



# City Council Report

**Date:** July 10, 2023  
**To:** City Council  
**Through:** Marc Heirshberg, Deputy City Manager  
**From:** Beth Huning, City Engineer  
Lance Webb, Assistant City Engineer  
**Subject:** The Studios @ Mesa City Center Phase 2  
City Project No. CP0880P2  
Council District 4

## Purpose and Recommendation

The purpose of this report is to provide information to the Council concerning the results of the bids received for the Studios @ Mesa City Center Phase 2 project (See Exhibit "A" for the project location).

Staff recommends that Council award a contract for this project to the lowest responsible bidder, Sun Eagle Corporation, in the amount of \$3,192,706.50, and authorize a change order allowance in the amount of \$319,270.65 (10%).

## Background

The first phase of the renovation of the Studios building was completed in January 2022 and consisted of the complete remodel of the first floor and bathrooms on all floors. This Phase II project will complete the renovation of the building including the basement and second floor. The programming for these spaces will be run by the City's Economic Development Department.

Located in the heart of Downtown Mesa's Innovation District, The Studios @ Mesa City Center is designed to provide a flexible ecosystem that will allow the collision of world-class industry leaders, budding entrepreneurs, and cutting-edge academic insight to empower modern workforce development and startup pipeline to fuel the economy of today and tomorrow.

## Discussion

After completion of Phase 1 of the Studios project, staff continued to work on the development of a program for Phase 2 which will be led by the City's Economic Development Department. Phase 2 will build upon the business support already established at the facility but is not intended to duplicate existing resources. Early in the project, staff engaged local community stakeholders to help guide the vision for the program. The project includes a digital development area, makerspace, a podcast room,

meeting space, co-working spaces and the ability to hold events of moderate size. The physical construction work will complete tenant improvements on Level 2 and in the basement (approximately 14,000 square feet of the 26,500 square foot building). The scope of work includes new doors, ceilings, non-structural interior partitions, millwork, including mechanical, electrical, and plumbing work. Low voltage cabling, access control, and security are also included as are minor miscellaneous exterior improvements.

Community Impact – The work is located inside the Studios building and should have little to no impact on the community. There may be a construction trailer with surrounding traffic control on First Street just north of the site. There will also be short-duration material deliveries for the construction intermittently.

Once underway, the construction work under this contract is anticipated to last approximately 11 months.

### **Alternatives**

An alternative to the approval of this contract would be to not construct the improvements. This is not recommended because this would hinder the further development of the downtown Innovation District and Mesa business development.

### **Fiscal Impact**

The total authorized amount recommended for this contract is \$3,511,977.15, based upon the lowest responsible bid of \$3,192,706.50 plus an additional \$319,270.65 (10%) as a change order allowance. This allowance will only be utilized for approved change orders.

This project is funded by the Capital General Fund and Federal American Rescue Plan Act (ARPA) funding.

### **Coordinated With**

The Office of Economic Development concurs with this recommendation.

CITY OF MESA  
MESA, ARIZONA

**The Studios @ Mesa City Center Phase 2**

**PROJECT NO. CP0880P2**

Tabulation of Bids Received, Thursday, 6/15/2023 at 1:00 PM.

<b>ENGINEER'S ESTIMATE</b>	<b>\$ 3,099,483.77</b>
1. Sun Eagle Corporation	\$ 3,192,706.50
2. TSG Constructors, LLC	\$ 3,281,000.00