and program the Program Use Area and shared rights with the City to use the Common Areas, in addition to exterior Common Areas (Exhibit A)
- 2) Purchase, maintenance, and ownership of all furniture, fixtures, and equipment (FF&E), including workstations, desk, tables, chairs, lectern, whiteboards, and projector screens
- 3) Opening and managing utility and maintenance accounts/contracts, with quarterly billing to ASU for one-third of the operating costs
- 4) Provision and management of door badging software for one exterior door on the northeast corner of the building, providing the City with badging control for unfettered access to the second floor and basement that are currently being designed for the Mesa Small Business Learning Lab that will be programmed by the Office of Economic Development
- 5) Maintenance of the building, systems, and grounds

Fiscal Impact




On-going operations and maintenance responsibilities.

Coordinated With

This amendment was coordinated with the City Manager's Office; City Attorney's Office; Parks, Recreation and Commercial Facilities Department; and Arizona State University.

EXHIBIT A

EXHIBIT A - DEPICTION OF LICENSED PREMISES - EXTERIOR

-  PROGRAM USE AREA
-  COMMON AREA
-  NOT A PART

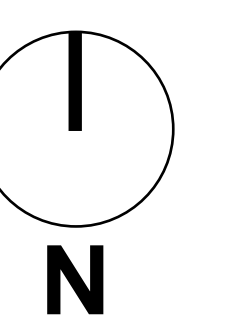
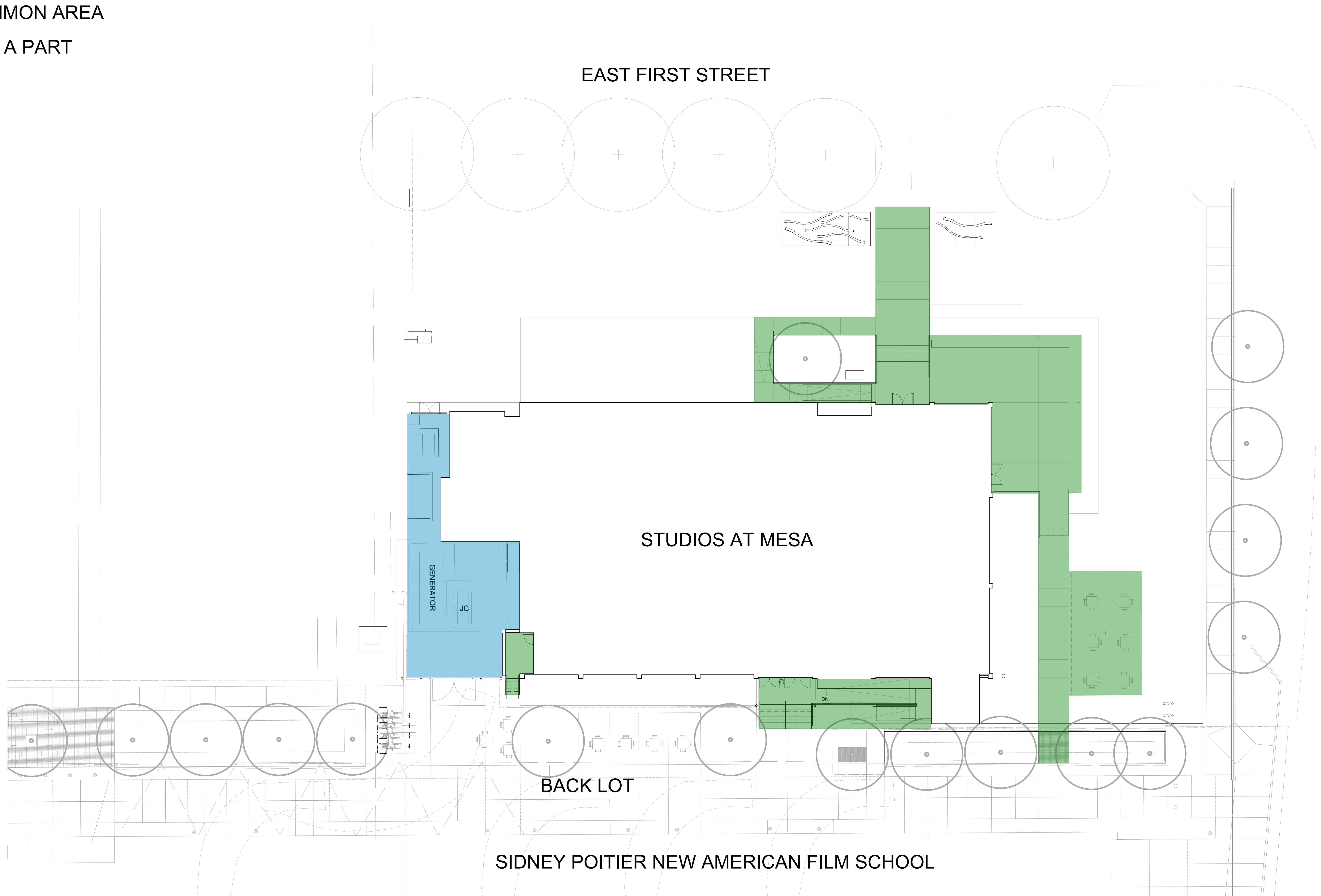


EXHIBIT A - DEPICTION OF LICENSED PREMISES - 1ST FLOOR

- PROGRAM USE AREA
- COMMON AREA
- NOT A PART

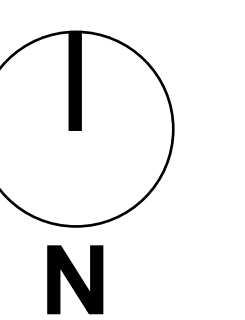
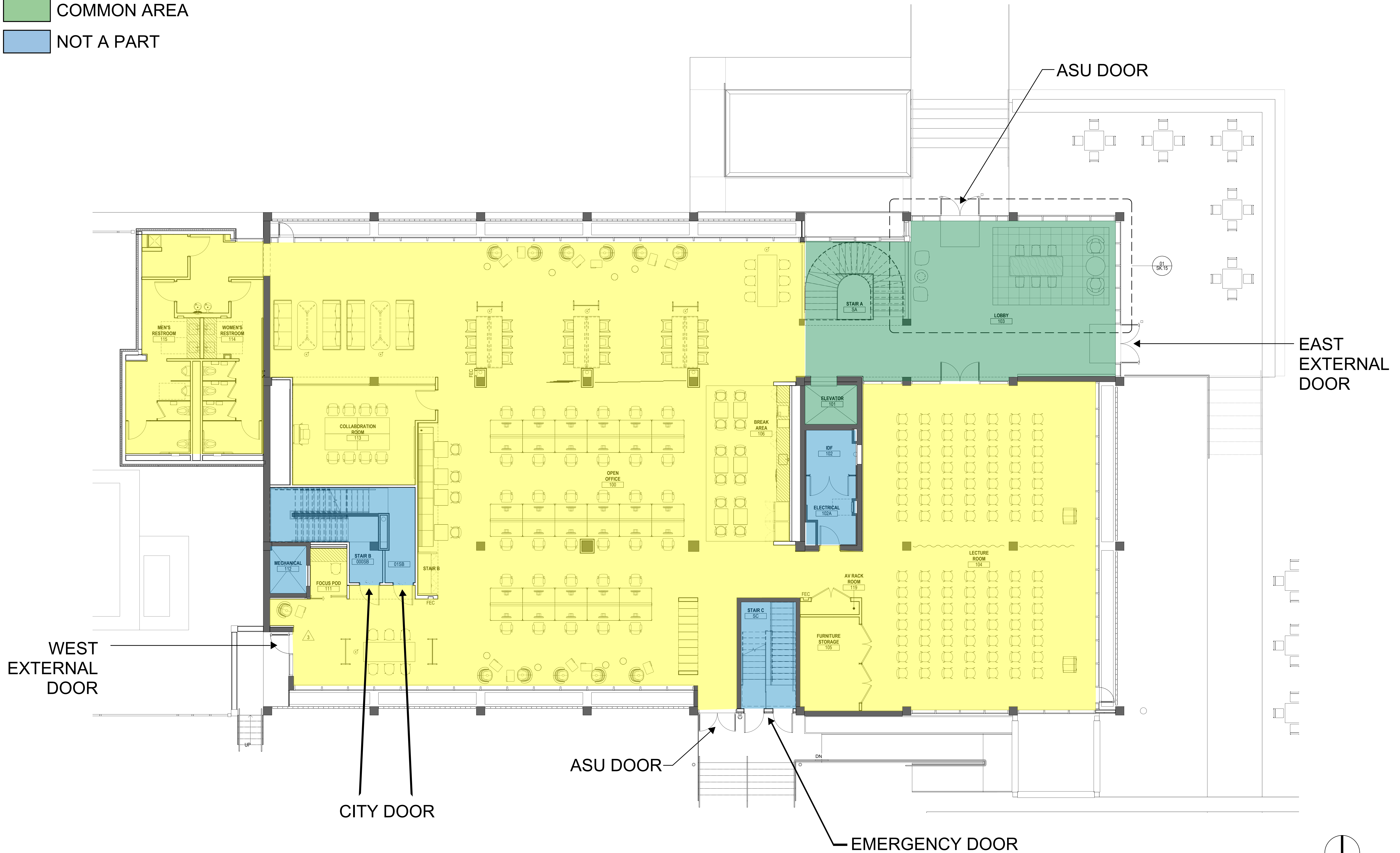





EXHIBIT A - DEPICTION OF LICENSED PREMISES - BASEMENT

-  PROGRAM USE AREA
-  COMMON AREA
-  NOT A PART

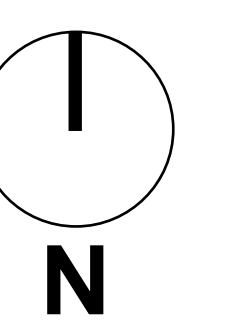
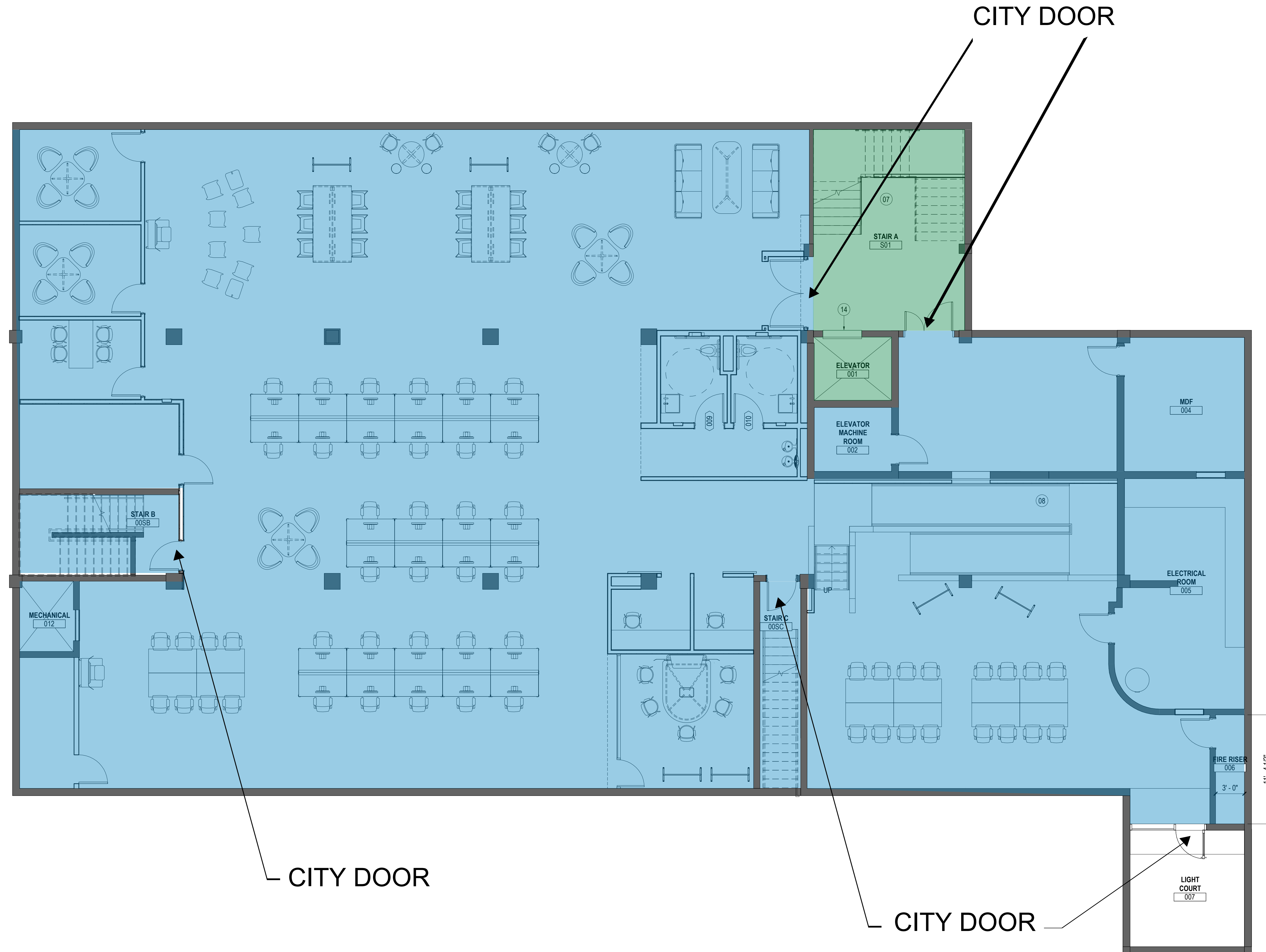





EXHIBIT A - DEPICTION OF LICENSED PREMISES - 2ND FLOOR

-  PROGRAM USE AREA
-  COMMON AREA
-  NOT A PART

