

Quality Retail Attraction Strategy

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Agenda

- Background / Timeline To Date
- Overview of Strategy Report
- Recommendations for Consideration
- Mesa Office of Economic Development Next Steps



Background

CATALYST

- City Council Requests Retail Attraction Study/Strategy
- Retail Develops Independent of Office of Economic Development and Strategic Vision
- Perceived Lack of Quality in Mesa



TIMELINE

- August 2023: RFP Issued
- November 2023: The Retail Coach (TRC) Engaged as Consultant
- Dec. 2023-March 2024: TRC Conducts Research and Stakeholder Meetings
- July 2024: Retail Attraction Strategy Finalized
- September 2024: Strategy Presented to Economic Development Advisory Board and Economic Development Council Committee

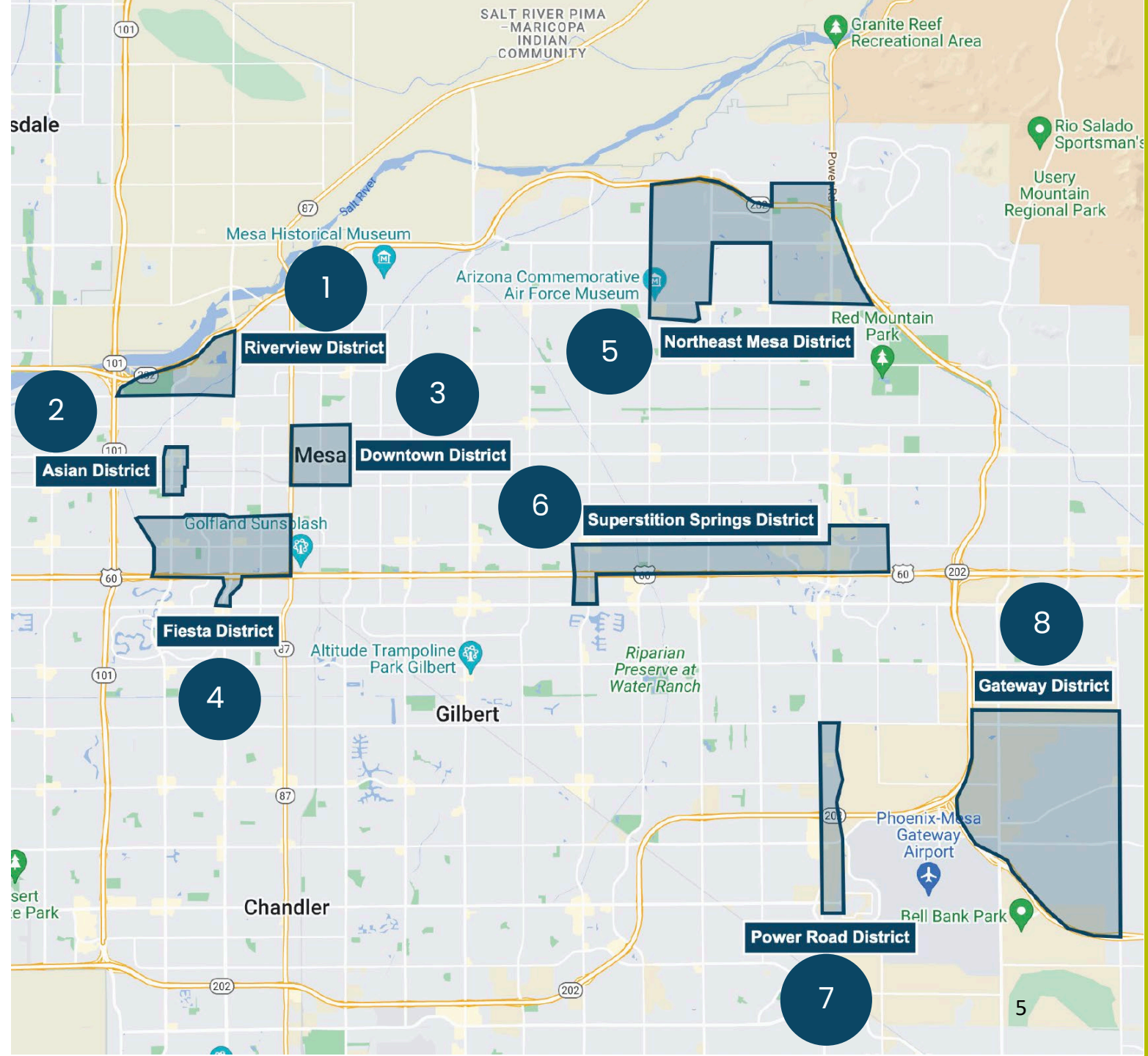
Strategy Overview & Method of Approach

- Data Analysis
- Stakeholder engagement
- Strategy Recommendations
- Next Steps



Targeted Areas

1. Riverview
2. Asian District
3. Downtown
4. Fiesta District
5. NE Mesa
6. Superstition Springs & Dana Park
7. Power Rd Corridor
8. Gateway



Task 1: Data Analysis

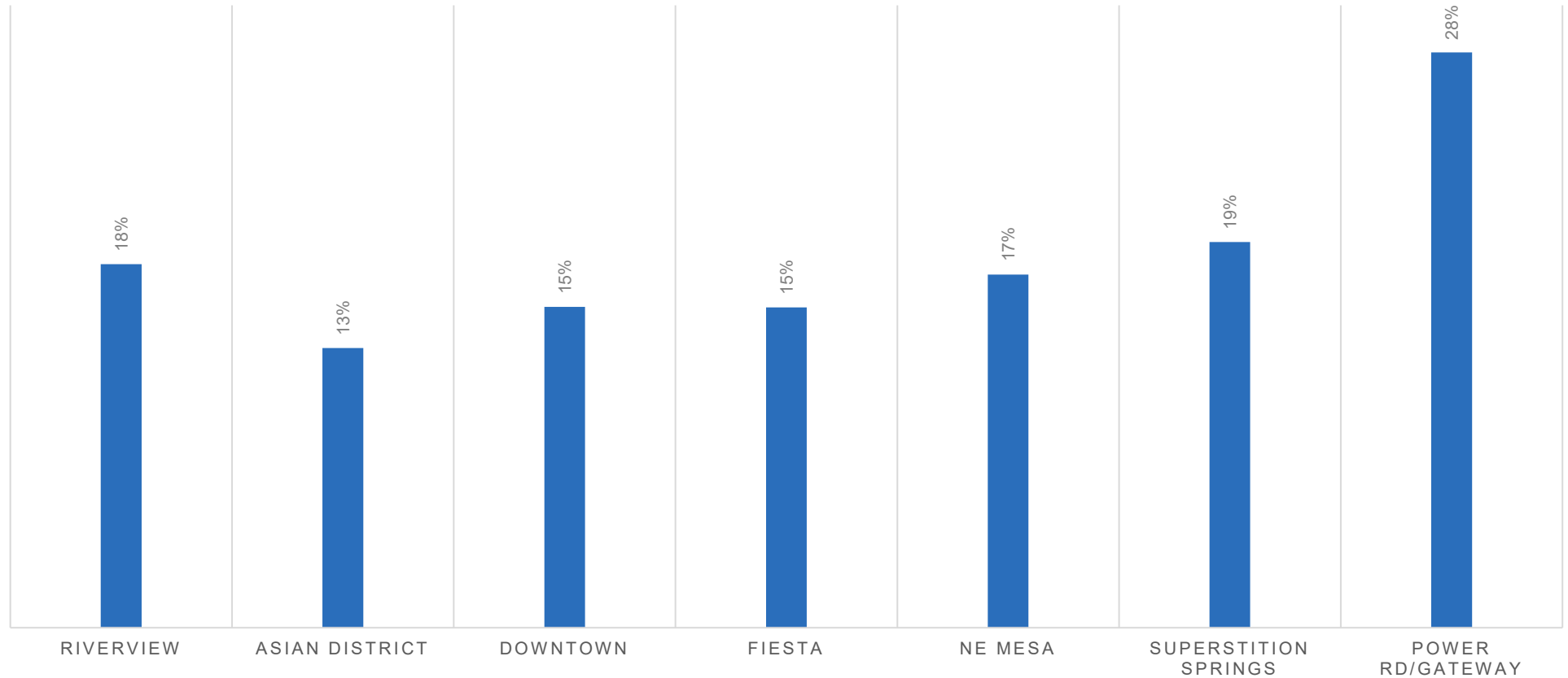
DEMOGRAPHICS

By Trade Area	Population	Median Household Income	2023 Demand	2028 Demand
Riverview	206,603	\$62,675	\$1,977,913,742	\$2,324,620,732
Asian District	176,488	\$53,173	\$1,673,148,255	\$1,898,677,076
Downtown	118,384	\$54,454	\$977,474,298	\$1,128,588,004
Fiesta	116,123	\$58,742	\$1,085,024,882	\$1,252,601,944
NE Mesa	215,999	\$78,063	\$2,490,601,810	\$2,914,682,581
Superstition Springs	465,066	\$79,648	\$5,210,767,627	\$6,179,257,242
Power Rd/Gateway	222,068	\$114,590	\$2,346,481,451	\$2,997,032,774

Task 1: Data Analysis

DEMAND OUTLOOK

DEMAND OUTLOOK GROWTH 2023-2028



Task 2: Stakeholder Engagement

CITY DEPARTMENTS

- Downtown Transformation
- Community Services
- Office of Economic Development
- Mesa City Manager
- Mesa Art Center
- Mesa City Council
- Mesa Convention Center

BUSINESS/DEVELOPERS

- CBRE
- Capital Asset Management
- Evolve Ventures
- Phoenix Commercial Advisors
- Longbow Business Park
- Whitestone REIT
- Downtown Merchants
- Macerich
- Vivo Partners
- Vestar
- Levine Investments
- Brookfield

EXTERNAL STAKEHOLDERS

- Economic Development Advisory Board
- Greater Phoenix Economic Council
- Visit Mesa
- Mesa Chamber
- Downtown Mesa Association

Stakeholder Feedback

CHALLENGES/OPPORTUNITIES

- Planning and zoning code policy interpretation can differ from project to project
- There is a need to understand retailer requirements in relation to zoning codes
- Lack of existing desirable commercial centers hinders retail growth
- Retailers/brokers are unaware of new development opportunities
- Mesa faces perception issues locally and regionally by consumers

Mobile Location Data

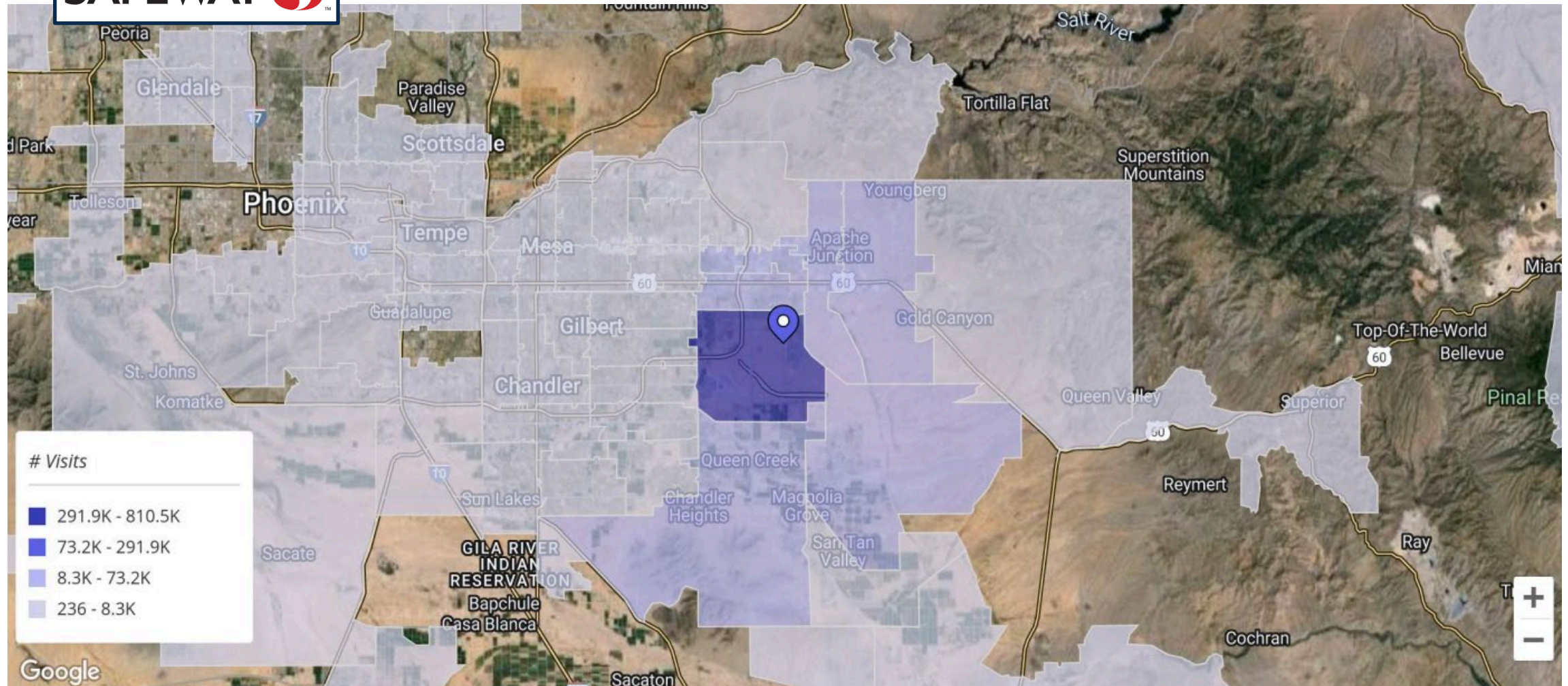
Retail Trade Area Mapping is the most accurate technology to determine retail trade areas.

Mobile Data Studies:

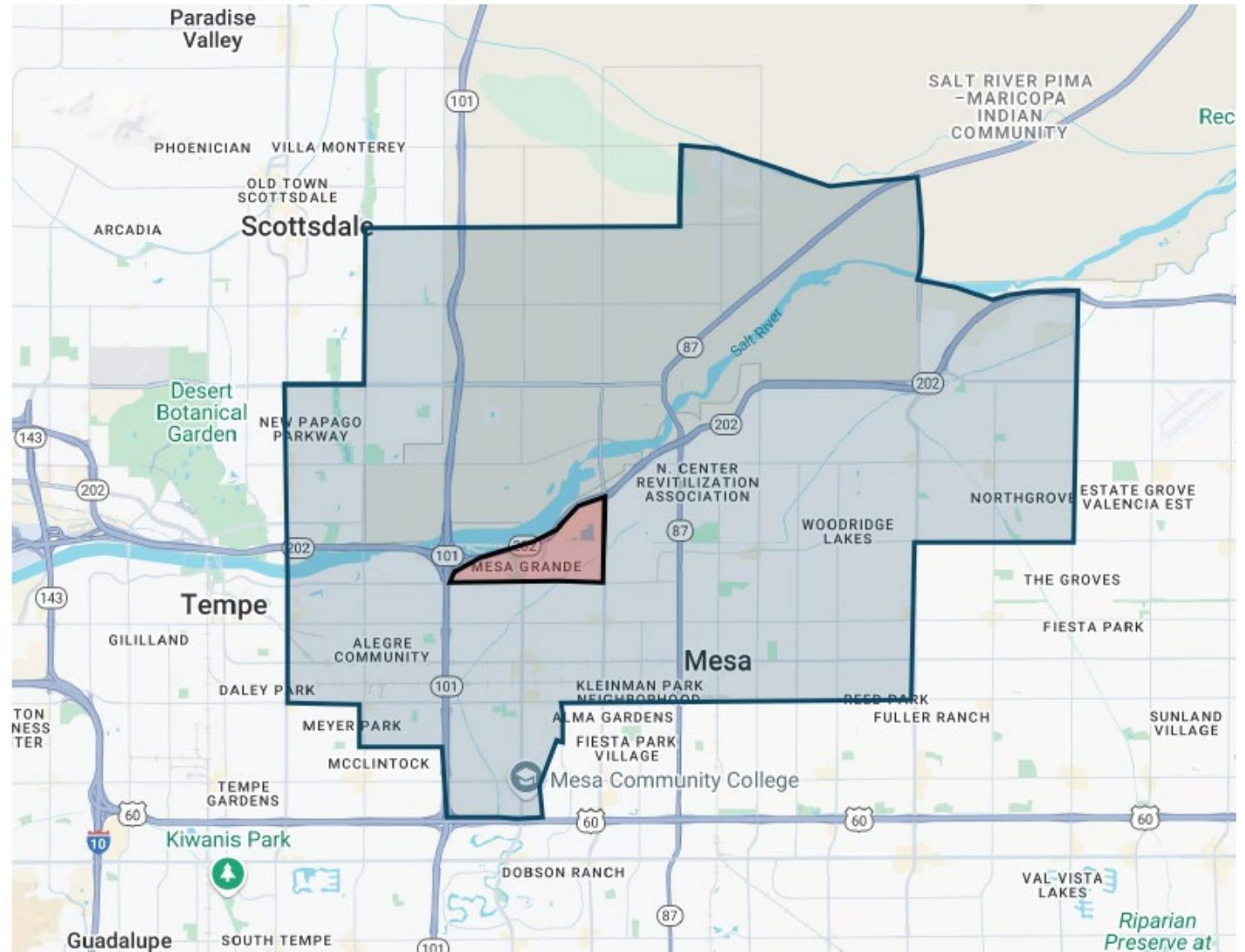
- Track use of cellular devices
- Filter visits by day and time
- Highlight area of retail leakage
- Identify visitors/consumer origin



Mobile Location Data - Sample



Riverview District Retail Trade Area



Riverview District

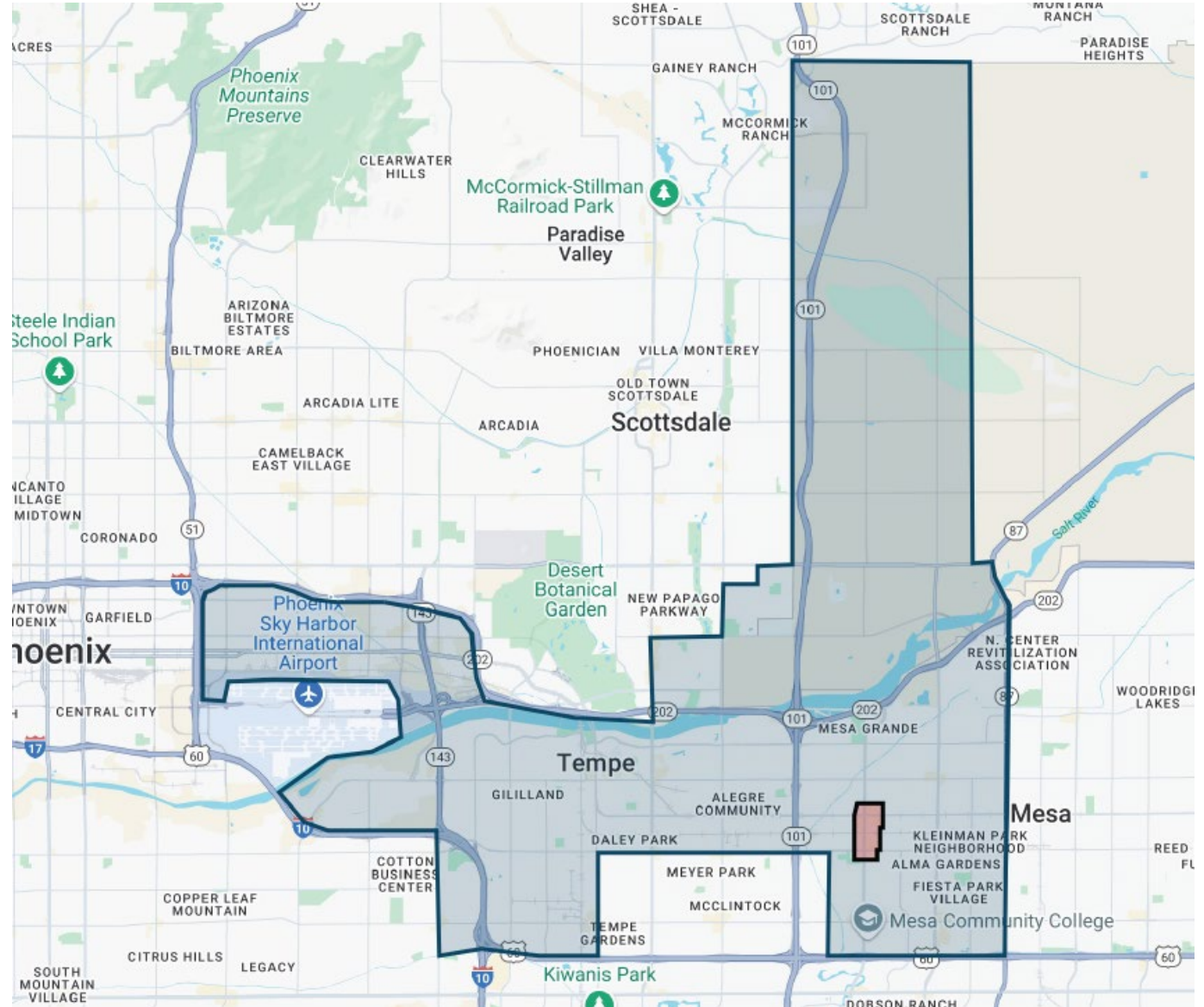
CHALLENGES

- Lack of population density
- Unclear center designation
- Cell phone data does not show major increase in traffic during Spring Training
- Kimco Restrictions

OPPORTUNITIES/ADVANTAGES

- Tourism draw
- Enhancing relationship with Kimco
- Co-tenant location
- Great space for events to draw traffic
- Space for multi-use projects
- Accessibility: 101 and 202 intersection
- Close to ASU Main Campus

Asian District Retail Trade Area



Asian District

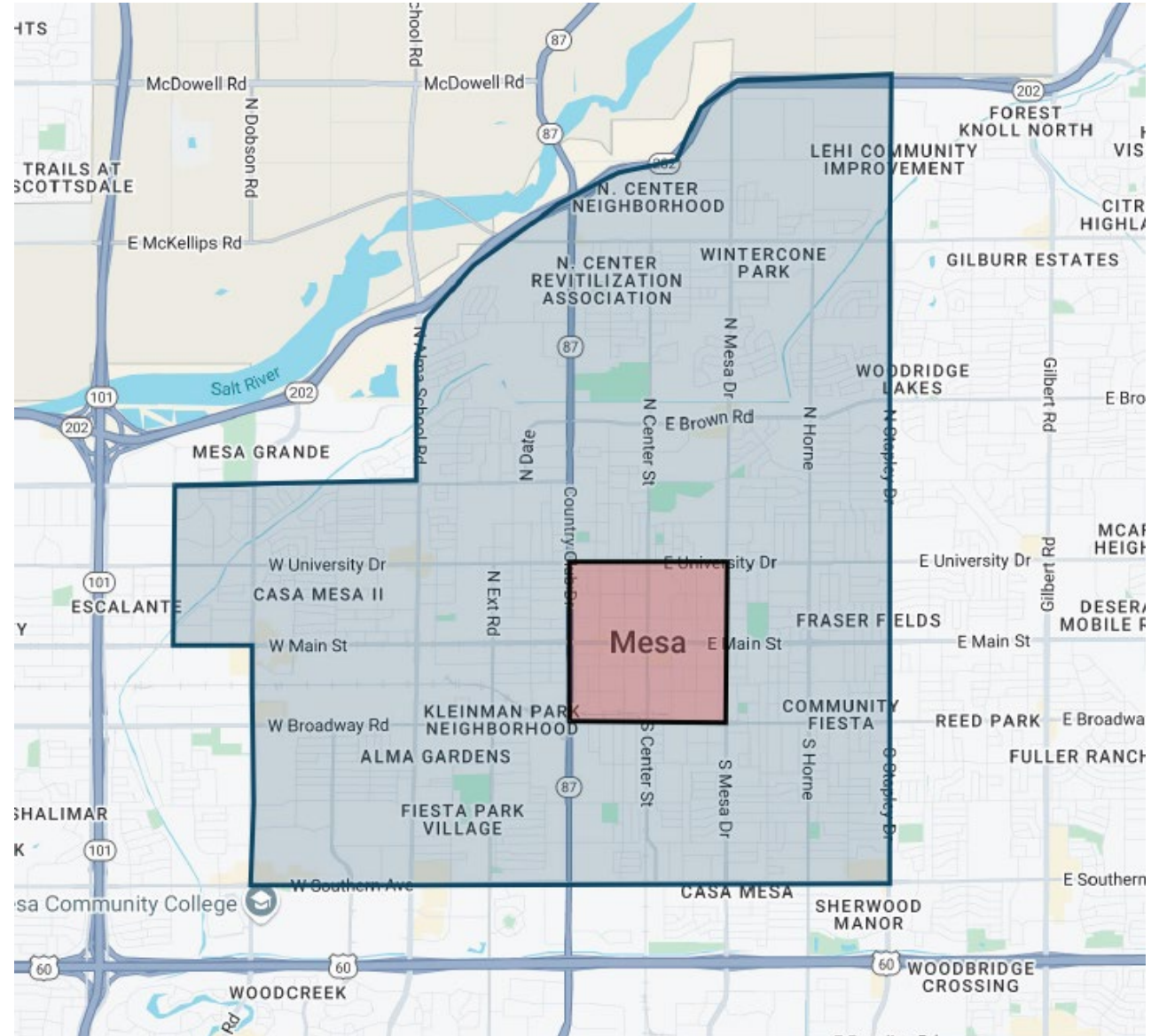
CHALLENGES

- Lack of population density
- Older buildings need revitalization
- Lower income area
- Mature aesthetic
- Lack of walkability

OPPORTUNITIES/ADVANTAGES

- Branding potential
- Regional draw
- Synergy with existing Asian businesses
- New multifamily projects with 500 units opening in 2025
- Space for events
- Light rail and streetcar

Downtown District Retail Trade Area



Downtown District

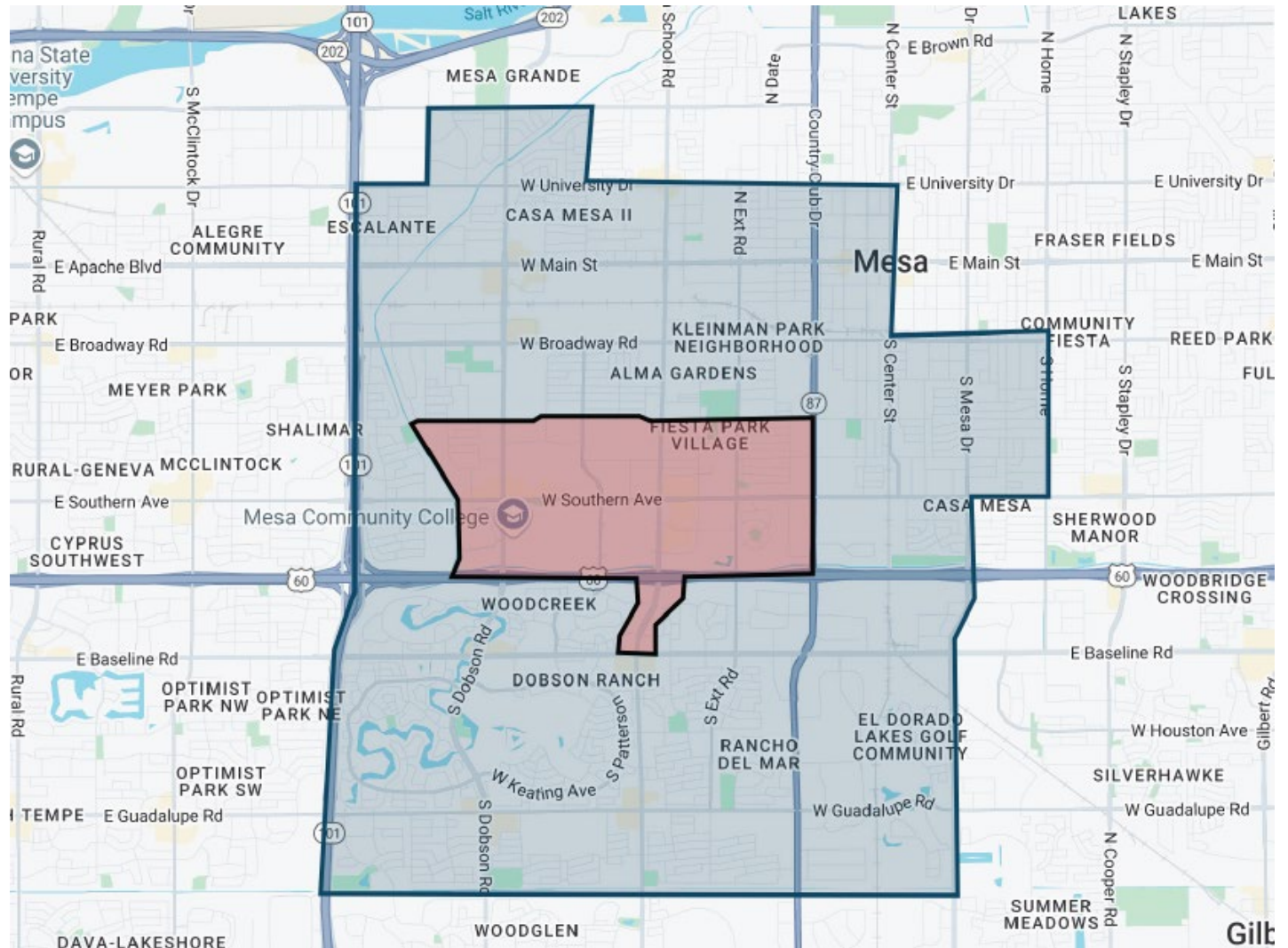
CHALLENGES

- Lack of foot traffic
- Walkability
- Unfavorable perception of area by outside residents
- Distance from other parts of Mesa
- Lack of resident population in square mile
- Daytime vs Nighttime population

OPPORTUNITIES/ADVANTAGES

- Unique retail and restaurant offerings
- Events attract people
- Available buildings to create destination experiences/retail
- Convention center and hotel
- Increase number of residents/housing types in immediate downtown
- Light rail

Fiesta District Retail Trade Area



Fiesta District

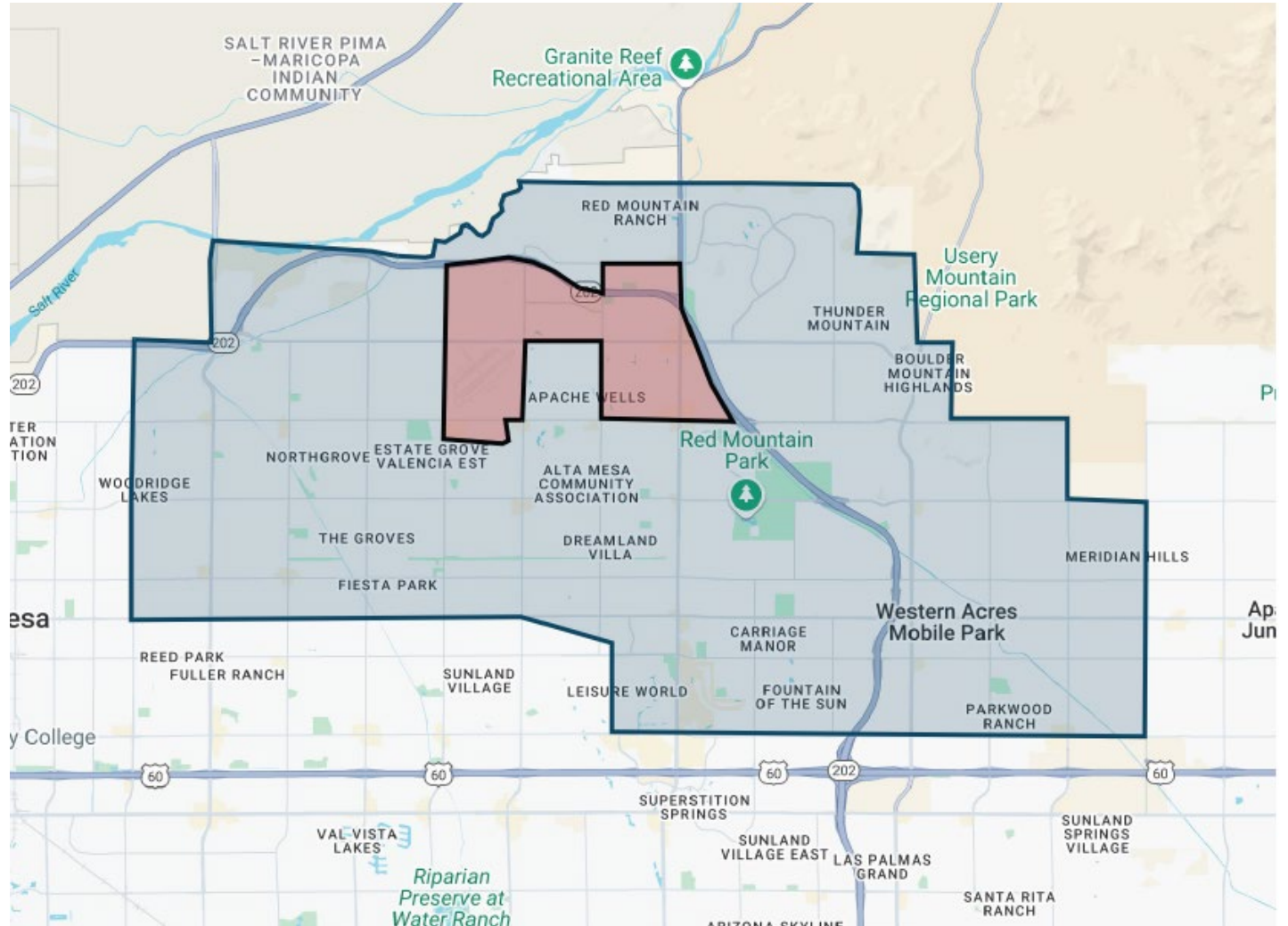
CHALLENGES

- Needs continued visioning for the future
- Lower income area

OPPORTUNITIES/ADVANTAGES

- Prime for redevelopment
- Fiesta Mall/City Collaboration
 - Continue working with development group
- High-density area
- High daytime traffic
- Access to US 60

Northeast Mesa District Retail Trade Area



Northeast Mesa District

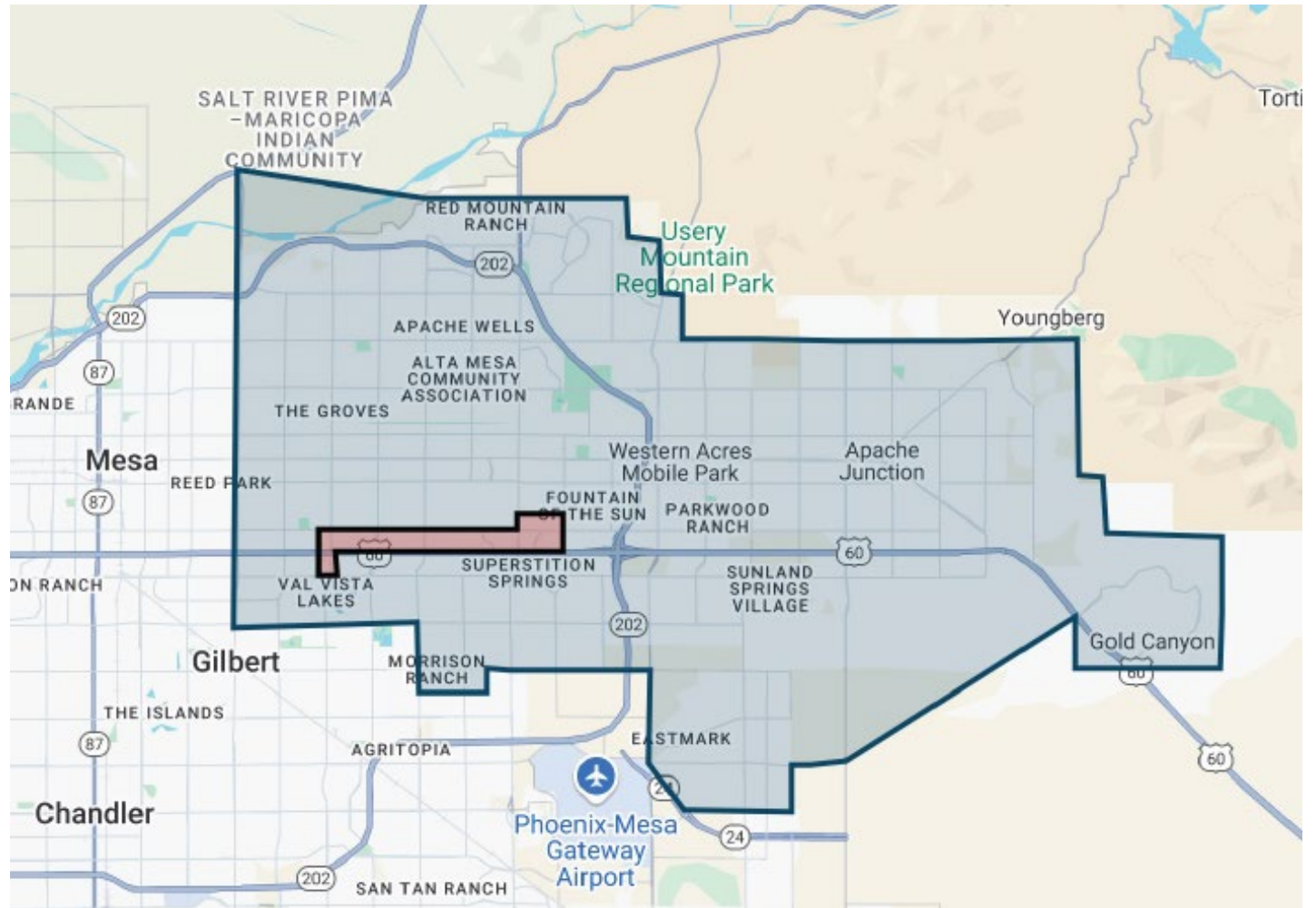
CHALLENGES

- Lack of population density
- Lack of building availability
- No major retail draw
- Falcon Field Airport/Boeing restrictions

OPPORTUNITIES/ADVANTAGES

- High income levels
- Available land for development
- Destination retailer could bring traffic
- Existing residents support destination retail and entertainment

Superstition Springs District Retail Trade Area



Superstition Springs District

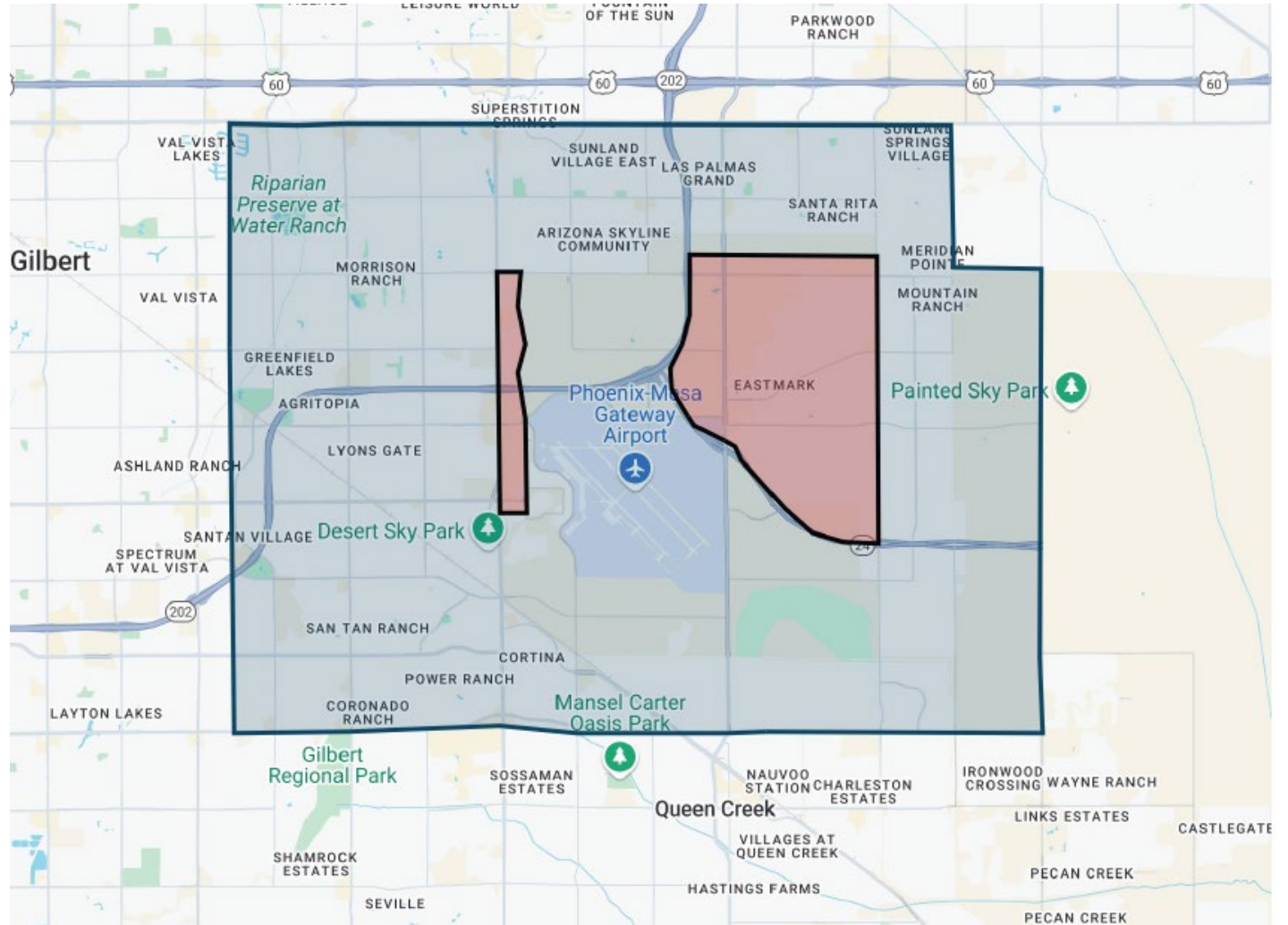
CHALLENGES

- Declining mall needing revitalization
- Unfavorable perception of demographics in the area
- Immediate population largely retirees
- Some residents believe mall is closed
- New retail outside of the area is attracting nearby residents

OPPORTUNITIES/ADVANTAGES

- Redevelopment opportunities/mixed-use
- Large trade area reach
- Ownership willing to collaborate with City for a vision
- Pad sites and large parking lots that could be redeveloped

Power Road Corridor District Retail Trade Area



Power Road Corridor District

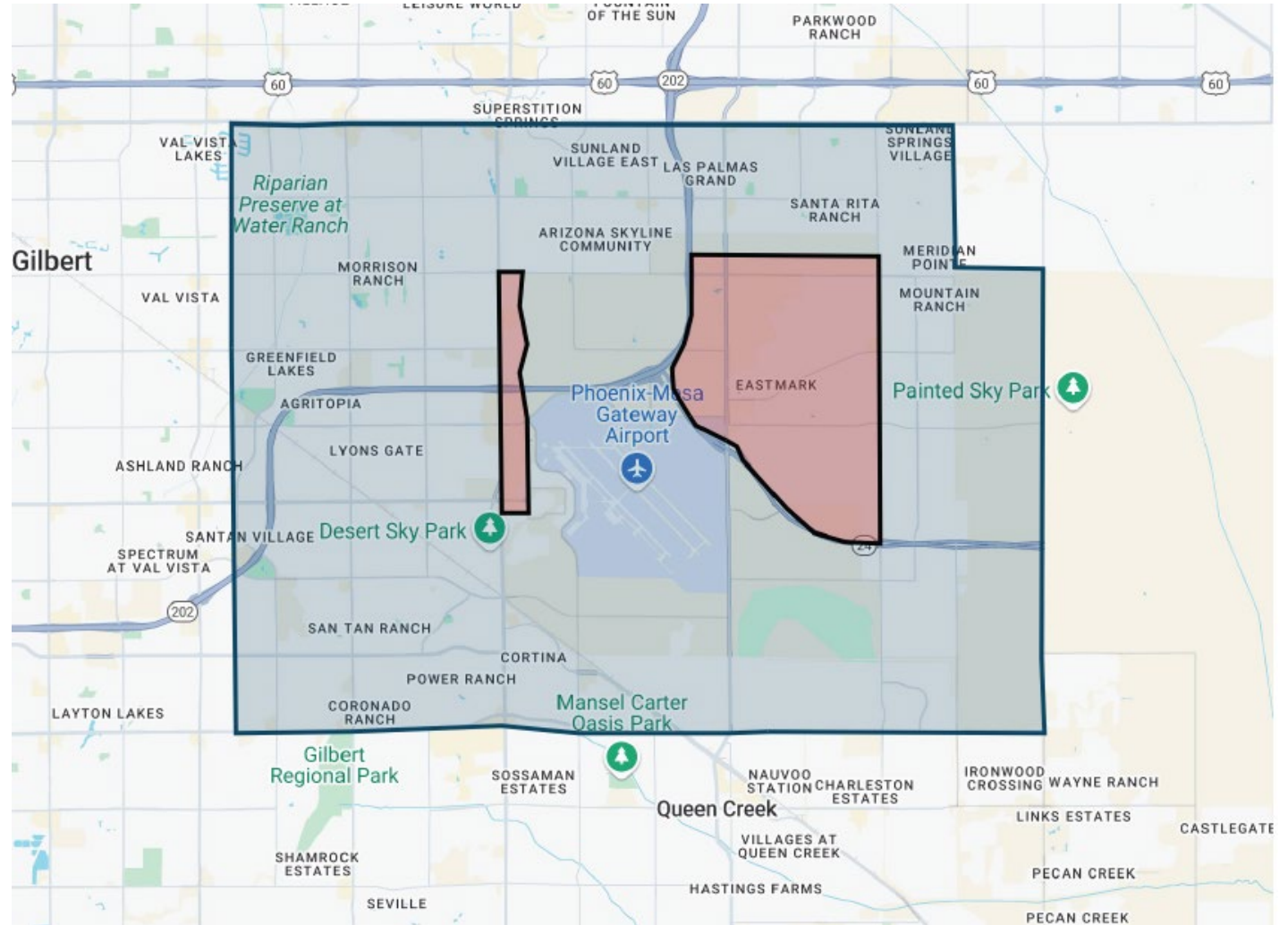
CHALLENGES

- Faces direct competition from Gilbert
- No clear brand yet
- Hotels needed

OPPORTUNITIES/ADVANTAGES

- Land for development
- High income levels
- High traffic along Power Rd
- Close to Airport and ASU Poly
- Unique offerings coming online with Cannon Beach
- Gallery Park

Gateway Corridor District Retail Trade Area



Gateway Corridor District

CHALLENGES

- Lack of existing buildings
- Proximity to Queen Creek/Gilbert stores limit some retailers
- Hospitality needed to support employers, visitors, and AZ Athletic Grounds

OPPORTUNITIES/ADVANTAGES

- Land for development
- High income levels
- Arizona Athletic Grounds attracts 2.5 million attendees a year
- Hotel room nights

Hinge Factors

- Incentives - Mesa is competing both regionally and nationally for high quality retail prospects. Consider incentivizing catalyst projects (redevelopment and new development) that will help drive a higher level of retail.
- Continue a focused multi-year recruitment strategy, including regular outreach, retail industry conference attendance, etc.
- Continue to focus on high impact types of development including mixed use development providing for a higher level of retail space to accommodate the higher level of prospects Mesa is looking to recruit to the market.

Strategy Recommendations

SHORT-TERM

- Actively recruit local, regional, and national retail / hospitality / entertainment users
- Establish and enhance relationships with brokers and retailers
- Regularly update contacts with development news and opportunities
- Attend retail trade shows
- Enhance Economic Development retail webpages
- Create marketing campaign to shift regional perceptions about Mesa's retail environment and offerings

Strategy Recommendations

LONG-TERM

- Enforce city code to enhance corridor beautification
- Market Mesa as a destination in publications
- Create marketing campaigns for visitors to local hotels/destinations of Mesa's "things to do"
- Focus on redevelopment and consider incentives for higher quality retail
- Take a more proactive approach to improving architectural quality design and walkability related to retail developments and the retail experience

Recruitment Updates

IN PROGRESS

- TRC has contacted 80+ retail prospects on Mesa's behalf since recruitment began
- TRC and the Mesa team are working with 10+ retailers and restaurants to locate in Mesa by providing sites, additional data, etc.
- 5 Letters of Intent from Retailers / Restaurants since recruitment began



Why Not Mesa?

- They do not currently have a franchisee for the Mesa area
- Focused on other areas at the moment
- Locations in surrounding communities already cover the market
- New developments do not have the enough parking as required by some retailers
- Unable to find suitable spaces for requirements



FY25 Plan of Work

BUILD AND BEGIN EXECUTION OF 3-YEAR PLAN

- Objective 1: Actively Recruit Retail to Mesa
 - Attend ICSC Las Vegas & ICSC@Western
 - Renew The Retail Coach as consultants
- Objective 2: Develop/Enhance Relationships with Retailers, Brokers, Developers
- Objective 3: Market Mesa as a Retail Destination





Next Steps

- Mesa Retail Recruitment Website Redesign
- Updates Sales Collateral
- Establish Key Performance Metrics
- Broker Event for Marketing Kick-off
- Research and Develop Regional Marketing Campaign

Questions?



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