



City Council Report

Date: July 5, 2022
To: City Council
Through: Scott J. Butler, Deputy City Manager
From: Jodi Sorrell, Transit Services Director
Subject: Mesa CONNECTED Transit Oriented Development Grant Pass-Thru Agreement with the City of Phoenix (Districts 3 and 4)

Purpose and Recommendation

The purpose of this report is to recommend and request the City Manager, or his designee, to enter into a pass-through agreement with the City of Phoenix for the Mesa CONNECTED (**C**onnecting **O**ur **N**eighborhoods for **N**Ext-gen **C**ommunity, **T**ransit, & **E**conomic **D**evelopment) Transit Oriented Development grant through the Federal Transit Administration's (FTA) Pilot Program for Transit Oriented Development (TOD) Planning Grant program.

Background

The City is being provided funds through the Federal Transit Administration's (FTA) Pilot Program for Transit Oriented Development Planning Grant program. The funding (\$920,000 in FTA funds and \$230,000 in local match funds) will allow the City to fund comprehensive TOD planning to support a possible streetcar project in an area along the Dobson Road/Southern Avenue/Country Club Drive corridor.

The City of Phoenix is the designated grant recipient for all FTA grant funds for the region. The City of Mesa will spend the funds and submits reimbursement requests to Phoenix for actual expenses incurred. Phoenix then executes a drawdown of funds from FTA to pass-through the reimbursement to the City of Mesa.

Discussion

The proposed streetcar route will travel through and connect several major activity areas and destinations in Mesa including Mesa Riverview, Mesa's Asian District, the Fiesta District, Sloan Park (Cubs Stadium), Mesa Community College, Banner Desert Medical Center, and Downtown Mesa. Additionally, the streetcar will provide greater accessibility to the existing light rail by connecting the above activity areas to two different station areas the light rail and streetcar will share.

With an increase in transit options, the streetcar will also generate transformative growth along the fixed rail line and a demand for new development, as the two are inextricably linked. However, expanded mobility may not automatically result in economic upward mobility, a high-quality physical environment, or multimodal mobility. In order to maximize the benefits of transit investment and ensure sustainable and equitable growth, it is essential to look beyond the transit line and transit stations.

An overarching goal of the Mesa CONNECTED (**C**onnecting **O**ur **N**eighborhoods for **N**Ext-gen **C**ommunity, **T**ransit, & **E**conomic **D**evelopment) is to provide an analysis of possible, economically viable, future development scenarios that maximizes the community benefits of development along transit routes in a manner that both respects and enhances existing neighborhood fabric and that creates a series of new, enduring, and diverse TOD neighborhoods.

Mesa CONNECTED will provide a strategic framework for development and redevelopment along the Fiesta District Alternative Analysis Recommended Route D alignment that will support higher density, mixed-use, transit-oriented communities. The FTA pilot grant will allow the city to carry out a number of planning activities including: meaningful public engagement; market analyses; development plans and policies for various character areas along the corridor; zoning ordinance amendments; connectivity plans for infrastructure improvements needed to increase ridership, connect the streetcar stations to the surrounding neighborhoods, and break down barriers to equitable access; economic development campaigns to attract investment in the corridor; and recommendations on locally viable financing strategies, including public-private partnerships needed to support Transit Oriented Development.

Alternatives

The only alternative to adopting this resolution would be to not adopt. Such an action would deny Mesa \$920,000 in funding to support long-term planning efforts along a future streetcar corridor.

Fiscal Impact

Funding for this grant is included in the Fiscal Year 2023 Transit Services budget.

Coordinated With

The grant program is coordinated with Development Services, Downtown Transformation, Economic Development, and Transit Services.