

Mesa West Redevelopment Plan



WEST

WEST



Mesa West Redevelopment Plan

Presented to:
City of Mesa, Arizona



Presented by:
Matrix Design Group



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Please see next page.

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1.1 Background

Located on the western edge of the City of Mesa, the West RDA is an important entryway for the City as a key connector between Downtown Mesa and the City of Tempe. Historically, the West RDA has been seen as an employment core in Mesa and within the East Valley. This was partly due to the presence of the Union Pacific railroad, which runs through the corridor between Broadway Road and Main Street. The largest employer in the area for decades was Motorola, which operated a 1,200-employee manufacturing facility. This has supported the growth of the downtown area and the expansion of the Valley Metro light rail transit system into the city.

However, the Motorola plant closed in 2001 and the facility sat vacant and started falling into disrepair. Numerous other industrial properties in the West RDA built as early as the 1950s also sat vacant, slowly degrading.



Recently, the area has experienced some successful redevelopment. Broadway 101 Commerce Park is a 52-acre master-planned business park on the site of the former Motorola plant, developing more than 1,000,000 square feet of office and industrial space. In 2016, Dexcom, a leading medical device manufacturer, expanded its manufacturing operations into Broadway 101 Commerce Park, creating more than 500 jobs in the City. Additionally, Mekong Plaza was developed along the Dobson Corridor south of Main Street, which has blossomed into a cultural destination for many Asian-related businesses, such as the MeKong Supermarket, Thai Spices, and Nan Zhou Hand Drawn Noodle House. This has spurred the Asian population in the surrounding area (Census Tract 4213.04) to rapidly increase from 42 residents to 440, or nearly 950% between 2010 and 2016. This influx of Asian businesses and residents occurred organically, without support or promotion from outside sources.

However, there are still some areas within the West RDA that are in need of revitalization. In 2016, the City of Mesa decided to study the potential of developing a West Redevelopment Area (RDA) to improve the state of the area and the quality of life for its residents. The RDA was visually assessed for nine blight factors as defined by Arizona Revised Statute (ARS) §36-1471. Based on this assessment, the following blight conditions were observed and highlighted in a Findings of Necessity (FON) report presented to the City of Mesa:

- ▶ 2,141 out of 3,794 parcels, or 56.4% have at least one blight factor
- ▶ 80.5% of the total land area of the West RDA is determined to meet the statutory requirements to be termed blighted
- ▶ 16.4% of parcels and 34.4% of the total land area contains more than one blight factor

The FON demonstrated the need for the establishment of a West RDA, which the Mesa City Council formally adopted in August of 2017. The establishment of a redevelopment area will allow the City to take advantage of tax breaks and other incentives to attract investment and infill development within the area.

This Redevelopment Plan represents the next step in the process per ARS §36-1474, which grants local governments the authority to undergo redevelopment planning.

1.2 Project Objective

The objective of the Mesa West Redevelopment Plan, also referred to as the “Plan”, is to provide a framework and plan to facilitate the efficient redevelopment of the West RDA. Successful redevelopment depends on several factors, including:

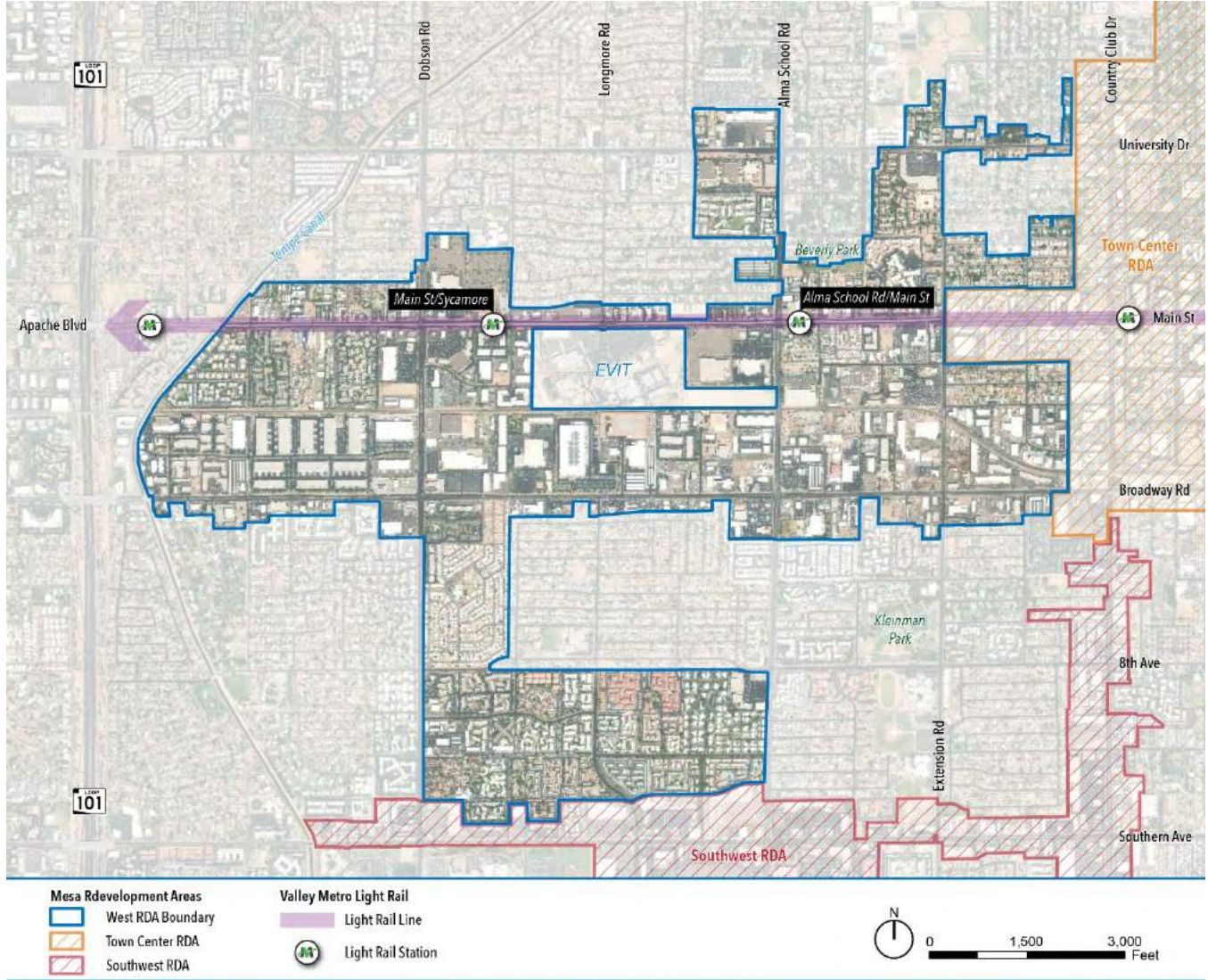
- ▶ Understanding of existing conditions, demographics, and environmental factors;
- ▶ Understanding market capacity to support job and revenue-generating uses within the RDA;
- ▶ Deliberate and inclusive community input from community leaders, business owners, landowners, and other members of the public;
- ▶ Establishing a clear vision and implementation strategies;
- ▶ Sufficient infrastructure capacity;
- ▶ Capitalizing on the well-developed transportation network; and
- ▶ Establishing and maintaining a safe and attractive environment for residents, employees, and visitors alike.

The Redevelopment Plan is intended to provide a viable approach for achieving the economic and development goals for the West RDA. The ultimate goal of the Plan is to identify an approach for redevelopment that provides for long-term maintenance that is sensitive to local needs.

West RDA Boundaries

The West RDA abuts the western edge of Mesa’s existing Town Center RDA, and extends westward to the Tempe Canal, comprising 1,496 acres. The area generally includes properties between W. Main Street to the north and W. Broadway Road to the south, as well as offshoots north along N. Alma School Road and N. Extension Road. There is another large portion extending south between S. Dobson Road and S. Sycamore to the Southwest RDA’s northern border. Figure 1-1 displays the West RDA’s boundary.

Figure 1-1 West RDA Boundary



1.3 Demographics

The West RDA’s demographic information was compared against the City of Mesa as a whole and several other similar, nearby cities. This was done to understand how the West RDA is positioned within the city and other comparable communities. The other communities are Maricopa County; the Cities of Chandler, Scottsdale, and Tempe; and the Town of Gilbert. Unless otherwise noted, data was provided by the City of Mesa from Esri Community Analyst. Esri Community Analyst uses US Census Bureau 2010 Census data to forecast 2016 demographics. Demographic information for Maricopa County and the communities of Mesa, Chandler, Gilbert, Scottsdale, and Tempe was obtained from the most recent American Community Survey results in 2015.

Currently, the West RDA has an estimated population of 22,800 as of 2016 (see Figure 1-2). Although the area experienced a slight population decrease (3.7%) between 2000 and 2010, the West RDA has rebounded quickly with a 15% growth rate between 2010 and 2016, which was more than double city-wide and county-wide average during that timespan. The West RDA is projected to continue increasing another 10% by the year 2021 in conjunction with the growth of Downtown Mesa and the surrounding area, which is more on par with the City of Mesa’s projected growth.

Figure 1-2 West RDA Population Change, 2000 - 2021

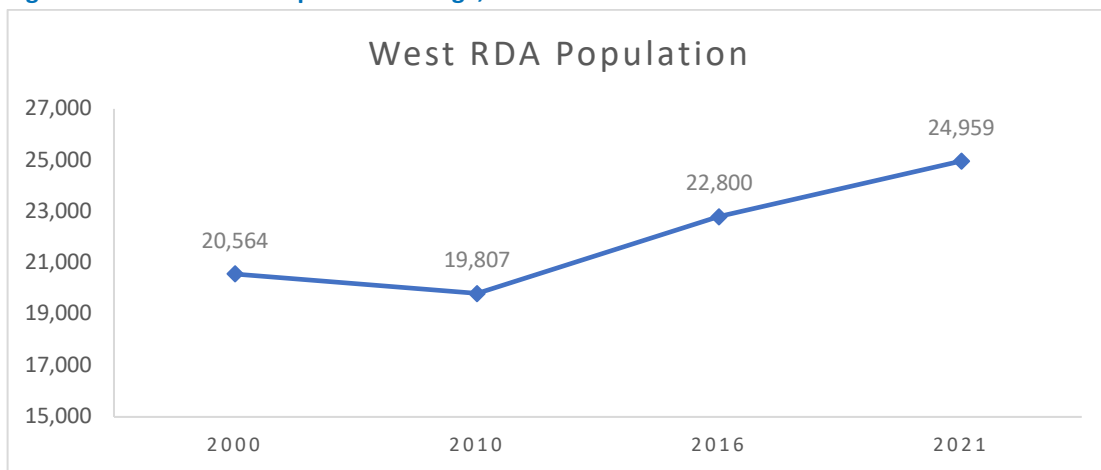
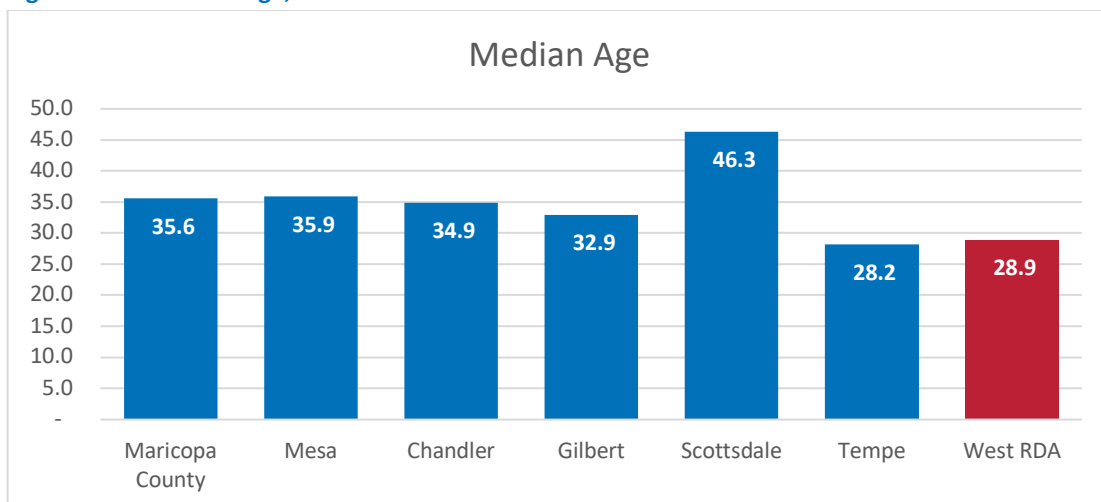


Figure 1-3 provides the median age of the West RDA and the region. The population within the area is relatively young, with a median age of 28.9 years. This is seven years younger compared to the median age of the Mesa residents as a whole, which is 35.9 years. The West RDA has only a slightly older median age than the City of Tempe, which has a large population of young adults that attend Arizona State University.

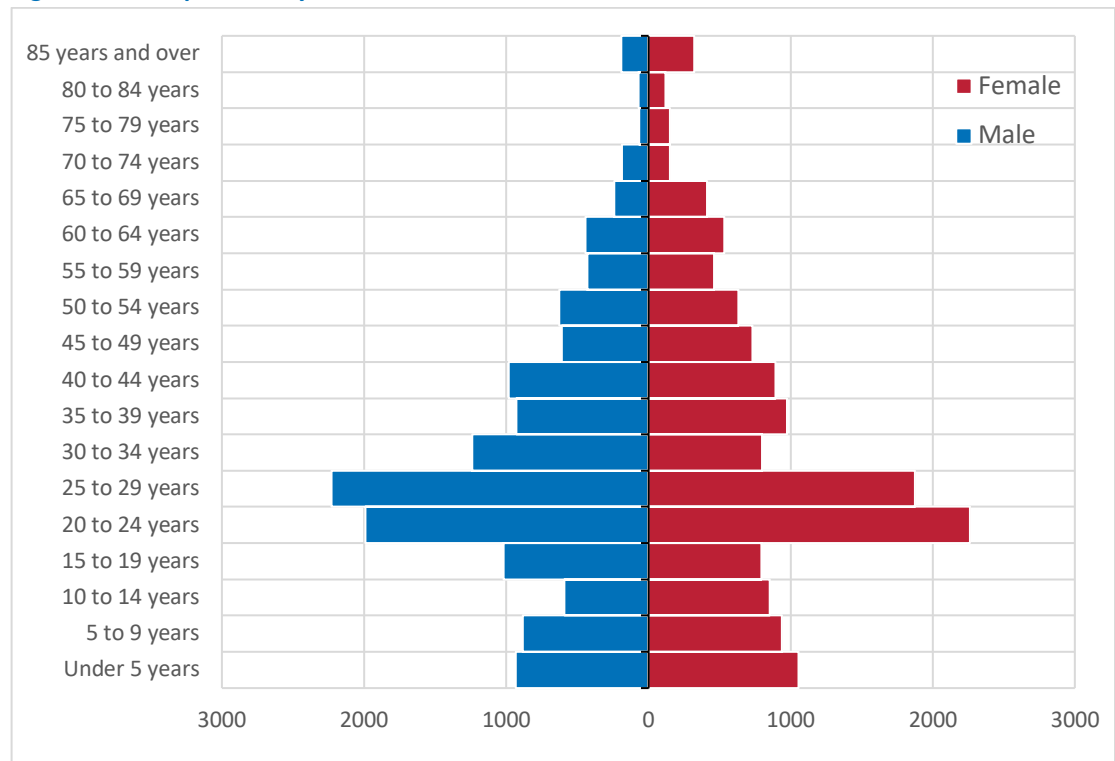
Figure 1-3 Median Age, 2016



To help understand the West RDA’s low median age, Figure 1-4 displays the population pyramid. It should be noted that this data is based on census tracts obtained from the Census Bureau’s American Community Survey (ACS) 5-Year Estimates, and not ESRI Community Analyst; thus, the data is not exact. However, it is still helpful to characterize the area even though the data does not directly align with the West RDA boundary.

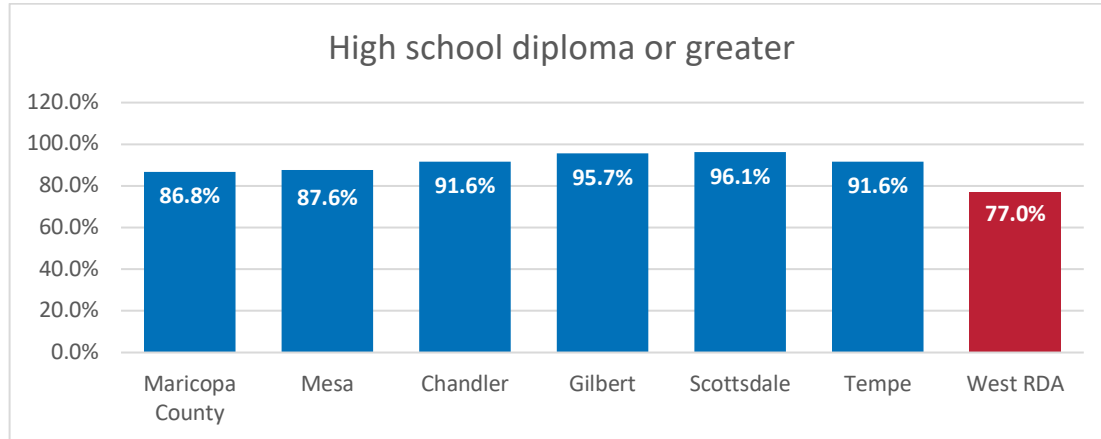
The figure breaks down the population into different cohorts based on their age and gender. As the figure shows, the largest population groups for the RDA is the 20 to 24 years and 25 to 29 years. The abundance of young adults could be due to the West RDA’s proximity to Mesa Community College and the nearby Arizona State University.

Figure 1-4 Population Pyramid, 2016



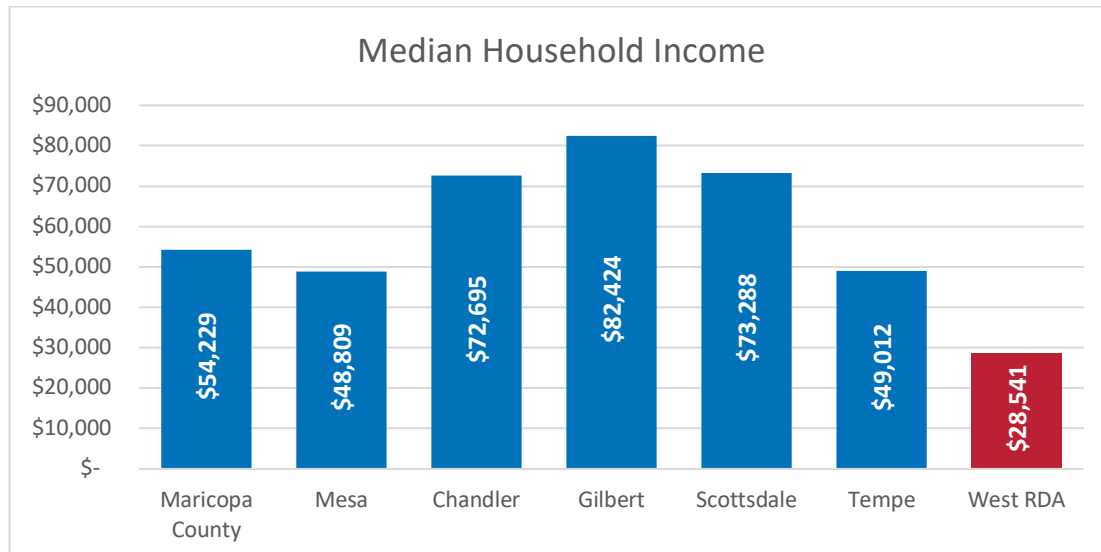
The educational attainment within the West RDA is relatively low, as can be seen on Figure 1-5. Only 77.0% of the adult population (25 years of age and over) has a high school diploma or equivalent. This is over 10% less than the City of Mesa as a whole and is the lowest of all the compared communities.

Figure 1-5 Educational Attainment, 2016



Median household income (Figure 1-6) within the West RDA was \$28,541 in 2016, which is less than half of many of the regional counterparts, including the Town of Gilbert (\$82,424), the City of Scottsdale (\$73,288), and the City of Chandler (\$72,695). The West RDA's median household income is also \$20,000 less than, or 42% less than the City of Mesa as a whole (\$48,809).

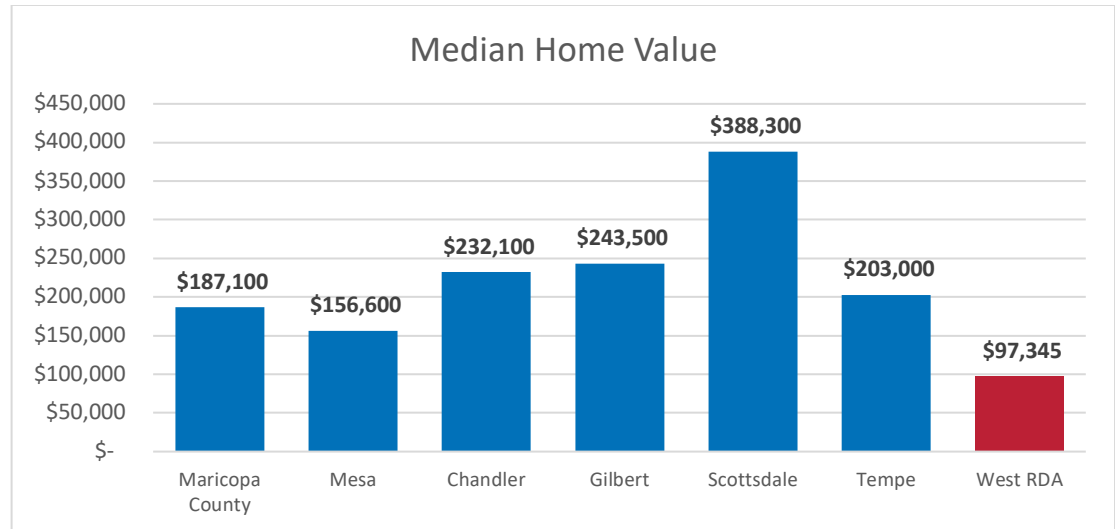
Figure 1-6 Median Household Income, 2016



Furthermore, according to ESRI Community Analysis 2021, the median household income within the West RDA is projected to decrease to \$27,980—a decrease of \$561 (1.9%) from 2016 to 2021. This is in contrast to the City of Mesa as a whole, which is expected to increase its median household income to \$54,811 by 2021—an increase of over \$6,000 (12.3%) in the same five-year span. This shows the West RDA is not only several thousand dollars less than that of its regional counterparts, but the economic climate is also relatively stagnant in this part of the city.

Figure 1-7 shows median home values for the West RDA and the region. The median home value within the West RDA is \$97,345, which is 48.0% less than the county-wide average of \$187,100 and 37.8% lower than the city-wide average of \$156,600.

Figure 1-7 Median Home Value, 2016



According to the Community Profile for the West RDA, the area had 10,666 employed residents as of 2016. As Table 1-1 shows, most residents are employed in the services industry (51.8%), which is generally low-wage employment, and far greater than the citywide average of just 4.9%. Other prominent industries include retail trade (11.3%), construction (9.8%), finance / insurance / real estate (8.2%), and manufacturing (7.2%). The top three citywide industries according to the 2016 ACS are educational services, and healthcare and social assistance (21.9%); retail trade (12.9%); and professional, scientific, and management, and administrative and waste management services (12.3%).

Table 1-1 West RDA Employment by Industry, 2016

Industry	Percent Employed (West RDA)	Percent Employed (City of Mesa)
Services	51.8%	4.9%
Retail Trade	11.3%	12.9%
Construction	9.8%	8.5%
Finance / Insurance / Real Estate	8.2%	8.4%
Manufacturing	7.2%	8.1%
Transportation / Utilities	5.4%	4.8%
Agriculture	2.2%	0.6%
Public Administration	1.8%	3.5%
Information	1.3%	1.8%
Wholesale Trade	1.1%	2.3%
Other	0%	44.2%

1.4 Existing Land Uses

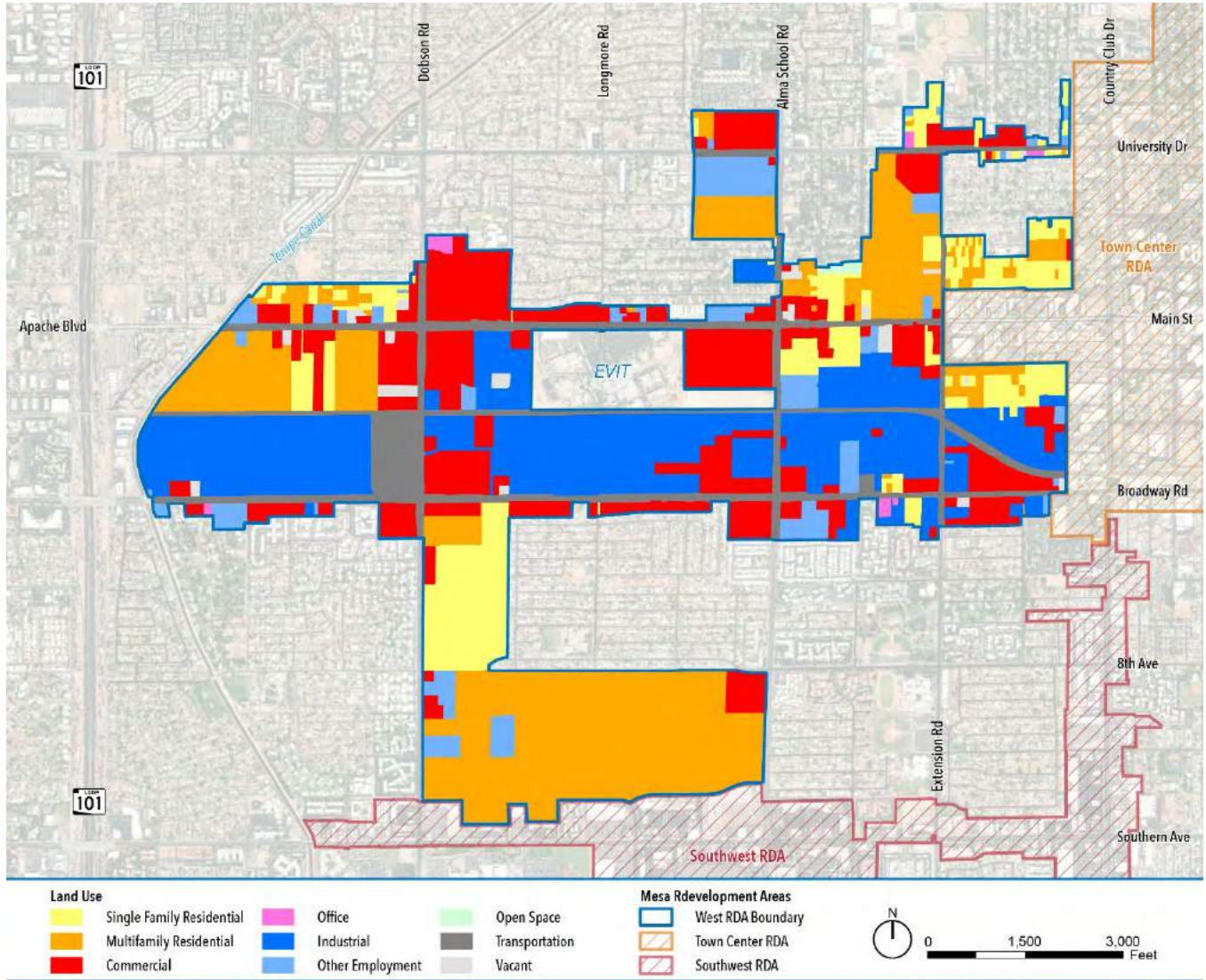
The West RDA is comprised of a well-balanced mix of residential uses (37.6%), commercial and office uses (21.5%), and industrial and other employment uses (29.6%). The residential uses are primarily in the southern portion of the RDA, south of Broadway Road where there are several apartment complexes. There are also some residential uses scattered along the Main Street corridor. The commercial and office uses mostly surround the existing light rail stations at Main Street / Dobson Road and Main Street / Alma School Road, while the majority of industrial uses are located between Broadway Road and the Union Pacific railroad.

Table 1-2 provides a summary of existing land uses by acreage and percentage within the West RDA as shown on the Existing Land Use Map (Figure 1-8).

Table 1-2 Existing Land Use

Land Use	Total Acreage	Percentage of Land
Single-Family Residential	166.5	11.1%
Multifamily Residential	396.4	26.5%
Commercial	315.8	21.1%
Office	6.0	0.4%
Industrial	357.5	23.9%
Other Employment	85.1	5.7%
Open Space	2.7	0.2%
Transportation	150.4	10.0%
Vacant	15.7	1.1%

Figure 1-8 West RDA Existing Land Use



1.5 Relationship to Existing Plans

There are several existing plans that envision future conditions within the West RDA that influence development and revitalization efforts in this Plan. Following is an overview of these plans.

2040 General Plan

The Mesa 2040 General Plan is the City's guiding document for managing future growth and development. This General Plan covers a broad range of topics, including creating and maintaining a variety of great neighborhoods; growing and maintaining diverse stable jobs; providing rich, high quality public spaces and cultural resources; and community character.

Rather than identifying specific individual land uses within the City, the Mesa 2040 General Plan focuses on the character of development through 11 "Character Types". Within the West RDA there are five character types:

- ▶ **Mixed Use Activity District.** The Mixed-Use Activity Districts are large-scale (typically over 25 acres) community and regional activity areas that usually have a significant retail commercial component including shopping areas such as malls, power centers, or lifestyle centers that are designed and developed to attract customers from a large radius. These districts often include other uses such as office, entertainment and residential.
- ▶ **Neighborhoods.** The primary focus of the neighborhoods character type is to provide safe places for people to live where they can feel secure and enjoy their surrounding community. The Neighborhoods Character Type may contain a wide range of housing options from rural to suburban types with densities generally up to 12 dwelling units per acre. These areas may also include some nonresidential uses such as schools, parks, places of worship, and local serving businesses.
- ▶ **Employment.** Employment Districts is a character type that is primarily used for employment-type land uses of at least 20 acres and typically have minimal connection to the surrounding area. Examples of employment districts include areas for large manufacturing facilities, warehousing, business parks, etc. Employment districts may include supporting retail and office areas but rarely include any type of residential uses.
- ▶ **Specialty District.** The Specialty Districts character type is for large areas (typically over 20 acres) with a single use such as an educational campus, airport, or medical facility. The character of these areas can have a significant impact on surrounding development either through the amount of traffic they generate, or the noise associated with their activities.
- ▶ **Transit Corridor.** This character type applies to development of the corridors between transit stations and stops and will be less intense, but should still evolve into a more urban pattern with buildings brought close to property lines and parking located behind or beside buildings.

Within the West RDA, the General Plan has designated the Broadway Corridor as an Economic Activity Area, or an area that provides busy, vibrant places which draw people and businesses together. The Plan describes the Broadway Corridor Economic Activity Area as follows:

“Formerly the Union Pacific Business Corridor, Broadway Corridor is one of Mesa’s most diverse employment centers. With ideal rail and freeway access and close proximity to Sky Harbor International and Gateway Airports, the Broadway Corridor successfully combines established businesses with new, cutting edge industries. This corridor is home to the East Valley Institute of Technology (EVIT), Arizona’s first regional technology-based education facility. This corridor provides an ongoing opportunity for industrial, warehousing, distribution, and other employment activities.”

The 2040 General Plan identifies four key Growth Areas within the City. The Downtown and Main Street Transit District Growth Area includes part of the West RDA along the Valley Metro Light Rail. This Growth Area seeks to enhance the existing arts and cultural resources to help spur additional redevelopment and revitalization along the Main Street corridor and improve the sense of place.

2040 Transportation Plan

The Mesa 2040 Transportation Plan is a multimodal plan to meet the needs of the City as it continues to grow. This plan covers future transportation improvements within the City of Mesa, including complete streets, roadways, and pedestrian and bicycle infrastructure, and incorporates the Bicycle Master Plan from 2012. The 2040 Transportation Plan has three goals:

- ▶ Develop a safe and efficient transportation system that provides access to all public places by multiple modes of travel and by various users
- ▶ Develop inviting streets that identify with the context for the surrounding neighborhood and help to create a sense of community and vibrant public space
- ▶ Develop a transportation network concentrated around activity centers that encourages dense, diverse public spaces and fosters economic growth

Dobson Road and Broadway Road are identified as Complete Streets Priority corridors, which are intended to safely foster a well-balanced mix of transportation options, including transit, bicycling, and walking. As such, both Dobson Road and Broadway Road have planned bike lane projects according to the plan.

West Main Street Area Plan

The West Main Street Area Plan was developed in 2007 to proactively plan for and take advantage of the Valley Metro Light Rail system that was being extended to the area, as well as other various development factors. The plan seeks to accommodate transit-oriented (TOD) development along the light rail through identifying four character areas that suggest types, densities, and intensities of land uses along the corridor.

- ▶ **TOD Station Area.** The TOD Station Area generally consists of the properties surrounding the light rail stations, and are intended for a wide variety of uses at high densities and intensities.
- ▶ **TOD Corridor Area.** The TOD Corridor Area are areas approximately a quarter mile away from the transit stations, or the general distance most people are willing to walk to access transit services. These areas include primarily medium-density uses with some supporting commercial and office uses.
- ▶ **Neighborhood Opportunity Area.** The Neighborhood Opportunity Area consists of established residential neighborhoods north of Main Street with mostly single-family housing that have sufficient access to the light rail stations.
- ▶ **Industrial Corridor.** The Industrial Corridor includes the area between Broadway Road and the Union Pacific railroad, and represents the employment core within the West Main Street Area Plan.



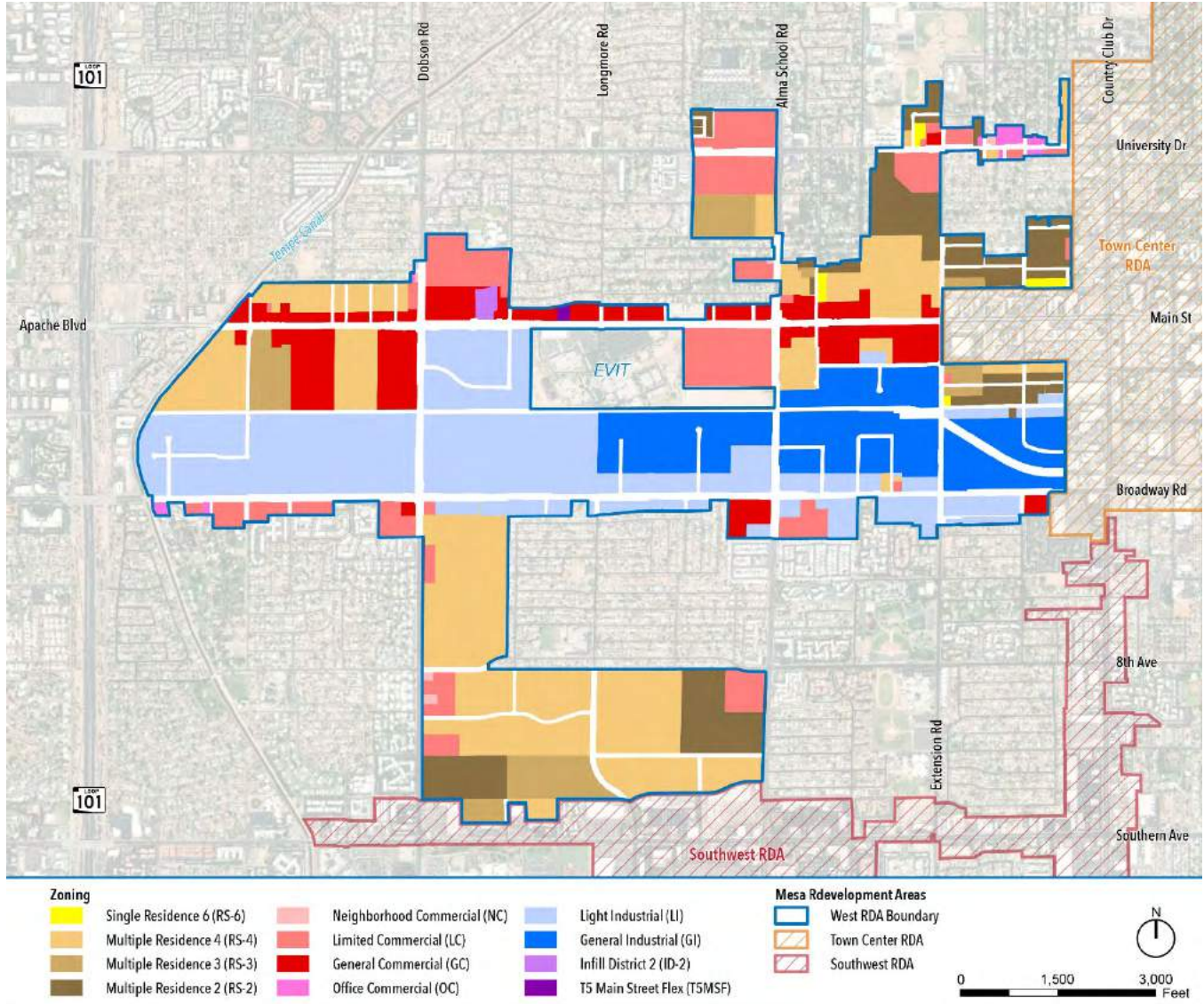
1.6 Zoning

The Zoning Ordinance sets regulatory development standards for all new construction within the City of Mesa. Table 1-3 provides a summary table of all Zoning Districts within the West RDA as shown on the Zoning Map (Figure 1-9). Multi-residence residential zoning districts make up the largest share of land area within the West RDA, with approximately 40% of the total land area. These zoning districts are primarily located in the southern extension of the RDA, south of Broadway Road where there are many apartment complexes. Industrial districts are the next largest zoning district, comprising approximately 38% of the total land area, and are primarily located between Broadway Road and the Union Pacific railroad. Commercial zoning districts comprise most of the remaining land area (approximately 22%) and are primarily located along the Main Street corridor. The other remaining zoning districts—Single Residence 6, T5 Main Street Flex, and Infill District 2—make up less than 1% of the total land area.

Table 1-3 Zoning Summary

Zoning Districts	Acreage	Percentage	Density
Single Residence 6 (RS-6)	4.5	0.3%	6 du/ac
Multiple Residence 2 (RM-2)	122.4	9.4%	15 du/ac
Multiple Residence 3 (RM-3)	65.4	5.0%	20 du/ac
Multiple Residence 4 (RM-4)	328.9	25.4%	30 du/ac
Neighborhood Commercial (NC)	2.3	0.2%	15 du/ac
Limited Commercial (LC)	150.3	11.6%	25 du/ac
General Commercial (GC)	122.3	9.4%	15 du/ac
Office Commercial (OC)	6.4	0.5%	25 du/ac
T5 Main Street Flex (T5MSF)	1.1	0.1%	NA
Light Industrial (LI)	324.6	25.0%	NA
General Industrial (GI)	165.1	12.7%	NA
Infill District 2 (ID-2)	3.6	0.3%	NA

Figure 1-9 West RDA Zoning



1.7 Public Outreach

An important metric in any redevelopment area assessment and plan is the extent and success of public outreach and engagement. During the public outreach process members of the public were engaged through two public workshops.



Public Workshop #1

Public Workshop #1 was held on June 20, 2017 and was attended by 20 individuals. The workshop was informational in nature, introducing the project to the public, defining what a redevelopment area is, why Mesa is interested in creating the West RDA, the benefits of redevelopment, and what the project means for property owners. A preliminary summary of findings was also presented at Public Workshop #1, including the number of parcels identified to have blight factors.



Public Workshop #2

Public Workshop #2 was held on January 17, 2018 and was in the form of an open house. Approximately 30 people attended the meeting and were asked to review conceptual land use alternatives for three focus areas within the RDA. For each focus area, two alternatives were created – a lower intensity single-use option and a higher intensity mixed-use option. The majority of attendees expressed a preference for higher intensity options.

Overall, attendees showed support for the redevelopment plan and the direction it was going. Property owners that attended acknowledged stricter code enforcement and general cleanup would greatly improve the area and provide a big impact to the redevelopment process. Other comments and issues raised by the workshop attendees included:

- ▶ Crime
- ▶ Too much multifamily, low-income housing
- ▶ Creating an Asian District surrounding Mekong Plaza (Main Street and Dobson Road)

2.1 Vision Statement

The Vision Statement describes the ideal future state for the West RDA, and provides guidance to the overall development of this plan. The statement contains the key values behind all of the goals and strategies listed that drive this plan. The West RDA's Vision Statement is as follows:

The West RDA is a unique and iconic destination attracting residents and visitors because of its safe, live-work-play environment. The area features distinguished educational and job training institutions that support a growing employment base with innovative, high-wage industries which are accessible from across the region through three major freeway corridors and the light rail system. New, high-quality development, adaptive reuse, and the emerging Asian business core have revitalized the area into an active and vibrant community.

2.2 Bicycle and Pedestrian Circulation

A safe and effective bicycle and pedestrian circulation system fosters a healthy, active, and more engaging public realm, and provides an alternative mode of transportation for local residents. Bicycle and pedestrian facilities include safe and shaded sidewalks, bikeways, bike lanes, and shared-use paths. Although all major roadways through the West RDA contain sidewalks, they are generally narrow with little to no buffer from the roadway, creating an uncomfortable pedestrian experience. Furthermore, bike facilities are limited and unconnected within the RDA. Both bicycle and pedestrian circulation through the West RDA is critical to maximize the use of the Valley Metro light rail, and creating a vibrant and enjoyable public experience.

The West RDA contains bike lanes along most of its major corridors, including Main Street, Dobson Road, Alma School Road, University Drive, Extension Road, and Longmore Road. However, the bike lanes along Dobson Road, Alma School Road, and University Drive are not continuous across the RDA, creating gaps. Broadway Road does not contain any bike facilities. Although these gaps are included in the City of Mesa's Ultimate Bicycle Network Map in the 2012 Mesa Bicycle Master Plan, only Dobson Road and Broadway Road between the Tempe Canal and Dobson Road are identified as one of the top 40 projects.

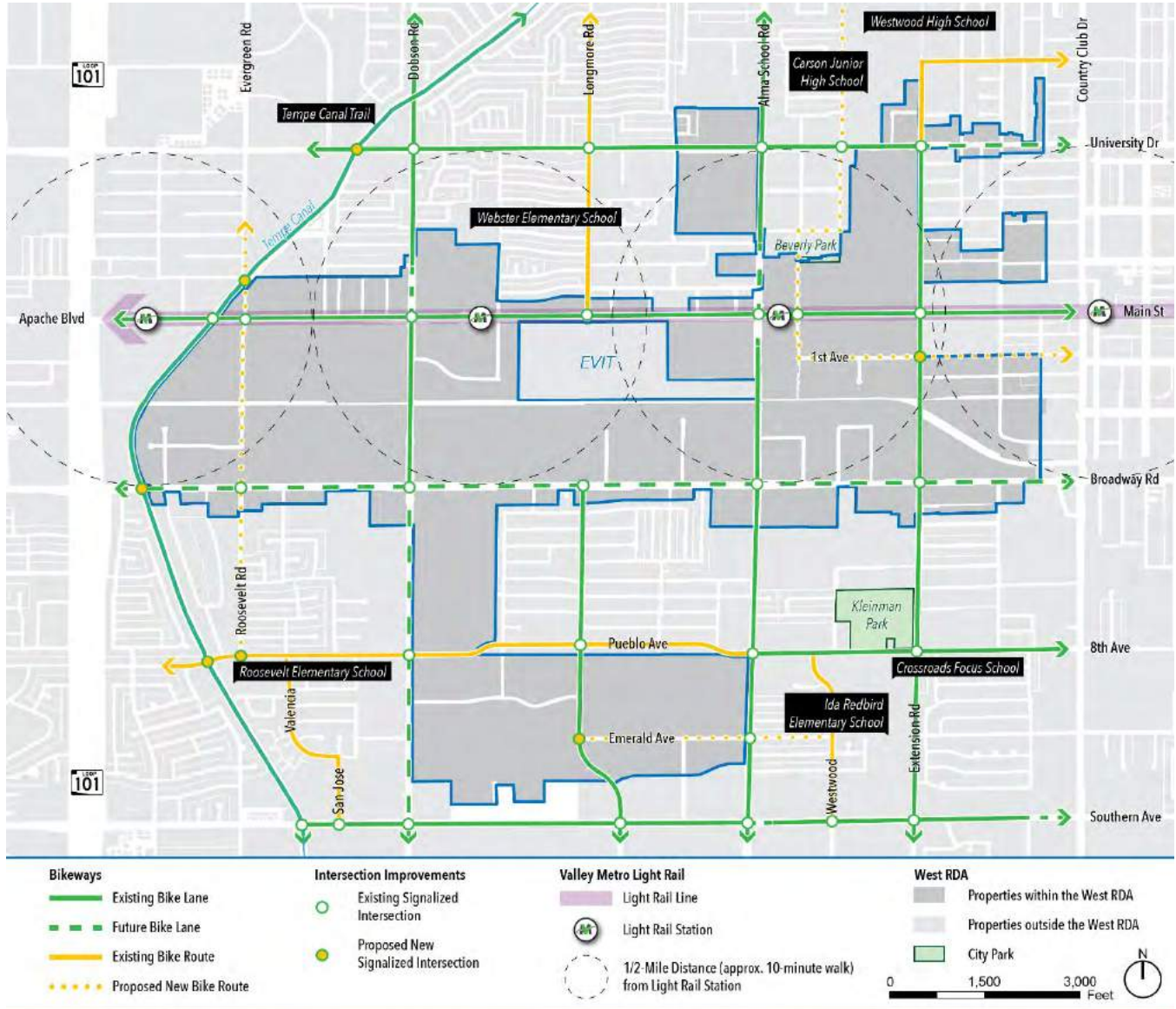


The West RDA also contains the Tempe Canal Trail along the western border. This trail is a regional shared-use path along the Tempe Canal that connects to Banner Desert Medical Center, Roosevelt Elementary School, and Mesa Country Club.

While experienced riders may be comfortable riding in bike lanes along high-trafficked arterial roadways, inexperienced riders, such as children and infrequent bicyclists, may not. To accommodate inexperienced riders, bike routes along collector and through local streets provides a safer and more comfortable option through the West RDA; however, this is completed by establishing bikeways that travel outside of the RDA boundaries. Creating bikeways suitable for all users encourages more people to bike to destinations, supporting revitalization efforts.

The existing and future bikeways through the West RDA are illustrated in Figure 2-1.

Figure 2-1 Existing and Proposed Bikeways



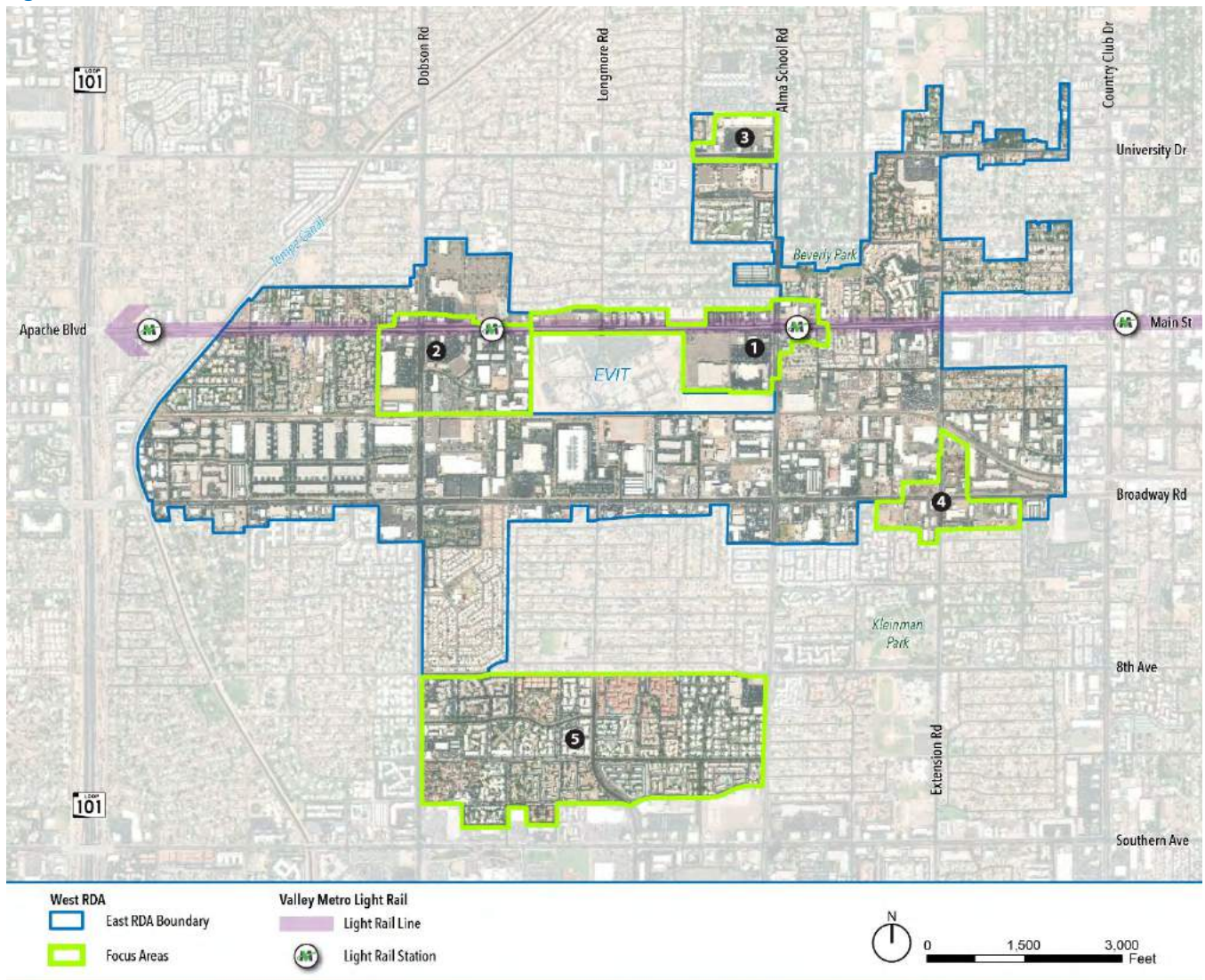
To further improve the safety and flow of pedestrians and bicyclists through the West RDA, signalized intersections are needed to assist in crossing major roadways, whether at existing intersections or mid-block. High-trafficked roadways, such as Broadway Road can be daunting and dangerous to cross, particularly during peak travel periods. The light rail along Main Street also creates an additional barrier for pedestrians and bicyclists. One design consideration in the City of Mesa 2040 Transportation Master Plan is to “consider mid-block crossings when the spacing of signalized intersections is greater than 660 feet and pedestrian travel demand in the area is high.” Providing signalized mid-block crossings at key locations associated with the bikeways will help improve pedestrian and bicycle circulation through the West RDA.

2.3 Conceptual Redevelopment Sites

The West RDA has four focus areas that were identified as areas of significance during the planning process through discussions and feedback between stakeholders, community leaders, and public workshops. The locations of these five focus areas are illustrated in Figure 2-2.

1. Main Street Corridor
2. Asian Multicultural District Core
3. University Drive and Alma School Road
4. Broadway Road and Extension Road
5. South End

Figure 2-2 West RDA Focus Areas



Two conceptual land use plans were envisioned for each focus area. These two alternatives provide a low density and intensity alternative using traditional land uses (Alternative A), and a higher density and intensity alternative featuring mixed-use options that provide greater flexibility for redevelopment (Alternative B). Providing two land use alternatives provides for maximum development flexibility for redevelopment, while still maintaining the community vision. It should be noted that this is not a land use plan, nor does it propose to change the City of Mesa’s Future Land Use Map, or West Main Street Area Plan. However, the concepts demonstrate some densities, intensities, and uses that could be considered for redevelopment. Following are descriptions of each conceptual land use identified for the focus areas:

- ▶ **Residential.** Residential uses include dense single-family homes, duplexes, townhouses, and mid-rise apartments and condominiums.
- ▶ **Commercial.** Commercial uses include a wide array of commercial retail activity, including restaurants, hotels, convenience stores, and commercial services.
- ▶ **Office.** Office uses include flexible structures that can support a variety of office spaces, including professional services and medical facilities.
- ▶ **Commercial Mixed Use.** Commercial Mixed Use includes a mix of commercial and residential land uses, typically with retail stores and restaurants on the ground floor and housing units on the upper floors of the same building.
- ▶ **Office Mixed Use.** Similar to Commercial Mixed Use, Office Mixed Use includes a mix of office and commercial land uses, often with the commercial land uses on the ground floor and office space on the upper floors of the same building.
- ▶ **Employment Mixed Use.** Employment Mixed Use includes large employment centers, such as medical facilities, or institutions, and may also feature commercial uses within the same building, or on the same property. This category does not include residential uses.



Residential



Commercial



Office



Commercial Mixed Use



Office Mixed Use



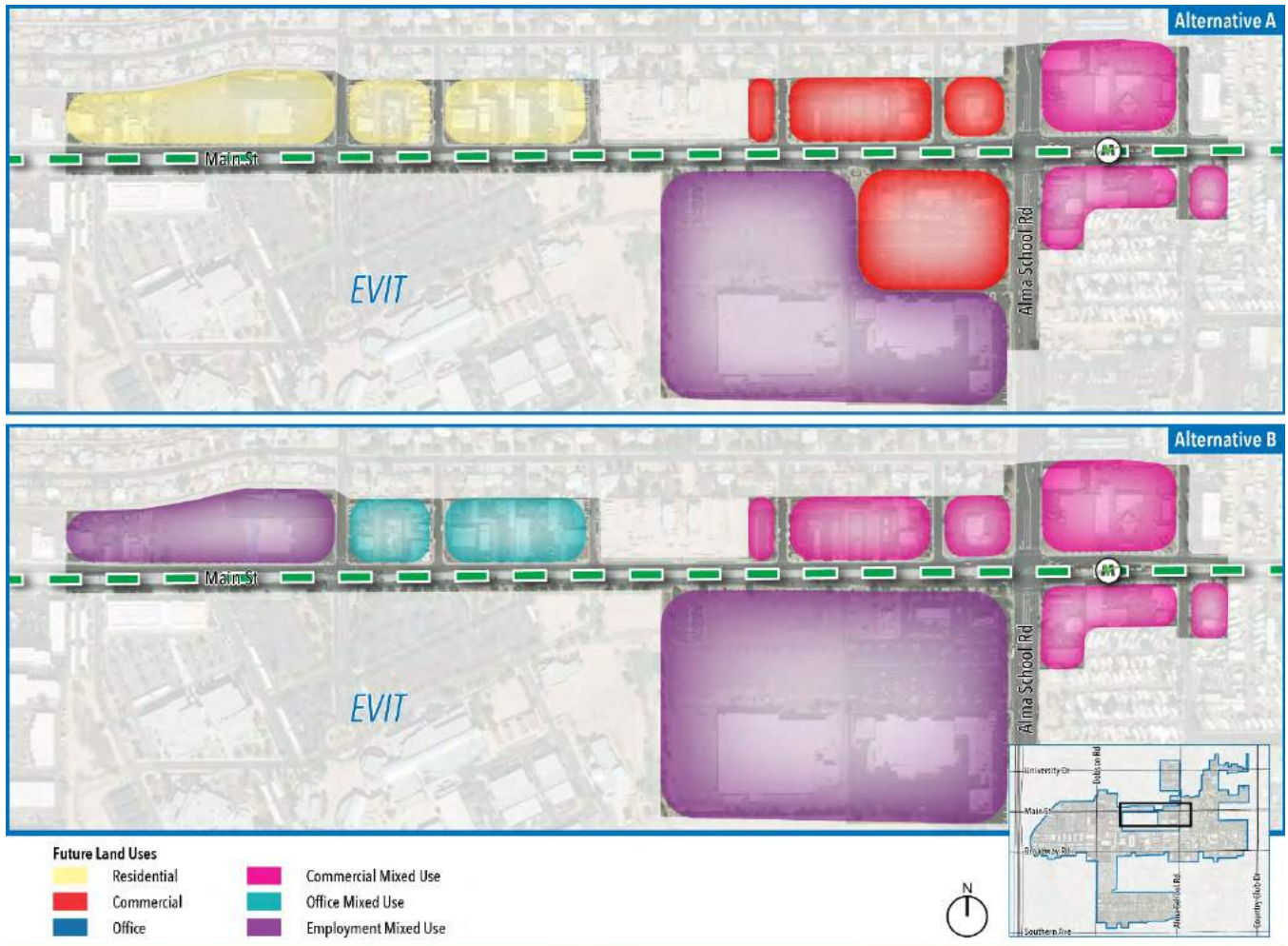
Employment Mixed Use

Main Street Corridor

The Main Street Corridor includes properties along Main Street, north of the East Valley Institute of Technology (EVIT) and surrounding the existing Valley Metro light rail station at Alma School Road. Currently, this focus area generally consists of several motels, automotive businesses, and vacant structures. There are also two big-box stores located on the southwest corner of Main Street and Alma School Road—a Fry’s grocery store and Standard Restaurant Supply.

Both EVIT and the Valley Metro light rail station provide opportunities for redevelopment in the surrounding area. EVIT provides high school students with college preparatory classes, as well as a wide variety of technical skills and job training. The institute also offers career training courses for adults. The Valley Metro light rail provides a cost-effective transportation option that over 12.5 million people used in 2017, and connects this focus area to Downtown Mesa, Tempe, Arizona State University, Sky Harbor International Airport, and Downtown Phoenix. Given these conditions, two conceptual land use alternatives are proposed as shown in Figure 2-3.

Figure 2-3 Main Street Corridor Focus Area Alternatives



Alternative A features commercial land uses surrounding the Valley Metro light rail station to capture customers using the light rail and supporting residential uses on the interior lots. This alternative also includes the employment mixed-use land use adjacent to EVIT for partnership opportunities between the institution and employers. Alternative B also features the employment mixed-use land use adjacent to EVIT, as well as the office mixed-use land use for additional partnership opportunities. Commercial mixed-use land uses surround the Valley Metro light rail station, which provides greater development flexibility of commercial retail space and residential units in proximity to the transit hub.

Asian Multicultural District Core

The Asian Multicultural District Core includes the area surrounding Mekong Plaza and west of EVIT along Dobson Road and Main Street. Dobson Road is a major north-south arterial through Mesa that connects to the Loop 202 Freeway and US Route 60. Main Street features the Valley Metro light rail that travels through Downtown Mesa and across the region. Additionally, the Union Pacific rail line travels along the southern border of this focus area, which provides the opportunity for a cost-effective method of transporting goods.

This area has experienced an influx of Asian businesses spurred by the development of Mekong Plaza. Mekong Plaza contains a multitude of shops and restaurants from various Asian cultures. In addition to the commercial retail uses supported by Mekong Plaza, this focus area also features several small office parks and employment uses.

Given these conditions, two conceptual land use alternatives are proposed that support and expand on the Asian influence in the area, and create complete live-work-play environments with a well-balanced mix of uses. Alternative A features commercial uses along both sides of Dobson Road to create opportunities for Asian businesses to grow and expand. Office uses are adjacent to EVIT to support internships and real-world training opportunities for EVIT students. Residential land uses are centrally located to attract new families in close proximity to Mekong Plaza, as well as the other major assets in the proximate area.

Alternative B also centralizes residential land uses, and locates office mixed-use land uses adjacent to EVIT, similar to Alternative A. Additionally, Alternative B features higher-density mixed-use commercial land uses surrounding the intersection of Dobson and Main Street that allow for more development flexibility of commercial and residential uses. Employment mixed-use land uses are located along the Union Pacific rail line to capitalize on the industrial opportunities the rail line provides.

Figure 2-4 illustrates both conceptual land use alternatives for the Asian Multicultural District Core focus area.

Figure 2-4 Asian Multicultural District Core Focus Area Alternatives



University Drive and Alma School Road

This focus area is located at the northwest corner of University Drive and Alma School Road, just north of the AT&T Data Center complex. Both roadways bordering this focus area are major arterials that connect to regional highways, including the Loop 101 and 202 freeways and US Route 60, which provides high daily traffic counts and sufficient accessibility. Currently, there is a large commercial strip mall that is mostly vacant with the exception of a few retail shops and restaurants, as well as some individual establishments. Residential neighborhoods generally surround the focus area, plus the AT&T Data Center across University Drive.

Figure 2-4 features two proposed conceptual land use alternatives that take advantage of the large underutilized site. Alternative A features commercial uses at the intersections along University Drive to capture customers along the high-trafficked roadway. Additionally, the commercial mixed-use land use allows further commercial opportunities along both arterial roadways, as well as residential development that closer relates to the adjacent properties.

Figure 2-5 University Drive and Alma School Road Focus Area Alternatives



Alternative B redevelops the focus area with employment mixed-use land uses that require a large building footprint, similar to the AT&T Data Center complex across University Drive, and are ideal for a large vacant commercial site. Commercial mixed-use land uses are located near the intersection of the two major roadways that provide additional housing units and retail opportunities for the employment nodes.

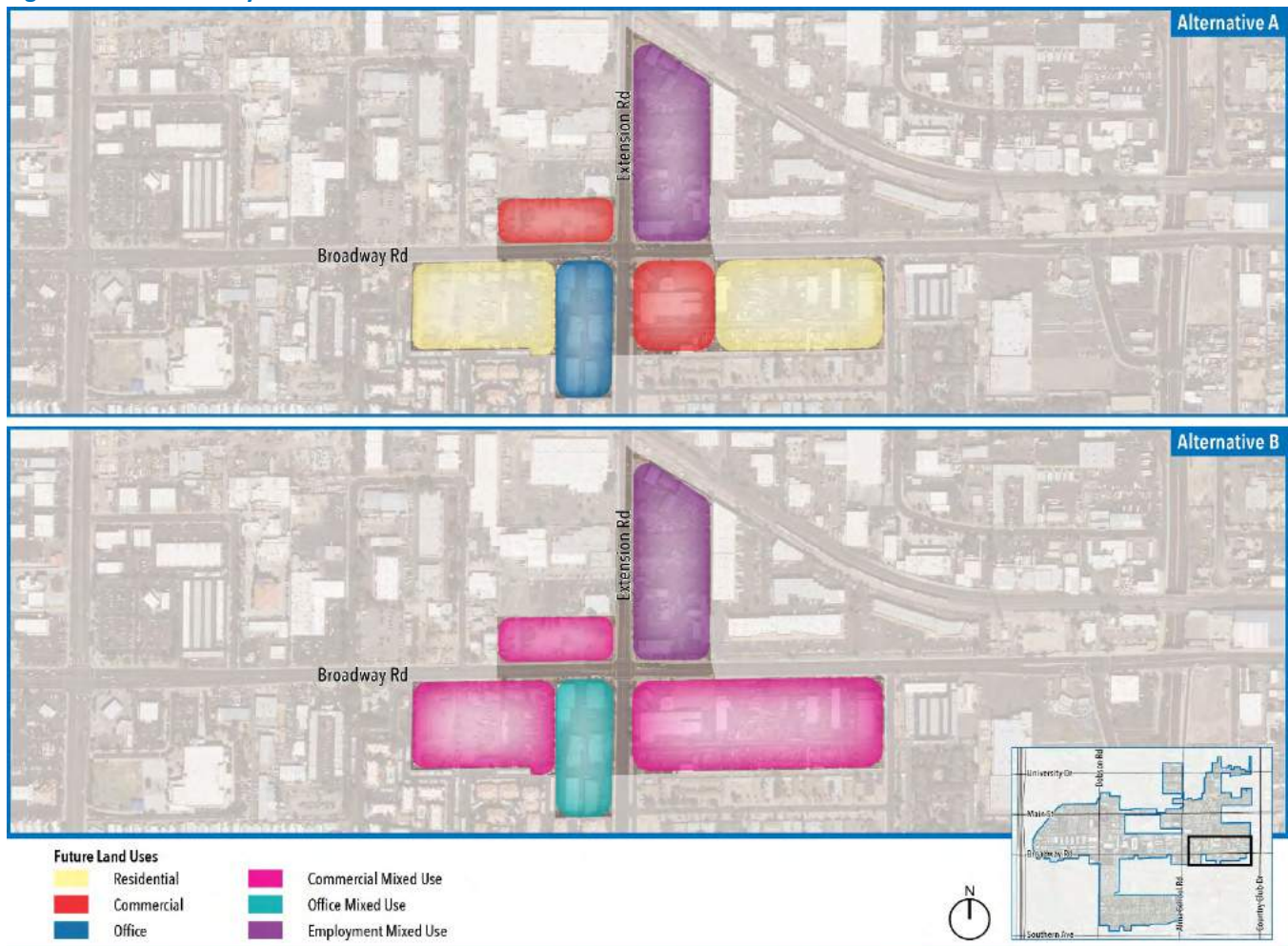
Broadway and Extension Road

This focus area is located at the intersection of Broadway Road and Extension Road, and bordered to the north by the Union Pacific rail line. Broadway Road is a major east-west corridor that travels across the region, and connects to the Loop 101 and Loop 202 freeways. Extension Road is a major collector that connects this focus area to Main Street. Industrial and employment uses have historically been located north of Broadway Road to the Union Pacific rail line, taking advantage of the cost-effective mass-transportation of goods the rail line offers. This land use pattern still remains today.

South of Broadway Road consists of fringe industrial uses with primarily outdoor storage, creating excessive blight conditions and numerous health and safety hazards adjacent to residential neighborhoods. Given these conditions, two conceptual land use alternatives are proposed as shown in Figure 2-6.

The first alternative, Alternative A features the employment mixed-use land use between Broadway Road and the Union Pacific rail line, which provides redevelopment opportunities access to both transportation assets and is consistent with the surrounding area. Commercial uses are located at the northwest and southeast corner of the intersection, which is an appropriate use to capture customers along Broadway Road and from the vast employment uses along the corridor. The southwest corner of the intersection has an opportunity for adaptive reuse of the existing structures into a business park and office complex. Residential land uses make up the remaining area, which is more consistent with the character and provides an appropriate transition to the existing residential south of the focus area.

Figure 2-6 Broadway and Extension Road Focus Area Alternatives



Alternative B also locates the employment mixed-use land use between Broadway Road and the Union Pacific rail line, but features the office mixed-use land use at the southwest corner of the intersection for a higher-density and intensity of an office business park adaptive reuse project. Additionally, this alternative proposes commercial mixed-use land uses along Broadway Road to provide additional development flexibility along the corridor, allowing the market demand to drive redevelopment of the blighted properties.

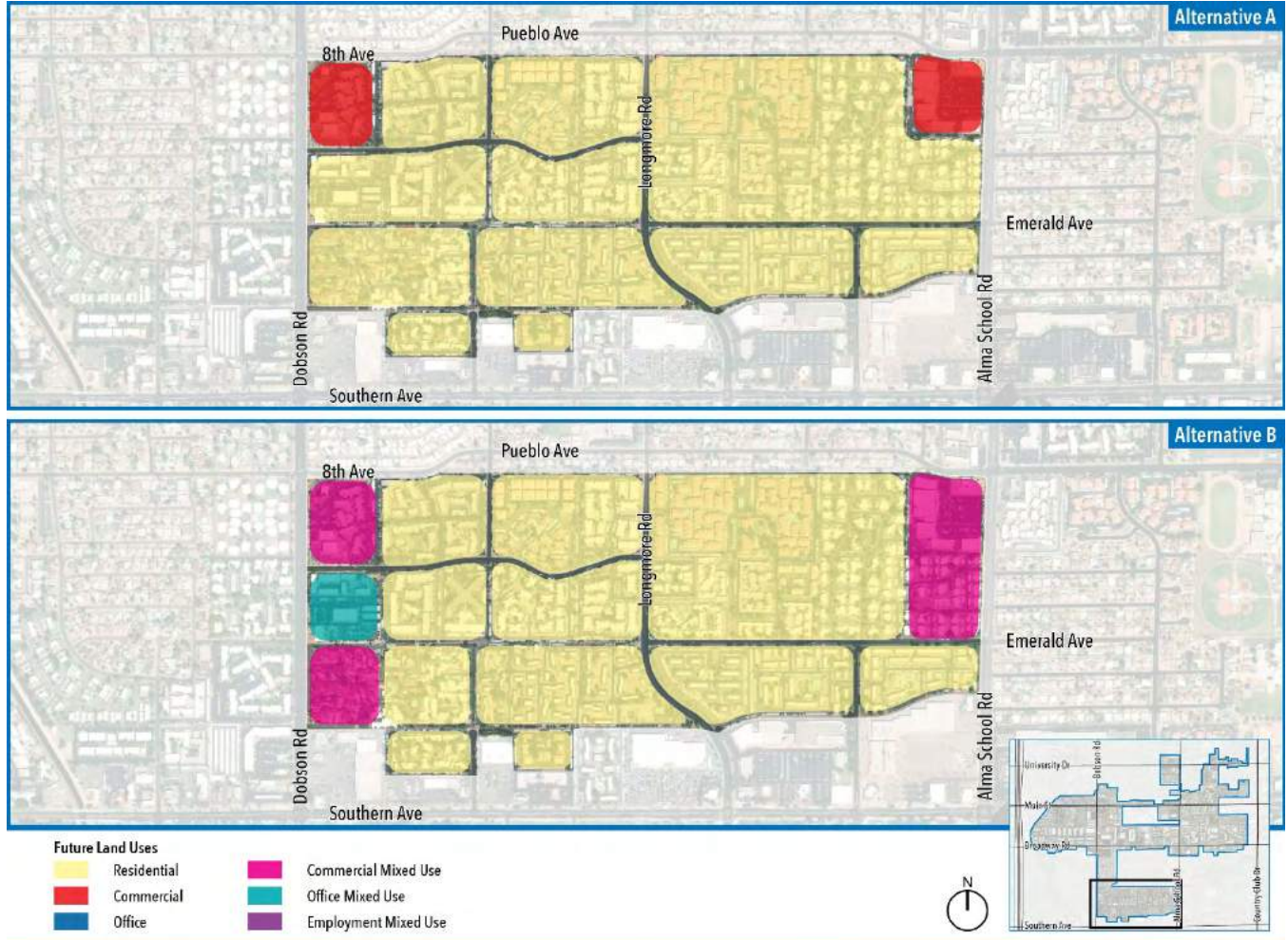
South End

This focus area includes the entire southern portion of the West RDA, south of 8th Avenue between Dobson Road and Alma School Drive, and adjacent to the Southwest RDA. This area is primarily developed as multi-residence apartment complexes, with the exception of the Pima Medical Institute along Dobson, and commercial establishments at the intersections of 8th Avenue and Dobson Road, and 8th Avenue and Alma School Road. Just south of the focus area, along Southern Avenue consists of the Fiesta Mall, Mesa Community College, and Banner Desert Medical Center. Although both Dobson Road and Alma School Drive provide quick and convenient access to US 60, given proximity to the Fiesta Mall, it will be important to not oversaturate this focus area with more non-residential uses than it can support.

Additionally, the Findings of Necessity (Appendix A) determined that this area experiences anywhere from 1.5 to 2 times higher crime rates than the City of Mesa on average. Although not reflected in the conceptual land use plan, Section 3 includes strategies that are targeted to reducing crime.

Figure 2-7 features the two conceptual land use alternatives proposed to revitalize the South End focus area. Alternative A generally features the current market demand with mostly residential uses, except for the intersections of 8th Avenue / Dobson Road and 8th Avenue / Alma School Road. Alternative B captures potential spillover from US 60 and the Fiesta Mall area, featuring the commercial mixed-use land use fronting along most of both Dobson Road and Alma School Road. This alternative also provides the potential for the Pima Medical Institute to expand or be adaptively reused through the office mixed-use land use.

Figure 2-7 South End Focus Area Alternatives



Redevelopment Plan | 3

3.1 Redevelopment Plan

The Redevelopment Plan acts as a guidebook to foster revitalization within the West RDA by expanding on its assets and providing implementable actions to enhance the overall sense of place and create a thriving, innovative, live-work-play environment. This is accomplished by establishing proactive goals and strategies to encourage new and expanded investment consistent with the Vision Statement and supported by a funding strategy. These goals and strategies originate from the feedback and issues identified through the public outreach efforts, stakeholder interviews, and committee meetings, as well as the data collected during the Findings of Necessity.

3.2 Issues of Concern

Several issues have been raised after assessing results from the Findings of Necessity, as well as reviewing input and feedback from both stakeholder interviews and public workshops. These issues of concern include code compliance, crime, housing, business attraction and retention, and signage. These issues are addressed in the redevelopment goals and strategies section of this chapter. Following is a description of each issue of concern.

Code Compliance

Code compliance is one of the major issues facing the West RDA, and was one of the primary contributors to blight in the Findings of Necessity. In fact, there are many areas within the West RDA that experience more than double the number of code compliance violations than the city-wide average, most of which is visible from the public realm. Properties that neglect and ignore code compliance issues detract from the surrounding aesthetics, decreasing property values.

Safety

The West RDA's crime rate between 2012 and 2016 was over 50% greater than the city-wide average. Many stakeholders and residents expressed concerns regarding crime in the area, particularly surrounding the Valley Metro Light Rail stations. In fact, the two census tracts north and south of Main Street between Alma School Road and the Tempe Canal experienced crime rates over 250% greater than the city-wide average from 2012 to 2016. Crime prevention is important to enhance quality of life and attract new residents and businesses to the area.

Housing

Following the stakeholder interviews and public workshops, there was a clear divide on the topic of housing. Although there is a need and a demand for affordable multi-residence housing within the area, some local residents expressed their preferences for single-family, owner-occupied housing to keep a steady, stable population base. However, properties along arterial corridors are not appropriate for single-residence housing, so multi-residence housing will be the primary option in these areas.

Business Attraction and Retention

The West RDA is home to many local businesses and industries, especially along the Broadway corridor and area surrounding Mekong Plaza. Fostering business attraction and retention will be key to generating economic growth throughout the West RDA.

Signs

Although the City of Mesa recently approved an update to the Sign Ordinance in July 2018, many of the existing commercial signs along major arterials through the West RDA are grandfathered in from the previous major update in 1986. This, combined with a need for stricter code enforcement, has created an incohesive assortment of commercial signs, detracting from the overall aesthetics.

Land Use

The existing land uses at major intersections and surrounding the Valley Metro light rail stations do not take full advantage of the economic opportunities the high-capacity transportation assets provide. Currently, there are many vacant, underutilized, and auto-oriented land uses surrounding the prime transportation nodes in the West RDA. Fostering high-density, mixed-use redevelopment near transit stations and major intersections will help drive revitalization efforts.

3.3 Redevelopment Goals and Strategies

The goals and strategies established for the West Redevelopment Area help resolve the identified issues as stated above. Goals represent an ideal end state of the West Redevelopment Area as reflected in the Vision, and strategies are implementable actions that assist in achieving the associated goal. Each strategy identifies the type, estimated cost, and timeframe for completion.

Types of Strategies include:

- ▶ **Capital Improvement (CI).** Capital Improvement strategies are infrastructure improvement projects and / or other city capital investments.
- ▶ **Program (P).** Program strategies are new, or expanded existing programs, that can be implemented within the West Redevelopment Area to help facilitate redevelopment.
- ▶ **Regulatory (R).** Regulatory strategies include modifications and / or amendments to existing city regulations, plans, guidelines, etc. to encourage redevelopment.
- ▶ **Incentive (I).** Incentive strategies include mutually beneficial partnership opportunities that encourage and attract new investment consistent with the Vision of this Plan.
- ▶ **Marketing (M).** Marketing strategies address approaches to promote the West Redevelopment Area to generate new investment.
- ▶ **Assessment (A).** Assessment strategies include areas and features where additional studies will help better inform redevelopment requirements.

The timeframe for completion is broken into three categories:

- ▶ **Short-term.** 1 to 3 years
- ▶ **Mid-term.** 4 to 7 years
- ▶ **Long-term.** over 8 years

Table 3-1 Redevelopment Goals and Strategies

#	Strategy	Type	Timeframe	Order of Magnitude Cost
G1	Create an Asian Multicultural District that is a vibrant, inclusive, day-night community that embraces all Asian cultures, attracting businesses, residents, and tourists from across the region and nation			
1a	Work closely with the Asian business and community leaders surrounding Mekong Plaza to define and establish boundaries for the Asian Multicultural District.	CI	Short-Term	\$50K-\$100K Planning
1b	Create an overlay district to regulate design standards and implement design guidelines within the established Asian Multicultural District.	R	Mid-Term	\$50K-\$100K Planning
1c	Design unique branding, wayfinding, and pedestrian amenities for the Asian Multicultural District that reflects the District's character and identity.	CI	Mid-Term	\$50K-\$100K Planning
1d	Allow for and promote multigenerational housing within the Asian Multicultural District, offering a variety of housing options for all ages.	R	Long-Term	No cost
1e	Market to Asian businesses throughout California, particularly Los Angeles, San Diego, and San Francisco, to relocate to the Asian Multicultural District in the West RDA with a marketing emphasis on reduced property taxes and other business costs.	M	Short-Term	\$50K per year
1f	Hire bilingual / multilingual police officers with knowledge of Asian languages and culture to patrol the Asian Multicultural District.	CI	Short-Term	\$150K+ per yr. per 1 FTE
1g	Coordinate with Asian business and community leaders to hold regular events within the Asian Multicultural District.	P	Short-Term	\$15K per event
1h	Coordinate with Valley Metro to label the Main Street & Sycamore light rail station as the Asian Multicultural District Station.	CI, M	Short-Term	\$10K
1i	Develop a multigenerational community center within the Asian Multicultural District that supports activities for all ages.	CI	Long-Term	\$10M+

CI – Capital Improvement; P – Program; R – Regulatory; I – Incentive; M – Marketing; A – Assessment

#	Strategy	Type	Timeframe	Order of Magnitude Cost
G2	Attract new and expanding businesses to the West RDA that help drive redevelopment and revitalization			
2a	Implement the Government Lease Excise Tax (GPLET) as an incentive for redevelopment throughout the West RDA, with priority in the five focus areas.	I	Short-Term	\$25-\$50K Plan and program identification
2b	Create a focus group of business leaders and stakeholders within the West RDA to identify infrastructure improvements along key corridors, and secure funds for improvements.	CI	Short-Term	\$5K
2c	Partner with East Valley Institute of Technology and surrounding property owners within the Main Street Corridor Focus Area to attract new businesses and industries that align with the school's mission and programs, as well as the West RDA's Vision.	M	Short-Term	\$10K per yr.
2d	Organize job and business training classes through a nonprofit community development corporation, featuring financial tips, local assistance programs, and other important information for successful businesses.	P	Short-Term	\$25-\$50K
G3	Create an attractive, safe, and well-connected District that fosters walkability			
3a	Ensure ADA compliant sidewalks are along all roadways with no obstacles impairing movement.	CI	Long-Term	\$25K-\$50K per location
3b	Consider developing mid-block crossings along segments of major arterials that are over 450 feet in length between signalized street crossings.	CI	Long-Term	\$500K-\$1M per crossing
3c	Create and implement a landscaping program to enhance streetscaping along major arterials creating a more aesthetically pleasing streetscape.	CI, P	Mid-Term	\$100K+ Planning and Design \$500K-\$1M Construction Per mile
3d	Encourage public and private investment into public art.	P	Short-Term	Varies

CI – Capital Improvement; P – Program; R – Regulatory; I – Incentive; M – Marketing; A – Assessment

#	Strategy	Type	Timeframe	Order of Magnitude Cost
3e	Create and implement a wayfinding sign plan to help navigate people through Mesa.	CI	Short-Term	\$50K+ Planning and Design \$100K-\$500K Construction Per mile
3f	Encourage and offer assistance to remove old, dilapidated signs along the West RDA's major arterials.	CI	Mid-Term	\$50K-\$100K
3g	Develop artistic entry gateways into the City of Mesa at both Main Street and Broadway Road.	CI	Mid-Term	\$50K+ Planning and Design \$100K Construction
G4	Enhance infrastructure to meet needs of 21st century businesses			
4a	Study water and sewer infrastructure demands and capacities to identify potential deficiencies and areas of improvement to support expanded needs.	A	Mid-Term	\$100-\$150K
4b	Ensure roadways support multimodal transportation, including walking and biking.	CI	Long-Term	\$2M-\$5M
4c	Establish truck routes through the West RDA that restrict truck travel on Main Street, requiring truck traffic to use Broadway Road and University Drive for east-west travel, and incorporate signage to inform truck drivers.	R	Short-Term	\$50-\$100K
4d	Expand the potential of wireless networks to meet the developing technology needs, including expanding fiber optics connections throughout the West RDA to provide high-speed internet capabilities.	CI	Long-Term	\$10M+
G5	Facilitate redevelopment of mixed-use projects surrounding the Valley Metro light rail stations consisted with the West Main Plan to create a live-work-play environment			
5a	Develop a marketing brochure to inform investors of the assets and opportunities Valley Metro light rail station provides for Mesa with highlighted available properties within the West RDA.	M	Short-Term	\$10K

CI – Capital Improvement; P – Program; R – Regulatory; I – Incentive; M – Marketing; A – Assessment

#	Strategy	Type	Timeframe	Order of Magnitude Cost
5b	Support the redevelopment of obsolete sites surrounding Valley Metro Light Rail stations to incorporate a mix of uses, including residential, commercial, and employment by expediting development reviews and reduced fees on a case by case basis.	I	Short-Term	\$100K hard and soft costs per site
5c	Establish an incentive program to encourage property owners to strategically consolidate lots to help foster mixed-use redevelopment, with priority given to properties within a quarter mile of Valley Metro light rail stations.	I	Short-Term	\$100K hard and soft costs per site
G6	Obtain over 90% code compliance for all properties within the West RDA			
6a	Expand and execute the Neighborhood Cleanup program throughout the West RDA. Break the Redevelopment Area into sections to incrementally implement the Neighborhood Cleanup program systematically.	P	Short-Term	\$50K per yr. per ½ FTE \$50K per cleanup event
6b	Collaborate with existing volunteer groups and establish a united approach to a volunteer program that assists property owners in need to fix-up properties and meet code compliance.	P	Short-Term	\$10K
6c	Offer demolition assistance for properties that contain slum-like, or excessive blight conditions, as well as properties in strategic locations within the West RDA.	I	Mid-Term	\$50K-\$100K
6d	Actively promote site cleanup and the removal of dilapidated and / or abandoned structures through close coordination with property owners and community leaders.	P	Short-Term	\$10K
6e	Implement a beautification program with public investment along the Main Street Corridor.	CI, P	Long-Term	\$50K
6f	Establish a façade improvement program, providing financial assistance to property owners who are seeking to improve and enhance the aesthetics of their property.	CI, P	Mid-Term	\$500K-\$1M per yr. for citywide program

CI – Capital Improvement; P – Program; R – Regulatory; I – Incentive; M – Marketing; A – Assessment

#	Strategy	Type	Timeframe	Order of Magnitude Cost
G7	Reduce crime rates within the West RDA by more than 30%			
7a	Encourage large developments to incorporate police / security kiosks to help patrol local areas.	CI	Short-Term	\$50K-\$100K
7b	Incorporate Crime Prevention Through Environmental Design (CPTED) standards for both public and private redevelopment in the West Redevelopment Area.	R	Long-Term	\$10K for standards update
7c	Implement a community crime prevention program through education and close communication with residents to help keep their neighborhoods safe.	P	Short-Term	\$50K per yr. per ½ FTE
7d	Increase security near the Valley Metro Light Rail stations.	CI	Short-Term	\$150K+ per yr. per 1 FTE
G8	Increase homeownership rates			
8a	Encourage a wide range of housing opportunities for all ages and income levels, including move-up housing and multigenerational housing through a mix of housing types and sizes for housing redevelopments.	R	Long-Term	No cost
8b	Offer educational homeownership classes, featuring maintenance, financial tips, and other important information for first-time homeowners.	P	Short-Term	\$50K
8c	Provide information on Accessory Dwelling Unit (ADU), which can be rented and contribute to homeowner costs.	R	Short-Term	\$5K

CI – Capital Improvement; P – Program; R – Regulatory; I – Incentive; M – Marketing; A – Assessment

3.4 Funding Strategies

Implementing redevelopment over a large area, such as the West Redevelopment Area, is likely to require a substantial investment of capital. As discussed in the financial analysis, the five Focus Areas within the West RDA could generate more than \$460 million in investment in new and upgraded facilities. Across the entire West RDA, investment of more than \$1.0 billion in new and upgraded facilities could be needed.

While some of these facility upgrades and expansions could be funded through direct investment of the property owners, some owners may require some form of financial incentive to encourage redevelopment. In addition, the City of Mesa may determine that some level of public investment is desirable to encourage redevelopment in targeted areas. This investment by the City could be in the form of utility upgrades; public amenities such as parks, sidewalks or traffic improvements; or through a development partnership to create new development on properties currently owned by the City.

This section provides an overview of some of the programs that could be used to help promote and encourage redevelopment. This section is intended to provide an overview of a selection of available programs that could be considered by the City, and is not meant to be an exhaustive list of available programs.

Redevelopment Financing Opportunities

In general, financing incentives for redevelopment are typically focused on local and state programs, such as improvement districts, zoning/density incentives, investment funds, economic development investments and public financing (bonds).

Opportunity Zones

One important Federal program that has recently been used to induce redevelopment activity is the Opportunity Zone program. The Opportunity Zone program allows investment in approved Census Tracts to receive preferential tax treatment. In general, Opportunity Zones are low income Census Tracts. Specific Census Tracts are nominated by the Governor of each state, and certified by the U.S. Treasury Department.

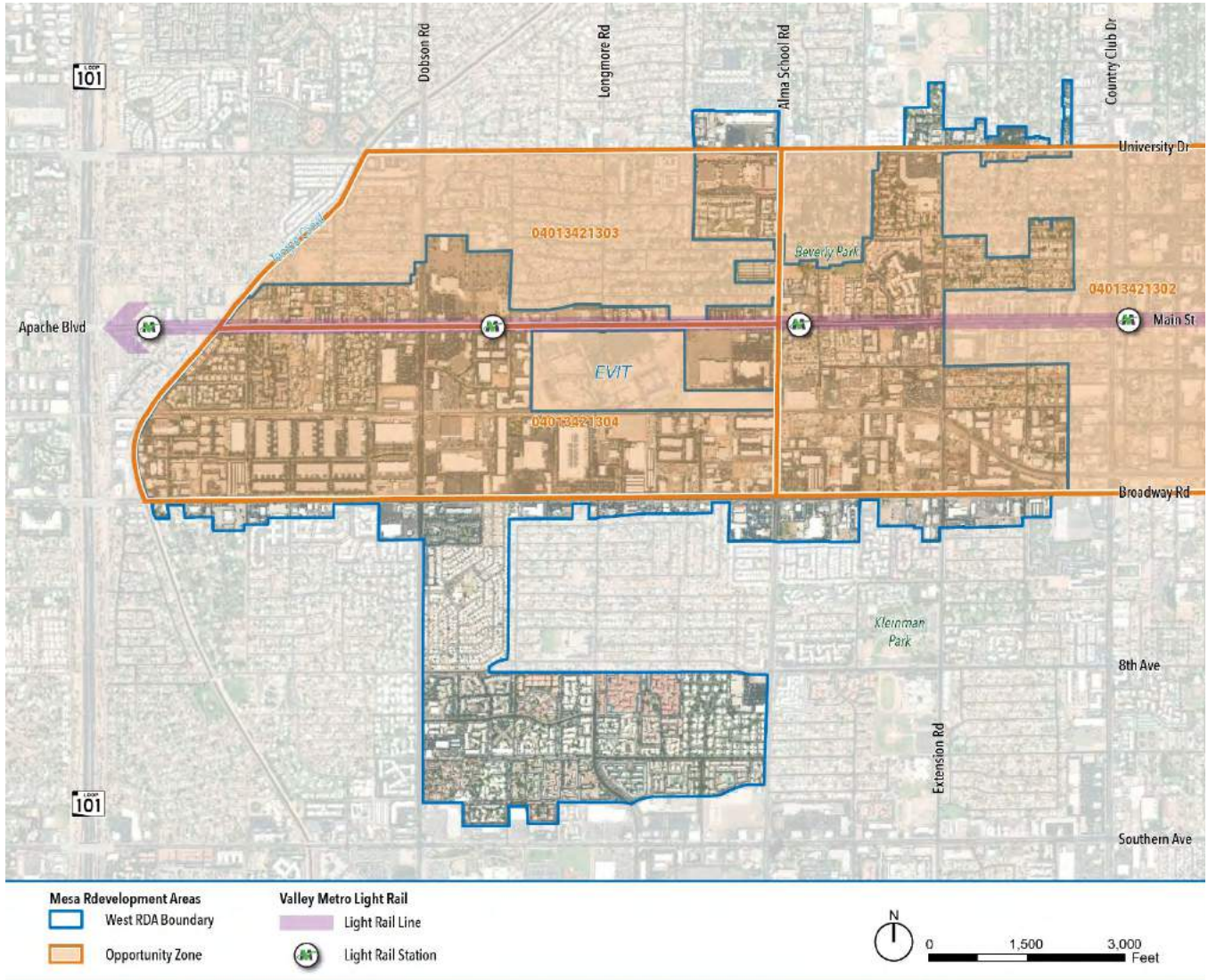
Opportunity Zone Funds are private sector investment entities that invest at least 90% of their capital into the Opportunity Zones. The City of Mesa contains 11 Census Tracts that are approved Opportunity Zones, three of which include properties within the West RDA—04013421302, 04013421303, and 04013421304—as depicted in Figure 3-1.

Opportunity Zones offer substantial benefits to investors in the form of three separate tax breaks:

- ▶ Deferral of taxes on gains from investment properties sold in 2018 to 2026;
- ▶ A 15% reduction on those gains when they are ultimately taxed in 2026; and
- ▶ Tax free growth on Opportunity Zone investments (through approved Opportunity Zone funds) for investments held at least ten years.

The net results for investors vary by state, but in general, after-tax returns are projected to be more than 30% higher using Opportunity Zone investments when compared to a more traditional investment.

Figure 3-1 Opportunity Zones



New Markets Tax Credit

Another commonly used Federal program is the New Markets Tax Credit (NMTC). The NMTC was established in 2000 to encourage investment in low income communities. The program has allocated more than \$20 billion in tax credits since 2003. This program was set to expire in 2014, but Congress agreed to extend the expiration date to 2019.

Essentially, Community Development Entities (CDEs) make loans or investments in low income communities. CDEs apply to the U.S. Treasury to receive tax credit authority, and then sell these tax credits to investors. The fund received from investors are used by CDEs to make equity investments in projects, or to provide debt financing (loans). CDEs can use these funds to support qualified low income businesses with funding for equipment, operations or real estate.

Arizona Special Taxing Districts

Title 48 of the Arizona Revised Statutes authorizes a variety of special taxing districts. Specifically, Chapter 4 of Title 48 authorizes Municipal Improvement Districts for:

- ▶ Article 1 – Opening, Widening and Closing Public Ways;
- ▶ Article 2 – General Public Improvements and Improvement Bonds;
- ▶ Article 3 – General Improvement Fund and Investment Bonds;
- ▶ Article 4 – Refunding Municipal Improvement Districts Bonds for Savings;
- ▶ Article 5 – Street and Highway Improvement Bonds; and
- ▶ Article 6 – Community Facilities Districts.

Among the taxing districts that could be used to support redevelopment are Articles 2, 3 and 6.

Article 2. General Public Improvements and Improvement Bonds

This Article can be used to widen or pave streets; construct or repair conduit; construct or repair sidewalks, railroads, manholes, culverts, parking, curbs, gutters, and pipes; construct or repair sewers, drains and collection systems for sanitary and drainage purposes; construct or repair waterworks, ditches, channels and associated systems for carrying stormwater or water; construction or repair of lighting, plants, poles, wires, conduits, lamps or standards; grading, paving or other improvements to off-street parking and related entrances; and to construct, acquire or improve a wastewater treatment facility, drinking water facility or nonpoint source project.

Article 3. General Improvement Fund and Investment Bonds

Article 3 allows municipalities to incur bonded indebtedness to fund a “general improvement fund”.

Article 6. Community Facilities Districts

The Article allows for the creation of specific districts to be created within specific geographic areas for specific purposes, with the opportunity to fund improvements through the levy of taxes to pay the cost of improvements and their operation and maintenance by those properties within the District. Formation of a District requires the governing body to adopt a resolution authorizing formation of the District, and a vote of owners of land within the proposed District.

Districts have broad powers to implement public infrastructure improvements. Districts are able to:

- ▶ Enter into contracts and expend monies for any public infrastructure purpose with respect to the district;
- ▶ Enter into intergovernmental agreements for the planning, design, inspection, ownership, control, maintenance, operation or repair of public infrastructure or the provision of enhanced municipal services by the municipality in the district;
- ▶ Sell, lease or otherwise dispose of district property if the sale, lease or conveyance is not a violation of the terms of any contract or bond resolution of the district;
- ▶ Reimburse the municipality for providing enhanced municipal services in the district;
- ▶ Operate, maintain and repair public infrastructure;
- ▶ Establish, charge and collect user fees, rates or charges for the use of any public infrastructure or service;
- ▶ Employ staff, counsel and consultants;
- ▶ Reimburse the municipality or county for staff and consultant services and support facilities supplied by the municipality or county;
- ▶ Accept gifts or grants and incur and repay loans for any public infrastructure purpose;
- ▶ Enter into agreements with landowners and the municipality or county for the collection of fees and charges from landowners for public infrastructure purposes, the advance of monies by landowners for public infrastructure purposes or the granting of real property by the landowner for public infrastructure purposes;
- ▶ By resolution, levy and assess the costs of any public infrastructure purpose on any land benefited in the district;
- ▶ Pay the financial, legal and administrative costs of the district;
- ▶ Enter into contracts, agreements and trust indentures to obtain credit enhancement or liquidity support for its bonds and process the issuance, registration, transfer and payment of its bonds and the disbursement and investment of proceeds of the bonds;
- ▶ With the consent of the governing body of the municipality or county which formed the district, enter into agreements with persons outside of the district to provide services to persons and property outside of the district; and
- ▶ Use public easements and rights-of-way in or across public property, roadways, highways, streets or other thoroughfares and other public easements and rights-of-way, whether in or out of the geographical limits of the district, the municipality or the county.

Districts are authorized to provide specific public infrastructure improvements within their designated boundaries. Public infrastructure improvements include:

- ▶ Sanitary sewage systems, including collection, transport, storage, treatment, dispersal, effluent use and discharge.
- ▶ Drainage and flood control systems, including collection, transport, diversion, storage, detention, retention, dispersal, use and discharge.
- ▶ Water systems for domestic, industrial, irrigation, municipal or fire protection purposes, including production, collection, storage, treatment, transport, delivery, connection and dispersal, but not including facilities for agricultural irrigation purposes unless for the repair or replacement of existing facilities when required by other improvements permitted by this article.
- ▶ Highways, streets, roadways and parking facilities, including all areas for vehicular use for travel, ingress, egress and parking.
- ▶ Areas for pedestrian, equestrian, bicycle or other nonmotor vehicle use for travel, ingress, egress and parking.
- ▶ Pedestrian malls, parks, recreational facilities other than stadiums, and open space areas for the use of members of the public for entertainment, assembly and recreation.
- ▶ Landscaping, including earthworks, structures, lakes and other water features, plants, trees and related water delivery systems.
- ▶ Public buildings, public safety facilities and fire protection facilities.
- ▶ Lighting systems.
- ▶ Traffic control systems and devices, including signals, controls, markings and signage.
- ▶ Equipment, vehicles, furnishings and other personnel related to the items listed in this paragraph.

Under 48-715, District public infrastructure projects require a feasibility study and benefits analysis. A public hearing is required within sixty (60) days after receipt of the report.

Funding for District projects may be generated through user fees for services, or through the levy of an incremental ad valorem tax on property within the District.

The powers of a Community Improvement District are essentially identical to the powers of a Revitalization District (Arizona Revised Statutes Title 48, Chapter 39). A Revitalization District has similar capabilities in terms of constructing or upgrading infrastructure systems, and can generate revenues through user fees and ad valorem taxes.

As an example, the total estimated valuation of all parcels in the West RDA is \$1.0 billion, while the total assessed valuation for all properties in the West RDA is \$142 million. Blighted properties account for 23% of all assessed valuation in the West RDA (\$32.7 million). The properties in the West RDA represent just over 25% of the City’s total assessed value of \$4.0 billion, according to the Maricopa County Assessor’s 2017 Levy Limit Worksheet.

If a Revenue Bond were issued for the entire West RDA, the existing tax base (\$142 million) could support bonding of approximately \$2.2 million for each million of tax allocated to debt service, assuming 30-year bonds at an annual interest rate of 5%. Thus, an allocation of ten mills would support a bond of approximately \$22.0 million.

Government Property Lease Excise Tax Program (GPLET)

One of Arizona’s available redevelopment tools is the GPLET program. The goal of the program is to help reduce the operating cost of a redevelopment project by replacing the real property tax with an excise tax. The program can be used for up to twenty-five years, but requires that the land and buildings be transferred to a government entity and leased back for private use. However, under current legislation, the land and the improvements must be conveyed back to the lessee after eight years.

GPLET excise taxes are computed on a per square foot basis, and are based on the property use type. Table 3-2 provides the 2018 Tax Year GPLET rates, as published by the Arizona Department of Commerce.

Table 3-2 2018 GPLET Rates by Property Type

GPLET RATES	
Property Type	Rate/SF
One Story Office Structure	\$ 2.18
Two to Seven Story Office Structure	\$ 2.51
Eight or More Story Office Structure	\$ 3.38
Retail Structure	\$ 2.74
Hotel/Motel Structure	\$ 2.18
Warehouse/Industrial Structure	\$ 1.47
Rental Residential Structure	\$ 0.83
All Others	\$ 2.18
Parking (per parking space)	\$ 217.94

It is important to recognize that the excise tax can be abated for the first eight years after receipt of a certificate of occupancy for projects within a Redevelopment Area, such as the Mesa West RDA.



WEST

Appendix | A

Blight Study Findings

Please see next page.



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Redevelopment Area Study



Findings of Necessity

August 2017



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Redevelopment Area Study

Findings of Necessity • August 2017

For more information contact:

City of Mesa Office of Economic Development • 480-644-2398

Visit the Website at www.MesaAZ.gov/RDA





Redevelopment Area Study

Findings of Necessity

Presented to:
City of Mesa, Arizona

Presented by:
Matrix Design Group

August 2017

Please see next page



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6. Appendix	(Provided in separate document)

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The logo features the word "WEST" in a bold, white, sans-serif font, centered within a white horizontal bar. This bar is set against a dark blue background that has a subtle, intricate pattern resembling a city map or a circuit board. The entire graphic is contained within a white arrow shape pointing to the right.

WEST

1. Executive Summary

Please see next page



1. Executive Summary

Introduction

The purpose of this report is to demonstrate a finding of necessity to determine the need for establishing a Redevelopment Area (RDA) per Arizona Revised Statutes (ARS) §36-1471 et seq. This statute provides local governments the authority to designate RDAs to revitalize blighted areas within a city. Blight includes visual conditions, as well as non-visual conditions, such as platting, title issues, and crime. This report assesses and details the extent of blight within the proposed West Mesa Redevelopment Area (RDA).

A Finding of Necessity, as outlined in ARS §36-1473, is a required first step that a municipality must approve and adopt prior to establishing an RDA. Therefore, this information is provided as evidence to the Mesa City Council that the study area contains a predominance of blight.

Arizona Revised Statutes §36-1471 defines the meaning of “blighted area” as:

An area, other than a slum area, where sound municipal growth and the provision of housing accommodations is substantially retarded or arrested in a predominance of the properties by any of the following: a dominance of defective or inadequate street layout; faulty lot layout in relation to size, adequacy, accessibility or usefulness; unsanitary or unsafe conditions; deterioration of site or other improvements; diversity of ownership; tax or special assessment delinquency exceeding the fair value of the land; defective or unusual conditions of title; improper or obsolete subdivision platting; and the existence of conditions that endanger life or property by fire and other causes.

Each property within the proposed West Mesa RDA was visually assessed during an on-site field survey for the following blight factors:

- Unsanitary or unsafe conditions
- Deterioration of site or other improvements
- Conditions that endanger life or property
- Obsolete subdivision platting
- Inadequate street layout
- Faulty lot layout

This data was then validated through an aerial survey using a combination of the 2017 aerial imagery provided on the Maricopa County’s Assessor’s website and Google Maps. Other blight conditions that were also assessed were code compliance violations and incidents of crime from 2012 to 2016.

Conclusion

The following summary shows that a substantial number of blight conditions exist in the West Mesa RDA. There were 2,141 out of 3,794 parcels, or 56.4% that were identified to have at least one blight factor, as well as 80.5% of the total acreage was determined to be blighted. Conditions that endanger life or property (including crime) were the most common blight factor throughout the West Mesa RDA, representing 53.2% of the total land area. Other major blight factors include deterioration of site or other improvements (24.9% of the total land area), and improper or obsolete subdivision platting (24.0% of the total land area).

It is in the opinion of Matrix Design Group that the Mesa City Council could make a finding of blight in the West Mesa RDA study area. Establishing the West Mesa RDA is in the residents' interest of public health, safety, morals and welfare.



2. Overview and Purpose

Please see next page



2. Overview and Purpose

Introduction

In order to determine the need for redevelopment, it is important to understand how blight is defined, where it may be occurring, and what impact it has on the surrounding community. This section includes definitions of blight, as provided by the Arizona Revised Statutes (ARS), as well as descriptions of the methodology used to assess and analyze blight conditions within the West Mesa RDA.

Arizona Revised Status §36-1471

Arizona Revised Statutes (ARS) Title 36 provides local governments the authority to designate Redevelopment Areas (RDA) to revitalize blighted areas. RDAs are designated by a city council in locations that are in need of revitalization due to a predominance of blight. The relevant sections pertaining to blight are provided below in order of application.

A Finding of Necessity, as outlined in ARS §36-1473, is a required first step a municipality must approve and adopt prior to establishing an RDA. The report assesses and details the scope and extent of blight within a defined study area. This information is provided as evidence to a city council that the study area contains a predominance of blight.

Arizona Revised Statutes §36-1473 requires municipalities to conduct and adopt a Findings of Necessity study prior to creating an RDA. This ARS states:

- A. *A municipality shall not exercise any of the powers conferred on municipalities by this article until its local governing body adopts a resolution by a two-thirds vote finding both of the following:*
 1. *One or more slum or blighted areas exist in the municipality.*
 2. *The redevelopment of that area or areas is necessary in the interest of the public health, safety, morals or welfare of the residents of the municipality.*

Arizona Revised Statutes §36-1471 defines the meaning of “blighted area” as:

An area, other than a slum area, where sound municipal growth and the provision of housing accommodations is substantially retarded or arrested in a predominance of the properties by any of the following: a dominance of defective or inadequate street layout; faulty lot layout in relation to size, adequacy, accessibility or usefulness; unsanitary or unsafe conditions; deterioration of site or other

improvements; diversity of ownership; tax or special assessment delinquency exceeding the fair value of the land; defective or unusual conditions of title; improper or obsolete subdivision platting; and the existence of conditions that endanger life or property by fire and other causes.

There are nine blight factors indicated by Arizona Revised Statute §36-1471. These factors are:

- **Dominance of defective or inadequate street layout** includes street layouts and roadways that are incapable or inadequate at handling traffic flow. Conditions include inaccessible parcels and / or confusing or unsafe traffic patterns.
- **Faulty lot layout** includes parcels that are either inadequate in size and / or shape, or properties that are inefficient in supporting appropriate use of land.
- **Unsanitary or unsafe conditions** includes environments that may be harmful to human health and safety. Conditions include uncontrolled solid waste, evidence of homelessness, excessive animal droppings, and storage of items with little or no economic value other than salvage.
- **Deterioration of site or other improvements** includes physical property conditions that detract from the overall appearance. Conditions include general deterioration from age and weathering, unmaintained property, and major repairs unattended.
- **Diversity of ownership** includes buildings that are split between two or more parcels with different property owners, making it difficult to redevelop structures.
- **Obsolete subdivision platting** includes areas that are poorly subdivided, making proper development difficult. Conditions include unproductive and / or inaccessible parcels.
- **Conditions that endanger life or property** includes properties that contain conditions that pose threats to life or properties by fire, contamination, or other causes. Conditions include vacant buildings, excessive junk, blocked entrances, code violations, structural damage, and higher than normal crime rates.
- **Tax or special assessment delinquency exceeding the fair value of the land*** includes any financial burdens linked to the property.
- **Defective or unusual conditions of title*** includes any conditions granted in a title that may make the property unmarketable or difficult to redevelop.

Seven of these nine blight factors were used to assess blight in the West Mesa RDA. The "*" indicates the two blight factors that were not assessed. As documented later in this report, conditions exist for the Mesa City Council to make a finding of blight in the West Mesa RDA Study Area without a review of the two blight factors referenced above.

Arizona Revised Statutes §36-1472 grants a local government the authority to declare a redevelopment area due to the predominance of blight based on five existing conditions. This ARS states:

1. *That there exist in municipalities of the state slum or blighted areas which constitute a serious and growing menace, injurious and inimical to the public health, safety, morals and welfare of the residents of the state.*
2. *That the existence of these areas contributes substantially and increasingly to the spread of disease and crime, necessitating excessive and disproportionate expenditures of public funds for the preservation of the public health and safety, for crime prevention, correction, prosecution, punishment and the treatment of juvenile delinquency and for the maintenance of adequate police, fire and accident protection and other public services and facilities, constitutes an economic and social liability, substantially impairs or arrests the sound growth of municipalities and retards the provision of housing accommodations.*
3. *That this menace is beyond remedy and control solely by regulatory process in the exercise of the police power and cannot be dealt with effectively by the ordinary operations of private enterprise without the aids provided by this article.*
4. *That the acquisition of property for the purpose of eliminating the conditions or preventing recurrence of these conditions in the area, the removal of structures and improvement of sites, the disposition of the property for redevelopment and any assistance which may be given by any public body in connection with these activities are public uses and purposes for which public money may be expended and the power of eminent domain exercised.*
5. *That the necessity in the public interest for the provisions of this article is declared as a matter of legislative determination.*

Arizona Revised Statutes §36-1474 grants a local government the authority to undergo redevelopment planning. This ARS states:

- A. *Every municipality shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this article, including the following powers in addition to others granted by this article:*
 1. *To prepare or cause to be prepared redevelopment plans and to undertake and carry out redevelopment projects within its area of operation.*

City of Mesa City Code Title 8 Chapter 6

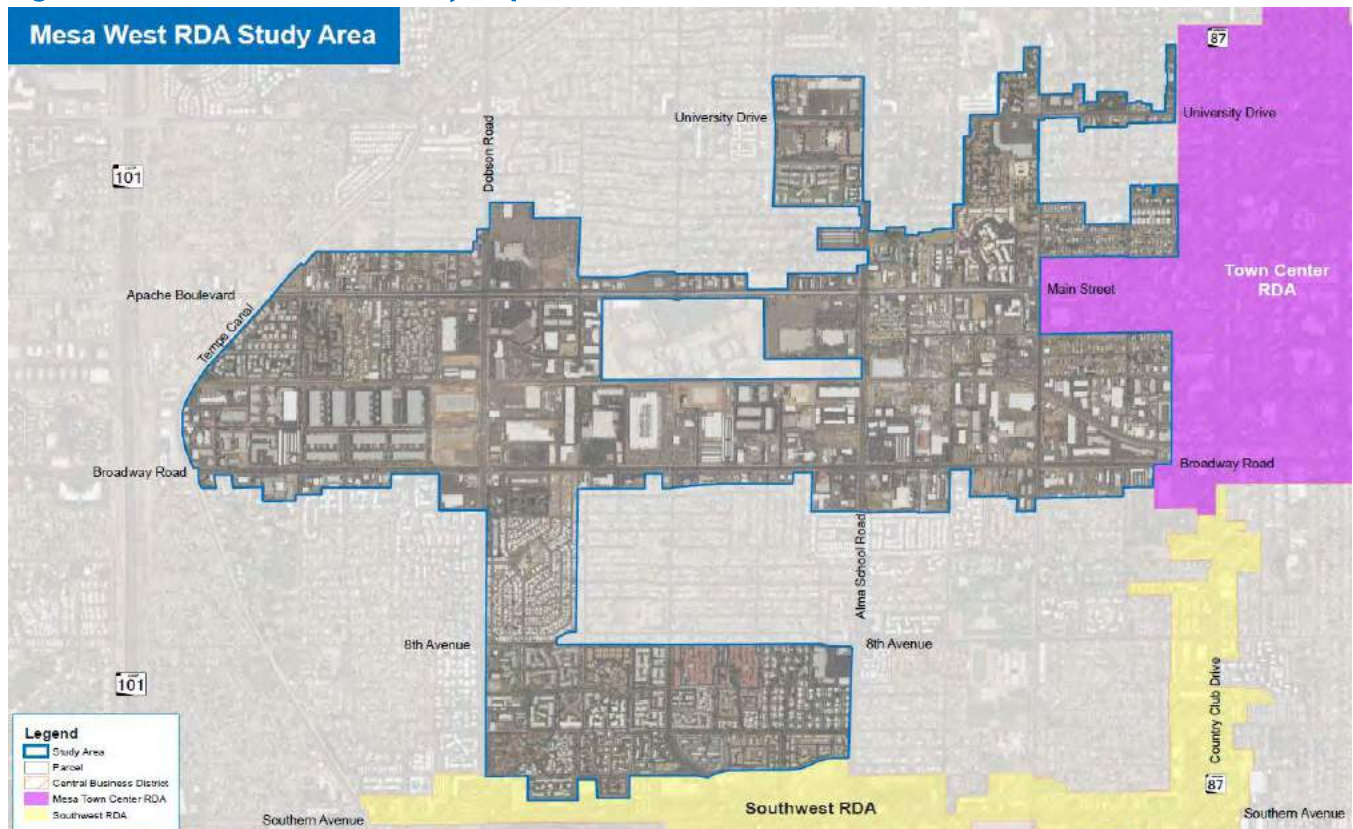
Blight is defined in Title 8 Chapter 6 of Mesa’s City Code as:

“Unightly conditions including the accumulation of litter or debris; buildings or structures exhibiting holes, breaks, rot, crumbling, cracking, peeling or rusting materials; general damage to the integrity of the construction of a building or structure; uncontrolled growth of landscaping exhibited by lack of maintenance, untended damage to plant and landscape materials, the continued presence of dead or decaying plants; and any similar conditions of disrepair and deterioration regardless of the condition of other properties in the vicinity or neighborhood.”

Background

The proposed West Mesa RDA is adjacent to the western edge of Mesa’s existing Town Center RDA, and extends westward to the Tempe Canal, comprising nearly two square miles. The area generally includes properties between W. Main Street and W. Broadway Road, as well as offshoots north along N. Alma School Road and N. Extension Road. There is another large portion extending south between S. Dobson Road and S. Sycamore to the Southwest RDA’s northern border. Figure 2-1 displays the proposed West Mesa RDA’s boundary.

Figure 2-1. West RDA Boundary Map



Methodology

The process of surveying and assessing the proposed West Mesa Redevelopment Area was programmatically divided into steps to thoroughly analyze blight conditions for this Findings of Necessity.

The West Mesa RDA boundary was established based on the existing light rail corridor along W. Main Street, and was extended along the major arterials that intersect with the light rail stops at Main Street and Sycamore (near Dobson Road) plus one at Main Street and Alma School Road. The boundary was also expanded south of W. Main Street in order to include some of the aging industrial properties and other blighted properties as well.

An initial cursory aerial survey was completed within the proposed West Mesa RDA boundary to identify areas of concern prior to conducting a detailed on-site field survey. The Maricopa County Assessor's website contains an interactive mapping tool with 2017 aerial imagery and parcel data. These web-based tools were used to analyze the West Mesa RDA study area as a precursor and preliminary guide for an on-site field survey.

The West Mesa RDA study area was divided into 10 subareas in order to help expedite organizing a field survey and to help locate blight issues.

The field survey team used a mobile data collection application called Fulcrum (www.fulcrumapp.com) to assist with data collection. To further prepare for and facilitate a field survey, parcel data from the Maricopa County Assessor's Office was isolated to the Study Area and then uploaded to Fulcrum. This data was then able to be accessed and edited while on-site.

An on-site field survey was conducted between March 6 and March 10, 2017. The field survey was organized and completed systematically by subarea. Each member of the survey team was assigned to a subarea, in which the survey team member assessed each parcel visually for blight conditions, captured a picture of the property, and recorded their assessment in the Fulcrum application (Figure 2-2). If the parcel was identified as containing one or more conditions of blight, the surveyor recorded the property as blighted with a description and photograph of the blight condition. This process was continued until each parcel was assessed.

Figure 2-2. Fulcrum App Example

✖
Mesa East West RDAs Blight Assessor
✍️
✅

13411003
📄
☰

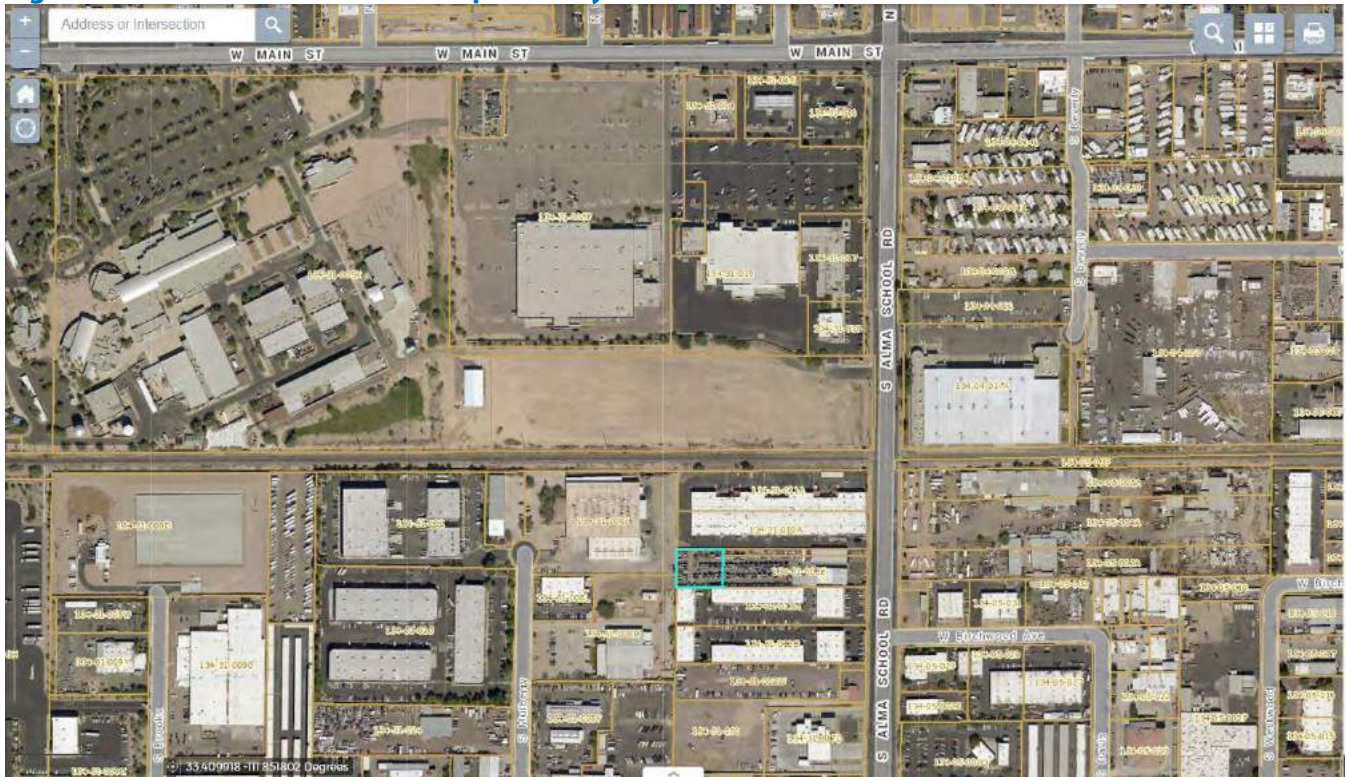
APN	13411003	ⓘ
RDA	West RDA	
Sub Area	W6	
Date Assessed	* March 8, 2017	
Assessed By	* Coker	
For Sale or Lease	No	
Vacant	No	
Blight?	Yes	ⓘ



Sample photos taken during the on-site field survey

Once all of the parcels in the West Mesa RDA were visually analyzed following the on-site field survey, each parcel's blight assessment was validated through an aerial survey using a combination of the 2017 aerial imagery provided on the Maricopa County's Assessor's website (as shown in Figure 2-3) and Google Maps. This aerial survey also provided the potential to analyze portions of parcels that were inaccessible from an on-site field survey. Results were recorded in Fulcrum in the same manner as the on-site field survey.

Figure 2-3. Screenshot of Maricopa County’s Assessor’s Website



Upon completion of the field and aerial visual surveys, the information that was recorded in Fulcrum was exported to a geodatabase. After running checks for errors or omissions and correcting any issues, this data was then mapped in ESRI’s ArcGIS ArcMap to assess the West Mesa RDA as a whole and to calculate the scope of blight in the area. Blight was measured initially in two forms: 1) a simple raw parcel count of blighted versus non-blighted parcels and 2) adding up the assessor-provided square footage of the blighted parcels versus non-blighted parcels. After the field and aerial surveys were completed, the assessment examined crime and code compliance violations, which are two other indicators of blight.

Crime data for the census tracts that intersect the West Mesa RDA was obtained for the years 2012 through 2016. This data was paired with American Community Survey population data pulled from the US Census Bureau’s website for the same timeframe to calculate crime rates in terms of crimes per 1,000 people. The same was done for the City of Mesa as a whole to compare the two geographies.

Code compliance violations were analyzed in addition to crime. Code compliance violations were provided for the years 2012 through 2016. Similar to crime rates, code compliance violations were paired with American Community Survey population data pulled from the US Census Bureau’s website to calculate code compliance violations per 1,000 people. The same was done for the City of Mesa as a whole to compare the two geographies.

Following are brief descriptions of each subarea's existing conditions. A detailed review of each parcel is included in the Appendix.

Subarea W1

Subarea W1 is located north of W. Main Street starting at the Mesa / Tempe border. The majority of the properties within the subarea feature residential uses, with some commercial areas located along W. Main Street itself. This subarea benefits from being situated along the Valley Metro Light Rail and transit-oriented development (TOD) has started to occur, specifically with the high quality, affordable housing apartment complex La Mesita. Not all areas within subarea W1 experienced TOD as there are a number of aged motels, auto repair shops, vacant lots, and an RV park in various stages of decay. Additionally, there are a number of roads branching off Main Street that exhibit blighted conditions.

Construction is currently underway along Ella Street on the La Mesita campus. Construction on La Mesita Phase 3 started in 2016 and upon completion, the campus will add an additional 30 housing units for the chronically homeless.

Subarea W2

Subarea W2 is primarily centered along W. Main Street between Dobson Road and Alma School Road. All of the properties in this subarea are commercial use. There is a Fry's grocery store located on the southwest corner of W. Main Street and S. Alma School Road that has the potential to serve as the commercial anchor of this area.

The Valley Metro Light Rail runs through this subarea, providing east / west connections to Mesa and Tempe. There is one stop located in this subarea, the Sycamore / Main Street stop. In addition, there is the Sycamore / Main Street Transit Center that serves transit riders in the area.

Subarea W3

Subarea W3 is located along N. Alma School Road, primarily between W. University Drive and W. Main Street. There are two large portions of this subarea, one being west of N. Alma School Road straddling W. University Drive. The other major portion is the north east quarter of the N. Alma School Road and W. Main Street intersection. This subarea contains a mix of commercial and multifamily residential uses, as well as the AT&T Data Center at the southwest intersection of W University Drive and N Alma School Road. There is a light rail station near the intersection of Alma School Road and W. Main Street.

Subarea W4

Subarea W4 is located mainly along the N. Extension Road and W. University Drive corridors. There are also some residential streets included in this subarea. A majority of properties within this subarea are residential use, both single-family homes, townhomes, and apartment complexes. Commercial properties are mainly located along N. Extension Road and W. University Drive, including one shopping center anchored by Planet Fitness at the southwest corner of the intersection.

Subarea W5

Subarea W5 is located between W. Main Street and the rail line just north of W. Broadway Road, and between S. Alma School Road and S. Vineyard. This subarea is a mix between commercial, industrial, and residential uses. Within the subarea, the Valley Metro light rail passes through the subarea with one stop located on Alma School Road and Main Street

Subarea W6

Subarea W6 is located mainly along the W. Broadway Road corridor between S. Vineyard Street and S. Alma School Road. The rail line that forms Subarea W5's southern border runs along the Subarea W6's northern border. A majority of this subarea is occupied by commercial and industrial properties, including numerous scrap yards and engine repair facilities. A handful of single-family homes are also located in this highly industrial area.

Subarea W7

Subarea W7 is located in between W. Main Street and W. 8th Avenue, between S. Dobson Road and S. Alma School Road. While there is residential property located in the southern end of the subarea, the majority of this subarea is characterized by commercial uses.

Subarea W8

Subarea W8 is located along W. Main Street at the Mesa / Tempe border. This subarea could be split into two characteristics, divided by the railroad. Uses located south of the railroad consists of commercial and industrial properties, including the Broadway 101 Commerce Park—which is a 52-acre master planned business park. The properties north of the railroad are largely residential in nature and have several large apartment complexes, including Pala Mesa, Tierra Vida, and Midtown on Main.

Subarea W9

Subarea W9 is located two parcels north of W. Southern Avenue, between S. Dobson Road and S. Alma School Road. The northern border of this subarea extends to W. 8th Avenue, but then follows W. Emelita Avenue west of S. Sycamore Road and W. Emerald Avenue east of S. Sycamore Road. Nearly all of the properties in this subarea are high-density, multifamily complexes, except for some properties that front along S. Dobson Road.

Subarea W10

Subarea W10 is located between W. Pueblo Avenue and W. Emerald Avenue, excluding the single-family residential properties fronting along W. Pueblo Avenue, and between the S. Alma School Road and S. Sycamore. This subarea consists of mostly multifamily residential uses, including large-scale apartment complexes and townhomes. Some of the complexes in this area include the Villas Mesa II apartments, Mesa Coronado Condominiums, the Villetta Apartments, and the Graysill Casitas. The only commercial uses the W10 Subarea are located at the southwest corner of the S. Alma School Road and W. 8th Avenue intersection, which includes Food City as the anchor.



3. Demographics

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3. Demographics

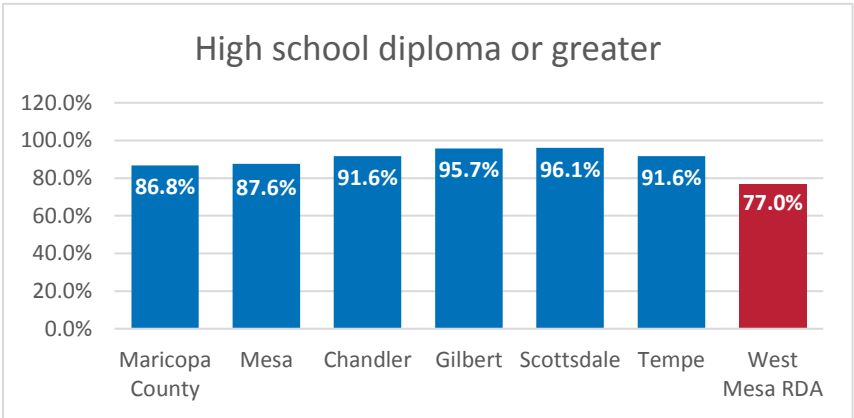
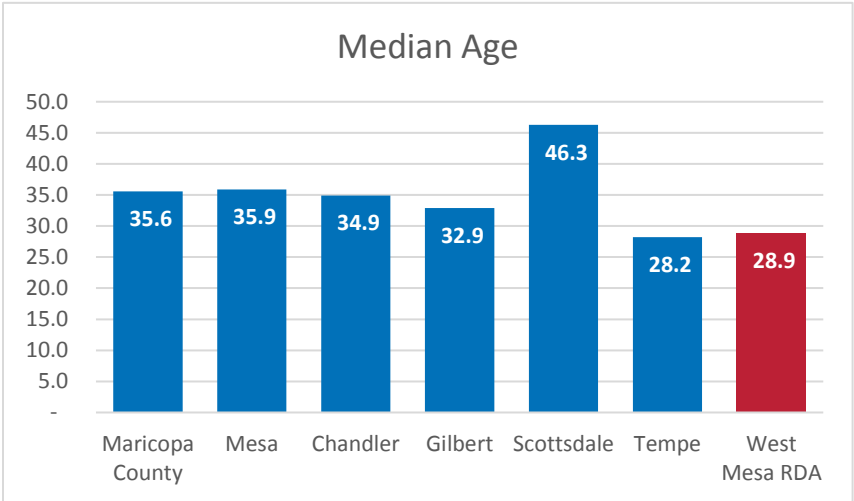
Demographics

The West RDA’s demographic information was compared against the City of Mesa and several other similar, nearby cities to understand how the proposed West RDA is positioned within the City of Mesa and other comparable communities¹. The other communities are:

- Maricopa County
- City of Chandler
- Town of Gilbert
- City of Scottsdale
- City of Tempe

The total population within the proposed West Mesa RDA was approximately 22,800 in 2016. The population within the proposed West Mesa RDA is relatively young, with a median age of 28.9 years. This is several years younger compared to the median age throughout the City of Mesa, which is 35.9 years. The West Mesa RDA is only slightly older than the City of Tempe, which has a large population of students that attend Arizona State University.

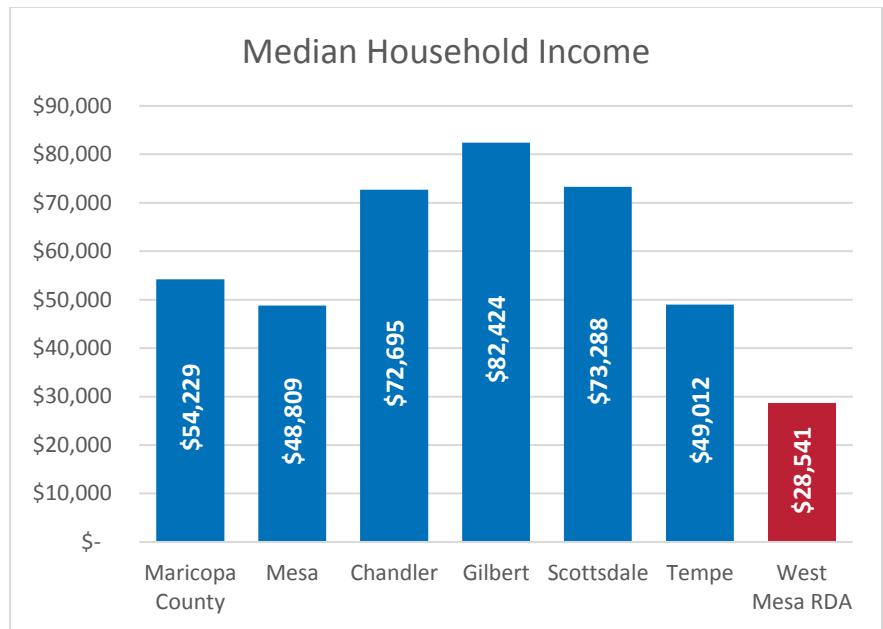
The educational attainment within the proposed West Mesa RDA is relatively low. Only 77.0% of the adult population (25 years of age



¹ Data provided by the City of Mesa from ESRI Community Analyst. ESRI Community Analyst uses US Census Bureau 2010 Census data to forecast 2016 demographics. Demographic information for Maricopa County and the communities of Mesa, Chandler, Gilbert, Scottsdale, and Tempe was obtained from the most recent American Community Survey results in 2015.

and over) has a high school diploma or equivalent. This is over 10% less than the City of Mesa as a whole.

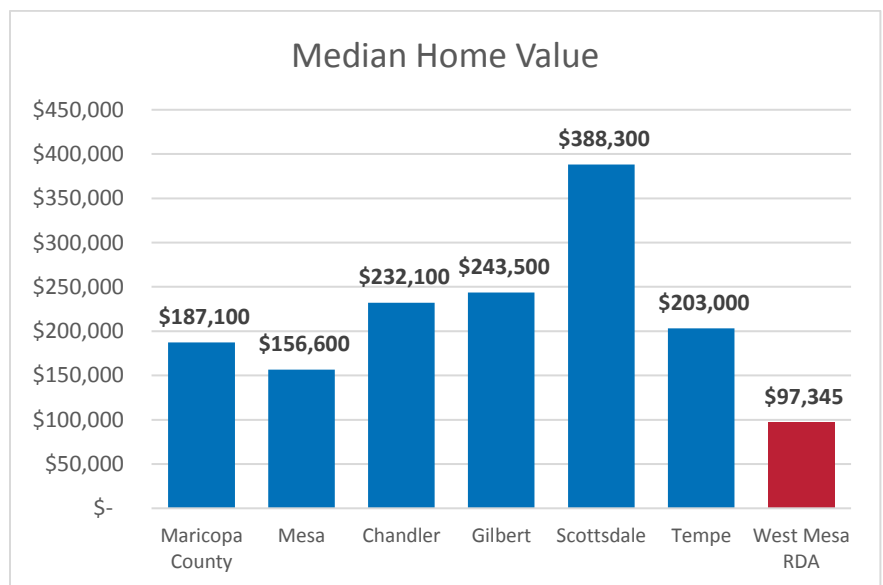
Median household income within the proposed West Mesa RDA was \$28,541 in 2016, which is less than half of many of the regional counter parts, including the Town of Gilbert (\$82,424), the City of Scottsdale (\$73,288), and the City of Chandler (\$72,695). The West Mesa RDA's median household income is also \$20,000 less than, or 42% less than the City of Mesa as a whole.



Furthermore, according to ESRI Community Analysis 2021, the median household income within the proposed West Mesa RDA is projected to decrease by 2021 to \$27,980—a decrease of \$561 (1.9%) in a five-year span. On the other hand, the City of Mesa as a whole is expected to increase its median household income to \$54,811 by 2021—an increase of over \$6,000 (12.3%) in a five-year span. This shows the proposed West Mesa RDA is not only several thousand dollars less than that of its regional counterparts, but the economic climate is also relatively stagnant compared to the City of Mesa as a whole.

The median home value within the proposed West Mesa RDA is \$97,345, which is 48.0% less than the county-wide average of \$187,100 and 37.8% lower than the city-wide average of \$156,600.

As of 2016, there were 11,459 total employees located within the proposed West RDA. Crescent Crown Distributing, Auer Precision, and East Valley Institute of



Technology (EVIT) include some of the larger employers within the proposed West Mesa RDA, located in the Broadway 101 Commerce Park².

Infrastructure

The major east and west arterial streets that travel through the proposed West Mesa RDA are W. Main Street and W. Broadway Road, with portions of the West RDA that include properties along W. University Drive. The major north and south arterial streets are Dobson Road and Alma School Road.

The Valley Metro light rail system has two light rail stops within the West Mesa RDA—one at Main Street and Sycamore plus one at Main Street and Alma School Road.

The Valley Metro bus system has five routes that traverse the proposed West Mesa RDA. These bus routes are:

- Route 30: University
- Route 40: Apache / Main Street
- Route 45: Broadway
- Route 96: Dobson
- Route 104: Alma School

The Tempe Canal flows along the western edge of the West Mesa RDA. The Tempe Canal Trail runs along the western edge of the canal, providing the only trail within the proposed RDA.

² Source: City of Mesa's Request for Proposal from August 8th, 2016

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4. Determination of Blight

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4. Determination of Blight

Introduction

Seven of the following nine blight factors were used to assess the West Mesa RDA and establish a determination of blight per ARS requirements (the "*" indicates the blight factor was not assessed as part of this study). As documented later in this report, conditions exist for the Mesa City Council to make a finding of blight in the West Mesa RDA Study Area without a review of the two blight factors referenced below.

1. A dominance of defective or inadequate street layout
2. Faulty lot layout in relation to size, adequacy, accessibility or usefulness
3. Unsanitary or unsafe conditions
4. Deterioration of site or other improvements
5. Diversity of ownership
6. Improper or obsolete subdivision platting
7. The existence of conditions that endanger life or property by fire or other causes (including crime)
8. Tax or special assessment delinquency exceeding the fair value of the land*
9. Defective or unusual conditions of title*

As described in Section 2 of this document, each parcel within the proposed West Mesa RDA was visually assessed for each of the seven blight factors. Based on this assessment, the following blight conditions were observed:

- 2,141 out of 3,794 parcels, or 56.4% have at least one blight factor
- 80.5% of the total area is determined to be blighted
- 16.4% of parcels and 34.4% of the total area contains more than one blight factor

Table 4-1 summarizes the number of parcels exhibiting one or more blight conditions in the proposed West Mesa RDA.

Table 4-1. Number of Blight Factors

Number of Factors	Number of Parcels	Percent (%) of Parcels	Number of Acres	Percent (%) of Acres
0	1,653	43.6%	245.62	19.5%
1	1,517	40.0%	579.86	46.1%
2	373	9.8%	304.88	24.2%
3	211	5.6%	90.51	7.2%
4	34	0.9%	27.67	2.2%
5 or more	6	0.2%	9.17	0.7%
Parcels with at least 1 Blight Factor	2,141	56.4%	1,012.1	80.5%

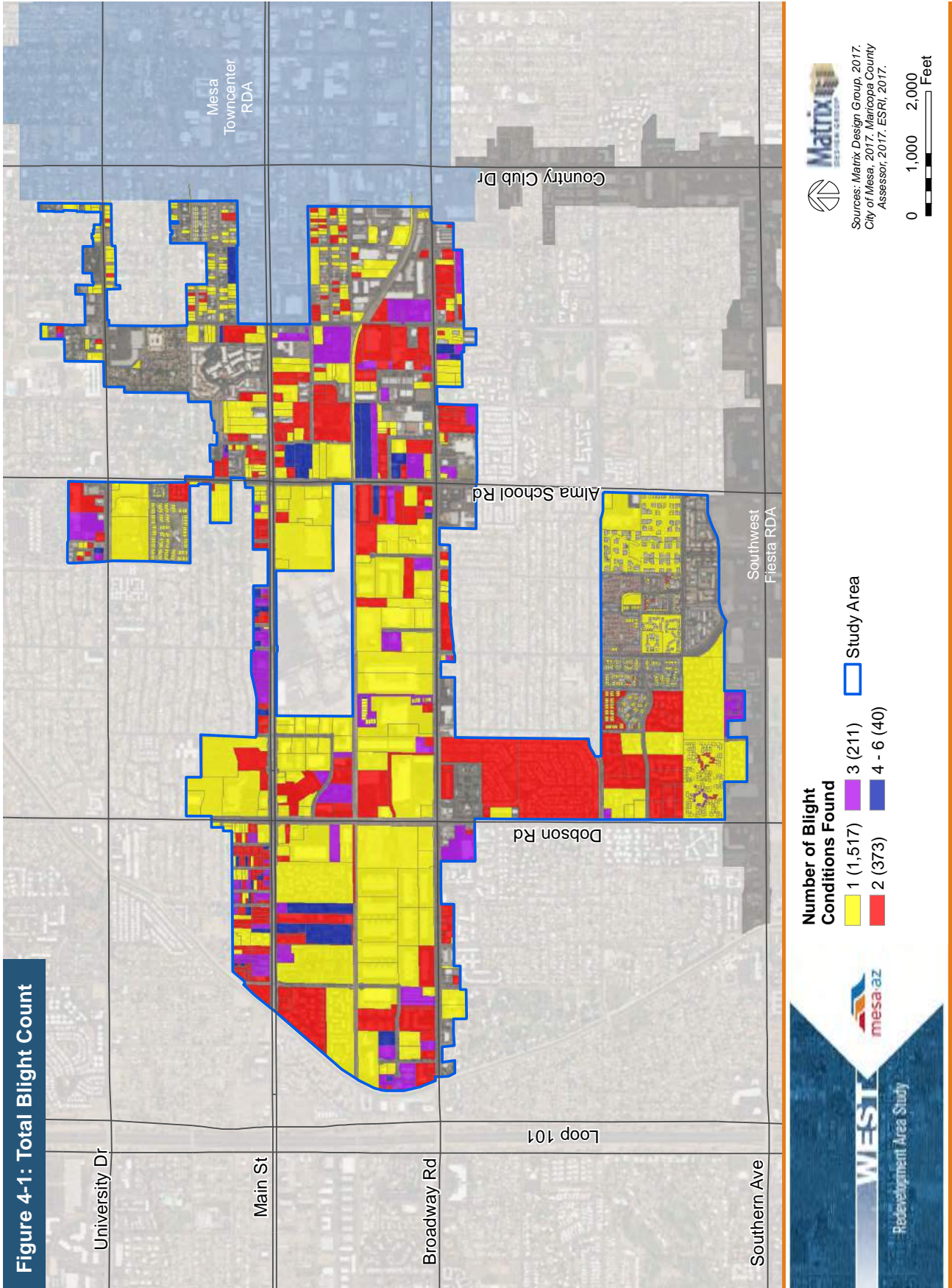
To further analyze the blighted parcels, Table 4-2 indicates the type of blight factor affecting each blighted parcel. As noted below, conditions that endanger life or property (including crime) was the most common blight factor representing 41.8% of all parcels and 59.9% of the total land area. Other major blight factors include deterioration of site or other improvements (24.9% of the total land area), and improper or obsolete subdivision platting (24.0% of the total land area)

Table 4-2. Number of Blighted Parcels by Blight Factor

Blight Factor	Number of Parcels	Percent (%) of Parcels	Number of Acres	Percent (%) of Acres
1. Dominance of defective or inadequate street layout	10	0.3%	3.1	0.2%
2. Faulty lot layout	173	4.6%	104.8	8.3%
3. Unsanitary or unsafe conditions	283	7.5%	114.0	9.1%
4. Deterioration of site	706	18.6%	313.7	24.9%
5. Diversity of ownership	8	0.2%	12.6	1.0%
6. Improper or obsolete subdivision platting	288	7.6%	301.8	24.0%
7. Conditions that endanger life or property	1,586	41.8%	753.2	59.9%
<i>Crime rate twice city average</i>	<i>1,523</i>	<i>40.1%</i>	<i>668.8</i>	<i>53.2%</i>
8. Tax or special assessment delinquency			Not Assessed	
9. Defective or unusual conditions of title			Not Assessed	

* Not a part of this blight study

Figure 4-1 displays the total amount of blight assessed within the West Mesa RDA.



1. Dominance of Defective or Inadequate Street Layout

Dominance of defective or inadequate street layout includes street layouts and roadways that are incapable or inadequate at handling traffic flow. Parcels were determined to be blighted if they contained the following indicators:

- Inaccessible from a public street
- Along confusing or unsafe roadways

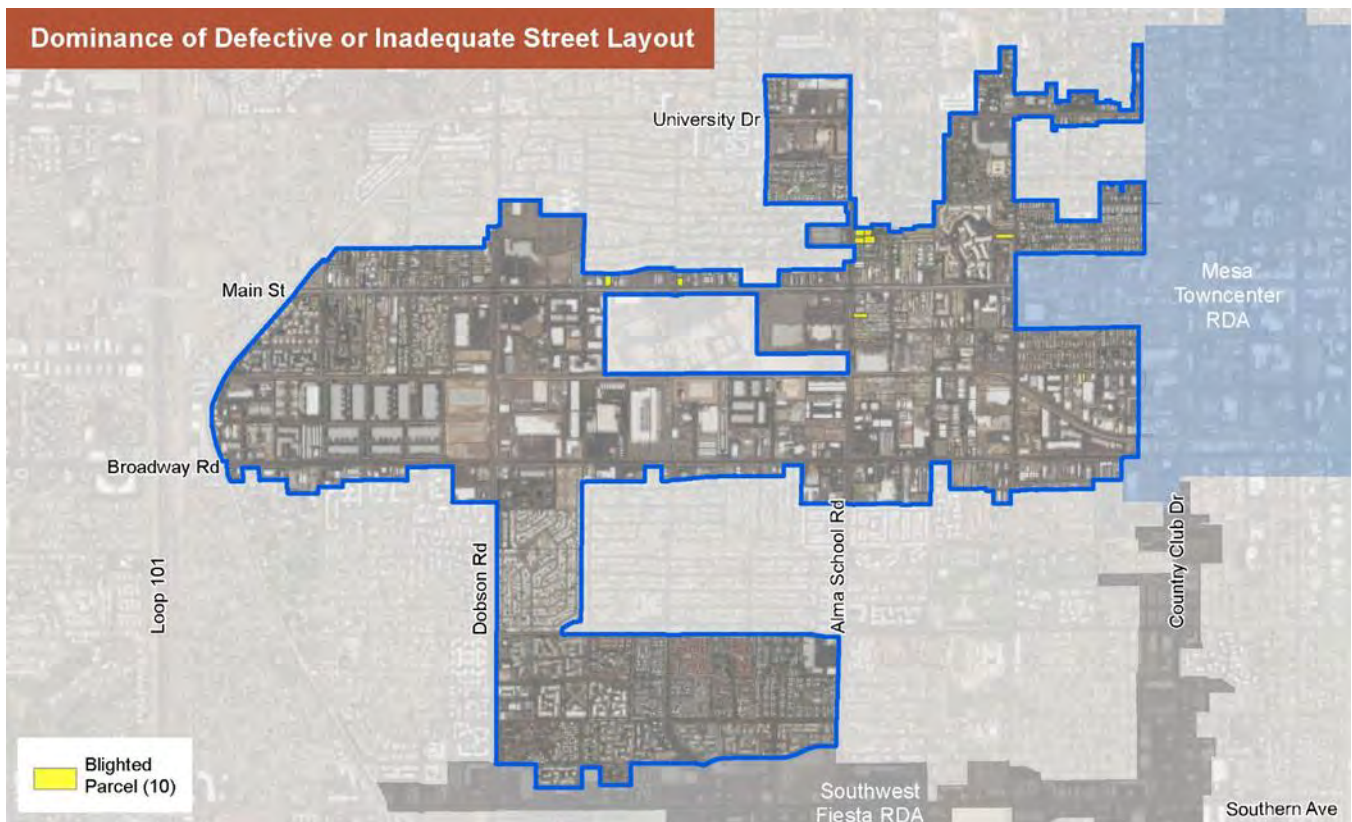
The West Mesa RDA contains 0.3% of parcels and 0.2% of acres that were determined to be blighted due to a dominance of defective or inadequate street layout.



Parcel does not have any direct access to a public roadway

Table 4-3.

Blight Factor	Number of Parcels	Percent (%) of Parcels	Number of Acres	Percent (%) of Acres
1. Dominance of defective or inadequate street layout	10	0.3%	3.1	0.2%



2. Faulty Lot Layout

Faulty lot layout includes parcels that are either inadequate in size and/or shape, or properties that are inefficient in supporting appropriate use of land. Parcels were determined to be blighted if they contained the following indicators:

- Parcel size was inadequate to meet needs of use
- Property was difficult to maneuver and / or poorly planned

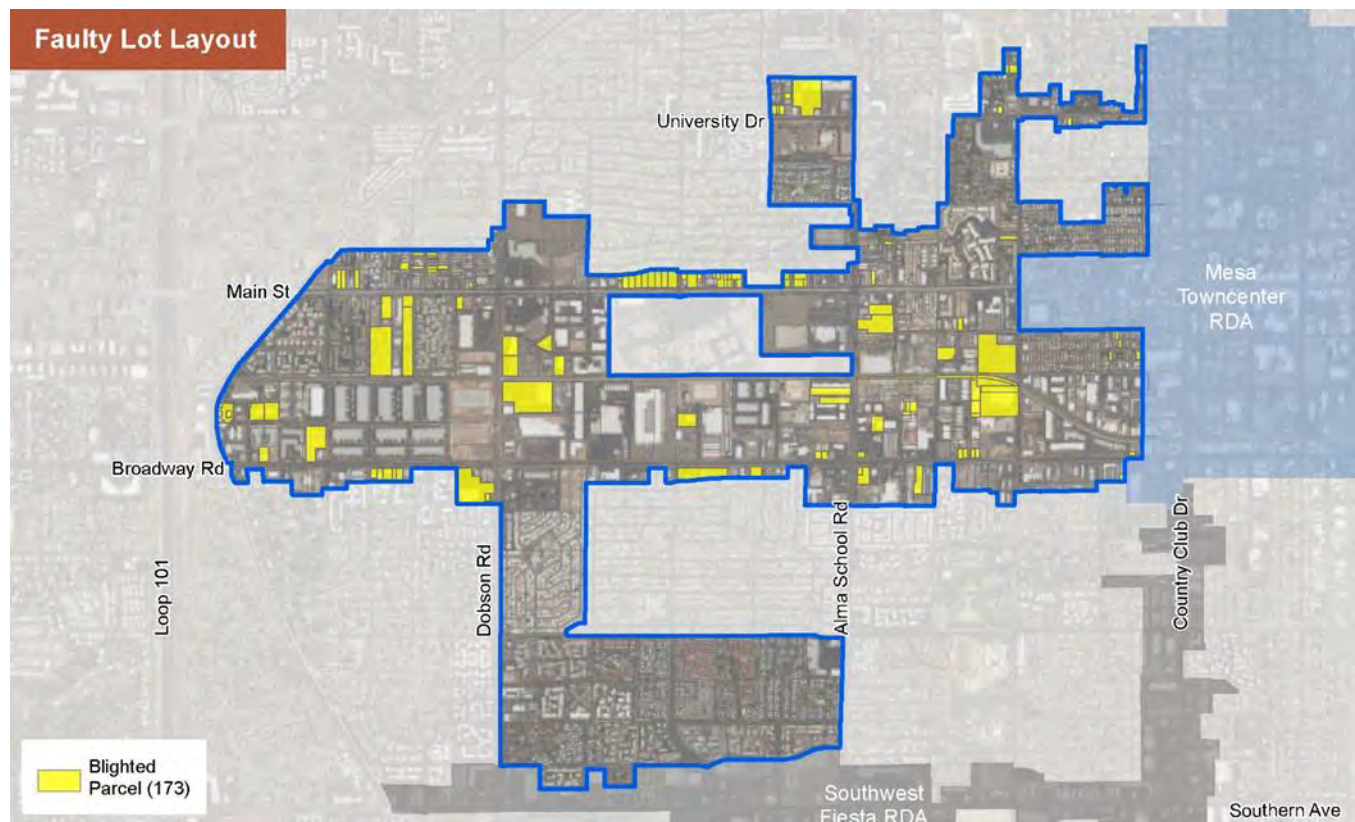
The West Mesa RDA contains 4.6% of parcels and 8.3% of acres that were determined to be blighted due to a faulty lot layout.



Parcel does not have adequate space for parking, and does not have access to a public roadway

Table 4-4.

Blight Factor	Number of Parcels	Percent (%) of Parcels	Number of Acres	Percent (%) of Acres
2. Faulty lot layout	173	4.6%	104.8	8.3%



3. Unsanitary or Unsafe Conditions

Unsanitary or unsafe conditions includes environments that may be harmful to human health and safety. Parcels were determined to be blighted if they contained the following indicators:

- Uncontrolled solid waste
- Evidence of homelessness
- Excessive animal droppings

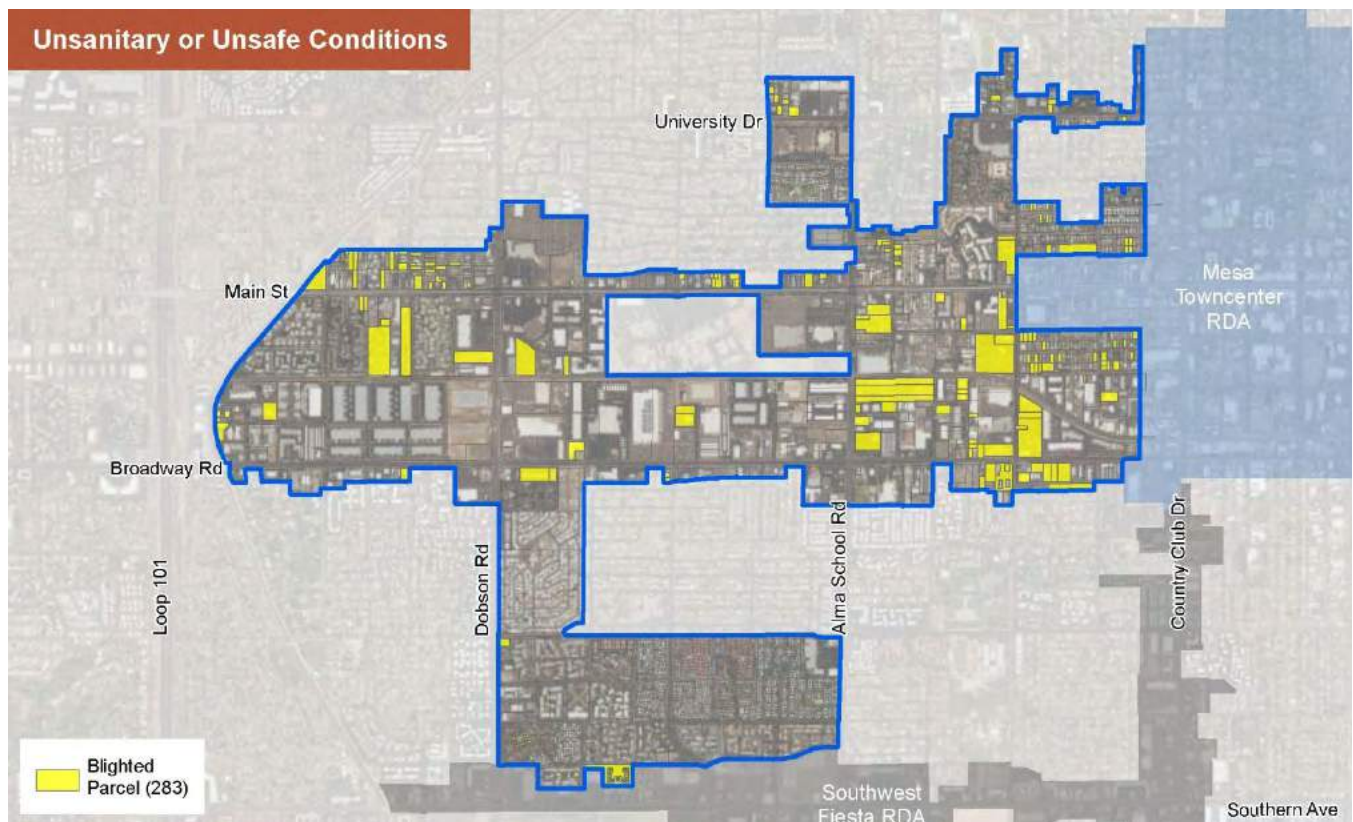
The West Mesa RDA contains 7.5% of parcels and 9.1% of acres that were determined to be blighted due to unsanitary or unsafe conditions.



Property has excessive, uncontrolled solid waste stored outdoors, as well as abandoned vehicles stored on an unpaved surface.

Table 4-5.

Blight Factor	Number of Parcels	Percent (%) of Parcels	Number of Acres	Percent (%) of Acres
3. Unsanitary or unsafe conditions	283	7.5%	114.0	9.1%



4. Deterioration of Site or Other Improvements

Deterioration of site or other improvements includes physical property conditions that detract from the overall appearance. Parcels were determined to be blighted if they contained the following indicators:

- General deterioration from age and weathering
- Unmaintained property
- Major repairs unattended
- Broken windows

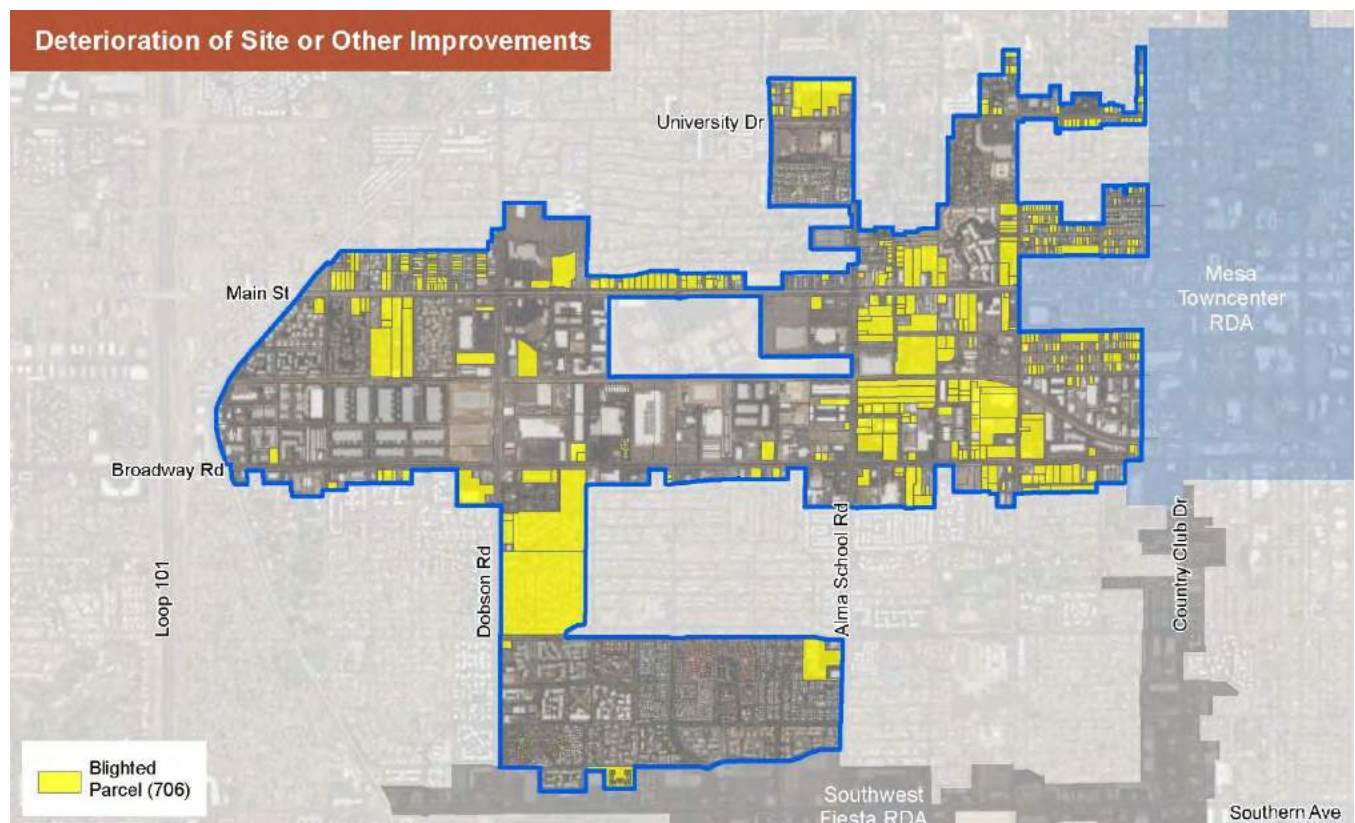
The West Mesa RDA contains 18.6% of parcels and 24.9% of acres that were determined to be blighted due to deterioration or site or other improvements.



Property is unmaintained and the covered carport has been partly removed, but not entirely and is in need of significant repairs.

Table 4-6.

Blight Factor	Number of Parcels	Percent (%) of Parcels	Number of Acres	Percent (%) of Acres
4. Deterioration of site	706	18.6%	313.7	24.9%



5. Diversity of Ownership

Diversity of ownership includes buildings that are split between two or more parcels with different property owners, making it difficult to redevelop structures. Parcels were determined to be blighted if they contained the following indicators:

- Single structures split between multiple parcels and property owners

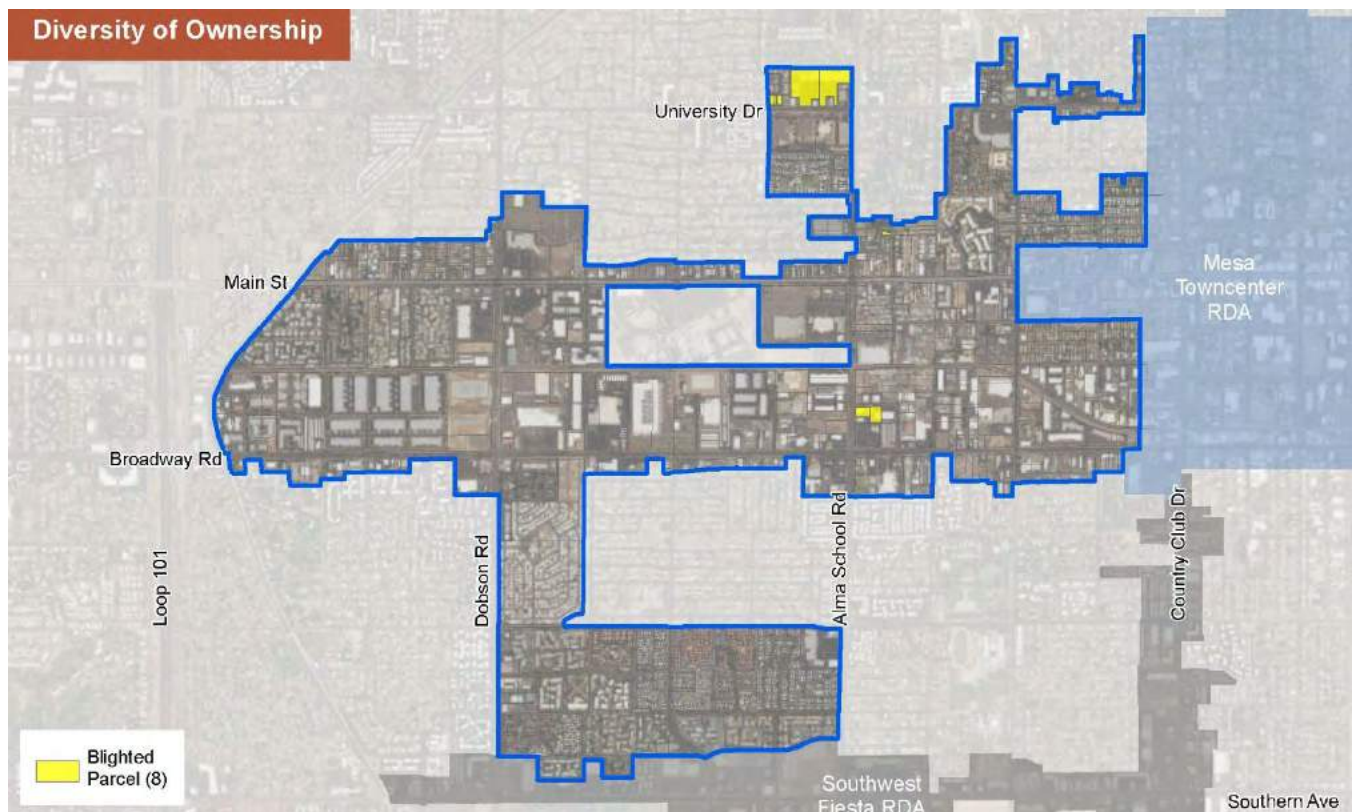
The West Mesa RDA contains 0.2% of parcels and 1.0% of acres that were determined to be blighted due to a diversity of ownership.



Building is split between two parcels, each with a different property owner.

Table 4-7.

Blight Factor	Number of Parcels	Percent (%) of Parcels	Number of Acres	Percent (%) of Acres
5. Diversity of ownership	8	0.2%	12.6	1.0%



6. Improper or Obsolete Subdivision Platting

Improper or obsolete subdivision platting includes areas that are poorly subdivided, making proper development difficult. Parcels were determined to be blighted if they contained the following indicators:

- Unproductive and / or obsolete parcels
- Inadequate size or location of parcel in relation to street layout and / or land use

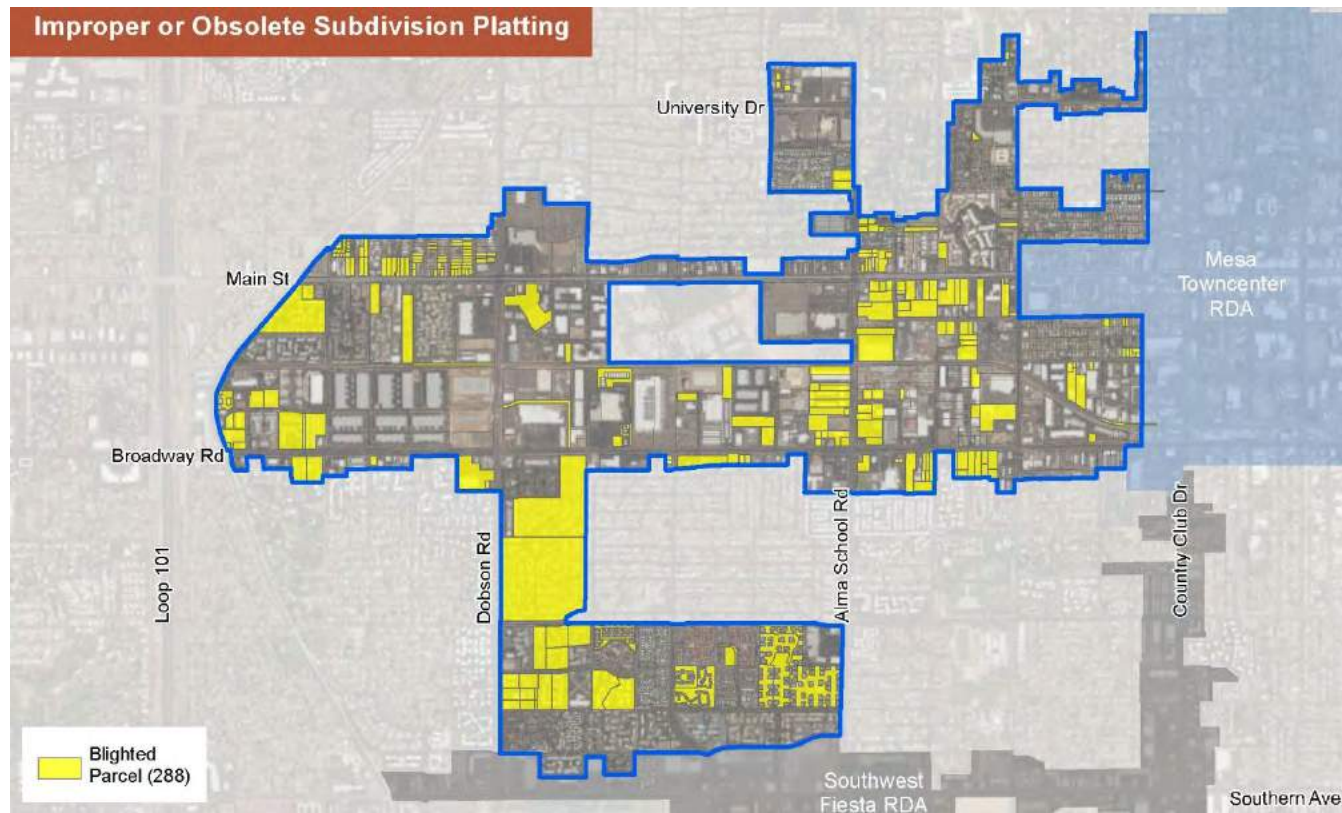
The West Mesa RDA contains 7.6% of parcels and 24.0% of acres that were determined to be blighted due to a diversity of ownership.



Parcels were subdivided in such a way that does not provide any street frontage or sufficient access to a public roadway.

Table 4-8.

Blight Factor	Number of Parcels	Percent (%) of Parcels	Number of Acres	Percent (%) of Acres
6. Improper or obsolete subdivision platting	288	7.6%	301.8	24.0%



7. Conditions that Endanger Life or Property

Conditions that endanger life or property includes properties that contain conditions that pose threats to life or properties by fire, contamination, or other causes. Parcels were determined to be blighted if they contained the following indicators:

- Abandoned vehicles
- Excessive junk
- Code violations
- Blocked entrances
- Vacant buildings
- Structural damage
- High crime rates
- Overcrowding

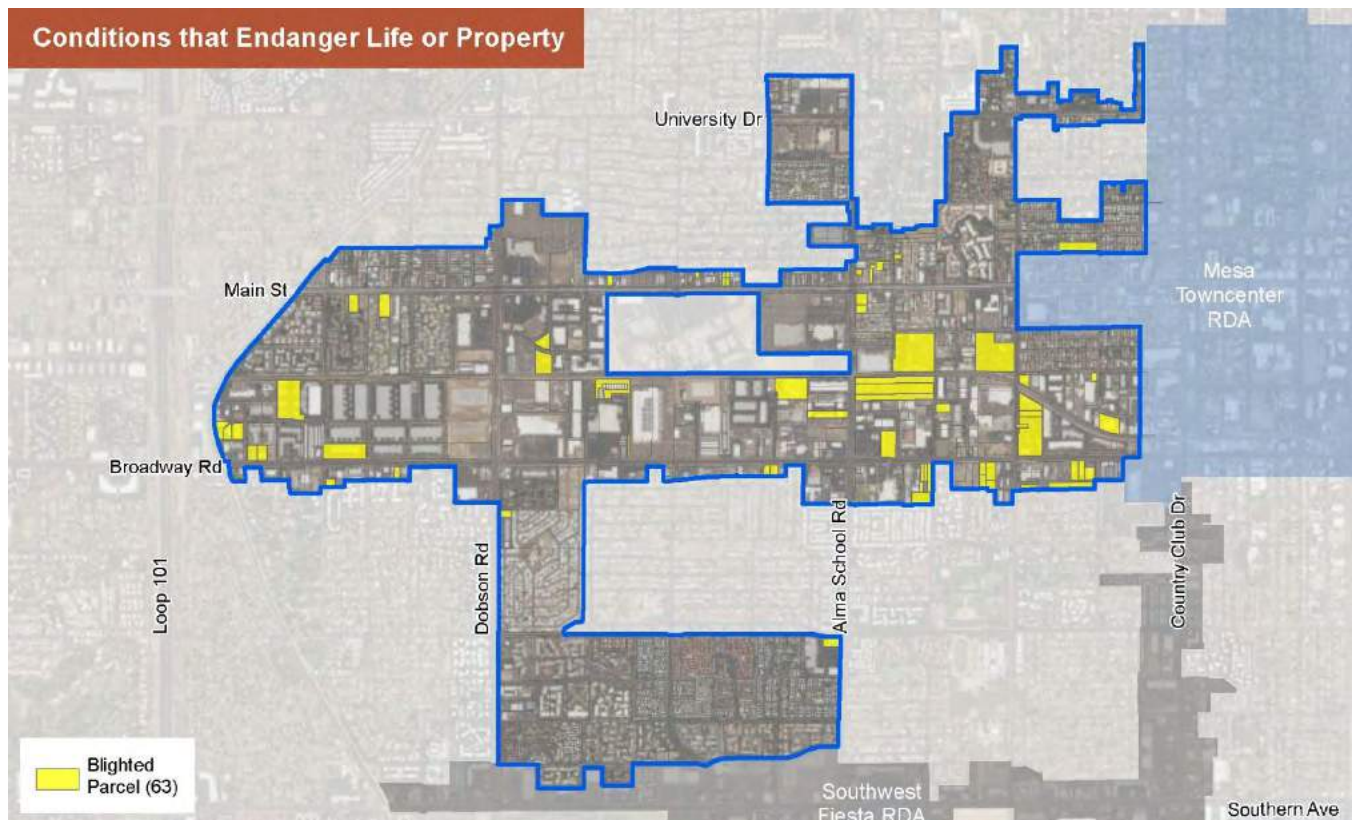


Excessive junk is stored on this property, making it dangerous for people to inhabit.

The West Mesa RDA contains 41.8% of parcels and 59.9% of acres that were determined to be blighted due to conditions that endanger life or property.

Table 4-9.

Blight Factor	Number of Parcels	Percent (%) of Parcels	Number of Acres	Percent (%) of Acres
7. Conditions that endanger life or property	1,586	41.8%	753.2	59.9%



Additional characteristics that endanger life or property are excessive code violations and crime rates that are substantially above the city average. Code compliance violations and crime rates were collected, analyzed, and mapped at the Census Tract level. Disproportionate amount of code compliance violations and crime rates are an additional indicator of blight that endangers life and / or property. Code compliance and crime statistics in the West Mesa RDA were compared to the City of Mesa as a whole. The West Mesa RDA data includes the 10 census tracts that overlap the study area. These 10 Census Tracts are:

- 4211.02
- 4212.02
- 4213.02
- 4213.03
- 4213.04
- 4221.02
- 4221.03
- 4221.04
- 4221.06
- 4221.07

Code Compliance

Code compliance data was collected from the City of Mesa for the years 2012 to 2016. The data was provided as the number of code violations by Census Tract for the Mesa West RDA. To compare code compliance violation rates between the City of Mesa as a whole and the West RDA study area, population totals were pulled from the U.S. Census Bureau to calculate the number of code compliance violations per 1,000 residents. The City of Mesa's 2016 population was obtained from Maricopa Association of Governments' Municipality Population and Housing Unit Update 2016. The total population for the 10 Census Tracts was estimated based on the average annual growth rate between 2010 and 2015 (1%).

Figure 4-2 maps the five-year average (2012-2016) code compliance violations for each individual Census Tract within the West Mesa RDA. The percentages represent the comparison between the code compliance violations for each individual Census Tract and the city-wide average. The map shows:

- Five of the ten Census Tracts on average experienced greater code compliance violations than the City of Mesa as a whole.
- Three out of ten Census Tracts are described as "far above the city average," meaning they averaged over 50% greater code compliance violations when compared to the city-wide average.
- Two Census Tracts (4213.03 and 4221.02) averaged more than double the number of code compliance violations than the City of Mesa as a whole.

Although no additional parcels were determined to be blighted due to the number code compliance violations, the data helps validate the field survey results detailed in Section 4.

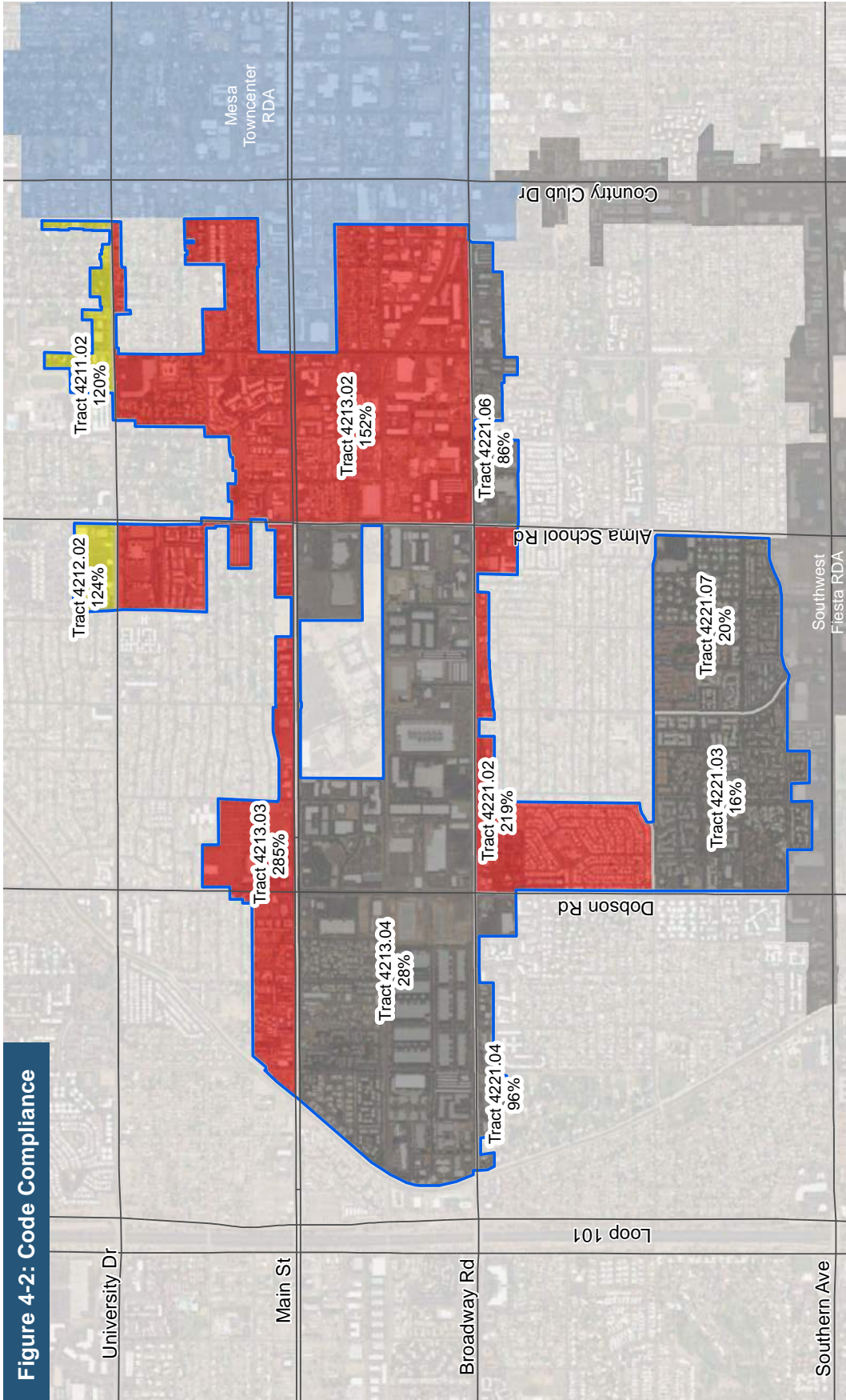


Figure 4-2: Code Compliance

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Redevelopment Area Study

Sources: Matrix Design Group, 2017.
City of Mesa, 2017. ESRI, 2017.

0 1,000 2,000 Feet

Code Compliance Violation Rate by Census Tract Compared to the City Average

- 16% - 100% (At or below the city average) ■
- 101% - 125% (Close to the city average) ■
- 126% - 150% (Well above the city average) (N/A) ■
- 151% or Greater (Far above the city average) ■
- Study Area

Crime Statistics

Uniform Crime Reporting (UCR) data between 2012 and 2016 was gathered from the City of Mesa Police Department. Crime statistics were provided at the Census Tract level for the Mesa West RDA. To compare crime rates between the City of Mesa as a whole and the West RDA study area, population totals were pulled from the U.S. Census Bureau to calculate the number of crimes per 1,000 residents. The City of Mesa's 2016 population was obtained from Maricopa Association of Governments' Municipality Population and Housing Unit Update 2016. The total population for the 10 Census Tracts was estimated based on the average annual growth rate between 2010 and 2015 (1%).

Table 4-10 compares crime statistics between the City of Mesa as a whole and the West RDA study area. Although total crimes and the crime rate per 1,000 residents in the City of Mesa has generally decreased between 2012 and 2016, the West RDA study area's average crime rate over that five-year time span was over 50% greater than the City of Mesa as a whole. The West Mesa RDA study area had a higher crime rate than the overall City of Mesa for each of the last five years.

Table 4-10. Crime Statistics from 2012 to 2016

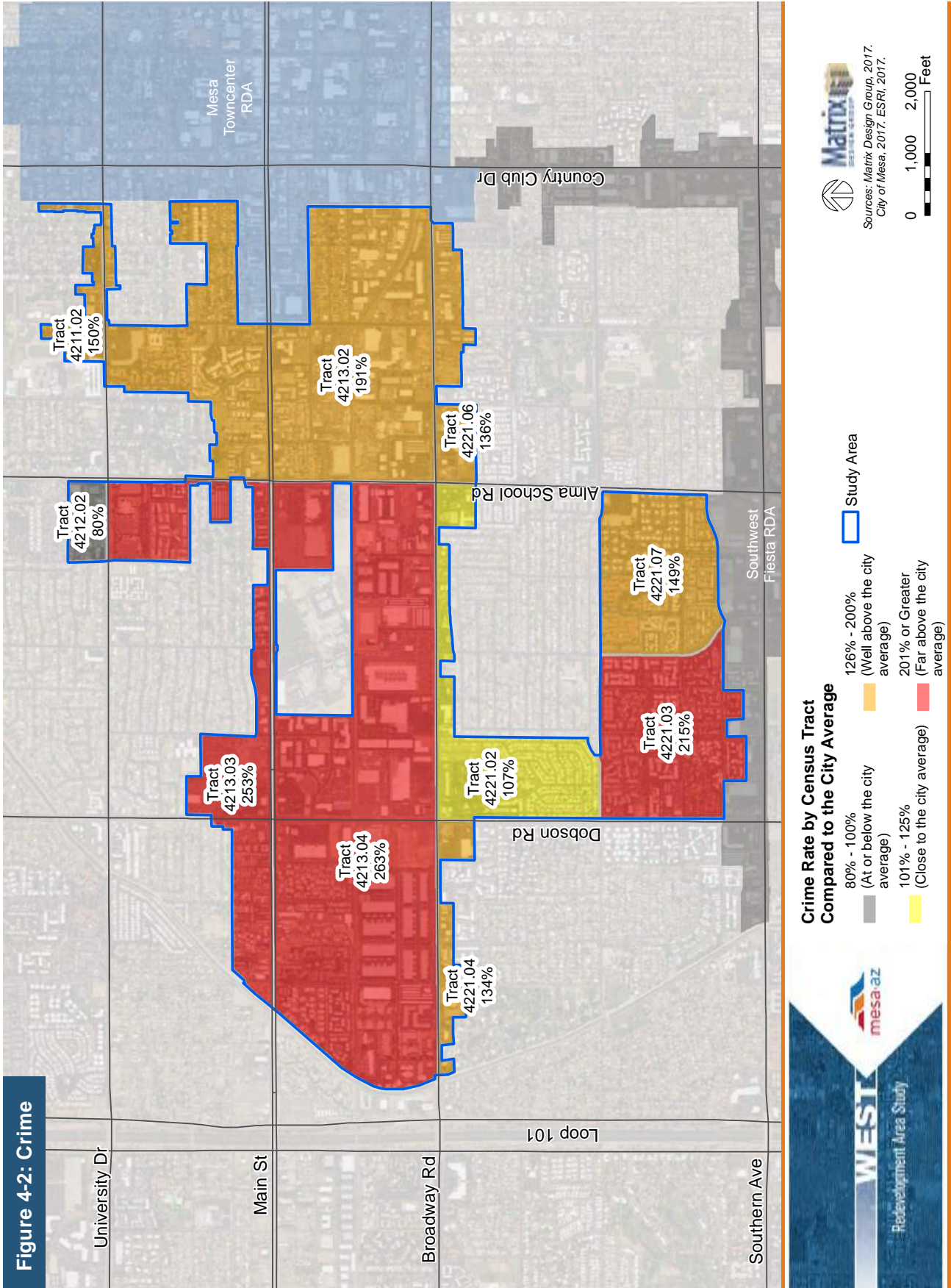
Year	Total Crimes		Crime Per 1,000 residents		
	City of Mesa	West RDA*	City of Mesa	West RDA*	Difference
2012	15,945	2,582	35.2	55.3	57.2%
2013	14,724	2,293	32.1	48.5	51.2%
2014	15,049	2,445	32.3	51.4	58.9%
2015	13,879	2,058	29.4	42.0	42.7%
2016	13,265	2,030	28.4**	41.2***	45.0%
		5-Year Average	31.5	47.7	51.4%

Source: City of Mesa Police Department, U.S. Census 2012-2015

*Crime and population data were derived from census tracts and contain area outside the Mesa West RDA study area

**Population data used to calculate crime per 1,000 residents is from the Maricopa Association of Governments 2016

***The annual average growth rate of 1% was used to estimate the 2016 population data for census tracts



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5. Conclusion

Please see next page

Conclusion

Arizona law grants local government the authority to declare a redevelopment area due to a predominance of blight. Blight, according to Arizona law, includes the following factors:

1. Dominance of defective or inadequate street layout
2. Faulty lot layout in relation to size, adequacy, accessibility or usefulness
3. Unsanitary or unsafe conditions
4. Deterioration of site or other improvements
5. Diversity of ownership
6. Tax or special assessment delinquency exceeding the fair value of the land
7. Defective or unusual conditions of title
8. Improper or obsolete subdivision platting
9. Existence of conditions that endanger life or property by fire and other causes.

Seven of the nine blight factors were carefully assessed during an on-site field survey and aerial survey of each parcel within the West Mesa RDA. This analysis found there were 2,141 out of 3,794 parcels, or 56.4% that were identified to have at least one blight factor, as well as 80.5% of the total acreage was determined to be blighted. The most common blight factor throughout the West Mesa RDA was conditions that endanger life or property (including crime), which represented 41.8% of all parcels and 59.9% of the total acreage. Deterioration of site or other improvements and improper or obsolete subdivision platting are two other major blight factors identified within the West Mesa RDA, representing 24.9% and 24.0% of the total area respectively.

Number of Factors	Number of Parcels	Percent (%) of Parcels	Number of Acres	Percent (%) of Acres
0	1,653	43.6%	245.62	19.5%
1	1,517	40.0%	579.86	46.1%
2	373	9.8%	304.88	24.2%
3	211	5.6%	90.51	7.2%
4	34	0.9%	27.67	2.2%
5 or more	6	0.2%	9.17	0.7%
Parcels with at least 1 Blight Factor	2,141	56.4%	1,012.1	80.5%

This report shows there is a predominance of blight present in the West Mesa RDA per Arizona Revised Statutes §36-1471 et seq. It is in the opinion of Matrix Design Group that the Mesa City Council could make a finding of blight in the West Mesa RDA study area. Establishing the West Mesa RDA is in the residents' interest of public health, safety, morals and welfare.



For more information contact:

City of Mesa Office of Economic Development • 480-644-2398

Visit the Website at www.MesaAZ.gov/RDA





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Appendix | B

Market Summary

1.1 Background and Analysis Approach

In evaluating the potential impacts of redevelopment in the Mesa West RDA, a number of steps are used to evaluate the potential of the West RDA, and to determine what potential benefits might accrue to the City of Mesa as a result of redevelopment. Using the property database information, which relies on the property records from the Maricopa County Assessor as well as property inspection data, the Mesa West RDA was broken into those areas which are considered blighted (based on the Finding of Need) and those properties that are not considered blighted.

Using the blighted properties as the basis for analysis, the properties were segregated based on the land use categories included in the Assessor's database:

- ▶ Category 1 – Commercial;
- ▶ Category 2 – Vacant/Agricultural/Exempt;
- ▶ Category 3 – Owner-Occupied Residential;
- ▶ Category 4 – Rental Residential; and
- ▶ Other – Historic/Railroad.

Using the acreage for each category, a target redevelopment Floor Area Ratio (FAR) was developed. A FAR is calculated by dividing the number of total square feet of development per acre of land (43,560 square feet) and is essentially the level of density to which a property is developed. For example, a property with 4,356 square feet of development on an acre of land would have a FAR of .10 (10%), and a property with 6,534 square feet of development on an acre of land would have a FAR of .15 (15%).

Next, the level of investment in properties was estimated. For vacant properties, an average cost for new construction of commercial/mixed-use buildings is used, based on average construction cost estimates from the Marshall Valuation Service (MVS). MVS is a respected cost estimating service which tracks construction costs for dozens of different building types in more than 300 markets across the United States.

For renovation projects, a percentage of the MVS cost for new construction is utilized. For owner-occupied residential, 33% of the cost of new construction is assumed as the average renovation for a blighted property. For commercial and rental residential properties, an average investment equal to 25% to 33% of the average MVS new construction cost is used as the anticipated renovation cost. Using the FAR and anticipated renovation costs, the total investment in an area or location within the West RDA can be estimated.

Construction cost estimates can be used to estimate construction wages and construction jobs as a result of the investments in renovations and additional development. This approach utilizes typical labor expenses as a percentage of project cost to estimate total wages, and uses the average construction wage for the area to determine the number of construction jobs.

Using average square footage per employee as an indicator, total employment can be calculated based on the total square footage as estimated using the FAR for redeveloped properties. Using average wage data from the U.S. Bureau of Labor Statistics, total wages can be estimated.

In order to understand the indirect and induced economic activity resulting from increased employment in the area, the U.S. Bureau of Economic Analysis' RIMS-II input-output model was acquired for the Maricopa County. RIMS-II provides estimated direct effect multipliers for jobs and wages for a variety of industries, and a subset of these industries are used as the basis for estimating follow-on economic impacts associated with increased business activity in the RDA.

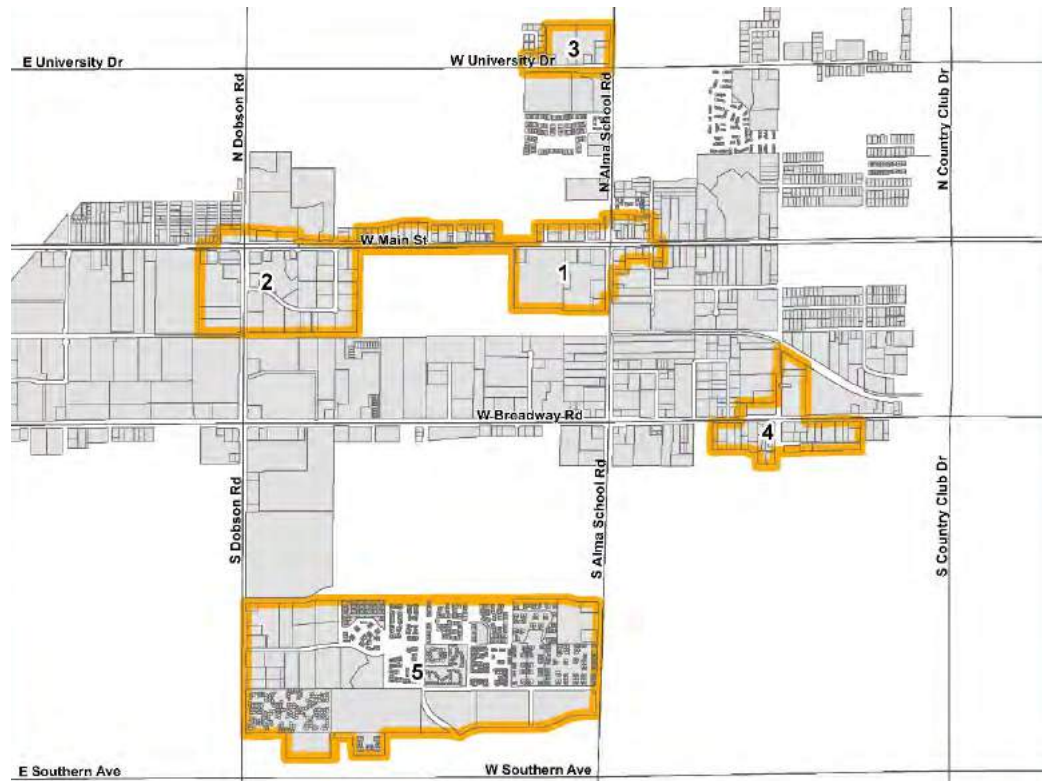
Finally, as part of the evaluation of redevelopment in the commercial areas of the RDA, an estimate of retail square footage is provided together with an estimate of total retail sales.

1.2 Areas of Analysis

Within the West RDA, five areas were identified as likely to see redevelopment activity early in the process, as shown in the graphic on the following page. These include:

- ▶ Focus Area 1 – Alma School Road and W. Main Street;
- ▶ Focus Area 2 – Dobson Road and W. Main Street;
- ▶ Focus Area 3 – N. Alma School Road and W. University Drive;
- ▶ Focus Area 4 – W. Broadway and S. Extension Road; and
- ▶ Focus Area 5 – Dobson Road and Alma School Road, between 8th Avenue and Southern Avenue.

The analysis provides an overview of the blighted properties in each Focus Area and provides information regarding the potential impacts of redevelopment in each Focus Area.



Common Analytical Assumptions

The analysis of each Focus Area requires on several common assumptions to estimate the financial impacts of redevelopment. These include:

- ▶ Development densities (FARs) for properties are assumed to be: .287 for Category 1; .2 for Category 2; .16 for Category 3; and .35 for Category 4.
- ▶ Investment for renovation are included at: \$85 per square foot for Category 1; \$50 per square foot for Category 3; and \$60 per square foot for Category 4.
- ▶ Expansion/new construction is estimated at: \$250 per square foot for Category 1; \$200 per square foot for Category 2; \$200 per square foot for Category 3; and \$175 per square foot for Category 4.

1.3 Redevelopment Capacity

In order to evaluate the potential impacts associated with redevelopment activities in each Focus Area, the database of properties was evaluated for each Focus Area to identify blighted properties and non-blighted properties. Blighted properties were then sorted by Land Use Category (1 through 4), and the acreage of vacant properties and non-vacant properties was calculated.

Each Focus Area had differing levels of blighted properties. For example, in Focus Area 1, there are a total of 81 properties, 64 of which are blighted properties. In contrast, Focus Area 3 has 6 blighted parcels and 10 non-blighted parcels. Focus Area 5 has numerous condominium parcels, making it the largest focus area in terms of total parcels (1,909) and blighted parcels (1,090).

Table 1 below provides summary information on the assessed value and full value for parcels in the Focus Areas. The information includes the number of parcels and the assessed value for land, improvements and the total assessed value for blighted and non-blighted properties, as well as the full value, segregated by Use Category.

Table 1 – Key Parcel and Value Information for Combined Focus Areas

Mesa West RDA Five Focus Areas Combined							
		LAND		IMPROVEMENTS		TOTAL	
	Parcels	Full Value	Assessed Value	Full Value	Assessed Value	Full Value	Assessed Value
Non-Blighted Parcels							
LUC 1	50	\$17,647,737	\$ 3,174,327	\$ 45,068,163	\$ 8,109,969	\$ 62,715,900	\$11,284,296
LUC 2	5	\$ 1,237,100	\$ 185,565	\$ 474,200	\$ 71,130	\$ 1,711,300	\$256,695
LUC 3	258	\$13,954,437	\$ 2,247,222	\$ 42,276,863	\$ 6,635,244	\$ 56,231,300	\$8,882,466
LUC 4	591	\$16,754,900	\$ 1,675,490	\$ 67,189,100	\$ 6,718,910	\$ 83,944,000	\$8,394,400
Subtotal	904	\$49,594,174	\$ 7,282,604	\$155,008,326	\$21,535,253	\$204,602,500	\$28,817,857
Blighted Parcels							
LUC 1	113	\$24,848,500	\$ 4,452,054	\$41,941,000	\$ 7,512,416	\$ 66,789,500	\$11,964,470
LUC 2	15	\$ 1,779,092	\$ 266,864	\$ -	\$ -	\$ 1,779,092	\$266,864
LUC 3	262	\$ 3,650,700	\$ 365,070	\$ 14,641,200	\$ 1,464,120	\$ 18,291,900	\$1,829,190
LUC 4	814	\$27,060,200	\$ 2,706,020	\$ 107,352,900	\$10,735,290	\$134,413,100	\$13,441,310
Subtotal	1,204	\$57,338,492	\$ 7,790,008	\$163,935,100	\$19,711,826	\$221,273,592	\$27,501,834
Total All Parcels	2,108	\$106,932,666	\$15,072,612	\$318,943,426	\$41,247,079	\$425,876,092	\$56,319,691

As shown in the Table above, the five Focus Areas include 2,108 total parcels (1,204 of which are blighted) and these parcels have an estimated full value of \$425.9 million. The estimated full value for the blighted parcels is \$221.3 million.

For each Focus Area, it is necessary to determine the acreage of blighted parcels and the square footage of existing development. With this information, the FAR for each Land Use Category (LUC) can be used to estimate the total supportable square footage of development within each LUC. Subtracting the amount of existing developed square footage in each LUC yields the amount of new construction or expansion that can be supported. Each of the five Focus Areas was evaluated to determine whether and to what extent each area could support additional development based on the Category and the FAR discussed above, and to evaluate what the financial implications of additional development in each Focus Area are.

As shown in the Table below, Focus Area 1 includes 64 blighted parcels. There are 33 vacant parcels totaling 9.2 acres, an average of 0.28 acres per parcel. There are 31 developed parcels, totaling 12.1 acres. These parcels have almost 219,000 square feet of existing development on them, an average of 7,060 SF per parcel. The FAR of existing developed properties is 0.417, well above the target FAR for LUC 1 of 0.287.

Table 2 – Focus Area 1 Parcels, Acreage and Development

Mesa West RDA Focus Area 1 Analysis					
	Vacant		Developed		
	Parcels	Acres	Parcels	Acres	SF of Development
Blighted Parcels					
LUC 1	27	8.4	29	11.7	213,618
LUC 2	6	0.8	-	-	-
LUC 3	-	-	-	-	-
LUC 4	-	-	2	0.4	5,260
Subtotal	33	9.2	31	12.1	218,878

In this instance, no expansion is envisioned for the existing developed properties. However, the vacant parcels can support almost 112,000 square feet of new development at the target FARs.

The Table below illustrates the development capacity for Focus Area 1. As shown in the Table, the existing development in Land Use Category 1 (LUC 1) is already more dense at 41.7% compared to the target density of 28.7%. As such, no new development/expansion of developed parcels is anticipated. However, it is anticipated that the existing square footage could benefit from renovation. The vacant parcels in Focus Area 1 total more than 9 acres, and could support almost 112,000 square feet of new development. Overall, Focus Area 1 could see as much as \$47.5 million in investment.

Table 3 – Focus Area 1 Supportable Development and Investment

Mesa West RDA Focus Area 1 Analysis					
	LUC 1	LUC 2	LUC 3	LUC 4	Total
Blighted Parcels					
Supportable Development (SF)	250,940	6,729	-	-	257,669
Existing Development (SF)	213,618	-	-	-	213,618
Expansion (SF)	111,788	6,729	-	-	118,517
Renovations (SF)	213,618	-	-	-	213,618
Investment - Expansion	\$27,947,077	\$1,345,760	-	-	\$29,292,837
Investment Renovations	\$18,157,530	-	-	-	\$18,157,530
Investment Total	\$46,104,107	\$1,345,760	-	-	\$47,450,367

Focus Area 2 includes twelve blighted parcels. Four of the parcels are vacant, and total 6.7 acres for potential development. Eight parcels total have almost 150,000 square feet of existing development on 13.9 acres. The FAR of the existing developed property is 0.247, lower than the target FAR of 0.287, indicating the ability to support expansion on existing developed parcels.

Table 4 – Focus Area 2 Parcels, Acreage and Development

Mesa West RDA Focus Area 2 Analysis					
	Vacant		Developed		
	Parcels	Acres	Parcels	Acres	SF of Development
Blighted Parcels					
LUC 1	3	4.2	8	13.9	149,181
LUC 2	1	2.5			
LUC 3	-	-	-	-	-
LUC 4	-	-	-	-	-
Subtotal	4	6.7	8	13.9	149,181

Within Focus Area 2, the total supportable development on the blighted properties is more than 226,000 square feet, while the amount of existing development is just over 149,000. This indicates the potential to support more than 77,000 square feet of new development in this Focus Area. New construction could result in more than \$23.6 million in investment, while renovation of existing facilities could generate more than \$12.6 million. Overall, Focus Area 2 could see more than \$36.3 million in investment.

Table 5 – Focus Area 2 Supportable Development and Investment

Mesa West RDA Focus Area 2 Analysis					
	LUC 1	LUC 2	LUC 3	LUC 4	Total
Blighted Parcels					
Supportable Development (SF)	226,248	21,954	-	-	248,202
Existing Development (SF)	149,181	-	-	-	149,181
Expansion (SF)	77,067	21,954	-	-	99,021
Renovations (SF)	149,181	-	-	-	149,181
Investment - Expansion	\$19,266,778	\$4,390,840	-	-	\$23,657,618
Investment Renovations	\$12,680,385	-	-	-	\$12,680,385
Investment Total	\$31,947,163	\$4,390,840	-	-	\$36,338,003

Focus Area 3 has just six blighted parcels, totaling 11.2 acres. These parcels are developed with almost 132,000 square feet of existing properties. This equates to a FAR of 0.271, just under the target FAR of 0.287 for LUC 1. As such, Focus Area 3 could support only limited expansion of existing properties.

Table 6 – Focus Area 3 Parcels, Acreage and Development

Mesa West RDA Focus Area 3 Analysis					
	Vacant		Developed		
	Parcels	Acres	Parcels	Acres	SF of Development
Blighted Parcels					
LUC 1	-	-	6	11.2	131,800
LUC 2	-	-	-	-	-
LUC 3	-	-	-	-	-
LUC 4	-	-	-	-	-
Subtotal	-	-	6	11.2	131,800

Focus Area 3 can support almost 140,000 square feet of development at the target FAR of 0.287. There is almost 132,000 square feet of existing development, which indicates that just under 8,000 square feet of additional development could be supported. Renovation of existing square footage (almost 132,000 square feet) could result in as much as \$11.2 million in investment. In addition, development of new square footage could generate an investment estimated to be almost \$2 million.

Table 7 – Focus Area 3 Supportable Development and Investment

Mesa West RDA Focus Area 3 Analysis					
	LUC 1	LUC 2	LUC 3	LUC 4	Total
Blighted Parcels					
Supportable Development (SF)	139,770	-	-	-	139,770
Existing Development (SF)	131,800	-	-	-	131,800
Expansion (SF)	7,970	-	-	-	7,970
Renovations (SF)	131,800	-	-	-	131,800
Investment - Expansion	\$1,992,394	-	-	-	\$1,992,394
Investment Renovations	\$11,203,000	-	-	-	\$11,203,000
Investment Total	\$13,195,394	-	-	-	\$13,195,394

Focus Area 4 has 32 blighted parcels, including 14 vacant parcels and 18 developed parcels. The vacant parcels total 10.5 acres. The developed parcels total 17.8 acres, and are developed with 136,000 square feet – a FAR of .176. This indicates significant capacity to support additional development on those parcels that are already developed.

Table 8 – Focus Area 4 Parcels, Acreage and Development

Mesa West RDA Focus Area 4 Analysis					
	Vacant		Developed		
	Parcels	Acres	Parcels	Acres	SF of Development
Blighted Parcels					
LUC 1	9	6.7	18	17.8	136,087
LUC 2	5	3.8	-	-	-
LUC 3	-	-	-	-	-
LUC 4	-	-	-	-	-
Subtotal	14	10.5	18	17.8	136,087

Within Focus Area 4, the LUC 1 properties could support more than 170,000 square feet of new construction, in addition to the renovation of more than 136,000 square feet of existing facilities. Overall expansion could be more than 203,000 square feet. Total investment is estimated to be more than \$60 million, including \$49.1 million for new facilities/expansions and \$11.6 million for renovations.

Table 9 – Focus Area 4 Supportable Development and Investment

Mesa West RDA Focus Area 4 Analysis					
	LUC 1	LUC 2	LUC 3	LUC 4	Total
Blighted Parcels					
Supportable Development (SF)	306,383	32,772	-	-	339,154
Existing Development (SF)	136,087	-	-	-	136,087
Expansion (SF)	170,296	32,772	-	-	203,067
Renovations (SF)	136,087	-	-	-	136,087
Investment - Expansion	\$42,573,958	\$6,554,320	-	-	\$49,128,278
Investment Renovations	\$11,567,395	-	-	-	\$11,567,395
Investment Total	\$54,141,353	\$6,554,320	-	-	\$60,695,673

Focus Area 5 has 1,090 blighted parcels, including 18 vacant parcels and 1,062 developed parcels. The vacant parcels total 63.6 acres. The developed parcels total 104.7 acres, and are developed with 2.48 million square feet – a FAR of .54. This high FAR is attributed to the very dense amount of condominium development in this area, as rental residential properties account for more than 1.9 million square feet of development in this area.

The high FAR complicates the analysis slightly, in the context of the amount of vacant, potentially developable land in Focus Area 5. This Focus Area has more than 63 vacant acres, more than double the total in the other four Focus Areas (26.4 acres total). This indicates significant capacity within Focus Area 5 to support new development on vacant parcels, despite an existing FAR that is somewhat high. For purposes of this analysis, it is assumed that vacant parcels in Focus Area 5 will be developed to the target FARs.

Table 10 – Focus Area 5 Parcels, Acreage and Development

Mesa West RDA Focus Area 5 Analysis					
	Vacant		Developed		
	Parcels	Acres	Parcels	Acres	SF of Development
Blighted Parcels					
LUC 1	5	2.1	8	17.6	249,787
LUC 2	3	3.2	-	-	-
LUC 3	2	13.2	260	17.7	283,942
LUC 4	18	45.1	794	69.4	1,942,047
Subtotal	28	63.6	1,062	104.7	2,475,776

Within Focus Area 5, the LUC 4 properties could support more than 680,000 square feet of new construction, in addition to the renovation of more than 1.9 million square feet of existing facilities. Overall expansion could be more than 834,000 square feet. Total investment is could exceed \$300 million, including \$150.9 million for new facilities/expansions and \$152.0 million for renovations.

Table 11 – Supportable Development and Investment

Mesa West RDA Focus Area 5 Analysis					
	LUC 1	LUC 2	LUC 3	LUC 4	Total
Blighted Parcels					
Supportable Development (SF)	246,996	27,917	215,310	1,745,530	2,235,753
Existing Development (SF)	249,787	-	283,942	1,942,047	2,475,776
Expansion (SF)	26,373	27,917	92,184	687,557	834,031
Renovations (SF)	249,787	-	283,942	1,942,047	2,475,776
Investment - Expansion	\$6,593,251	\$5,583,480	\$18,436,865	\$120,322,414	\$150,936,010
Investment Renovations	\$21,231,895	-	\$14,197,100	\$116,522,820	\$151,951,815
Investment Total	\$27,825,146	\$5,583,480	\$32,633,965	\$236,845,234	\$302,887,825

In total, the five Focus Areas could generate as much as \$460.6 million in investment for renovations and expansions. The opportunity is more heavily focused on new development and expansions, which account for approximately 55% of potential investment (\$255 million). LUC 4 (Rental Residential) offers the highest potential level of investment, more than \$236 million total, in part due to the significant amount of LUC 4 properties in Focus Area 5.

Table 12 – All Focus Areas Supportable Development and Investment

Mesa West RDA Total Focus Areas					
	LUC 1	LUC 2	LUC 3	LUC 4	Total
Blighted Parcels					
Supportable Development (SF)	1,170,336	89,372	215,310	1,745,530	3,220,548
Existing Development (SF)	880,473	-	283,942	1,942,047	3,106,462
Expansion (SF)	393,494	89,372	92,184	687,557	1,262,607
Renovations (SF)	880,473	-	283,942	1,942,047	3,106,462
Investment - Expansion	\$98,373,457	\$17,874,400	\$18,436,865	\$120,322,414	\$255,007,136
Investment Renovations	\$74,840,205	-	\$14,197,100	\$116,522,820	\$205,560,125
Investment Total	\$173,213,662	\$17,874,400	\$32,633,965	\$236,845,234	\$460,567,261

1.4 Redevelopment Impacts

Redevelopment within the Focus Areas could generate an estimated \$460.6 million in investment in renovations and expansions. Assuming an average of 40% of the investments is construction wages, more than \$184 million in construction wages would be generated. According to the U.S. Bureau of Labor Statistics, the average construction wage in the Phoenix - Mesa-Scottsdale Metropolitan Statistical Area (MSA) is \$56,576. This indicates that the \$184 million in construction wages generated through investment in the Focus Areas could support 3,256 person-years of construction employment.

In terms of employment, the Focus Areas can support an estimated 4.3 million square feet of development. LUC 4 accounts for the largest portion of this supportable square footage, more than 2.6 million square feet. However, LUC 4 has a lower level of employment, as it is focused on rental residential properties. LUC 1 (Commercial) can support more than 1.1 million square feet of development, and is expected to be a primary source of employment.

The ability of a specific property to support employment is generally driven by the type of use which occurs in the facility. For example, many office-type uses require 150 to 250 square feet per employee. In contrast, warehouse and manufacturing uses can be 1,200 to 1,500 square feet per employee. For purposes of this analysis, a conservative average of 550 square feet per employee is used to estimate impacts. Using an average of 550 square feet per employee, the Focus Areas could support more than 2,650 direct jobs. It is important to note that there are a number of existing jobs within existing businesses in the Focus Areas, and as such, all of these 2,650 jobs would not be net new jobs. Using the MSA's average wage of \$49,504, total wages within the Focus Areas would be more than \$131 million.

Table 13 summarizes the potential impacts associated with investment.

Table 13 – Redevelopment Impacts in Mesa West Focus Areas

Mesa West RDA Total Focus Areas					
	LUC 1	LUC 2	LUC 3	LUC 4	Total
Total Investment	\$173,213,662	\$17,874,400	\$32,633,965	\$236,845,234	\$460,567,261
Construction Labor %	40%	40%	40%	40%	-
Construction Wages	\$69,285,465	\$7,149,760	\$13,053,586	\$94,738,094	\$184,226,905
Average Construction Wage	\$56,576	\$56,576	\$56,576	\$56,576	-
Construction Jobs	1,225	126	231	1,675	3,256
SF/Job	550	550	-	15,000	-
Direct Jobs	2,316	162	-	175	2,654
Average Wage	\$49,504	\$49,504	\$49,504	\$49,504	-
Total Direct Wages	\$114,666,280	\$8,044,130	-	\$8,678,393	\$ 131,388,803
Indirect/Induced Jobs Multiplier	1.002	1.002	-	0.622	-
Indirect/Induced Wages Multiplier	0.942	0.942	-	0.723	-
Total Indirect/Induced Jobs	2,322	163	-	109	2,593
Total Indirect/Induced Wages	\$108,052,185	\$7,580,135	-	\$ 6,275,346	\$121,907,666
Total Jobs	4,638	325	-	284	5,248
Total Wages	\$222,718,465	\$15,624,264	-	\$ 14,953,739	\$253,296,469
Retail SF	292,584	22,343	-	436,383	751,310
Retail Sales/SF	\$275	\$275	\$275	\$275	-
Total Retail Sales	\$80,460,623	\$6,144,325	-	\$120,005,188	\$206,610,135

In order to understand the spinoff effects of jobs and wages in the Focus Areas, the U.S. Bureau of Economic Analysis' (BEA) economic analysis model, RIMS-II, was used. RIMS-II provides multipliers for indirect/induced impacts of specific industries with specific geographic locations. Indirect and induced impacts occur as money recirculates through the economy. Indirect impacts are generated through businesses spending to acquire goods and services, such as landscaping, advertising, utilities and professional services. Induced impacts occur when employees spend their earnings for things such as rent/mortgage payments, entertainment, vehicle payments and utilities. For this analysis, multipliers for Maricopa County were acquired. Since the Focus Areas are most likely to support retail, service, healthcare, arts, social services and education activities, the RIMS-II multipliers for a group of likely industries/employment sectors were averaged to create a representative multiplier for the Focus Areas.

For the Focus Areas, the indirect/induced jobs multiplier is slightly more than 1.0 – as a result of the 2,654 jobs in the Focus Areas another 2,593 indirect/induced jobs can be supported. The \$131 million in direct wages in the Focus Areas will support another \$121.9 million in indirect/induced wages.

One other area which may be of interest due to the impact on sales taxes is the amount of retail sales activity which could be supported within the Focus Areas. Assuming that 25% the supportable square footage in the Focus Areas is retail space, the Focus Areas would have more than 750,000 square feet of retail space. At an average sales volume of \$275 per square foot, the Focus Areas would generate \$206 million of retail sales annually.

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