

COUNCIL MINUTES

June 26, 2025

The City Council of the City of Mesa met in the Study Session room at City Hall, 20 East Main Street, on June 26, 2025, at 7:38 a.m.

COUNCIL PRESENT

Mark Freeman
Scott Somers
Rich Adams*
Jennifer Duff
Alicia Goforth
Julie Spilsbury*

COUNCIL ABSENT

Francisco Heredia

OFFICERS PRESENT

Scott Butler
Holly Moseley
Jim Smith

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

Mayor Freeman conducted a roll call.

Mayor Freeman excused Councilmember Heredia from the entire meeting.

1. Review and discuss items on the agenda for July 1, 2025, and July 8, 2025, Regular Council meeting.

All of the items on the agenda were reviewed among Council and staff and the following was noted:

Conflict of interest: None

Items removed from the consent agenda: None

In response to a question from Councilmember Duff regarding agenda Item 10-b, **(A resolution approving and authorizing the City Manager to enter into a Development Agreement with SIMONCRE Buddy, LLC and Target Corporation for the development of certain improvements for the project known as “Medina Station” generally located at the southeast corner of E. Southern Avenue and S. Signal Butte Road. The Development Agreement meets the definition of a “retail development tax incentive agreement” under A.R.S. §9-500.11. (Version 2) (District 5))**, on the July 1, 2025, Regular Council meeting agenda, Senior Economic Development Project Manager Nick Juszczak explained that due to a discrepancy in the financial reports initially provided, a new report will be provided to the Council for review when available.

Deputy City Attorney Kelly Whittemore provided an overview of the tax breaks in the project Development Agreement. She stated that the construction sales tax will be reimbursed at 100%

of the non-dedicated sales tax for the entire project and the retail sales tax is being reimbursed at 50% of the non-dedicated sales tax that are attributable to the retail anchors and the restaurants located in Restaurant Row. She reviewed the process and parameters needed to qualify for the tax reimbursements.

Additional discussion ensued regarding the specific qualifications required for restaurants to locate at this site.

Responding to a question from Councilmember Duff, Planning Director Mary Kopaskie-Brown confirmed the design requirements for public art and specific architectural features to enhance the aesthetics of the development.

In response to a question from Councilmember Goforth, Ms. Whittemore stated that Target Corporation does not qualify for the tax break because it owns the land on which the Target store will be constructed; however, Dick's Sporting Goods qualifies for the incentive as it meets the requirements by being a tenant of the property.

Responding to a question from Councilmember Goforth, Principal Planner Evan Balmer verified that the amendment to the condition of approval verbiage on the site plan modification is a technical requirement when the plan is submitted for review.

Additional discussion ensued regarding the tax incentive and rebate process.

Responding to a question from Councilmember Spilsbury regarding agenda Item 9-c, **(Proposed amendments to Chapters 81 and 87 of Title 11 of the Mesa City Code pertaining to Adaptive Reuse Permits. (Citywide))**, 9-d, **(Proposed amendments to Chapter 25 of Title 6 and Chapter 31 of Title 11 of the Mesa City Code pertaining to marijuana sales and facilities. (Citywide))**, 9-e, **(Proposed amendments to Chapters 56, 57, 58, 59, 60, 63 and 64 of Title 11 of the Mesa City Code pertaining to Form-Based Code. (Citywide))**, and 9-f, **(Proposed amendments to Chapter 6 of Title 9 and Chapters 30, 66, and 87 of Title 11 of the Mesa City Code pertaining to Land Divisions. (Citywide))**, on the July 1, 2025, Regular Council meeting agenda, Ms. Kopaskie-Brown confirmed that no modifications have been made to the items with amendments that are up for action on July 1, 2025, since they were introduced.

Responding to questions from Councilmember Goforth and Councilmember Spilsbury regarding agenda Item 7-a, **(Proposed amendments to Chapters 30, 31, and 87 of Title 11 of the Mesa City Code pertaining to Accessory Dwelling Units, Detached Accessory Buildings or Structures, and Home Occupations. The amendments include but are not limited to: modifying the gross floor area requirements for Detached Accessory Buildings or Structures; modifying the setback requirements for Accessory Dwelling Units; modifying the specific use and activities standards for Home Occupations; adding the definition of "Building Addition"; modifying the definition of Home Occupations. (Citywide))**, on the July 1, 2025, Regular Council meeting agenda, Assistant Planning Director Rachel Phillips explained that the proposed City Code amendments are part of the zoning refinement ordinance to make corrections or clarifications and provided a brief description of each amendment.

In response to a request from Mayor Freeman, Code Compliance Director Angelica Guevara provided examples of challenges that the Code Enforcement Officers have encountered because of the existing language in the City Code.

Discussion ensued regarding the definition of a home-based business, and scenarios that would violate the City Code.

In response to a request from the Council regarding agenda Item 8-a, **(A resolution declaring the documents filed with the City Clerk titled "Section 11-31-36: Data Centers" and "Planned Area Development Overlay District Amendments" to be a public record and providing for the availability of the documents for public use and inspection with the City Clerk.)**, and 8-b, **(Proposed amendments to Chapters 6, 7, 22, 31, 32, and 86 of Title 11 of the Mesa City Code pertaining to Data Centers and Planned Area Development Overlay Districts. (Citywide))**, on the July 1, 2025, Regular City Council meeting agenda, Ms. Phillips introduced Economic Development Director Jaye O'Donnell and displayed a PowerPoint presentation. **(See Attachment 1)**

Ms. Phillips provided the background of the data center and planned area development (PAD) text amendments. She explained that data centers are not defined within the Mesa Zoning Ordinance and are often interpreted to resemble indoor warehousing and storage. She emphasized that over the past six years, under that classification, 15 data centers have been constructed, proposed or approved, totaling approximately 1,500 acres and 15 million square feet within the City of Mesa. She summarized the purpose of the proposed code amendments. (See Pages 2 and 3 of Attachment 1)

Ms. O'Donnell discussed the economic impacts of the proposed text amendments and pointed out that the number of data centers constructed over the last six years is unprecedented. She reiterated the desire to create a balanced economy that will bring tax revenue, higher density jobs, and higher wage jobs to support Mesa families. (See Page 4 of Attachment 1)

Ms. Phillips identified the proposed Code amendments that will establish a land use definition for data centers, and she reiterated that the proposed amendments do not ban data centers. (See Page 6 of Attachment 1)

Responding to a question from Mayor Freeman, Ms. Phillips explained that staff is not recommending data centers in Light Industrial (LI) districts because they are not compatible with surrounding land uses. She referred to page 28, which shows that areas zoned LI, (in light blue) are often adjacent to residential districts. She mentioned that staff are evaluating both the compatibility of zoning districts and the potential impacts on nearby residents. She also noted that, according to the General Plan, these areas are not intended for indoor housing or storage, adding that areas near Germann Road are zoned for heavier industrial uses and are more appropriate for such facilities since they are less likely to conflict with nearby residential uses, designated place types, and the employment core.

In response to a comment from Councilmember Somers regarding the zoning and consistency of the design standards for data centers, Ms. Kopaskie-Brown recalled the waiver option which would allow applicants currently located in an LI district to apply for a waiver for up to three years from the time of the rezoning to allow them to utilize the current zoning requirements.

City Attorney Jim Smith confirmed that, under Proposition 207, if a Zoning Code amendment affects allowable uses, the City of Mesa (COM) must offer waivers to applicants. He pointed out that applicants will still be required to follow the standards applicable to that type of project. He advised that the effects of the rezoning will not be seen for several years but will mitigate the impacts on the adjacent property owners sooner. He verified that the applications will be reviewed, and approvals will be made on a case-by-case basis, as are all projects.

Ms. Phillips clarified that under the waiver process, if the storage of data is recognized as incidental to the primary function of a business, it would be considered an accessory use; therefore, it would not be required to adhere to the full development standards applicable to standalone data centers, since it would only be serving the property owner. She reviewed additional application requirements, highlighting the initial sound study which will establish a baseline sound level to ensure the nearest residential zoning district is not affected. (See Pages 7 and 8 of Attachment 1)

Responding to a question from Councilmember Duff, Water Resources Department Director Christopher Hassert recalled that as a safeguard, when Council approved the large water user policy, the action required such users to purchase their water rights from the City's portfolio. He confirmed that currently there are no center proposals that rely on water-based cooling systems for which the requirement would apply.

Energy Resources Program Manager Anthony Cadorin stated that while there have been requests, the current status of Maricopa County makes onsite power generation challenging, though not impossible. He noted that Microsoft, for example, purchased a three-mile island for power generation, and while similar solutions are being discussed locally, implementing them in this region presents significant challenges.

Discussion ensued regarding backup energy sources for the data centers, such as generators and natural gas.

Ms. Phillips summarized the proposed amendments to the development standards for data centers, including a 400-foot buffer from residential and sensitive uses, a 60-foot height limit, with flexibility through a planned area development (PAD) overlay, and requirements for building placement, architectural design, and screening of service areas. (See Page 9 of Attachment 1)

Ms. Phillips explained the proposed amendments to the operational standards for data centers and provided details about the sound study requirements at application, post-occupancy, and annually for five years. She also outlined regulations for backup generator use, noting limits to normal business hours, required public notifications for exceptions, and allowances for emergencies or utility peak load events. (See Page 10 of Attachment 1)

Ms. Phillips reviewed the proposed amendments to Chapter 11 to allow data centers through a PAD overlay, even if not permitted by the underlying zoning. She confirmed that the changes would also clarify that such uses must comply with all applicable development standards. (See Page 11 of Attachment 1)

Ms. Phillips reviewed the extensive public outreach efforts that began in May 2025 and noted that additional input would be accepted through June 17. She reported that staff received input from over 175 residents in support of the amendments and 37 industry stakeholders representing 27 organizations, which included 10 one-on-one meetings and 26 direct responses. (See Pages 13 through 15 of Attachment 1)

Ms. Phillips summarized the common concerns raised by stakeholders, including objections to zoning restrictions, parking standards, height limits, separation distances, design requirements, and sound study protocols. She clarified that the proposed zoning is consistent with regional practices, that most existing data centers already meet the height and separation standards, and the parking ratio was revised to better reflect operational needs. She explained that, based on

feedback, staff revised the proposal to clarify provisions, ease certain requirements, and provide greater flexibility in design and utility standards. (See Pages 16 through 24 of Attachment 1)

Mr. Smith addressed a question asked by Councilmember Adams earlier in the meeting about the economic impact, jobs, and diversification related to development in a particular area focused on water policy, not just as a general policy, but as a formal ordinance. He provided the background on the ordinance that sets a cap on water usage which was revised a few years ago to lower the cap. He pointed out that since that revision, no data centers or other large users have come in under the new threshold.

Additional discussion ensued regarding community feedback received.

Responding to a question from Councilmember Adams, Mr. Butler clarified that the City only receives tax revenue on the exterior construction of a facility and does not collect Transaction Privilege Tax (TPT) on interior construction.

Assistant Business Services Department Director LeeAnne Cardenas verified the parameters of the tax revenues that may be collected by the COM based on Arizona State Statute.

Councilmember Duff emphasized the need to use limited land wisely based on the City relying heavily on sales tax revenue since some developments, such as those with frequently replaced computing equipment, generate no sales, property, or job benefits for the City.

In response to the comment from Councilmember Duff, Ms. O'Donnell reported that the existing 15 data centers create about 1,500 permanent jobs, whereas 10 other businesses on similar land could generate around 2,980 jobs. She explained that staff are always adjusting strategies to adapt to the changing market trends to attract high-quality jobs to make the COM a desirable place to live and work.

Mayor Freeman thanked staff for the presentation.

Mayor Freeman declared a recess at 9:25 a.m. The meeting reconvened at 9:33 a.m.

2-a. Hear a presentation and discuss an update on Redevelopment Area (RDA) priorities and initiatives.

Downtown Transformation Manager Jeff McVay introduced Senior Economic Development Project Manager Jeff Robbins, Economic Development Director Jaye O'Donnell, Development Services Director Nana Appiah, and displayed a PowerPoint presentation. **(See Attachment 2)**

Mr. McVay commented that ensuring the RDA efforts are successful, collaboration across the COM will be essential. He reported that a redevelopment core team had been formed consisting of members from Development Services, Economic Development, and the Urban Transformation team. He recalled that last year, the COM's developable land dropped below 10% for the first time, making redevelopment, adaptive reuse, and infill critical to future growth. He emphasized that the goal moving forward is to "elevate Mesa" through redevelopment. (See Pages 2 and 3 of Attachment 2)

Mr. Robbins provided an overview of the redevelopment focus areas and strategy and emphasized the need to focus on specific areas. He stated that the focus areas had been identified as major business centers, areas where land value exceeds improvement value, aging

arterial shopping centers, and areas near major public investments and redevelopment areas. He provided details about each focus area and explained the reason redeveloping these areas will benefit the COM. (See Pages 4 through 8 of Attachment 2)

Responding to a question from Councilmember Spilsbury, Mr. Robbins verified that redevelopment is being explored in all areas of the COM, not only downtown. He explained that while major business centers will remain a constant focus, other targeted areas are being tested to gauge readiness for redevelopment and if some areas aren't market-ready, the City will shift to other locations, continuing until it identifies places where concentrated efforts can generate strong momentum. He pointed out that this is a new, flexible program aimed at focusing on resources where most needed.

Mr. Robbins remarked that the redevelopment program, while new in structure, was built on a long history of successful projects. He emphasized that the focus has shifted from passively waiting for opportunities to actively pursuing and encouraging development. He reported that the day-to-day activities focus on foundational activities, building relationships with property owners and buyers to target sites that are prime for redevelopment. He discussed a new service providing feasibility analyses for long-stalled properties that have struggled to sell and new listings that may have inaccurate zoning information. (See Pages 10 and 11 of Attachment 2)

Mr. Robbins provided examples of redevelopment successes, using placeholder names to protect privacy. These included the Boxed-In Site, the Non-Profit Site, the Narrow, Split-Zoned Site, AZ International Marketplace, and the Riverview Site. He explained that in each case, the City's role was to remove barriers, provide technical guidance, and connect owners with the right partners to spur redevelopment. (See Pages 12 through 16 of Attachment 2)

Mr. Robbins pointed out that real estate brokers are now directing developers and buyers to the city in property listings, recognizing the value of the COM as a redevelopment partner. He stated that the collaboration helps reduce perceived risks, reassures buyers, and reinforces that the City supports and encourages investment. (See Page 17 of Attachment 2)

Mr. Robbins explained that the redevelopment approach is comprehensive and coordinated across multiple City departments and outside organizations, which begins with engaging property owners in focus areas, followed by site evaluations to determine needs. He stated that infrastructure considerations happen at both the macro level to ensure entire districts have sufficient utilities for future growth, and at a micro level to address individual sites that face costly or complicated utility connections. He emphasized that the City is exploring new tools to overcome such barriers. He added that Code Compliance is key to well-maintained, safe neighborhoods that will attract investment and align with redevelopment goals. (See Page 19 of Attachment 2)

Code Compliance Director Angelicia Guevara outlined how Code Compliance complements the urban revitalization efforts. She confirmed that staff identified neglected properties in redevelopment areas, encouraged maintenance and small-scale reinvestment to boost safety, reduce crime, protect property values, and build investor confidence. She stated that the redevelopment team conducted preliminary evaluations, without issuing violations, to gauge common issues, revealing many potential code concerns. She reported that in response to the findings, all 14 code officers will now handle non-residential cases, expanding capacity beyond a single dedicated officer. She recognized that the approach emphasizes inspections, notices, extended compliance timelines, and outreach to educate property owners and tenants on resolving violations. She verified that the focus would continue to be focused on achieving

voluntary compliance, with citations used only as a last resort. (See Pages 20 through 22 of Attachment 2)

Mr. Robbins recalled that over the past year, the COM has identified redevelopment needs but often lacks the right tools to address them. He said Arizona does not allow tax increment financing (TIF), a powerful redevelopment funding tool widely used elsewhere. He pointed out that the COM must be aware of the tools at our disposal, such as the Government Property Lease Excise Tax (GPLET), but it is not suitable for all. He discussed other limitations that include the absence of a local Industrial Development Authority, few incentives for properties outside redevelopment areas, and no stable funding source to implement redevelopment plans. He clarified that, as a result, the City must rely on incremental, creative solutions, while state-level incentives focus more on job creation than redevelopment. (See Pages 24 and 25 of Attachment 2)

Mr. Robbins confirmed that the COM believes there is value in examining redevelopment tools used successfully in other Arizona cities and across the nation, assessing whether those tools could be adapted to Mesa's unique needs. He stated that this request is for approval to explore these options further and return with recommendations on potential tools to strengthen redevelopment efforts. (See Pages 26 and 27 of Attachment 2)

Responding to a question from Councilmember Spilsbury, Ms. O'Donnell highlighted the projects that have been successful with limited funding in initiatives like branding the Asian District. She expressed interest in applying similar strategies to other areas and offered additional examples. She emphasized the goal to create a well-funded menu of redevelopment tools to attract investment and reinvestment in targeted areas.

Mr. McVay explained that demolition of older buildings can represent a substantial expense for redevelopment projects. He highlighted the success of the Façade Improvement Program, which has helped increase lease rates, and noted that long-term vacancies often have a negative impact on surrounding neighborhoods. He emphasized the need to develop a robust set of redevelopment tools and requested approval to move forward with the initiatives discussed. (See Page 29 of Attachment 2)

Mr. Butler emphasized the need to focus on investments with the greatest impact and noted the ongoing challenges due to Arizona's prohibition on TIF, which is allowed in 49 other states. He explained that lobbying for TIF would require a constitutional amendment, making it a complex and longstanding challenge.

Additional discussion ensued regarding the efforts being made by neighboring cities.

Mr. McVay addressed the 2024 budget approval that supported the addition of two positions to the Downtown Transformation Department which will be assigned to the Urban Transformation team to enhance the focus on redevelopment.

Mayor Freeman declared the consensus of Council was to recommend moving forward with the redevelopment plan as presented.

Mr. Robbins continued by saying that redevelopment efforts begin with willing property owners, but progress often stalls when owners don't engage. He pointed out that current market uncertainty, cautious lending, and evolving state and federal regulations add challenges. He outlined the ways the team emphasizes measuring success in two phases, first by tracking activities they control, like outreach and feasibility analyses, and later by monitoring key economic

indicators such as capital investment, housing units, square footage, tax base growth, and adaptive reuse, highlighting the sustainability of repurposing existing buildings. (See Pages 30 and 31 of Attachment 2)

Mayor Freeman thanked staff for the presentation.

2-b. Hear a presentation, discuss, and provide direction on the development of Arizona State University facilities in downtown Mesa, including next steps for the post office property located at 135 North Center Street.

Manager of Urban Transformation Jeff McVay introduced Economic Development Project Manager Stefanie Monge and Rick Naimark, Associate Vice President for Program Development Planning at Arizona State University (ASU). **(See Attachment 3)**

Mr. McVay reviewed the history and proposed next steps for ASU's Mesa City Center projects. He highlighted the 2018 Intergovernmental Agreement (IGA) that enabled development of the Media and Immersive eXperience (MIX) Center, the Plaza at City Center, and the Studios. He confirmed that a 2024 updated IGA outlines three potential downtown development sites: Mesa Post Office, public library parking lot, and 55 N. Center, as well as two partner locations that include the former Council Chambers and 55 E. Main Street. He explained that a future lease amendment will grant ASU ownership of the MIX Center building once public debt is retired. (See Pages 2 and 3 of Attachment 3)

Mr. Naimark expressed his appreciation to the COM for the strong partnership and investment in the City Center and Polytechnic campus. He highlighted the goals and accomplishments for the MIX Center since opening fall of 2022 as a hub for film, immersive media, game design, and industry collaboration. He reported that the enrollment and staffing have exceeded expectations and provided supporting details. (See Page 5 of Attachment 3)

Mr. Naimark explained that scholarships for Mesa residents are helping students succeed and contribute to the community. He emphasized ASU's broader role in Mesa through research partnerships, technology tools for city planning, public art projects, global outreach, and economic development initiatives. He reiterated that the MIX Center attracts corporate and international visitors, serves as a model for other universities, and partners with local institutions, companies, and events to advance innovation and downtown revitalization. (See Pages 6 and 7 of Attachment 3)

Mr. Naimark pointed out that the ASU MIX Center extends its impact beyond teaching through community integration and global outreach by hosting over 200 annual events, such as the MIXiversary and linking Mesa to international audiences. He recalled the local collaborations to create local benefits such as partnering with the Oakland A's on updating the stadium scoreboard. (See Pages 8 through 11 of Attachment 3)

Mr. Naimark confirmed that ASU aims to leverage Mesa's investments in the light rail and the Mesa Arts Center to help drive downtown revitalization. He verified that since ASU's arrival, private investment has surged with the addition of 1,200 new housing units, and numerous new bars, restaurants, and shops. He said ASU has also designated downtown Mesa as its eighth innovation zone and named the area the ASU Mesa Center for Creative Technology to attract companies and foster a creative business cluster around Mesa City Center. (See Pages 12 and 13 of Attachment 3)

Mr. Naimark presented conceptual drawings of the proposed additions to the ASU campus which include the renovation of the existing Post Office and the former Council Chambers buildings. He displayed a map identifying the potential ASU connector extending from the Mesa Art Center to the Amphitheater and possibly connecting local neighborhoods to create a welcoming pathway for connectivity. (See Pages 14 through 16 of Attachment 3)

Mr. Naimark discussed the potential program growth that could develop in the future downtown Mesa spaces. He verified that the final program decisions will follow further study, but the facilities would likely require specialized spaces like virtual reality classrooms to support creative technology fields. (See Pages 17 through 18 of Attachment 3)

At 10:29 a.m., Mayor Freeman excused Councilmember Adams from the remainder of the meeting.

Mr. McVay explained that the COM regained ownership of the downtown Post Office building on June 1, 2025, and signed a three-year lease with the postal service as its tenant on May 15, 2025. He reported that while little is known about the building's structure, its systems date back to its 1952 construction. He confirmed that an amendment to the IGA with ASU extended the planning period by one year due to lengthy lease negotiations and confirmed that the next step is a development agreement with ASU, aimed at jointly redeveloping the site, with the City funding up to \$500,000 for consultants to prepare as-built and conceptual plans. He verified that the design will also consider the building's role in improving pedestrian connections between the Amphitheater, Convention Center, MIX Center, and Mesa Arts Center, aiming to enhance appeal to Mesa Convention Center visitors and support local businesses. (See Page 19 of Attachment 3)

In response to a question from Mayor Freeman, Mr. McVay confirmed that a lease will be negotiated with the U.S. Postal Service to incorporate and retain a retail component of the Post Office at the location, which will be part of the financial commitment.

Mr. McVay reiterated that this request is to obtain Council direction to move forward on joint development with ASU and to proceed with engaging the necessary consultants to develop conceptual designs to assist with creating an initial project budget. (See Page 20 of Attachment 3)

Mayor Freeman declared the consensus of Council was to recommend moving forward with a joint development with ASU and bring on the required consultants as presented.

Mr. McVay identified the former Council Chambers as the next partner site identified in the IGA with ASU, which will be jointly used by the COM and ASU under a non-exclusive license agreement. He detailed the parameters of the agreement with the COM responsible for funding and managing the design and construction to make the space functional for both City operations and ASU programs linked to the MIX Center. He verified that the initial design work has begun, and next steps include collaborating with ASU on the design and finalizing the license agreement for Council to review in the coming months. (See Page 21 of Attachment 3)

Mr. McVay pointed out that the 51-55 East Main Street building is a complex but promising redevelopment opportunity. He said that after the City completed an internal feasibility concept several months ago, both ASU and private developers expressed significant interest in the property. He noted that because it was identified as a partner site in the IGA, the City would take the lead in controlling and developing the property. He stated that the primary decision for Council

is whether the site should move forward as a joint development with ASU or as an ASU-led project and confirmed that COM staff believe joint development is the most viable path. He explained that if Council agrees, the COM and ASU must formalize this direction in writing; and once that written commitment is made, the IGA allows a five-year period to develop and present a finalized plan for the site to Council. (See Page 22 of Attachment 3)

Responding to a question from Councilmember Goforth, Mr. McVay explained additional options but pointed out the COM's commitment to offer the space to ASU.

In response to a question from Councilmember Spilsbury, Mr. Naimark noted that the Post Office and former Council Chambers sites alone would not provide enough space to achieve desired program growth. He stated that ASU typically prefers to own and occupy its spaces, rather than lease long-term, but a building of this size might require a shared-use model and advised that additional options will be evaluated, including leasing, ownership, and mixed-use concepts, such as ground-floor retail connected to the Mesa Arts Center with upper floors for classrooms.

Mr. McVay clarified that the next step is for the COM and ASU to explore development options for the site and return by year-end with recommendations. He said that any redevelopment will likely require commitments from both ASU and the COM to ensure financial viability, particularly given the current office market and potential private development partners. He emphasized that the COM would retain authority over all leases to ensure retail and restaurant uses align with the Mesa Arts Center and broader downtown objectives. (See Page 23 of Attachment 3)

Responding to a question from Mayor Freeman, Mr. Butler reiterated that the former Council Chambers are still being utilized by the COM and confirmed that a collaboration to share space with ASU is the goal.

Councilmember Duff expressed her support for this project and appreciation for the hard work that has gone into making it a reality.

Mayor Freeman thanked staff for the presentation.

3. Acknowledge receipt of minutes of various boards and committees.

- 3-a. Economic Development Advisory Board meeting held on April 1, 2025.
- 3-b. Community and Cultural Development Committee meeting held on May 19, 2025.
- 3-c. Planning and Zoning Board Study Session meeting held on May 28, 2025.
- 3-d. Planning and Zoning Board Public Hearing meeting held on May 28, 2025.
- 3-e. Education and Workforce Development Roundtable meeting held on March 5, 2025.
- 3-f. Audit, Finance and Enterprise Committee meeting held on April 21, 2025.

It was moved by Vice Mayor Somers, seconded by Councilmember Duff, that receipt of the above-listed minutes be acknowledged.

Upon tabulation of votes, it showed:

AYES – Freeman–Somers–Duff–Goforth–Spilsbury

NAYS – None

ABSENT – Adams–Heredia

Mayor Freeman declared the motion passed unanimously by those present.

4. Current events summary including meetings and conferences attended.

Mayor Freeman and Councilmembers highlighted the events, meetings, and conferences recently attended.

5. Scheduling of meetings.

City Manager Scott Butler stated that the schedule of meetings is as follows:

Tuesday, July 1, 2025, 4:30 p.m. – Study Session

Tuesday, July 1, 2025, 5:45 p.m. – Regular Meeting

6. Adjournment.

Without objection, the Study Session adjourned at 11:08 a.m.

MARK FREEMAN, MAYOR

ATTEST:

HOLLY MOSELEY, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the City Council of Mesa, Arizona, held on the 26th of June 2025. I further certify that the meeting was duly called and held and that a quorum was present.

HOLLY MOSELEY, CITY CLERK

lr/sr
(Attachments – 3)

DATA CENTER & PAD TEXT AMENDMENTS

July 1, 2025

Mary Kopaskie-Brown, Planning Director

Rachel Phillips, Assistant Planning Director

Jaye O'Donnell, Economic Development Director

Sean Pesek, Senior Planner

Background

2

- Staff directed to draft a text amendment to address Data Centers and their unique operations
- Data Centers not a defined use within the Mesa Zoning Ordinance
- Interpreted to most closely resemble and reviewed as Indoor Warehousing and Storage
- Over the past 6 years, 15 data centers have been constructed, approved or proposed
- Text Amendments heard by Planning & Zoning Board on June 11th
- Item continued to June 25th allow for additional public participation
- Planning & Zoning Board recommended City Council adopt the amendments

Purpose of the Amendments

- **Scale & Proliferation:** Mesa has seen a rapid increase in large data-centers; their number and size warrant dedicated standards rather than case-by-case review.
- **Address Distinct Impacts:** Generator/cooling noise and large mechanical yards and substations can affect nearby neighborhoods if not carefully managed.
- **Land Use Compatibility & Community Expectations:** Zoning and setback/separation from residential use, addresses two-plus years of community feedback regarding the siting of data centers.
- **Utility Demand & Coordination:** Early evaluation of water and energy demand lets City utilities plan capacity upgrades proactively and prevent service disruptions.
- **Clear Standards & Predictability:** Clear standards ensure higher quality design outcomes and provide applicants predictability

Economic Impacts

4

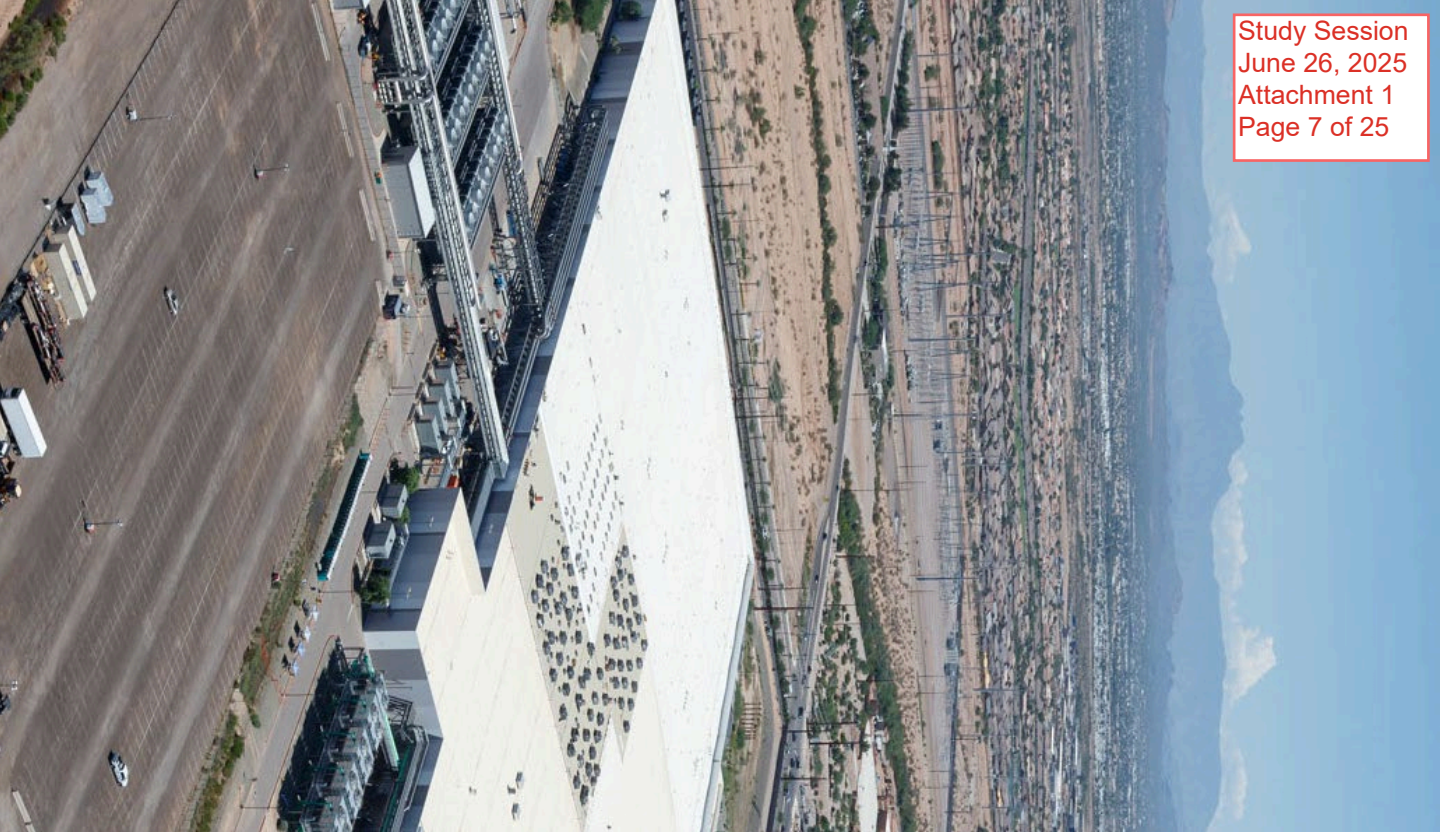
Considerations for Future Data Center Development

- Scale and pace of growth highlights the need for clear development standards
- Strategic balance needed:
 - Land availability + market readiness
 - Utility capacity and long-term infrastructure planning
 - Impacts on surrounding land uses (noise, compatibility)
 - Low job density vs. fiscal/economic benefits
 - Sustainability + alignment with community goals
- Adopting the proposed text amendments to support responsible, sustainable, and balanced economic growth

Proposed Data Center & PAD Text Amendments

Proposed Amendments

- Create a land use definition of Data Center
- Permit Data Centers in the General Industrial (GI) and Heavy Industrial (HI) Districts
 - If compliant with all standards of proposed Section 11-31-36: Data Centers
 - When specifically authorized and approved through a Planned Area Development (PAD) Overlay District
- Amendments do not ban data centers



Proposed Amendments

7

- Establish criteria for Data Centers as an accessory use
- Permitted in Commercial and Employment Zoning Districts
- Not subject to Section 11-31-36: Data Centers
 - Exclusively serves the on-site property owner
 - Does not lease data storage or processing services to third parties
 - Occupies no more than 10% of the building

Proposed Amendments Additional Application Requirements

- Operational Plan
- Good Neighbor Policy
- Water Consumption and Thermal Management Report, describing:
 - Cooling system design - water or air cooled
 - Water usage
- Wastewater Report
- Electric and Natural Gas (Energy) Service Report
 - If in the City's service area - estimated demand
- Initial Sound Study

Proposed Amendments Development Standards

9

- Separation from residential - 400 ft.
- Height - max. 60 ft.
- Building Placement and Design
- Architectural Design
 - All sided architecture - publicly visible
 - Additional articulation
 - Glazing requirements
 - Architectural features
- Truck Dock, Loading, and Service Areas
- Fences and Freestanding Walls
- Mechanical Equipment
- Substation Screening
- Utility Standards

Proposed Amendments Operational Standards

- Sound Studies
 - Within 30 days of the issuance of certificate of occupancy
 - Annual - for 5 yrs.
- Back up Generators
 - Noticing
 - Hours of operation - normal operation and exceptions

Proposed Amendments

11

- Modifications to Chapter 11 (Planned Area Development Overlay District)
 - Permit land uses not allowed by the underlying zoning district
 - If permitted, additional land uses must adhere to specific use and activity standards





PUBLIC PARTICIPATION

Public Participation

- May 27th - Email sent to the Long Range Planning email list
 - Notifying that the draft amendments were posted on the City of Mesa's Long Range Planning website for review
 - Encouraged to review and share feedback
 - 108 recipients
- Staff met one-on-one with, talked with, and/or corresponded with representatives from the following organizations:
 - Data Center Coalition
 - SRP
 - Valley Partnership
 - Edgecore
 - Google
 - Meta
 - Pacific Proving Ground
 - Legacy Business Park
 - Cyrus One
 - Novva
 - C-1 Mesa LLC
 - Berry Riddell LLC

Public Participation

- Additional email sent to stakeholders on June 12th
 - Notifying stakeholders that the item was continued to June 25th
 - Offering to meet to discuss amendments
 - Requesting any feedback by June 17th at noon to consider incorporating
 - 363 recipients
- Public feedback
 - Industry - consistent with previous comments
 - Public - In favor of the amendments but want greater oversight and regulations to apply to Eastmark
- Table with all comments received by June 17th and responses provided in agenda packet
- All emails and comment cards provided by June 25th provided in agenda packet

Public Participation

- Comments from over 175 residents
- Comments from 37 industry stakeholders
 - Representing 27 organizations
 - 10 individual stakeholder meetings with staff
- 26 direct responses from staff
- Responses to all comments provided before June 18th provided in the comment summary exhibit

Public Participation – Update

16

- Industry Stakeholders Engaged:
 - Ben Graf, Mike Josh, Peter Furlow, Quarles & Brady (Novva) (Meta)
 - Clay Allsop, Google
 - Cepand Alizadeh, Arizona Technology Council
 - Derek Petersen, C-1 Mesa LLC
 - Karla Moran, SRP
 - Wendy Riddell & Kaelee Palmer, Berry Riddell, LLC
 - Korey Wilkes, Butler Design Group
 - Bill Jibjiniak, John Bean, & Justin Taylor, Edgecore & Alex Hayes, Whitney Morris Baugh, PLC (Edgecore)
 - Ryan Gruver (Arizona Data Center Alliance)
 - Jill Hegardt, DMB Associates
- Dan Diorio & Karla Boender, State Policy & Emily Rice, b3 Strategies (Data Center Coalition)
- Russell Smolden (Data Center Coalition)
- Michael Schwob, Schwob Acoustics
- Shannon Heinze, Mesa Chamber of Commerce
- Steven Glenn Zylstra (SCITECH Institute)
- Stuart Goodman, Goodman Schwartz Public Affairs (Apple)
- Susan Demmitt, Gammage & Burnham (Legacy Business Park)
- Tim White, CEM, CBCP, CSDP
- Valeria Galindo, JLL
- Valerie Crafton, VAL Consultants
- Alisa Lyons, Sloan Lyons (Valley Partnership)
- Peter Costa, Baltu Technologies
- Tom Maples & Nathan Lentz, DPR Construction
- John Baumer, Commercial Real Estate Development Association (NAIOP Arizona)

Main Industry Comments

17

Zoning Restrictions

Restricting data center development to GI and HI zoning categories, representing less than 1% of Mesa's land, imposes unnecessary barriers on future projects, particularly when the waiver process offers no guarantee of approval

- GI & HI account for approximately 4.2% of Mesa's land area and 21.3% of land area with Employment zoning
- If a waiver is submitted, Data Centers will be permitted in zoning districts that currently permit Indoor Warehousing and Storage
- Waiver will be granted if a valid claim under ARS 12-1134 and meets all the requirements in Section 12 of the ordinance

Main Industry Comments

18

Parking Requirements

Mandating one parking space per 1,000 gross square feet grossly overestimates actual needs for such facilities. This would result in expansive, unused lots that exacerbate the urban heat island effect without delivering practical benefits.

- Original proposed requirement was based off the common parking reduction requests seen from data centers
- Based on additional research, and input from stakeholders, parking requirement revised:
 - 1/5,000 SF for the first 200,000 SF and 1/10,000 SF thereafter

Main Industry Comments

19

Height Restrictions

Height restrictions are overly restrictive compared to allowances in other industrial and employment districts.

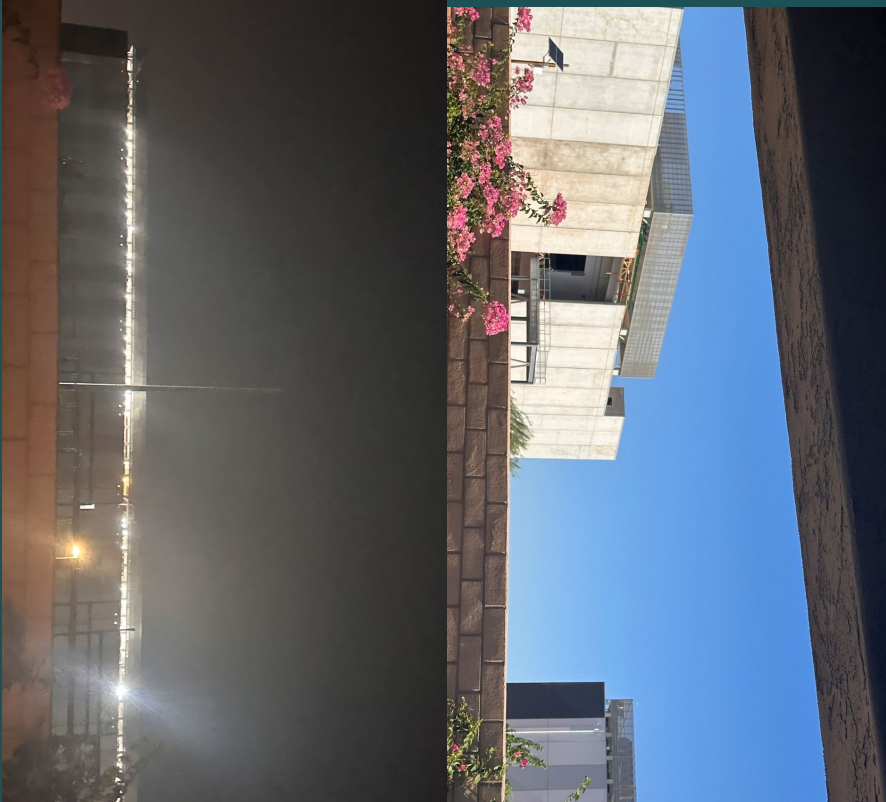
- Maximum height in the LI District is 40 ft. and maximum in the GI & HI is 50 ft.
- The 60 ft. maximum proposed with PAD approval is greater than what is allowed in Employment Districts, not more restrictive
- 66.7% or 10 out of the 15 approved data centers in Mesa meet the proposed maximum height

Main Industry Comments

Setback Requirements

Proposed setbacks are excessive, especially given the inclusion of screening and other mitigation measures.

- Amendment does not include a 400-ft. setback, rather a 400-ft. separation from residential zoning districts, residential uses, and other sensitive uses
- Data Centers produce noise, exhaust, and heat, and have visual impacts
- Separation mitigates potential impacts
- In line with other municipalities
 - Marana - 400 ft. from residential and 100 ft. from non-residential uses
 - Tempe - proposing 500 ft. from residential uses
 - Phoenix - proposing 150 ft. from residential and additional standards when within 300 ft.



Example:

Separation - 202 ft.
Building height - 70' 6"

Main Industry Comments

21

Architectural Design Standards

Design requirements exceed what's appropriate and are inconsistent with underlying zoning.

- Staff directed by City Council to recommend additional development standards to:
 - Address compatibility
 - Mitigate potential adverse impacts
 - Address the unique size of these facilities
 - Ensure high-quality development

Main Industry Comments

22

Acoustic Standards

The acceptable sound study threshold is unclear. Ambient noise may rise over time, it should be based on a decibel level.

- Initial sound study document the baseline noise level at the nearest residential property line
- Baseline level could be very different depending on the context (e.g., adjacent to an arterial roadway)
- Requirement is that the baseline noise level at the nearest residential property line not be increased by the data center operations
- Ongoing studies ensure that existing conditions are maintained - accounts for phasing of development

Industry Response - Revisions Made

23

- **Waiver process** - clarified
 - Section 11-31-36 is not applicable to Eastmark
 - Data Centers with a waiver are legal conforming uses
 - Data centers that have approval or complete application submitted prior to effective date do not have to comply with Section 11-31-36
- **Accessory Use** - removed that it couldn't be in a stand along building
- **Substation Screening** - revised
 - Only ground-mounted equipment required to be screened
 - Design options for screening based on height of wall
- **Backup Generators** - revised to allow during “electric utility demand response event”

Industry Response - Revisions Made

24

- **Architectural Features**- Revised to allow Planning Director to approve others
- **Sound Studies**- revised
 - Measured taken during peak “routine” operational
 - Clarified sound study due within 30 days of Cofo issuance
 - Conducted by “acoustical consultant”
- **Utility Undergrounding**- clarified requirement only applies to onsite or adjacent infrastructure
- **Building Orientation**- clarified that it applies to the primary (front) façade
- **Mechanical Equipment Location**- prioritize location away from public realm, when possible, at side or rear of building
- **Electric and Natural Gas (Energy) Service Report**- Clarified required if in the City’s service area for electric or natural gas



QUESTIONS?

Redevelopment Update

Mesa City Council Study Session

June 26th, 2025

Jeff Robbins, CECD, AZED Pro

Redevelopment Program
Administrator

Nana Appiah, PhD, AICP

Development Services Director

Jeff McVay, AICP

Manager of Urban Transformation

Jaye O'Donnell

Economic Development Director

Angelica Guevara

Code Compliance Director

REDEVELOPMENT CORE TEAM



mesa·az
URBAN TRANSFORMATION



mesa·az
DEVELOPMENT SERVICES



mesa·az
ECONOMIC DEVELOPMENT

Jeff McVay

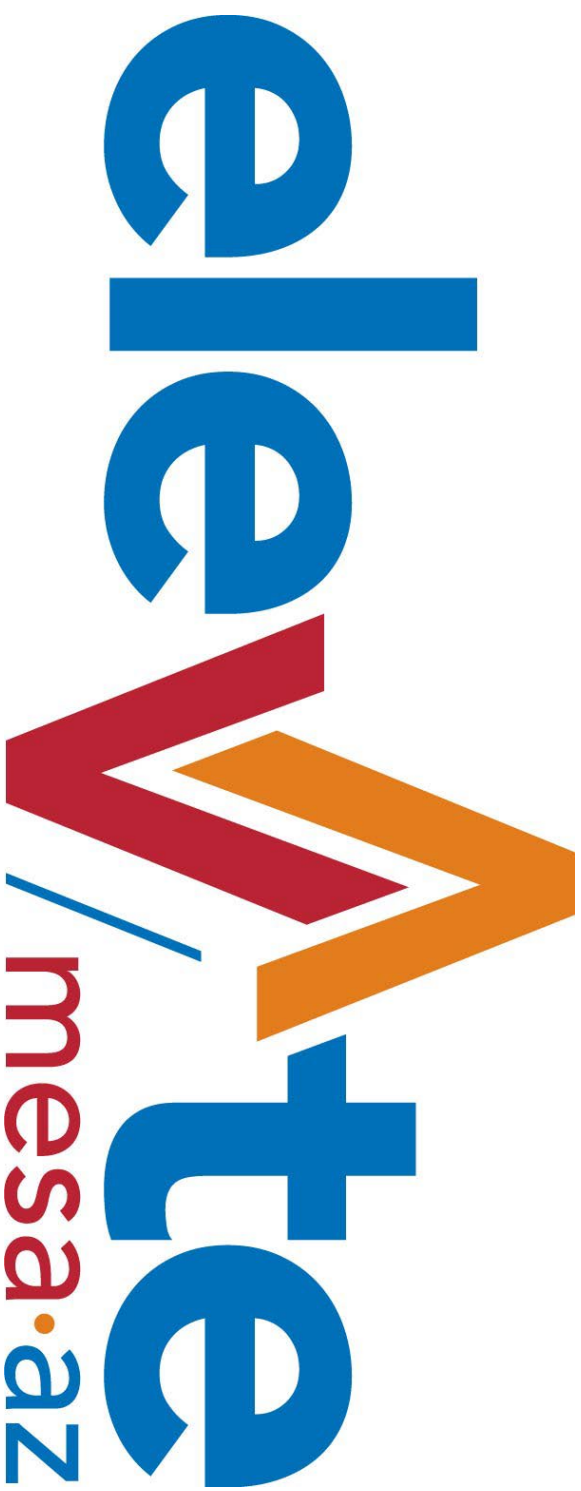
Jeff Robbins

Nana Appiah

Rachel Phillips

Jaye O'Donnell

Amanda Elliott



Through Redevelopment

REDEVELOPMENT FOCUS AREAS



REDEVELOPMENT FOCUS AREAS



REDEVELOPMENT FOCUS AREAS

Major Business Centers

- Riverview
- Fiesta Mall
- Superstition Springs
- Longbow



REDEVELOPMENT FOCUS AREAS

Areas Where Land Value Exceeds Improvement Value

- East Main Street
- McKellips and
Country Club Area



REDEVELOPMENT FOCUS AREAS

Aging Arterial Shopping Centers

- Southern Ave between Mesa Dr. and Val Vista
- Brown and Higley Area
- Power and McDowell



REDEVELOPMENT FOCUS AREAS

Areas Near Major Public Investments And Redevelopment Areas

- Downtown Peripheries
- Light Rail Corridor
- Fiesta & Asian Districts

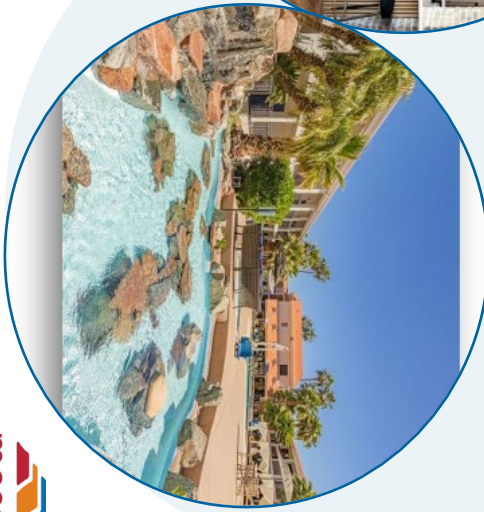
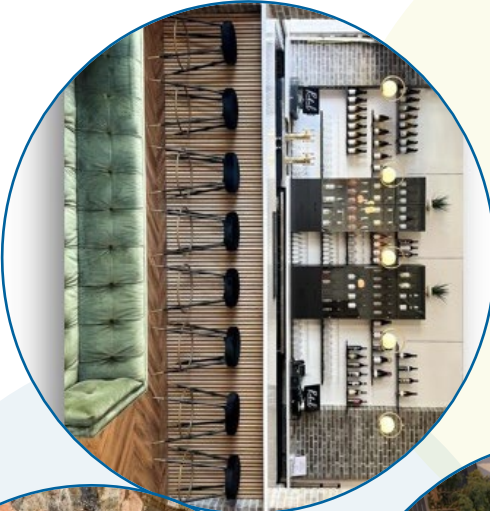


RECENT ACTIVITY



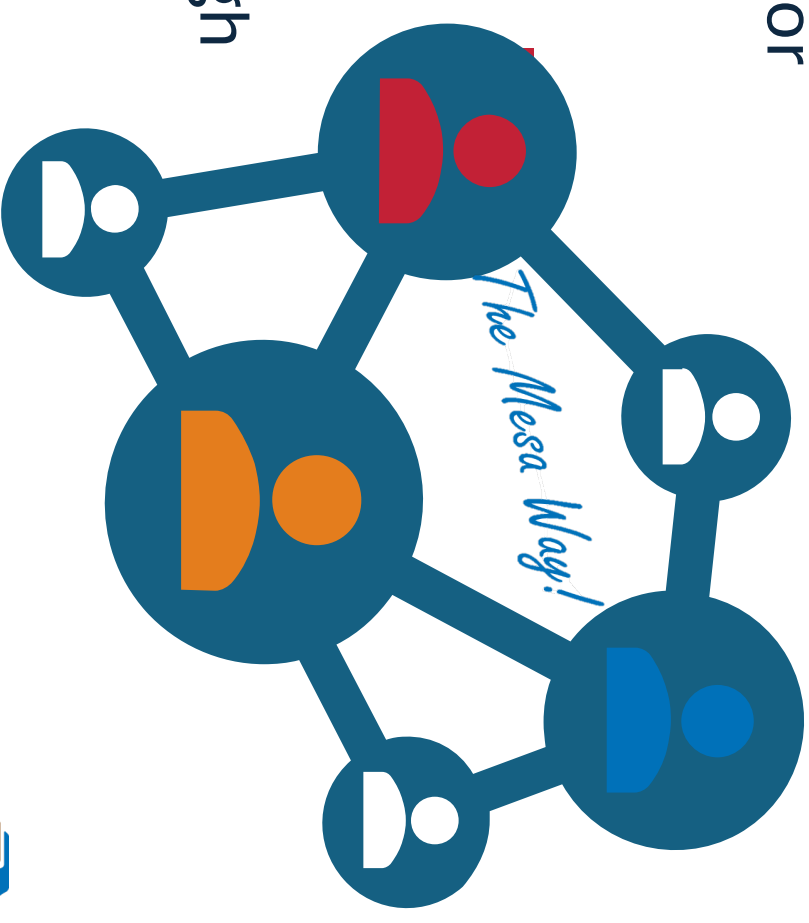
RECENT REDEVELOPMENT

- Venture on Country Club
- The Pommeroy
- Ovio
- Jalapeño Dragon
- West Main Station Village
- Pedal Haus
- Coyotes Community Ice Center
- The George at Superstition Springs
- Residences on Main



DAILY ACTIVITIES

- Contact focus area properties and monitor properties coming to market
- Feasibility analysis
- Introduce buyers and sellers
- Internal and external coordination through entitlement and construction
- Negotiate and manage agreements

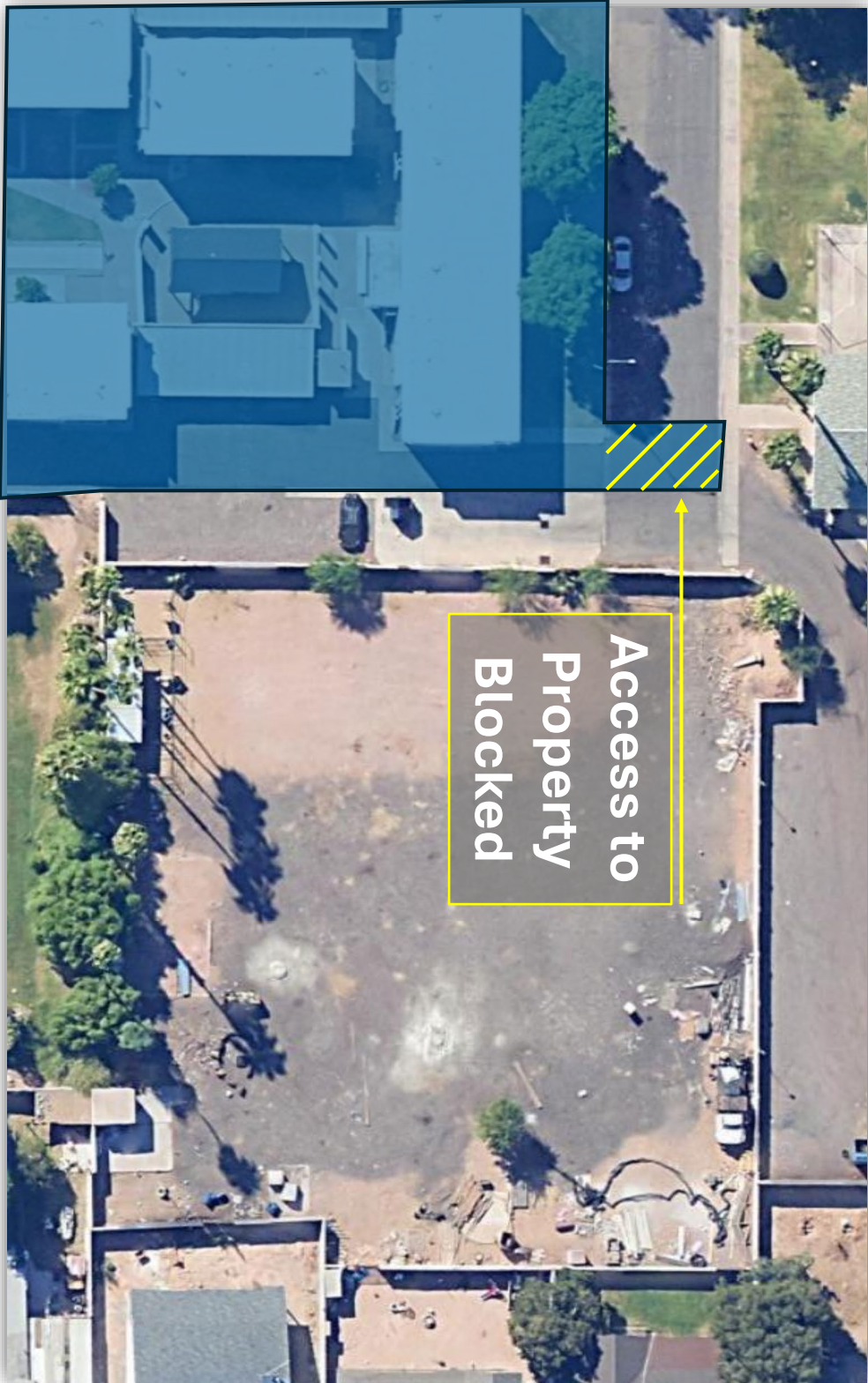


“THE BOXED-IN SITE”

**ROW/
Ownership
Resolution**

**Developed
documents**

**Result:
Presubmittal
conference
held April
22nd**



“THE NON-PROFIT SITE”

**Guided Owner
Through
Redevelopment
Options**

**Facilitated
Introduction to
Buyers**

**Result: Multiple
Letters of Intent**



“NARROW, SPLIT ZONED SITE”

**Initial
consultation**

**Feasibility and
highest and best
use analysis**

**Result:
connected to
partners**

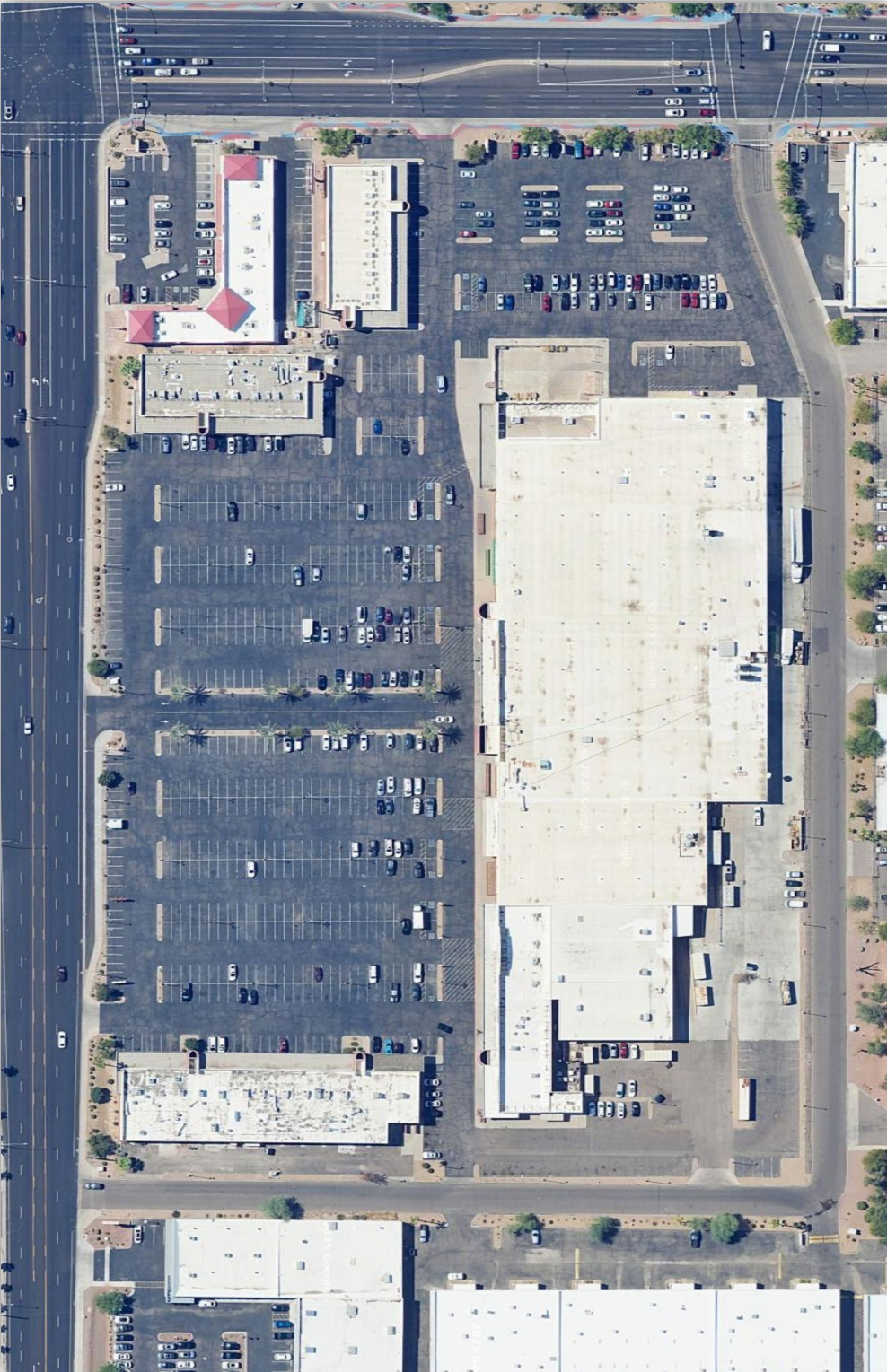


AZ INTERNATIONAL MARKETPLACE

**Plan for Urban
Mixed-Use
Infill**

**Retail
Coach/OED
Business
Recruitment**

**Result:
Connected
developer and
tenant**



RIVERVIEW SITE DEMO AND REUSE

Old county animal
shelter site

Multiple feasibility
meetings with staff
prior to public auction

Result: Presubmittal
for hotel and custom
housing



Discuss owner's goals and best use

Entitlement process guidance and incentive information

The building presents a new opportunity to acquire a commercial building and adjacent land in close proximity to the 20th and the Forest of Ardenne Parcours. The property offers the building to suit a range of treatment strategies have previously received permission to bring back development. The 1,000 sqm building sitting on a 0.003 ha plot was fully renovated in 2016, with energy efficient lighting and windows, a 200-watt heat pump, underfloor heating, concrete floors, and natural food and so on. The building is listed 1944 and recently registered in April 2020. The property includes a basement and is surrounded with a 10m wide fence, a garden, a driveway and a parking area with a 10m wide fence. The property is a 10m wide plot of 10,000 sqm. For additional information regarding the property, please contact Audrey Pichard at audrey.pichard@bureau-gpi.com.

Don't miss this exciting opportunity to own a piece of history in the heart of the Forest of Ardenne.

“For additional information regarding the zoning, please contact Jeffrey Robbins..”

- Redevelopers will receive project management support from the City of Miami's Office of Urban Transformation
- A redevelopment project on 6th St. may be eligible for a GRLET (lease provides 6-year tax abatement)
- Property is within eligibility areas (Downtown Census Tracts for New Market Tax Credits plans)
 - GRLET and MARC incentives track
 - starting, goes to new business, not the developer, but it can be very advantageous in landing a local business tenant
- If the property is NOT within a Federal Opportunity Zone

*“Redevelopers will
receive project
management support
from the City of Mesa’s
Office of Urban
Transformation”*

COMPREHENSIVE APPROACH



COMPREHENSIVE APPROACH

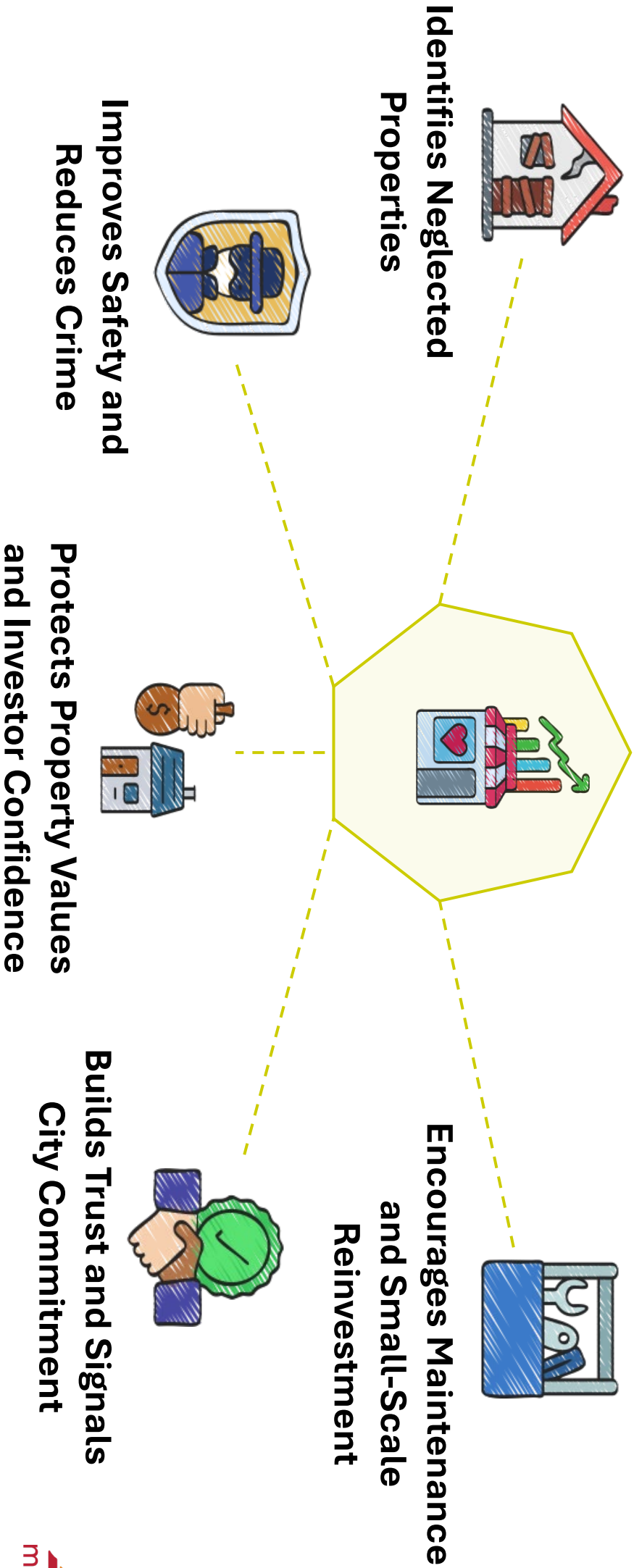
INITIAL FOCUS AREA ENGAGEMENT



EVALUATION
BY CORE TEAM



CODE COMPLIANCE COMPLEMENTS URBAN REVITALIZATION



VIOLATION TYPES

- Building condition and safety
- Trash/Debris
- Yard and landscape
- Fences and walls
- Boats and trailers
- Inoperable vehicles
- Outdoor Storage
- Graffiti
- Signage



APPROACH

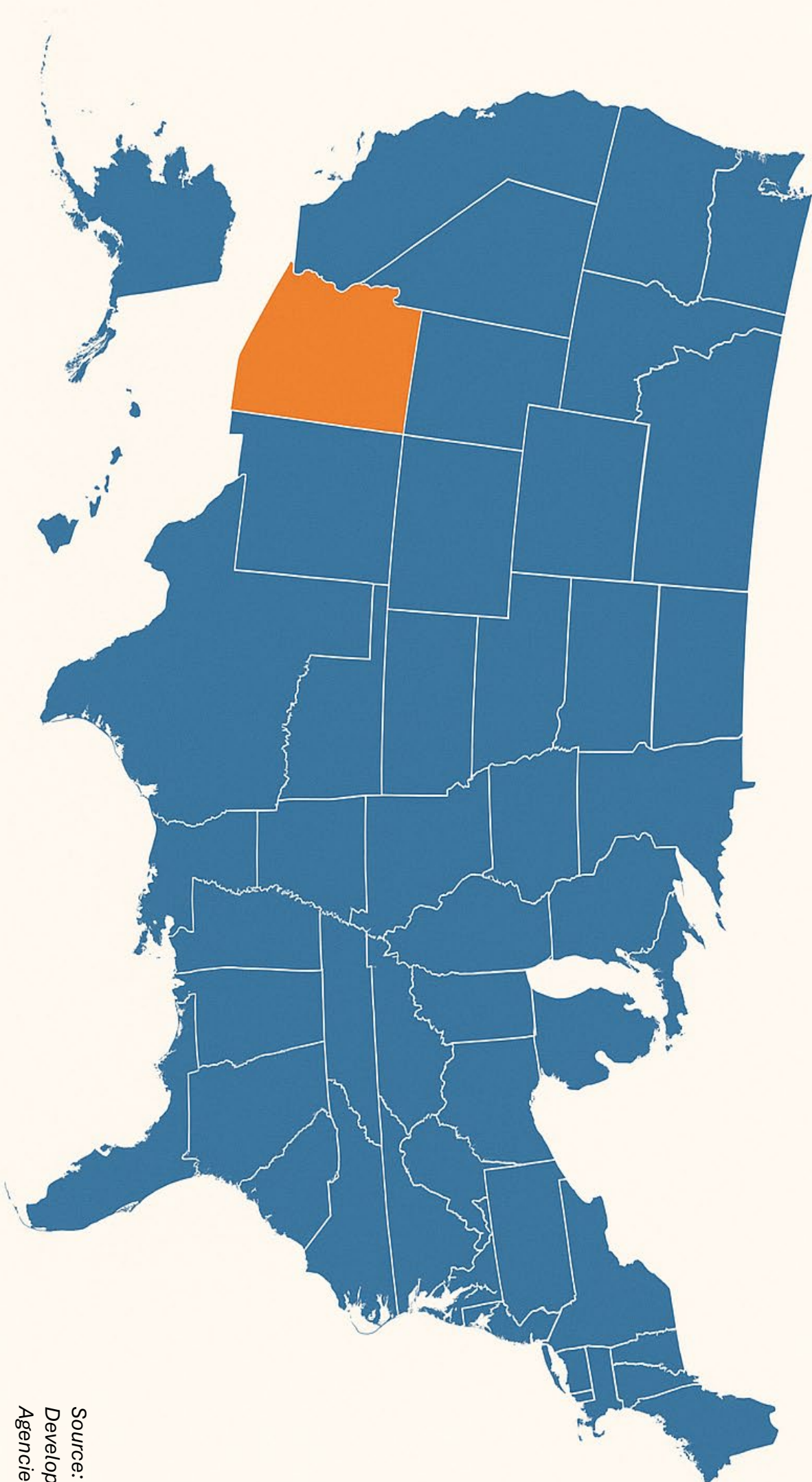
- Inspect properties
- Send notices of violation
 - English and Spanish
- Extended reinspection timeframe
 - One month to six weeks (two weeks typical)
- Outreach and education to property owners and tenants
- Focus is voluntary compliance
- Citation last resort



BUILDING THE TOOLKIT



Arizona is the only state that does not allow **TAX INCREMENTAL FINANCING (TIF)**



Source: Council of
Development Finance
Agencies, Programs Map

STATUS quo

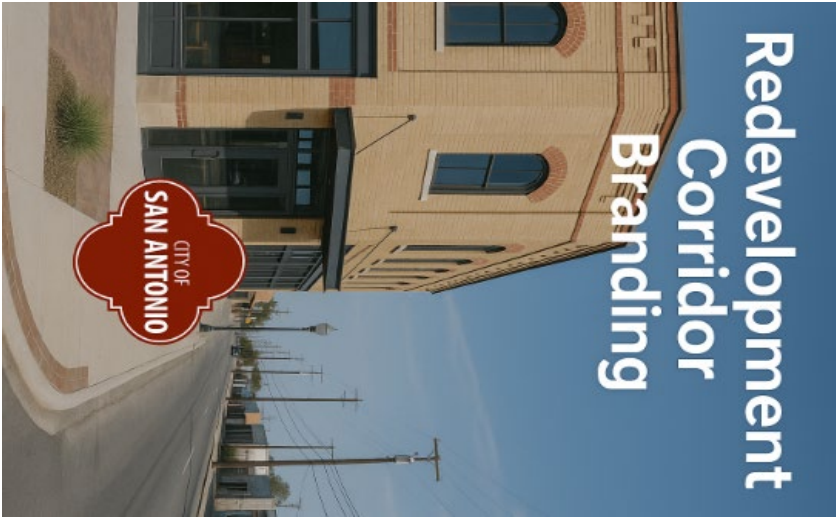
- Government Property Lease Excise Tax (GPLET) with 8-year tax abatement
 - Uncertain future (State legislature and pending court case)
 - Not suitable for small projects
 - Only available in RDA/CBD (~4% of the City)
- No industrial development authority
- Limited incentives outside of Redevelopments Areas (RDAs)
- No stable funding source to implement RDA plans
- State incentives focus on jobs, not redevelopment



WHAT WE ARE INSPIRED BY IN ARIZONA



WHAT WE ARE INSPIRED BY NATIONWIDE

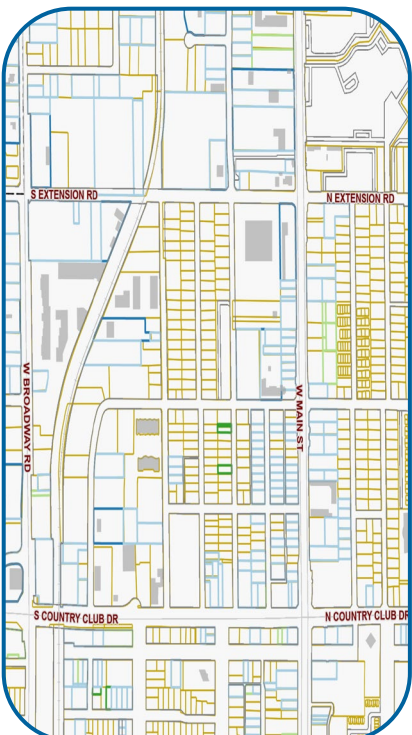


NEXT STEPS



NEXT STEPS TO ELEVATE MESA

- Contact property owners in focus areas
- Develop recommendations for toolbox
 - Funded by one-time dollars generated by development activity
- Evaluation of processes, codes and standards
- Continue to promote Mesa to investors
- Return to Council with recommendations



CHALLENGES

- Willing owners
- Market conditions & uncertainty
- State and Federal regulations
- Lack of economic development tools



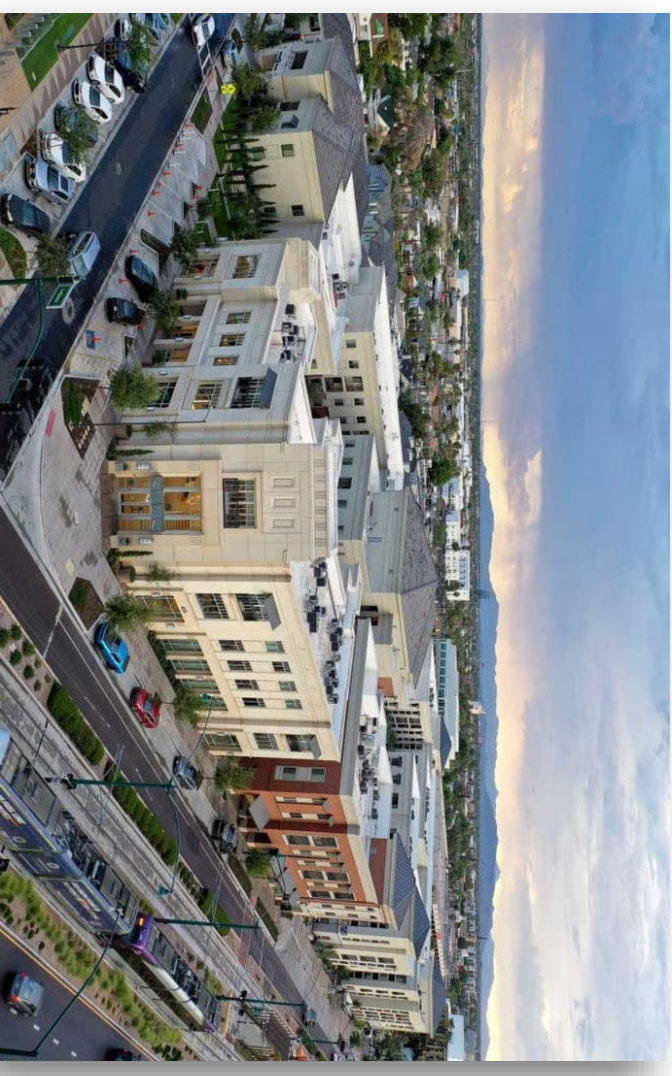
MEASURING EFFECTIVENESS

Phase I

- Property owner contact goals FY25/26
- Projects/Prospects under management
- Qualitative feedback

Phase II

- Investment data (CapEx, units, square feet, tax base, MCAP)
- Qualitative feedback



QUESTIONS?



ASU at Mesa City Center

City Council Study Session June 26, 2025

Jeff McVay
Manager of Urban Transformation

Stefanie Monge
Downtown Transformation Project Manager

Rick Naimark
Arizona State University

Elaine Becherer
Arizona State University

2018 Inter-Governmental Agreement



MESA CITY CENTER

BUILDING A

Building Area: 100,000-125,000 sf
No. of Floors: 5 stories

BUILDING B – OPTIONAL FUTURE

Building Area: 60,000-75,000 sf
No. of Floors: 5 stories

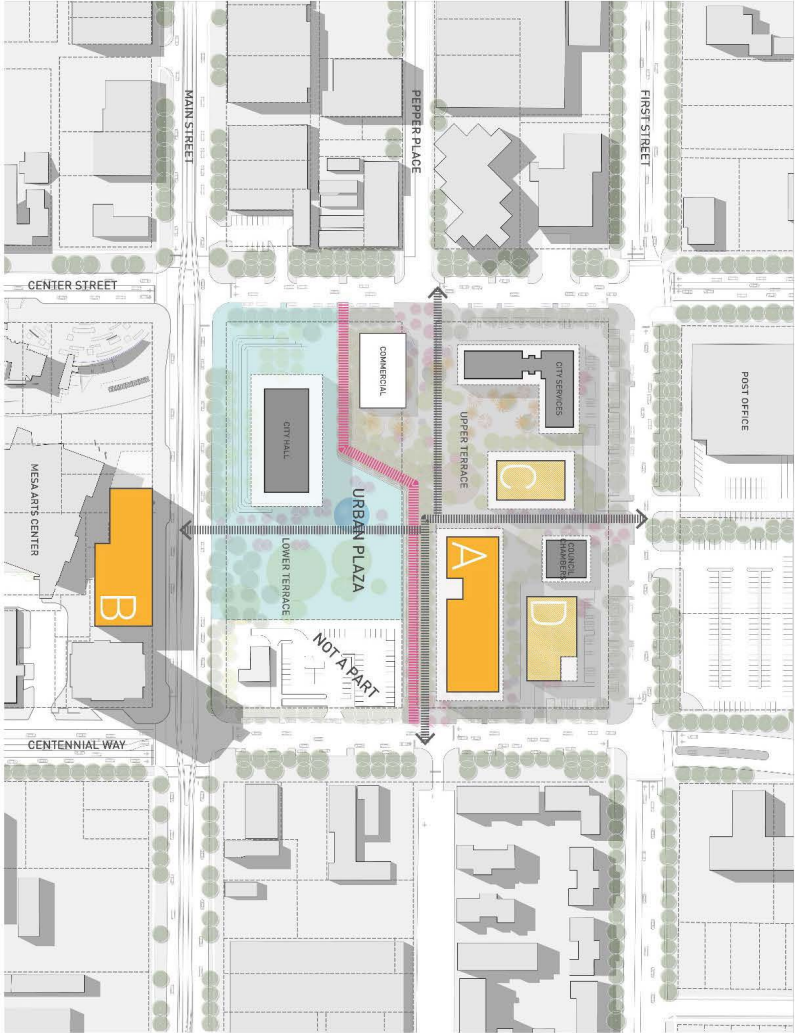
BUILDING C – OPTIONAL FUTURE

Building Area: 50,000-65,000 sf
No. of Floors: 4 stories

BUILDING D – INNOVATION STUDIOS

Building Area: 18,800 sf
No. of Floors: 2 – Existing IT Bldg.

0' 50' 100' 200'



2024 Inter-Governmental Agreement

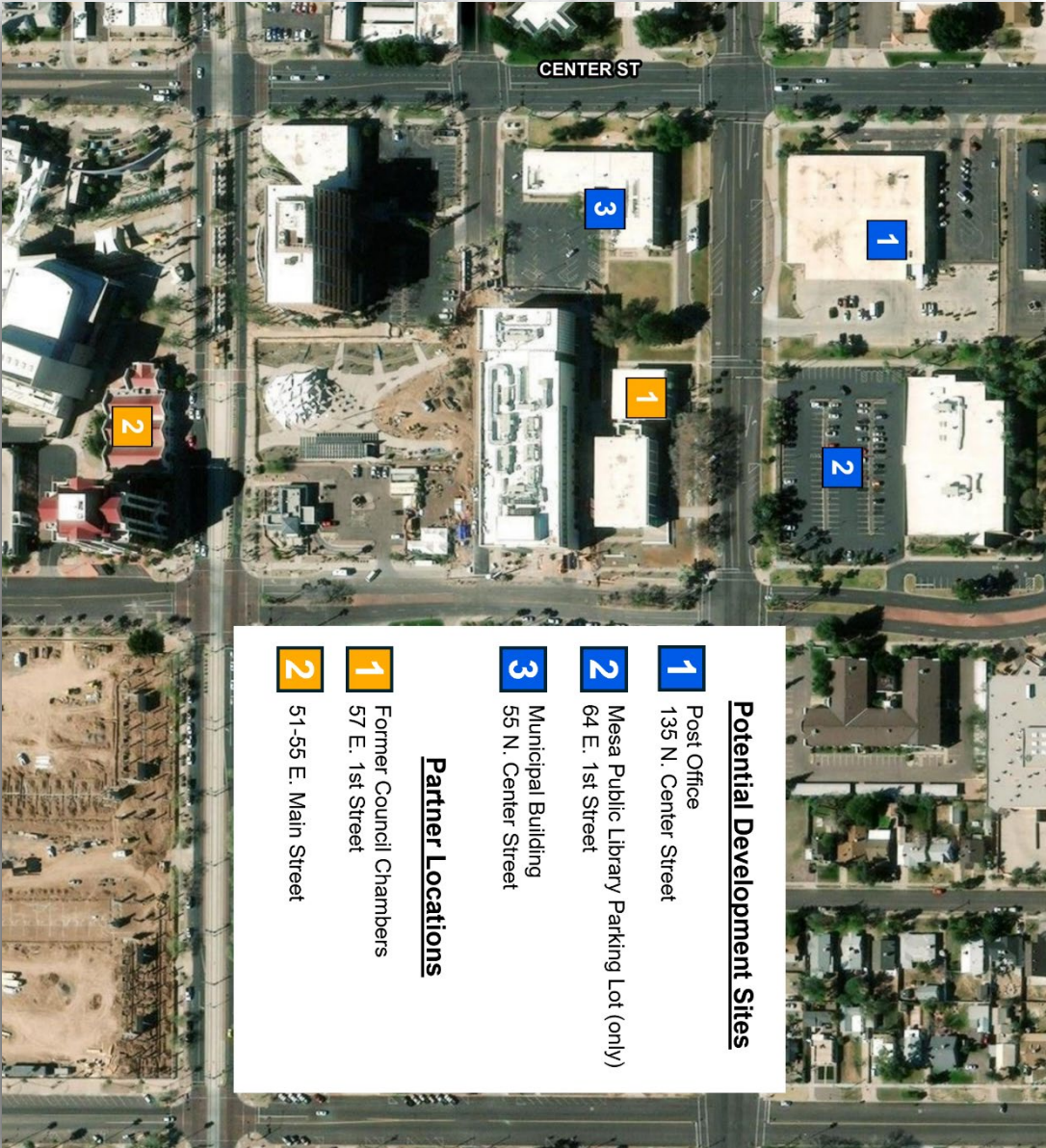
Identifies three Potential Development Sites for future ASU Projects

- Site 1: 135 N. Center Street (Post Office)
- Site 2: 64 E. 1st Street (Mesa Public Library Parking Lot)
- Site 3: 55 N. Center Street (Municipal Building)

Identifies two City Center Partner Locations

- “Former” Council Chambers
- 51-55 E. Main Street

Renegotiation of MIX Center Lease to allow ASU ownership of improvements upon City retiring bond debt

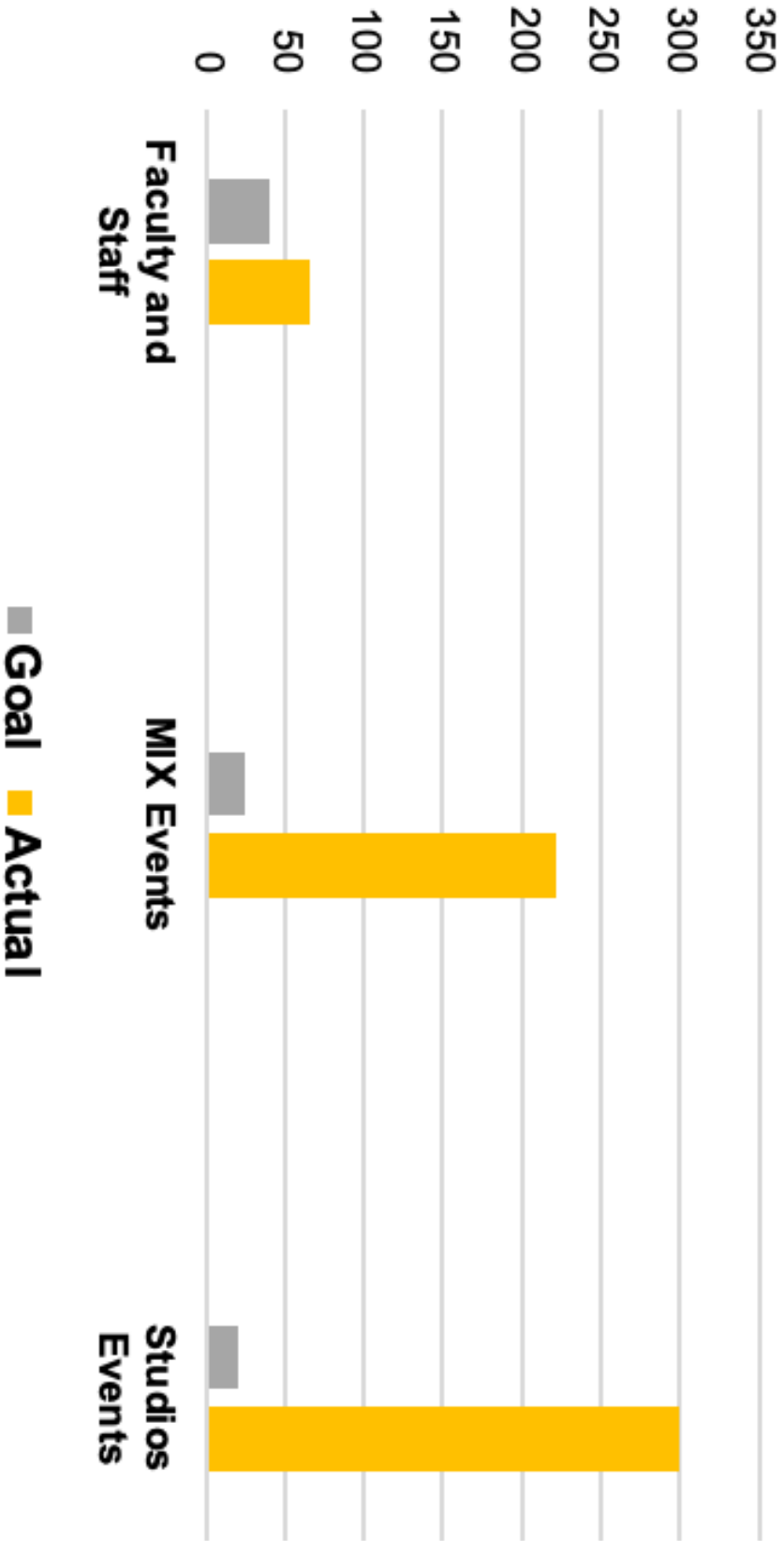


ASU INTERMISSION



The MIX Center and The Studios

Faculty / Staff and Events



Jesus Ledezma

- Mesa native
- First-generation college student
- Mesa resident scholarship
- Dual degrees in filmmaking practices and health care compliance at Barrett, The Honors College
- Participated in Poitier's Semester in LA program
- Served on the MIX Center Community Action Board since 2022
- Student worker at The Studios and MIX Center





Comprehensive City Partnership





MIXiversity Community Open House

540 community guests attended MIX Center's third annual birthday open house, with hands on family friendly activities introducing them to creative and experiential technology.

Global Presence: MIX Faculty Present at Live Coding Conference

Faculty debuted LCAN SB3 in a live demo and workshop for international attendees of the International Conference on Live Coding in Barcelona, Spain alongside collaborator Ryan Ross Smith.

otable Tours

- **U.S. Air Force:** Exploring partnerships between ASU and the Department of Defense focused on immersive learning and innovation.
- **Arizona Commerce Authority:** Toured the Endless Lab to explore ASU's role in building Arizona's gaming and digital media ecosystem.
- **i.d.e.a. Museum:** Leadership from the museum visited to discuss collaborations with MLX faculty and students focused on family-friendly immersive storytelling.

- 
- **A13 Film Festival:** Representatives toured the MLX Center and selected it as a venue, furthering Mesa's growing profile in film and media arts.



**GROWING
ARIZONA'S
FUTURE**

February 27, 2025
9 a.m. – 12:15 p.m.
The Studios @ Mesa City Center

A convening of Arizona business, community, and education leaders.



The Studios

YTD events are
16% over this time
FY24: 320 vs. 276.

Industry Explorations

- Masary Studios, Boston-based - Discussed a fall installation at Scottsdale Fashion Square and potential prototype development work with MIX-affiliated students.
- Toyota × Sony × Gran Turismo - Participated in a WP Carey-hosted visit with Japanese delegates exploring ASU as a potential hub for piloting the Gran Turismo College League.

Main Street Catalyst

- Hundreds of Millions of Private Investment
- 1200 Housing Units +500 coming
- 100+ Company Visits

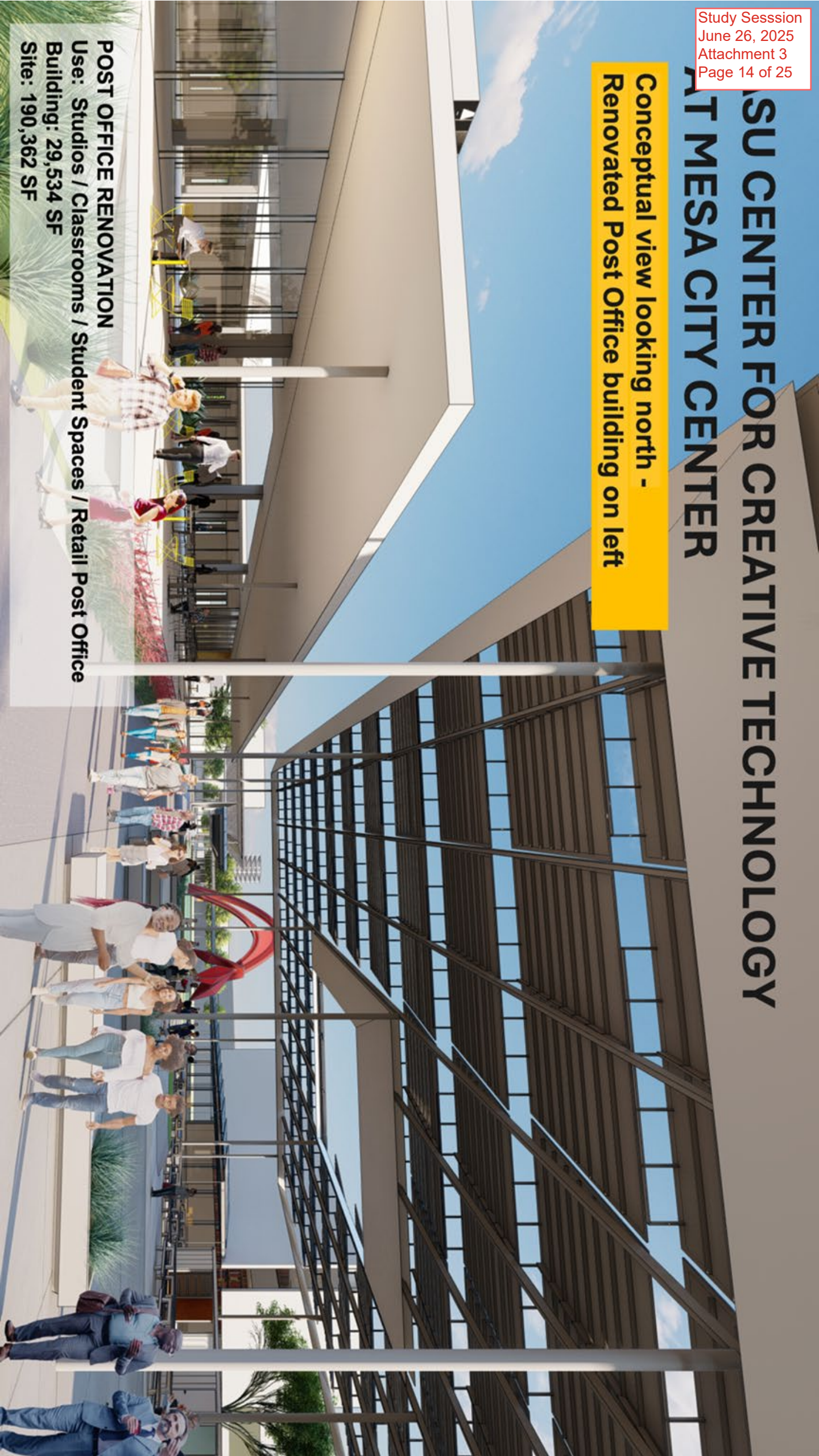


ASU CENTER FOR CREATIVE TECHNOLOGY AT MESA CITY CENTER



ASU CENTER FOR CREATIVE TECHNOLOGY AT MESA CITY CENTER

Conceptual view looking north -
Renovated Post Office building on left



POST OFFICE RENOVATION

Use: Studios / Classrooms / Student Spaces / Retail Post Office

Building: 29,534 SF

Site: 190,362 SF



Program Growth

Potential Program	Projected Enrollment 2035
Upper Division Animation	600
Collaborative Gaming@ASU	400
Low-residency Emerging Creative Tech	300
Upper Division and Graduate Media Arts and Sciences (Digital Culture)	200
Youth and Community education and projects	200

*** Stackable programs depending upon program growth needs and availability of capital funding / space**



Conceptual Program Elements

Growth of ASU Center for Creative Technology at Mesa City Center

- Computer Classrooms
- VR Classrooms
- Flexible Studios
- Black Box
- Print Lab or Production
- Exhibit or Showcase Space
- Offices
- Open Office for Workstations
- Lecture





ASU Center for Creative Technology at Mesa City Center

Site 1: Post Office

Ownership of the Post Office reverted to the City on June 1, 2025.

- Council approved a three-year lease with USPS on May 15, 2025

1st Amendment to 2024 ICA established June 1, 2026 as the end of the Development Determination Period

- City and ASU must mutually agree to jointly develop the site
 - Agree upon a conceptual plan
 - Agree upon an initial project budget, including funding and proportions
 - Negotiate and enter into site lease and other necessary documents

City and ASU intent to retain retail Post Office as a component of any future development

- Require cooperation and agreement from USPS
- USPS agrees to consider retaining retail-only Post Office



Site 1: Post Office - City Council Direction

With Council direction to move forward with a Joint Development

- City responsible for conceptual design development and costs (est. \$250-500K)
- Conceptual design to consider broader context surrounding Post Office and relationship to Amphitheatre and Convention Center



Partner Location: Former Council Chambers



With completion of new Council Chambers, intent of 2024 ICA that Former Council Chambers will be jointly used and occupied

- City and ASU to enter a non-exclusive license with terms to be considered in each party's discretion
- City responsible for design and construction of improvements to Former Council Chambers in coordination with ASU
- ASU's use will directly support academic programming

City has initiated design process

- Next: engage ASU in design process
- Negotiate terms of a non-exclusive license agreement

Partner Location: 51-55 E. Main

With completion of feasibility concept for a high-rise mixed-use redevelopment, ASU and developers have expressed interest in exploring development options with City

- City to determine if site remains a Partner Location (City to solely develop)
 - Development at City's sole cost and expense
 - ASU provided opportunity, but not required to lease portions of building as a Tenant
- City and ASU to determine in writing if site is a joint development or an ASU development
 - Upon making decision to jointly develop or for ASU to develop, the Development Determination Period is five years
 - As a joint development, the City may choose to transfer ownership of the land to ASU
 - As an ASU development, the City shall transfer ownership of the land to ASU



Partner Location: 51-55 E. Main



Next: City staff to explore redevelopment options, in consultation with ASU, for Council consideration and direction

- Bring options and staff recommendation on how to move forward by end of year
- Regardless of option, viability of redevelopment likely dependent on commitments from ASU and City to occupy a portion of the building
 - In addition to ASU/City office space, inclusion of space to support Mesa Art Center food service and event space
 - City to retain sufficient control over leasing of first-floor retail and restaurant spaces to ensure uses are complementary to Mesa Art Center and Mesa City Center



Discussion and Direction

research.n

