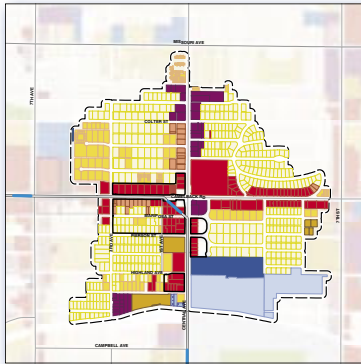


Valley Metro Rail



Station Area Development Opportunities and Strategies

Prepared by:



Prepared for:



November 2003

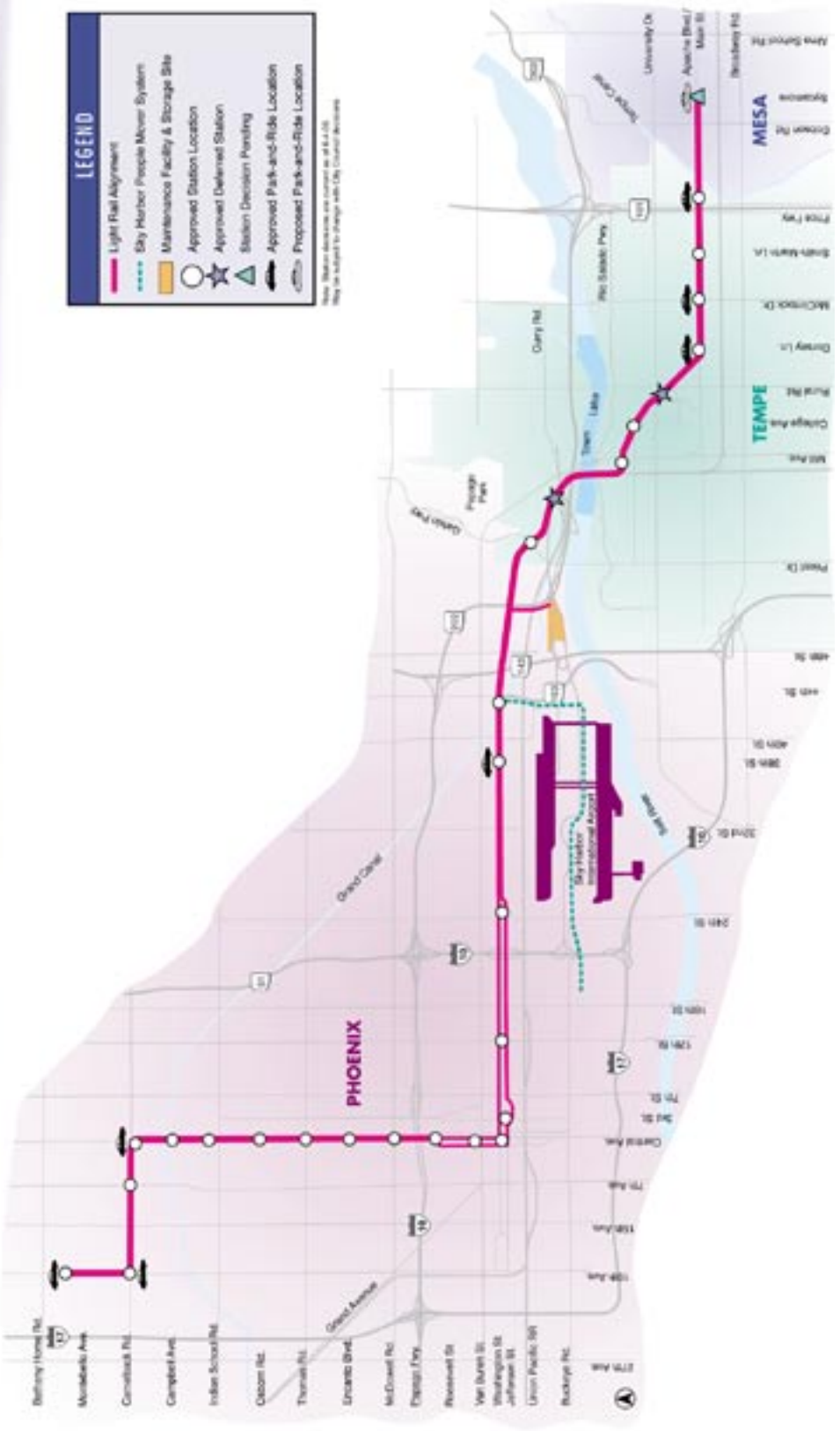
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LIGHT RAIL TRANSIT STARTER SEGMENT

LEGEND

- Light Rail Alignment
- Sky Harbor People Mover System
- Maintenance Facility & Storage Site
- Approved Station Location
- Approved Deletem Station
- Station Decision Pending
- Approved Park-and-Ride Location
- Proposed Park-and-Ride Location



Note: Station decisions are current as of 6/14/08.
Map is subject to change with City Council decisions.

PROJECT OVERVIEW

Community Design + Architecture (CD+A) and Economic & Planning Systems, Inc. (EPS) were retained by the Valley Metro Rail project staff to conduct the Light Rail Transit (LRT) Corridor Market Analysis, which would identify and evaluate market-based development opportunities around planned light rail transit stations in the cities of Phoenix, Tempe, and Mesa. This process was comprised of the following efforts:

1. STATION-BY-STATION MARKET ANALYSES

EPS reviewed and updated its own market analysis conducted in late 2001, which discussed the national, regional, and sub-regional real estate, economic, demographic, and physical trends and conditions affecting development opportunities along defined segments of the LRT Corridor. EPS then assembled and evaluated market information specific to each of 21 station areas selected by the Cities of Phoenix, Tempe, and Mesa (see Sidebar #1). This market information included price and absorption information for station area real estate; demographic and economic indicators for residents and workers within each station area; access, visibility, and traffic count information for major streets in the station areas; and an assessment of the current and planned development and economic activity in each station area. With this information, EPS identified the types of real estate — residential, retail, office, hotel, industrial, or mixed use — that were most likely to be marketable in each station area in the “near term” (i.e., the next three years). The potential market influence of future light rail service was also noted for station





areas where the presence of a light rail station could lead to long-term development opportunities that are likely to be different than near-term opportunities. EPS issued a Market Analysis Report for review and approval by staff from Valley Metro Rail and the participating cities.

2. IDENTIFICATION OF OPPORTUNITY SITES

CD+A and EPS identified a number of specific sites at each station area where development opportunities exist, based on physical and market conditions. These sites were differentiated as either near-term or long-term opportunity sites, based on the presence or strength of existing uses on the site, the visibility and accessibility of the site, and the likely demand for development on that site versus others inside or outside the station area. Other areas predominantly developed with housing but undergoing transitions in tenant or tenure type were identified as “Residential Infill/Revitalization Areas.” All of these opportunity sites and conditions were presented on maps and aerial photographs prepared by CD+A. EPS, CD+A, and staff from Valley Metro Rail and the participating cities reviewed the opportunity sites, and selected several at each station area (70 total) that CD+A and EPS would later use to test the physical and financial potential for development.

3. DEFINITION OF BUILDING PROTOTYPES

CD+A and EPS referred to the findings of the market analysis, as well as a survey of recent construction activity in the Phoenix region and beyond, to define a variety of general building types that might be in

Type	Photo/ Illustration	Gross Density (du/ac or FAR)	Min. Development Increment (du or sq.ft.)	Min. Site Area (acres)	Lot or Building Dimension Range (feet)	Unit Size Range (sq. ft.)	Number of Stories Range	Construction Type	Parking Requirement (TOD)	Parking Requirement (min. & max.)	Parking Type
Townhomes											
Standard Block		10 to 35 du/acre	8 du	0.25 acres	width: 20' to 40' depth: 45' to 100'	800 to 2,000	1 to 3	wood frame or concrete block	NA	2 to 3 per d.u.	garage (off alley)
Courtyard		10 to 30 du/acre	12 du	0.4 acres	width: 20' to 40' depth: 40' to 50' green: 30' to 60'	800 to 2,000	1 to 3	wood frame or concrete block	NA	2 to 3 per d.u.	garage (off alley)
Multi-family housing (2 to 3 stories)											
4 or 6 plex w/ tuck under parking		20 to 40 du/acre	40 du	1 acre	Building width: 40' to 75' depth: 35' to 45'	750 to 2,000	1 to 2 (within unit)	wood frame some heavy timber or meta frame	Senior: 0.5/bed Studio/1bdm: 1/du 2 bdrm: 1.5/du 3 bdrm+: 1.75/du	Senior: 0.6/du Studio/1bdm: 1/du 2 bdrm: 1.5/du 3 bdrm+: 1.75/du	Surface and tuck-under garages
Courtyard		30 to 55 du/acre	40 du	0.75 acres	Lot width: 100' to 160' depth: 120' to 160' green: 30' to 60'	750 to 2,000	1 to 2 (within unit)	wood frame some structural steel or conc.	Senior: 0.5/bed Studio/1bdm: 1/du 2 bdrm: 1.5/du 3 bdrm+: 1.75/du	Senior: 0.6/du Studio/1bdm: 1.25/du 2 bdrm: 1.5/du 3 bdrm+: 1.75/du	Surface and tuck-under garages or structured

BUILDING PROTOTYPE MATRIX

WHICH STATION AREAS WERE EVALUATED

The Light Rail Transit alignment plan includes more than the 21 station areas evaluated under this LRT Corridor Market Analysis project. In late 2001, EPS and CD+A worked with Valley Metro Rail and the participating cities to identify those station areas where near-term planning or economic development intervention could potentially be of greatest benefit, given the finite resources of the cities. This effort eliminated from the current LRT Corridor Market Analysis those few station areas where intervention had limited opportunity to affect change, due either to the existing strength of the station areas in attracting development, the scarcity of developable sites, or the very low likelihood of significant private sector interest in development. Through this effort, and with the concurrence of staff from Valley Metro Rail and the participating cities, the following six station areas were eliminated from this current Market Analysis project:

- Central Business District (Central Ave. and Washington Street in Phoenix)
- Central Business District East (Convention Center/Bank One Ballpark)
- 12th Street at Washington and Jefferson Streets (Phoenix)
- Priest Drive and Washington Street (Phoenix/ Tempe)
- 3rd Street and Mill Avenue (Downtown Tempe)
- 5th Street and College Avenue (ASU/Sun Devil Stadium)

demand on the opportunity sites. These building prototypes included housing, retail, office, lodging, industrial, and mixed-use buildings, each reflecting different densities, building styles and technologies, and parking strategies, as well as reflecting different tenant or user preferences. For example, residential uses ranged from detached single-family homes to high-rise multi-family buildings, with numerous building types in between. In all, 29 different building prototypes were defined in a document prepared by CD+A, and reviewed and approved by staff from Valley Metro Rail and the participating cities.

The remaining 21 stations were included in this LRT Corridor Market Analysis, and are as follows:

- 19th Avenue and Montebello Avenue
- 19th Avenue and W. Camelback Road
- 7th Avenue and W. Camelback Road
- Central Avenue and Camelback Road
- Central Avenue and Campbell Avenue
- Central Avenue and Indian School Road
- Central Avenue and Osborn Road
- Central Avenue and Thomas Road
- Central Avenue and Encanto Boulevard
- Central Avenue and McDowell Road
- Central Avenue and Roosevelt Street
- Central Avenue and Van Buren Street
- 22nd Street and Washington Street
- 32nd Street and Washington Street
- 40th Street and Washington Street
- Rural Road and University Drive
- Dorsey Lane and Apache Boulevard
- McClintock Drive and Apache Boulevard
- Smith Road/Martin Lane and Apache Boulevard
- Price Freeway and Apache Boulevard
- Mesa Station

4. ILLUSTRATIVE DEVELOPMENT PROGRAMMING

EPS and CD+A used the market analysis findings to select specific building prototypes that might be developable on specific opportunity sites. EPS and CD+A then defined two illustrative development programs for each of the 70 opportunity sites — one conservative program and one more aggressive. CD+A prepared sketch site plans for each development program, illustrating the scale, location, orientation, and access of each building prototype in each development program. For example, CD+A created two sketch plans for the southwest corner of Central Avenue and Camelback Road. The conservative sketch plan showed the development of townhome housing, plus some single-story retail.

The more aggressive sketch plan showed low-rise multi-family housing, plus a mid-rise office building and a mid-rise mixed-use building. The purpose of this exercise was not to create definitive development plans, but rather to identify a range of development potential for each site that would then be subject to feasibility analysis.

5. COMPARATIVE FINANCIAL FEASIBILITY ANALYSES

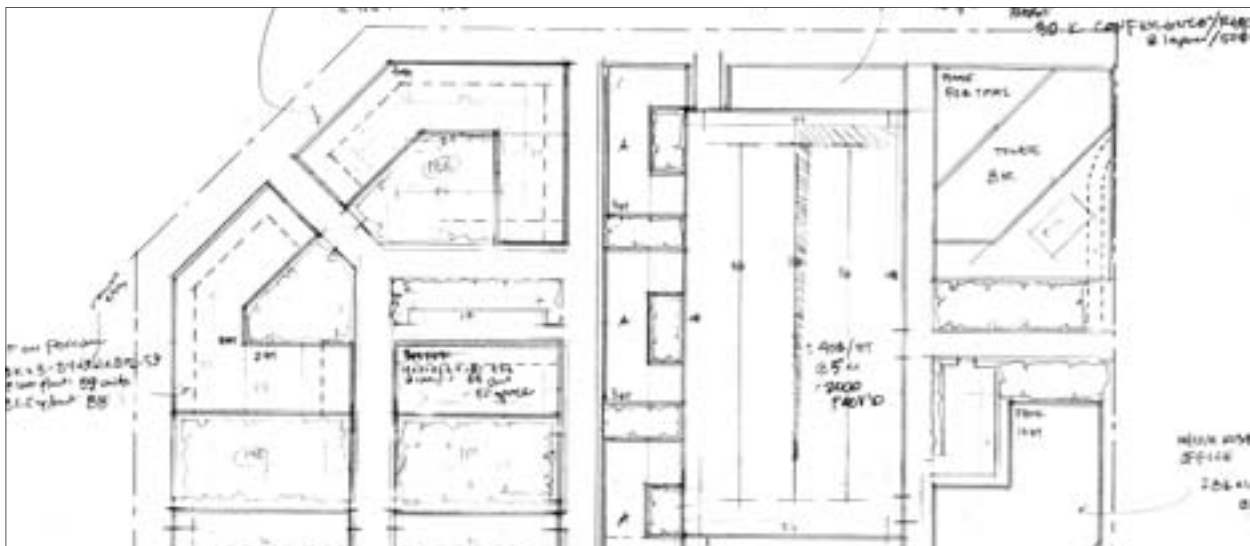
EPS conducted feasibility analyses for each of the development programs on each of the opportunity sites. This feasibility analysis consisted of a comparison of the costs of development versus the value of that development. The value of development was estimated using the station-by-station market analysis findings regarding achievable price points for various types of buildings. The costs of development were estimated using published costs from construction industry sources, with additional input from locally active developers to corroborate or revise the published figures. The feasibility analysis identified various building types that could be profitably developed on each opportunity site or in each station area generally, under near-term market conditions. The feasibility analysis also identified the financial impact that different tenure types (home-ownership versus rental housing) and parking solutions (surface versus structured) would have on development opportunities. EPS produced a memorandum summarizing the general findings

of the feasibility analysis, as well as presenting the specific findings for each illustrative development program for each of the 70 selected opportunity sites. That memorandum was reviewed and approved by staff from Valley Metro Rail and the participating cities.

6. RANKING OF STATION AREAS AND OPPORTUNITY SITES

To assist Valley Metro Rail and the participating cities to focus their finite planning and economic development resources on station areas and sites that are most important or have the greatest opportunity for near-term change, EPS and CD+A evaluated the station areas and opportunity sites according to a number of quantitative and qualitative dimensions. Those dimensions included such issues as:

- the size of the site and scale of the potential development;
- the ease or difficulty of acquiring, assembling, and developing the site;
- the strength of the market analysis and feasibility findings;
- the need to acquire the property for LRT facilities and the ability of development to generate revenues that can offset LRT-related costs;
- the development program's compatibility with neighborhood patterns and objectives;



SKETCH DEVELOPMENT PROGRAMMING

RESPONDING TO CHANGES IN THE LRT STATION LOCATIONS

During the conduct of this LRT Corridor Market Analysis, Valley Metro Rail made several changes to the planned light rail station locations. Because these changes occurred relatively recently — after almost all of the LRT Corridor Market Analysis work had been completed — it was not possible for CD+A and EPS to begin anew with the alignment alterations. Documents prepared by CD+A and EPS prior to these changes have not been revised to reflect these changes, so those documents may include terminology and references that are not current.

Specifically, Valley Metro Rail relocated the planned station at 22nd and Washington Streets to 24th and Washington, and eliminated the station at 32nd and Washington Streets in Phoenix. Also, the station planned at 40th Street and Washington Street in Phoenix has been relocated to 38th and Washington, and a new station at 44th and Washington has been added.

The general findings regarding the Washington Street corridor station areas indicate that these station location

alterations would not materially change EPS and CD+A's recommendations. Neither the 22nd nor 32nd Street station areas nor any of their associated opportunity sites were recommended for near-term focus. The 40th Street station area was recommended as a near-term focus area for planning purposes, and this status should transfer to both the 38th Street and 44th Street Station areas. Both of those station areas have significant amounts of developable land, and are in transition due to airport-related development activities and the continuing growth of the Gateway commercial submarket. The LRT link to the airport will be located at 44th and Washington, making the need for station area planning all the more critical at that location.

In addition to these substantive changes to station locations, the name of the terminal station planned on Main Street in Mesa has been changed from “EVIT Station” to “Mesa Station,” reflecting the potential for the station facility to be located on property other than that owned by the East Valley Institute of Technology.

- the development’s ability to enhance transit ridership, catalyze additional development, and generate tax revenues; and
- other location-specific policy objectives as indicated by the participating cities.

Each of the station areas and sites was given a score of one to three on these dimensions. The average score for each station area and site was then tallied, and those station areas and opportunity sites that had the highest average scores were recommended as the primary near-term focus areas for planning and economic development initiatives. The results of this ranking analysis indicated that the participating cities’ limited planning resources would be most effectively used to create plans for the following seven station areas (see Sidebar #2):

- 19th and Montebello
- 19th and Camelback
- Central and Camelback
- 40th and Washington (now 38th and 44th and Washington stations)
- Rural and University
- McClintock Drive
- Mesa Station

The rankings further indicated that the participating cities limited economic development resources would be most effectively used to pursue development at the following 12 opportunity sites:

- 19th and Montebello, Site 1 (Spectrum Mall)
- 19th and Montebello, Site 2 (Chris-Town Plaza, planned for park-and-ride)
- 19th and Camelback, Site 2 (SEC, planned for park-and-ride)
- Central and Camelback, Site 4 (SWC, planned for station and park-and-ride)
- Central and Campbell, Site 1 (SWC Central and Turney)
- Central and Indian School, Site 2 (NEC, adjacent to Steele Park)
- Central and McDowell, Site 1 (NWC)
- Rural and University, Site 1 (NWC)
- Rural and University, Site 3 (NEC Rural and Terrace)
- Rural and University, Site 4 (SWC, planned for station)

- McClintock Drive, Site 4 (SEC, planned for park-and-ride)
- Mesa Station, Site 1 (NEC Main and Dobson, potential park-and-ride)

EPS prepared a memorandum that detailed the ranking methodology and results, which was reviewed and approved by staff from Valley Metro Rail and the participating cities.

The tasks and documents described above have led to this final document, which presents the findings and recommendations for each of the 12 highest-rated opportunity sites along the LRT Corridor. This final document is intended to inform discussions among Valley Metro Rail, the participating cities, and prospective developers about the types of uses that could be developed on each of those sites, and how that development should be pursued and promoted.

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SITE-BY-SITE DEVELOPMENT OPPORTUNITIES AND STRATEGIES

OPPORTUNITY SITE DESCRIPTIONS

For each opportunity site, EPS and CD+A have prepared a prospectus detailing the following topics:

- **OPPORTUNITY SITE DESCRIPTION**
Describes the location, local context, size, and configuration of each site.
- **WHY THIS SITE IS IMPORTANT**
Describes the site's role in LRT functions and ridership, the opportunities to capitalize on LRT investment in real estate and right-of-way, the comparative strength of market and feasibility findings, the size of the development opportunity and its ability to catalyze additional economic development in the local area.
- **POTENTIAL DEVELOPMENT PROGRAM**
Describes the amount, scale, and configuration of buildings that could be developed on each opportunity site. The building types were selected based on a combination of near-term market and feasibility considerations and longer-term planning objectives related to economic and community planning goals, as well as transit-oriented development goals.
- **WHY THE POTENTIAL DEVELOPMENT PROGRAM IS IMPORTANT**
Describes the contributions the development program can make to LRT revenues, if there is a joint development opportunity, and to ridership either directly by the uses providing additional potential riders within walking distance of the station or by providing services to riders that will make the system a more attractive transportation alternative. This topic also includes a discussion of potential City tax revenues and local economic and community development objectives.
- **ALTERNATIVE DEVELOPMENT PROGRAMS**
Describes the results of feasibility tests for other land uses on the sites, as well as different parcel configurations or physical features that may be pursued if the potential development program as identified by EPS and CD+A is not preferred by the Cities or developers.

- **PRELIMINARY IMPLEMENTATION CONSIDERATIONS AND RECOMMENDATIONS**

Describes conditions unique to the specific opportunity sites, as well as approaches to utilizing public sector tools and interventions to assemble property, create development partnerships, phase development, and fund project elements to enhance development feasibility, and facilitate development through planning efforts.

GENERAL IMPLEMENTATION ISSUES

This document presents potential strategies for the implementation of development on specific opportunity sites throughout the LRT Corridor. Throughout this document, implementation issues and recommendations tend to pertain to one of a few general themes: parcel assembly, property disposition, development phasing, development funding, and planning efforts.

PARCEL ASSEMBLY

The LRT project will require the public sector to acquire numerous properties for station facilities, park-and-ride facilities, right-of-way for the light rail, and/or street reconfiguration. In general, the acquisition of property by the public sector should be limited to only those properties required for the LRT. In some cases, however, it may be appropriate and possible to acquire additional adjacent properties that will create larger or more efficient parcels for new development, enhance the pedestrian and built environment of the station area, and/or increase utilization and values for strategically located properties. In such cases, this document assumes that those properties will be acquired only through voluntary negotiations with property owners, and aims to identify appropriate development programs and implementation strategies both with and without those additional parcels.

PROPERTY DISPOSITION

In this document, the term "disposition" refers to the business and legal terms of property ownership and development. In cases where the public sector and

LRT project will be utilizing land currently held in private ownership, it will be necessary to negotiate the terms of that utilization as well as the eventual development of the land. Disposition issues include the sale or lease of land (both to the public sector and from the public sector) and the identification and negotiation of partnerships for development with shared risks and responsibilities among public sector and private sector entities. For each opportunity site, the disposition strategy is likely to be somewhat different, accounting for the varying goals of the current property owner, the public sector, and any potential development partner, as well as issues related to the specific land use program and parcel configurations. This document identifies general disposition issues as they pertain to each opportunity site, but does not recommend a specific course of action for most sites, as the disposition strategies must result from policy discussions and business negotiations which have not yet occurred.

DEVELOPMENT PHASING

The development of each opportunity site must be phased according to the availability of land, the availability of funds, and the market demand for building types programmed for the site. Many properties feature existing uses that must be demolished or relocated prior to the envisioned development, and some also have environmental features or conditions that must be addressed. Property acquisitions are likely to involve negotiations with numerous property owners, each of whom may have a different timetable. Some elements of the developments may involve public sector funding (such as park-and-ride facilities), and the availability of those funds may vary over time. Also, certain opportunity sites are shown with building types that are not feasible under current market conditions, but may represent the optimal long-term usage of the site. This document aims to present primary and alternative phasing strategies that respond to known issues and conditions.

DEVELOPMENT FUNDING

In general, the development programs described for each opportunity site represent financially supportable and contextually appropriate building types. In some cases, however, the building types

that are most financially supportable are not the most contextually appropriate, and vice versa. Also, the cost of constructing LRT facilities (e.g., park-and-ride lots) can exceed the revenues from new development on the site. Where feasibility analysis has identified funding shortfalls for individual building types or the overall development program on any given opportunity site, this document aims to identify general opportunities to address the shortfall, including the use of intergovernmental funds, local economic development incentives, or alternative development programs and phasing strategies that may reduce or eliminate the shortfall. This document does not identify specific sources of funds for most projects, as those sources would be determined most appropriately and definitively in future policy discussions and development negotiations. Funding incentives such as tax increment financing or “smart growth”/transit-oriented development subsidies would be very helpful, but the cities would need to work with the state to enable or create these incentive programs, which are not currently available in Arizona but have proven effective in other states.

PLANNING EFFORTS

In many cases, the type of development envisioned for the opportunity sites is different from that currently allowed under existing land use policies in the station area. Under these circumstances, the participating cities may need to alter zoning or design guidelines to achieve the envisioned development. The participation of community stakeholders in planning efforts for individual sites or for station areas generally may be required. Also, in certain cases, specific studies may be required to provide community members, public officials, or development partners information on topics such as parking utilization, traffic impacts, environmental conditions, etc. This document aims to identify the planning efforts that may be required or advisable to ensure that new development is responsive to community issues and regulatory requirements. It is recognized that the three cities along the light rail corridor are moving forward with station area planning studies using different approaches and within tight budget constraints. This report suggests which opportunity sites and station areas should have a priority from a market perspective.

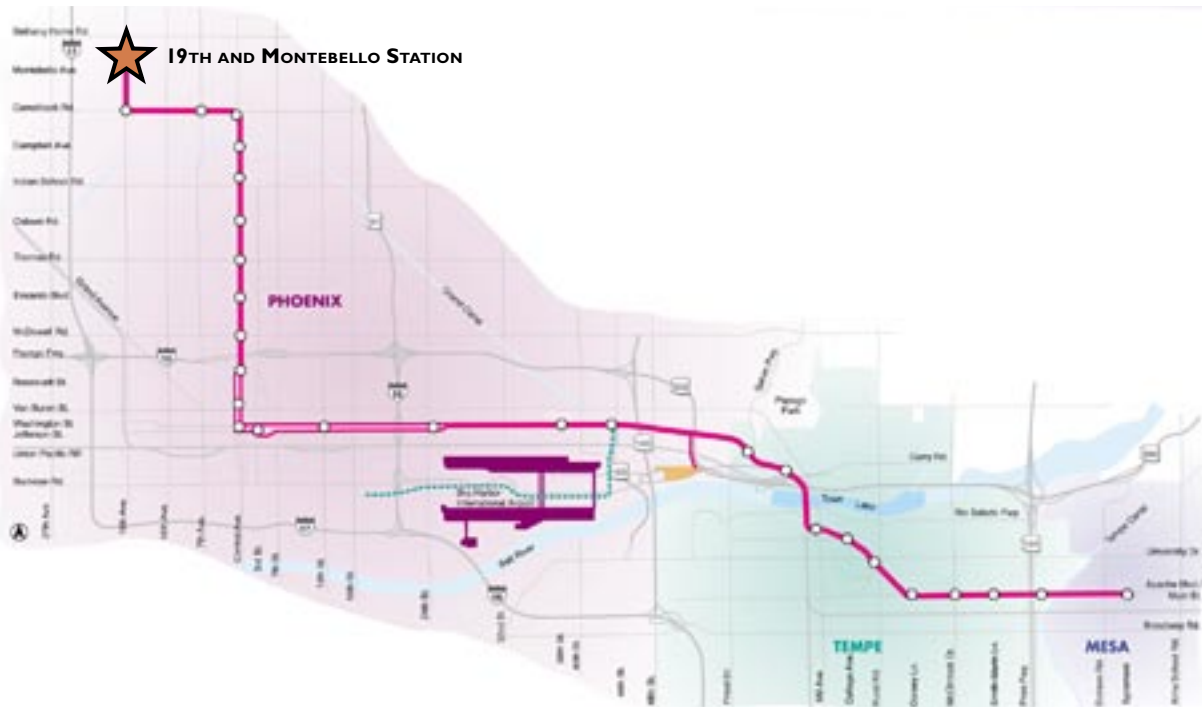
Zoning considerations are being addressed in both Phoenix and Tempe in on-going planning efforts. Phoenix has recently distributed a draft of an Interim Overlay for transit-oriented development with a planned adoption soon with hearings scheduled to begin with the Planning Commission in early October. Tempe is in the process of rewriting the zoning code for much of the city, including the creation of pedestrian and transit-oriented zoning with a series of public open houses taking place in early September with public hearings to follow later in the fall of 2003.

USE OF THIS DOCUMENT

The development programs and implementation strategies and recommendations are meant to provide Valley Metro Rail, the participating cities, potential developers, and the general public an idea of what type of development may be possible on selected opportunity sites throughout the LRT Corridor, and what type of processes and interventions may be required to achieve that development. For any given opportunity site, a more detailed assessment of physical conditions, acquisition and site development costs, and community interests will be required, as will a balancing of the public benefits (tax flows, ridership increases, aesthetic and economic improvements, solutions to other existing problems, etc.) against the level of public investment that may be required to achieve those benefits. Therefore, Valley Metro Rail and the economic development and planning staffs of the Phoenix, Tempe, and Mesa should use this document not as a definitive guideline for development of the opportunity sites, but to facilitate future discussions about these important issues, on-going and future planning efforts, and to encourage private development to support the public investment in the light rail system.

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19TH AND MONTEBELLO—SITE I



OPPORTUNITY SITE DESCRIPTION

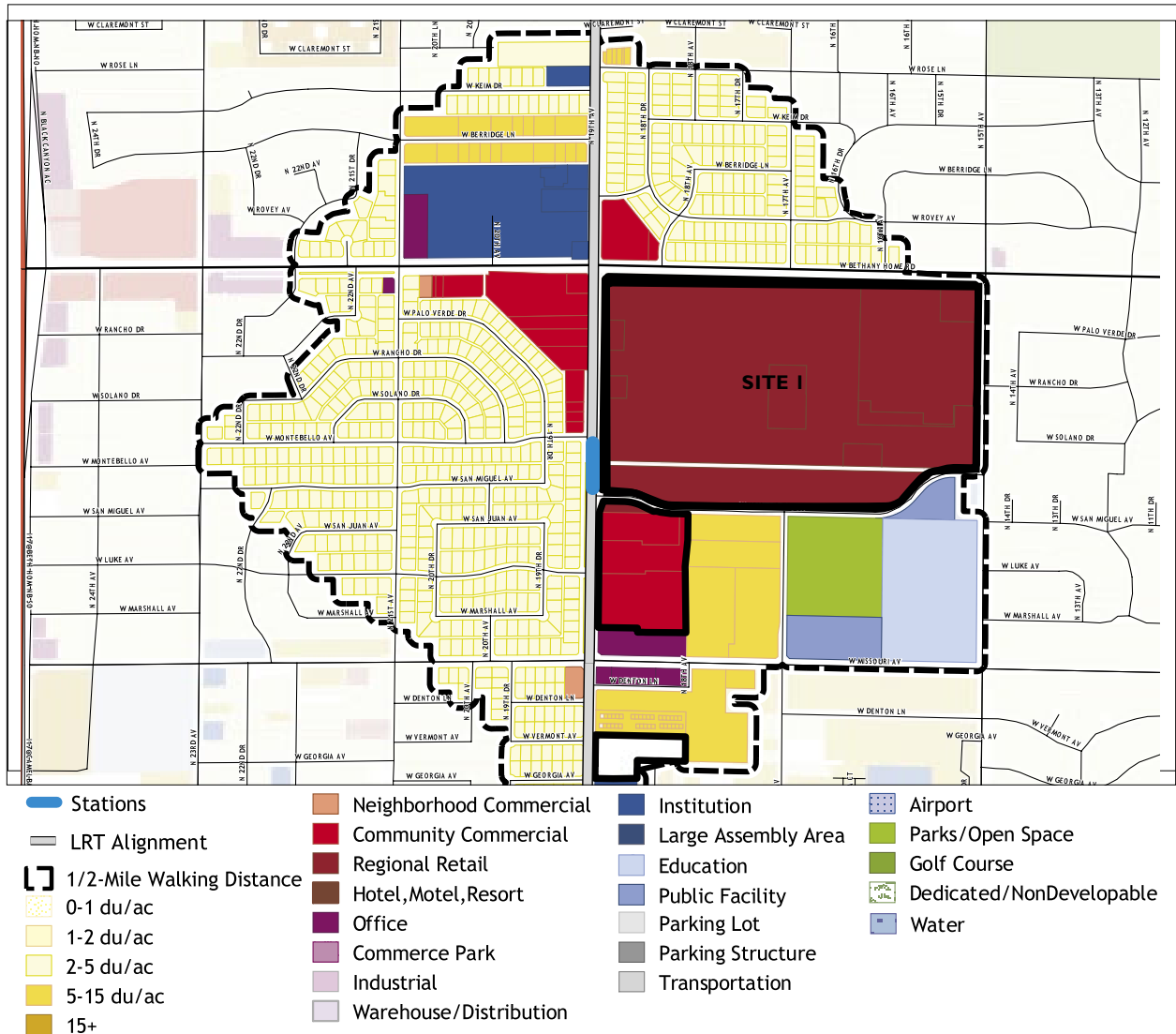
This opportunity site is located at the southeast corner of 19th Avenue and Bethany Home Road, just north of Montebello Avenue and across Montebello from the property planned for an 825-space park-and-ride facility for this interim terminal station (the LRT is planned to extend beyond this station in the future). The site is currently occupied by the Spectrum Mall shopping center and several retail buildings on pad sites along both 19th Avenue and Bethany Home Road. Other major features in the station area include the Phoenix Baptist Hospital and Bethany Medical Institute, and a number of associated medical office buildings, in addition to residential neighborhoods in all directions. The site is located within 3/4 mile of the Black Canyon Freeway exit on Bethany Home Road, and both Bethany Home Road and 19th Avenue are significant traffic routes in this area of Phoenix, so visibility and accessibility at this site are strong.

The site is very large, at over 80 acres, with roughly 2,500 linear feet of frontage on Bethany Home Road and 1,400 linear feet of frontage on 19th Avenue. The site should be relatively easy to develop, as it is comprised of only nine separate parcels held by

five different ownership entities, is flat and features a substantial amount of surface parking for the existing retail uses.

WHY THIS SITE IS IMPORTANT

This site is important because it is a very large parcel of highly visible land adjacent to the terminal station of the LRT system. The site includes a large area of surface parking that is not always used to capacity. Market analysis indicates that this site is among the most competitive sites in the entire LRT system for attracting new retail development, and also could attract residential development. An increase in density and/or activity at this location can contribute strongly to ridership of the LRT system, both because of direct additions to local population and employment and because of the broader positive impact of an improved perception of the local area among potential LRT riders from throughout northwestern Phoenix. Development on the site could also help with the ongoing re-positioning and revitalization of the Spectrum Mall, and help to ensure that this area remains competitive as a retail location and continues to contribute to the City of Phoenix's tax base while meeting the economic desires of the Mall's owner and tenants.

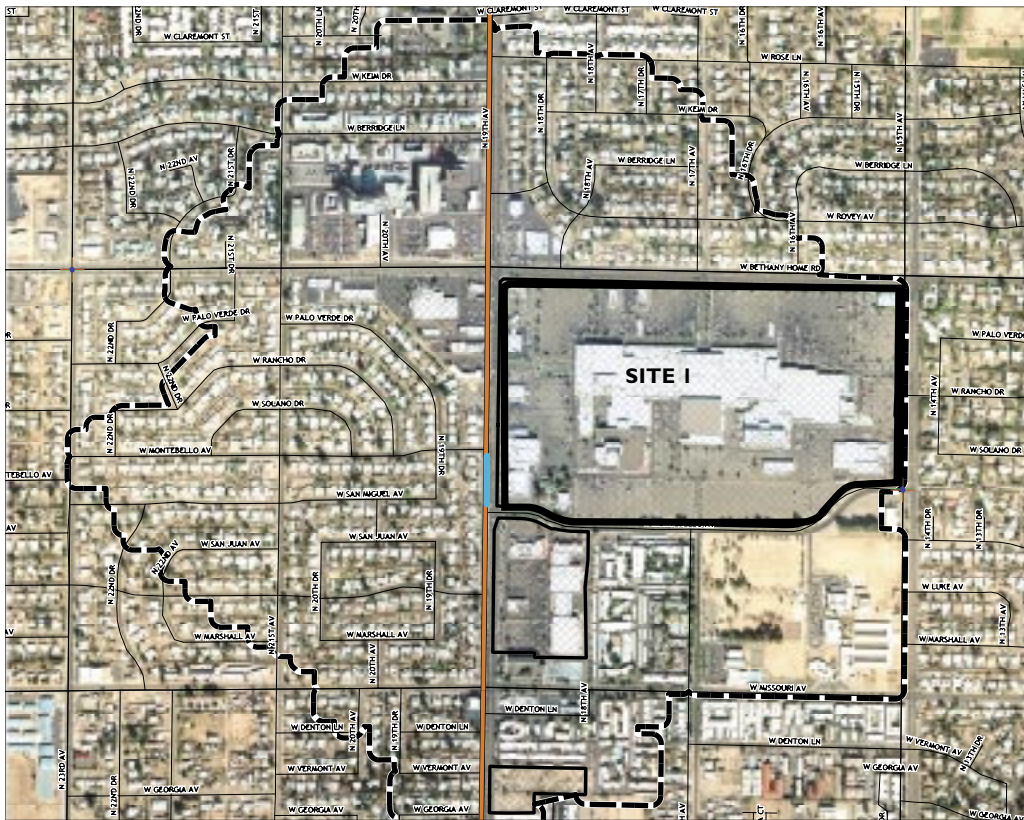


POTENTIAL DEVELOPMENT PROGRAM

The potential development program for this opportunity site consists of 233 for-sale townhomes with attached garages, as well as 420,000 square feet of new retail space served by surface and deck (two-level) parking, which also provides ‘replacement’ parking to serve retail uses in the existing Mall buildings that would remain. The townhomes are shown across the southern edge of the site, along the Montebello Avenue frontage and across the street from the future location of the LRT park-and-ride facility. The new retail uses are shown along the 19th Avenue and Bethany Home Road frontages, which are now serving as surface parking spaces.

WHY THE POTENTIAL DEVELOPMENT PROGRAM IS IMPORTANT

This development program would intensify the use of the Spectrum Mall site, which is now largely used for surface parking. The development would create a stronger presence and definition along the street frontages by replacing surface parking with buildings that relate to the streets and sidewalks. These effects would enhance the pedestrian experience in this terminal LRT station area, and potentially contribute to LRT ridership. The residential development itself has been shown by MAG models to contribute significantly to ridership projections for the 19th and Montebello station, and could also enhance patronage for the existing and future retail uses on the site and in the station area generally.



AERIAL PHOTO

In addition, this development program capitalizes on near-term market opportunities, by emphasizing retail and for-sale housing development, both of which have achievable prices that appear to make development feasible during the next few years. These uses are low-scale (not more than two stories) and compatible with the existing development pattern of the neighborhood.

ALTERNATIVE DEVELOPMENT PROGRAMS

Under current market conditions, the revenues that could be generated by office developments would not meet their costs, so office uses were considered infeasible. It is unlikely that this site will be a major office location in the foreseeable future, given the high availability of land in already established office submarkets such as Central Avenue, the Gateway area, and other areas throughout the region. Low-rise apartments may be feasible with surface parking, but appear infeasible with deck or structured parking.

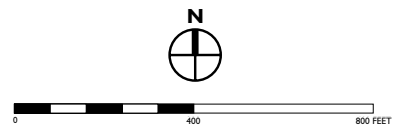
The wholesale demolition and redevelopment of the Spectrum Mall property also seems unlikely in the foreseeable future, given both market conditions and the ongoing reinvestment in the property by its owners and tenants. However, over the long-term (20+ years), it is possible that the Spectrum Mall and its surrounding retailers will be redeveloped, either as a retrofit of the existing buildings (as occurred at the Park Central property on Central Avenue) or as a demolition and redevelopment of the site (as is occurring at the former Tri-City Mall in Mesa). The wholesale redevelopment of this opportunity site may involve the replacement of the existing uses with a large-scale, mixed-use “town center” including townhome and low-rise multi-family housing units, community retail, low- and mid-rise office, mixed-use buildings (housing over retail), and structured parking. Under near-term conditions, this program did not achieve feasibility due to weaknesses in the station area’s rental housing and office markets, as well as the significant costs of required lease buyouts, demolition, and structured parking. Improvements

ILLUSTRATIVE CONCEPT PLAN



LAND USE LEGEND

	RETAIL		OFFICE
	MIXED-USE (HOUSING OVER RETAIL)		INDUSTRIAL
	MULTI-FAMILY RESIDENTIAL		PARKING
	TOWNHOMES/SINGLE-FAMILY		PARKING WITH ADDITIONAL USE
	TRANSIT/PUBLIC		OPEN SPACE



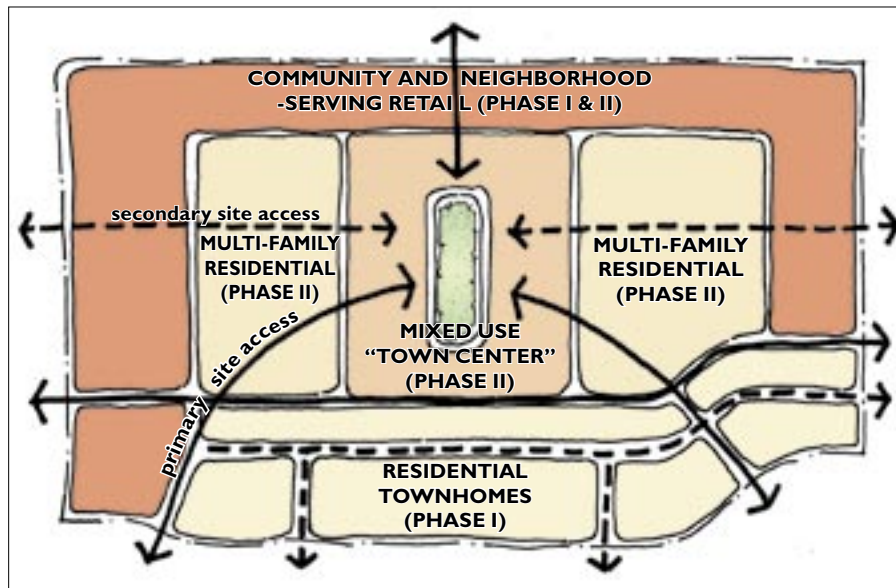
DEVELOPMENT SUMMARY

Residential

Townhomes.....	233 units
Total	233 units
Parking Provided	466 spaces

Retail

Exist'g Mall Retail (Regional-Serving).....	771,000
New Mall Retail (Regional Serving)	110,000
Exist'g Non-Mall Retail (Community-Serving).....	36,000
New Non-Mall Retail (Neighborhood Serving).....	310,000
Total	1,227,000 sf
Parking Provided	5,305 spaces



PHASING DIAGRAM

in the economy paired with the end of the existing buildings' useful life cycles could alter these relationships in the future. Still the configuration of townhomes and decked parking areas should be designed to begin creating a system of blocks and streets within the site that could be expanded to cover the entire site in the future.

PRELIMINARY IMPLEMENTATION CONSIDERATIONS AND RECOMMENDATIONS

SPECIAL CONDITIONS

This development program requires the displacement of existing surface parking spaces currently available to the Spectrum Mall and other retailers on the site. A parking utilization study could determine if the spaces being displaced are actually surplus spaces that seldom are required by shopping patrons. The City should work with the property owner to determine the scope for a parking study and ensure that it addresses the concerns of the owner, businesses at the Mall, and surrounding residents. It may also be necessary to provide for some replacement of the displaced spaces, which would be achieved most cost-effectively in deck parking (two-levels) linked to the development of new retail space. Care must be taken to ensure that neither the new retail development nor the parking decks significantly reduce access or visibility for the Spectrum Mall and its tenants. This is achievable by

designing enhanced entry ways off of 19th Avenue and Bethany Home Road. These considerations are less problematic along the Montebello Avenue frontage, where townhome development may be pursued, because Montebello is not a major entry road for the Spectrum Mall.

PARCEL ASSEMBLY

Because this property will not be acquired for any LRT facilities, there is no need for the public sector to participate in the assembly of the property. The development envisioned for this site could be accomplished by the joint efforts of the existing property owners.

PROPERTY DISPOSITION

The redevelopment of this property would most likely occur through the efforts of the current property owners and any other private developer partners that may wish to participate (e.g., a housing developer). The City can provide assistance in the property owners' solicitation of development partners or tenants, including brokering relationships among potential partners or issuing requests for proposals.

DEVELOPMENT PHASING

This development program can be phased to reduce negative impacts on existing tenants and properties and to enhance the feasibility of the development.

The initial phase of the development should be the townhomes on the southern edge of the site along Montebello Avenue, which may displace some mall parking but would likely have minimal affect on the performance of the mall. The infill of the 19th Avenue and Bethany Home Road is likely to be more opportunistic, as specific retail tenants express interest in locating at the site, or as market conditions improve for speculative multi-tenant retail development. With each additional retail development, the need for replacement parking must be assessed for the overall retail development, and there may come a time in which the addition of new retail space triggers a need for significant investment in structured parking, which will only be feasible if retail rents are sufficiently strong.

DEVELOPMENT FUNDING

This development program could be accomplished through private developer actions, but may face feasibility obstacles in the near term. The public sector may have resources available that can offset some of the costs of the development. For instance, economic development incentives such as Community Development Block Grants or low interest loans could be used to offset some of the costs of the parking structure. The City could provide streetscape and pedestrian enhancements to support connections between the light rail station and the Mall site, thereby removing that cost from the development project. The City may have access to federal funding sources related to transit-oriented development that can be used, particularly for the residential component of the development project. Tax abatement agreements are not applicable under current or foreseeable circumstances, as the designation of the station area as both a Redevelopment Area and a Central Business District would be required.

PLANNING EFFORTS

As mentioned above, the City of Phoenix can offer to assist in a parking utilization study to understand the actual usage of the surface parking spaces that currently exist on the site. These efforts may illustrate to the property owner or tenants the effect that the elimination or relocation of parking spaces will have on their operation, and also provide neighborhood stakeholders valuable information regarding parking

and traffic impacts from the new development. In the future, the City can also implement reductions to the required parking ratios for new development, to account for the presence of the light rail service and the potential for shared parking between uses with peak parking requirements at different times of day.

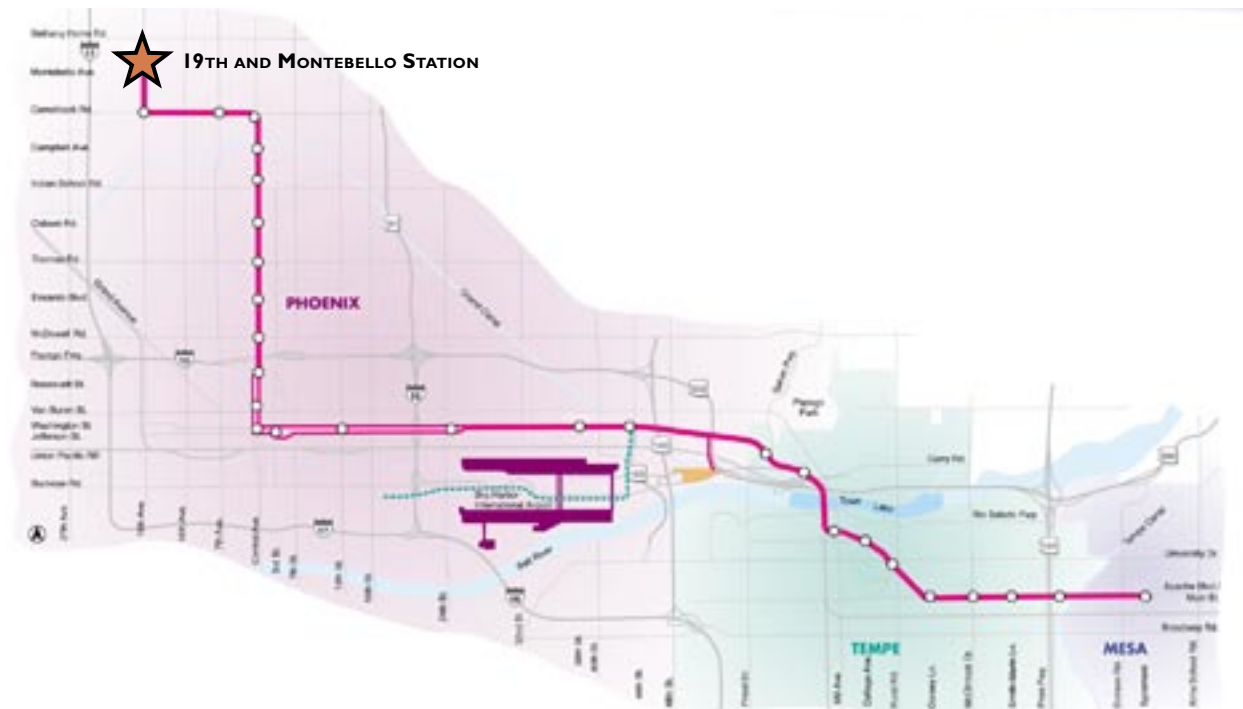
It is also particularly important for the City to undertake a station area planning effort for the area around the station, including this opportunity site. Such a plan can build from the extensive efforts of the City in the Transit Oriented Development (TOD) zoning overlay process. The station planning effort will allow the community to proactively participate in the planning for the station area by clearly defining a set of community goals and objectives for the larger station area and facilitating the creation of a plan that achieves the community's goals as well as the economic goals of the property owners and businesses at the mall. The TOD Interim Overlay Zone will address many of the setback, parking, and other zoning standards that are necessary to allow the development concept to be realized. But the mixed-use nature of the development concept will require a rezone in order to allow residential uses along the southern portion of the site, as the current PSC zoning for the mall does not allow residential use and the TOD Overlay will not be adding to the allowable uses for the property. This effort could also establish site specific design guidelines for the opportunity site to support the creation of a pedestrian-oriented development project and streetscape.

SUMMARY TABLE

19th and Montebello—Site I 80 acres, Spectrum Mall, 5 owners	
Implementation Issue	Recommended Strategy
Potential Development Program	<ul style="list-style-type: none"> • Infill of Spectrum Mall surface parking lot • 233 for-sale townhomes with attached garages • 420,000 SF retail with surface and deck parking
Alternative Development Possibilities	Low-rise apartments may be feasible with surface parking, but office uses are not considered feasible in near-term. In long-term, program could include apartments and mixed-use buildings, and could include the redevelopment of the entire Spectrum Mall site, implying the demolition of the Mall.
Special Conditions	Development on current parking lot needs to be studied and planned to avoid neighborhood traffic or parking problems, as well as to avoid adverse affects retailers.
Parcel Assembly	Assembly not required. Development program can be pursued on parcels as currently owned and configured with care taken to maintain parking that may be required by lease agreements with major retailers.
Property Disposition	No public ownership of property is required, so development would be pursued by private sector. However, City can encourage development through discussions with property owners or assistance in establishing development partnerships.
Development Phasing	<ol style="list-style-type: none"> 1) Develop townhomes on site’s southern edge with appropriate parkign maintained for retail 2) Develop deck or structured parking for mall and outparcel tenants 3) Develop retail along 19th Ave. and Bethany Home Rd. frontages
Development Funding	Residential development should be feasible on its own. Cost of structured replacement parking for retail uses will be high, and may require deferral of development until retail rents can support structured parking.
Planning Efforts	<p>City should prioritize station area planning at this station as it includes two priority opportunity sites.</p> <ol style="list-style-type: none"> 1) The City can offer to assist the property owner in undertaking a parking utilization study to determine the extent of excess capacity on Spectrum Mall site, and what impact development on surface lots may have on neighborhood streets. 2) Rezoning for the site could occur as part of the larger station area planning study or in a separate effort following the completion of the station area plan. 3) Design guidelines to support a pedestrian-supportive environment could be part of an effort to create guidelines for all the City’s station areas. 4) As part of these efforts a reduction in parking ratios should be considered in station area.

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19TH AND MONTEBELLO—SITE 2



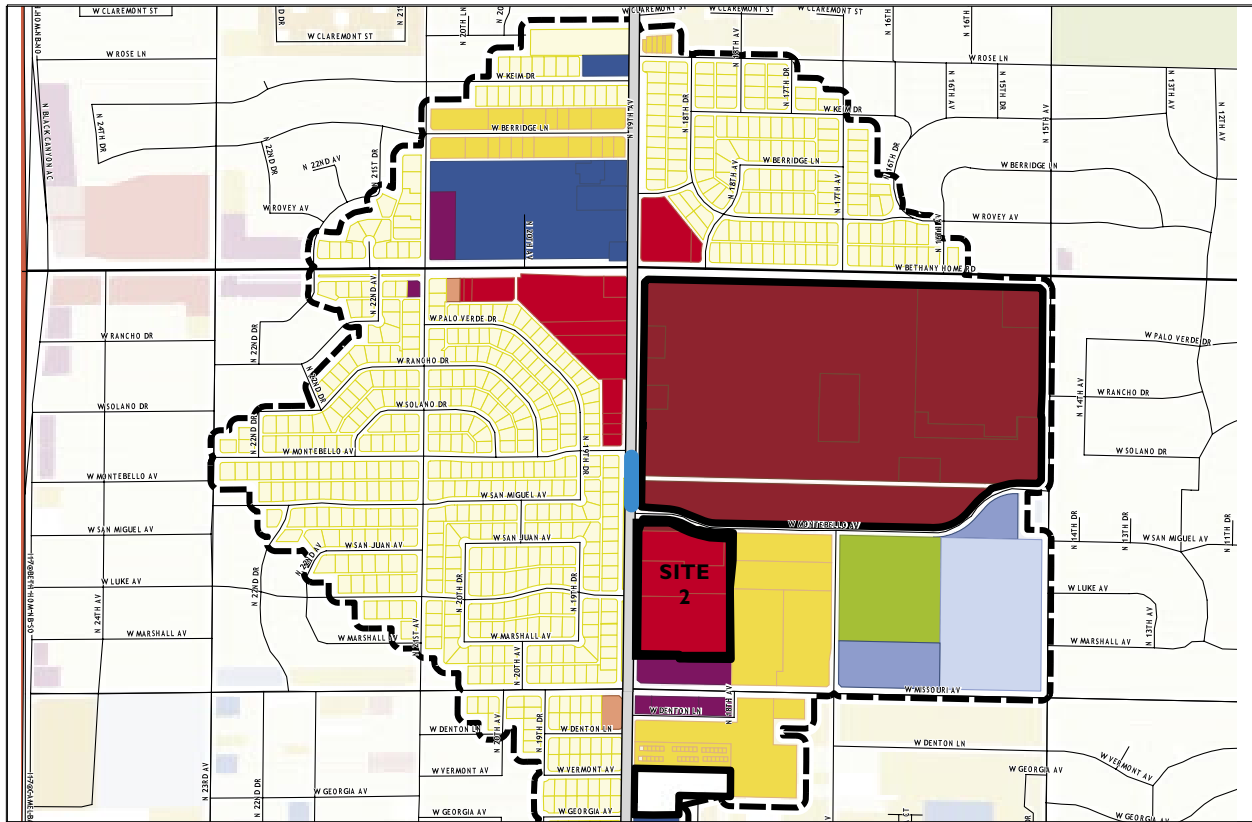
OPPORTUNITY SITE DESCRIPTION

This opportunity site is located at the southeast corner of 19th Avenue and Montebello Avenue, and is currently occupied by the Chris-Town Plaza shopping center and several retail buildings on pad sites along 19th Avenue. Other major features in the station area include the Spectrum Mall, the Phoenix Baptist Hospital and Bethany Medical Institute, and a number of associated medical office buildings, in addition to residential neighborhoods in all directions. The site is located within one mile of the Black Canyon Freeway exit on Bethany Home Road, and both Bethany Home Road and 19th Avenue are significant traffic routes in this area of Phoenix, so visibility and accessibility at this site are strong.

The site is planned to be acquired by the City of Phoenix for the development of an 825-space park-and-ride facility at this terminal LRT station. The site is large, at roughly 11 acres, and has roughly 800 linear feet of frontage on 19th Avenue. The site should be relatively easy to develop, as it is flat and features a substantial amount of surface parking for the existing retail uses.

WHY THIS SITE IS IMPORTANT

This opportunity site will be the location of the terminal LRT station and park-and-ride facility in northwest Phoenix. LRT ridership is expected to be strong at this station, and will attract commuters from throughout northwestern Phoenix in addition to the immediate station area. The development of a functional park-and-ride facility will be key at this location, but the attractiveness and functionality of the system can also be enhanced through the development of other amenities and services. Market and feasibility analyses indicate that this opportunity site has stronger-than-average potential for near-term development, especially for retail uses. Such development can offset some of the costs associated with the acquisition of the property and development of the park-and-ride facility. Community and convenience retail uses may be particularly appropriate for this site to capitalize on the drawing power of the Spectrum Mall immediately north of the site and, eventually, to capture sales opportunities associated with the transit riders.



- | | | | |
|---------------------------|-------------------------|---------------------|--------------------------|
| Stations | Neighborhood Commercial | Institution | Airport |
| LRT Alignment | Community Commercial | Large Assembly Area | Parks/Open Space |
| 1/2-Mile Walking Distance | Regional Retail | Education | Golf Course |
| 0-1 du/ac | Hotel, Motel, Resort | Public Facility | Dedicated/NonDevelopable |
| 1-2 du/ac | Office | Parking Lot | Water |
| 2-5 du/ac | Commerce Park | Parking Structure | |
| 5-15 du/ac | Industrial | Transportation | |
| 15+ | Warehouse/Distribution | | |

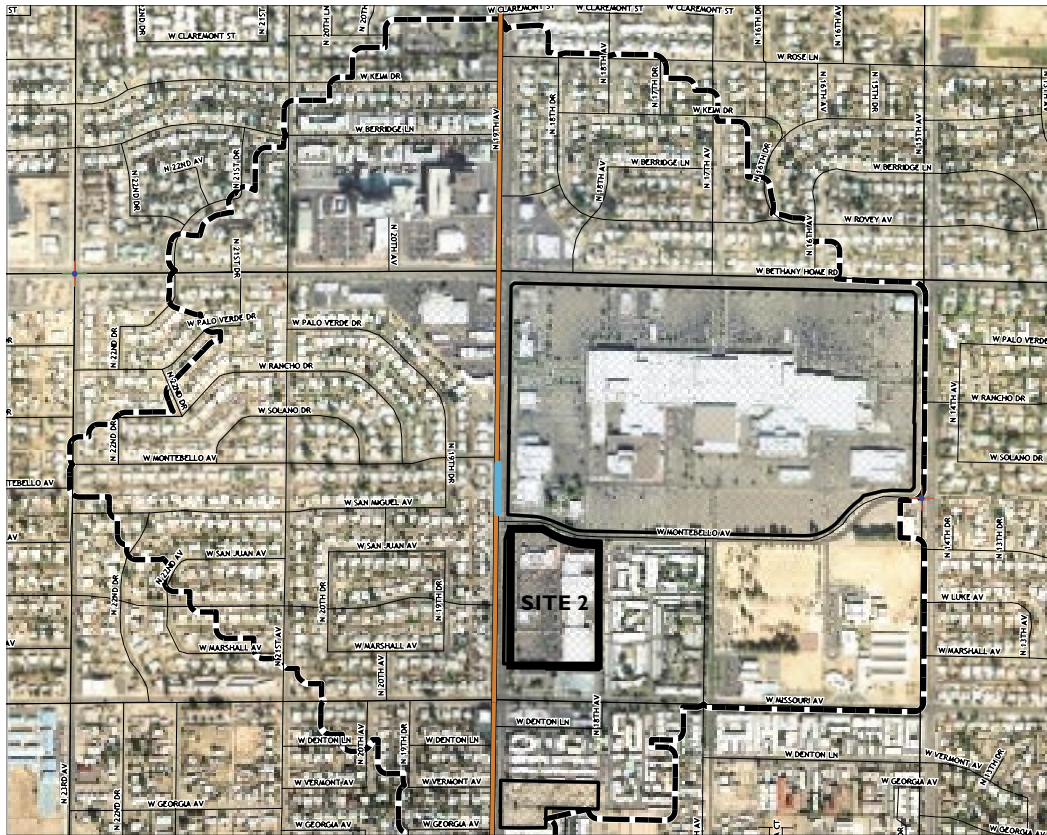
POTENTIAL DEVELOPMENT PROGRAM

The potential development program for this opportunity site consists of the 825-space surface park-and-ride lot, plus 60,200 square feet of retail space served by additional surface parking. Parking will need to be clearly signed for light rail riders and for retail patrons in order to insure that adequate parking is available for retail patrons. This will also require on-going enforcement of the parking restrictions. This scale of retail development would be too small for most new supermarket buildings, but cannot be expanded without utilizing structured parking, which would be much more costly. Therefore, the site plan shows a number of smaller buildings for multiple tenants, rather than a single building for one large tenant. The new retail buildings would be most

suitable for a variety of convenience and community retailers, similar to those currently occupying a building that will be demolished for the park-and-ride lot. The new retail uses are shown along the 19th Avenue frontage creating a more pedestrian-friendly environment near to the light rail station, with surface parking located behind the buildings.

WHY THE POTENTIAL DEVELOPMENT PROGRAM IS IMPORTANT

The development of retail space on this opportunity site serves several important purposes. By accommodating the development of a building type that is marketable and feasible in the station area and on this specific site, proceeds from joint development can be used to offset some of the costs of acquiring the



AERIAL PHOTO

site and building the park-and-ride lot for the LRT system. The retail uses, with multiple accessways to the parking behind, can create a more vibrant and pedestrian friendly edge to the 19th Avenue frontage, that will make the site more attractive than if a surface parking lot occupied the frontage. The improved pedestrian environment created by retail uses fronting the street will be supportive of pedestrians from the surrounding neighborhoods who choose to walk to the station, and thereby enhance LRT ridership. This pedestrian-supportive environment will also support desired changes on the Spectrum Mall site to the north. Finally, this development program, while conservative, will likely be relatively easy to develop with a high probability of success setting the tone for other, more difficult joint development projects elsewhere in the LRT Corridor.

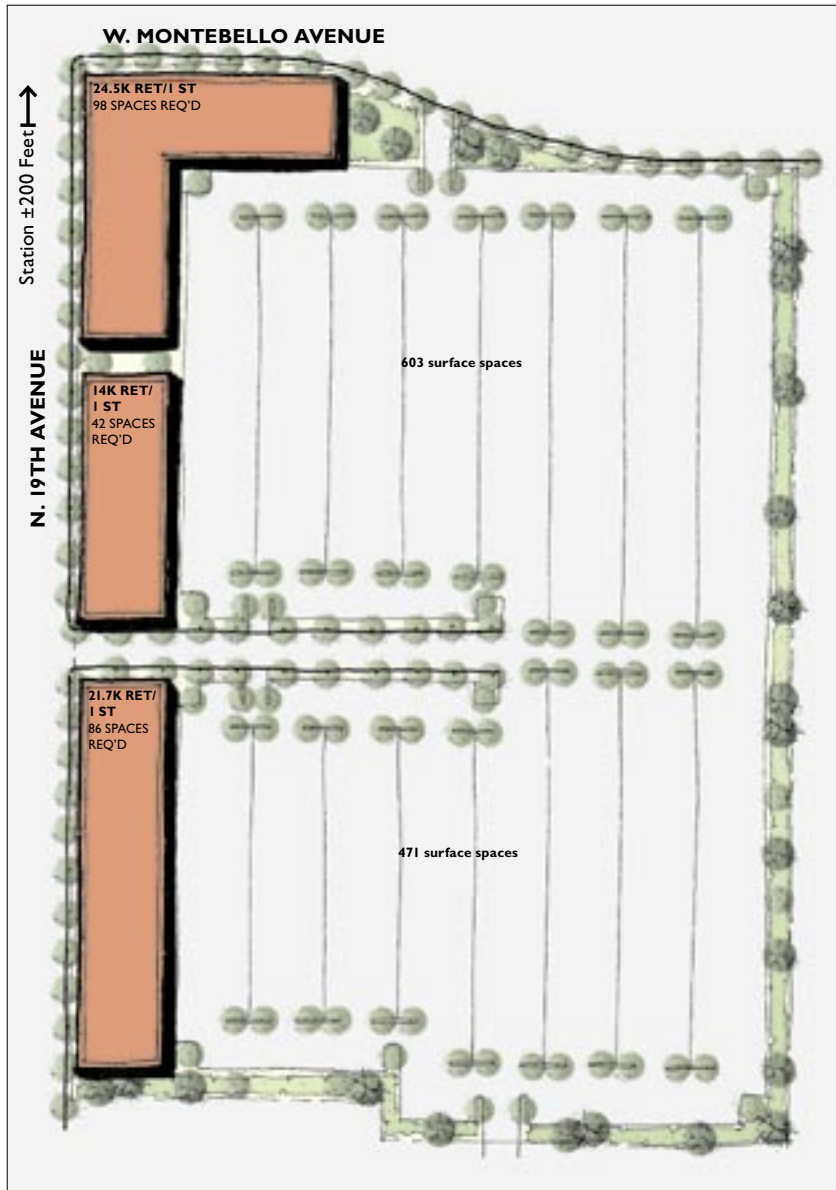
ALTERNATIVE DEVELOPMENT PROGRAMS

The development program described above is conservative, as it leaves much of the opportunity site as a surface parking lot but does accommodate

the scale of development and parking that can be feasible in the near-term. With improvements in the economy and/or the success of the first phase of the project, it may be possible to expand the development program to include additional retail space (see full build-out illustrative plan). This expansion of the retail space would necessitate the use of deck parking (two-levels) to serve the retailers and the park-and-ride facility. Because deck parking is more costly than surface parking, retail rents would need to increase from their current levels to achieve feasibility for such a development. However, that longer-term development could potentially provide a large enough building for a supermarket, which would enhance the attractiveness and convenience of the total development program for local residents and park-and-ride patrons alike.

This deck parking program could be achieved through a long-term increase in achievable rents for retail space or through additional near-term public investment in the parking. The near-term subsidy approach would cost Valley Metro Rail and the City more money up

ILLUSTRATIVE CONCEPT PLAN—INITIAL DEVELOPMENT

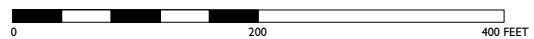


Retail	
Neighborhood Serving Retail (Stand Alone)	60,200 sf
Total	60,200 sf
Parking Provided	240 spaces

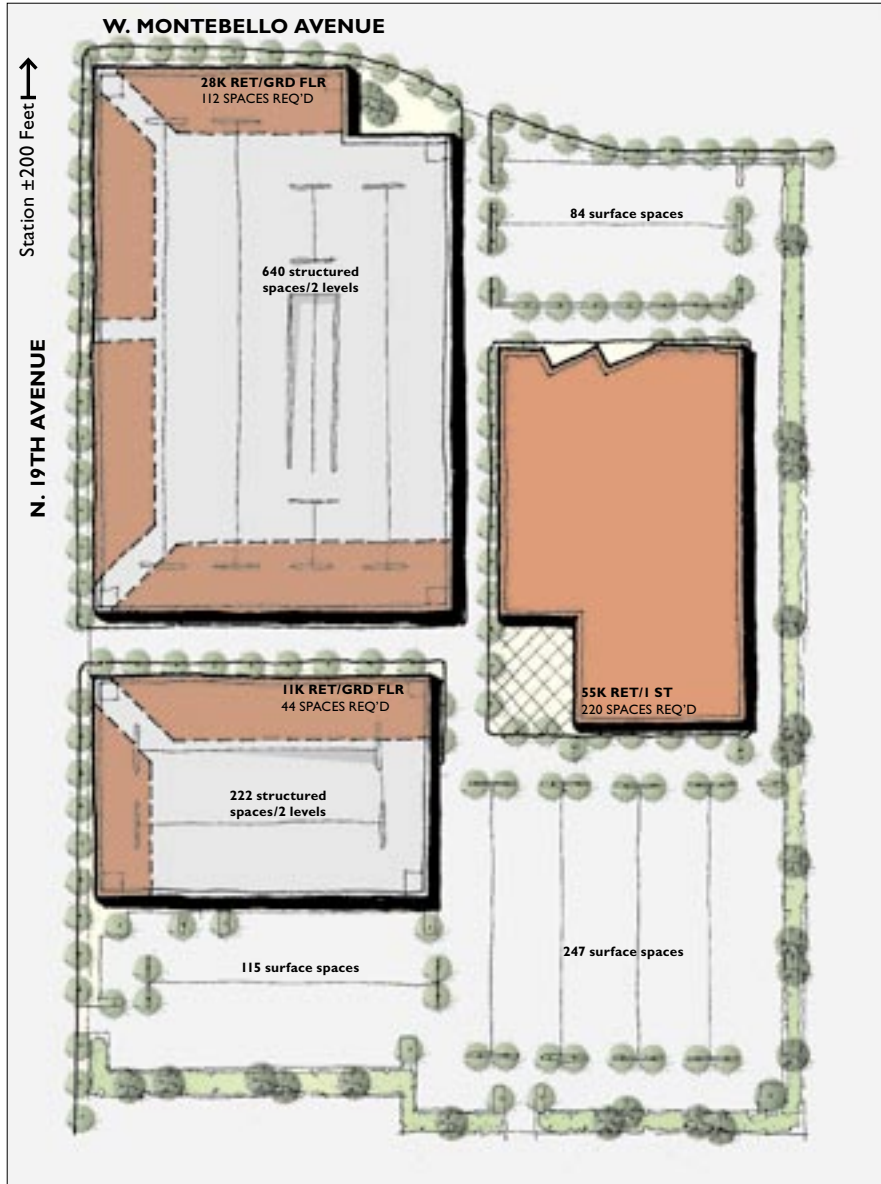
Park and Ride	
Surface	825 spaces
Total	825 spaces

LAND USE LEGEND

- RETAIL
- MIXED-USE (HOUSING OVER RETAIL)
- MULTI-FAMILY RESIDENTIAL
- TOWNHOMES/SINGLE-FAMILY
- TRANSIT/PUBLIC
- OFFICE
- INDUSTRIAL
- PARKING
- PARKING WITH ADDITIONAL USE
- OPEN SPACE



ILLUSTRATIVE CONCEPT PLAN—FULL BUILDOUT



LAND USE LEGEND

- RETAIL
- MIXED-USE (HOUSING OVER RETAIL)
- MULTI-FAMILY RESIDENTIAL
- TOWNHOMES/SINGLE-FAMILY
- TRANSIT/PUBLIC
- OFFICE
- INDUSTRIAL
- PARKING
- PARKING WITH ADDITIONAL USE
- OPEN SPACE

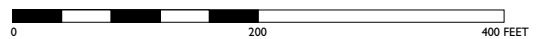
DEVELOPMENT SUMMARY

Retail

Neighborhood Serving Retail (Stand Alone).....	39,000 sf
Community Serving Retail (Stand Alone).....	55,000 sf
Specialty Retail/Restaurant/Entertainment.....	7,000 sf
Total	101,000 sf

Park and Ride

Surface	200 spaces
Structured.....	625 spaces
Total	825 spaces



front, but would have a more dramatic and positive impact on the station area generally and on transit ridership in particular. Alternatively, the additional retail development could become feasible when the LRT system extends past this station area, if that extension causes this station to no longer require 825 park-and-ride spaces. In that event, added retail space may be able to utilize surface parking only, which would significantly reduce development costs.

Other uses were also considered for this opportunity site, including rental low-rise multi-family housing, for-sale townhomes, and mixed-use housing over retail. Both types of residential-only development appear to be feasible if surface parking can be provided, and an alternative development program focused on such residential uses could be conceived and pursued. Compared to retail, residential development would not provide a strong amenity for park-and-ride commuters, though it could enhance transit ridership by providing housing within very easy walking distance from the station. However, aesthetic and noise and traffic conflicts between new residents and park-and-ride patrons may be problematic. Mixed-use housing over retail does not appear feasible in the near term, due to the cost of structured parking typically associated with that type of building. Over the longer term, increased achievable housing and retail price points may allow for mixed-use development to be feasible.

PRELIMINARY IMPLEMENTATION CONSIDERATIONS AND RECOMMENDATIONS

PARCEL ASSEMBLY

The acquisition and redevelopment of this site — including buyout of existing leases, demolition of structures, and creation of a surface parking lot — are already planned to occur within the context of the LRT park-and-ride development.

PROPERTY DISPOSITION

Through discussions with the existing property owner, the City has already begun the process of negotiating the acquisition of the site. Concurrently, the City should consider the merits of various disposition approaches for the eventual development of the site, including ground leasing versus land sale arrangements and possible revenue participation with the owners or tenants of new buildings. Based on the

preferred disposition strategy, the City may choose to negotiate with any number of potential development partners, and may need to issue Requests for Proposals or other solicitation documents. Terms of the business arrangement must then be negotiated between the development partners.

DEVELOPMENT PHASING

The phasing of the near-term development program is fairly straightforward. The site must be acquired or otherwise secured through lease arrangements by the City of Phoenix, and the existing uses demolished before the development of the park-and-ride lot and any new retail buildings can commence. These actions can begin at any time, as the market conditions for the site appear to be adequate to begin retail development in the near-term. A longer-term development program may involve more intricate phasing, as some surface replacement parking may be required during the construction period for the park-and-ride parking deck. If the park-and-ride facility at this station is expected to be reduced or eliminated when the LRT system extends to the north in later years, it will be most cost effective to construct the initial retail and surface parking and add more retail on the then-available surface parking spaces in future years, without ever constructing a deck or structured parking facility.

DEVELOPMENT FUNDING

The initial funding requirement for this opportunity site will be used to acquire the site. Federal funds from the light rail project may be available for these purposes, but additional funding sources may need to be identified and secured, such as Community Development Block Grants, local capital improvement funds, etc. The value of the initial retail development program should be able to support the costs of a surface park-and-ride facility, but a deck parking structure in the full build-out scenario would require either increases in market values for retail space or additional public subsidy, which would need to be identified and secured.

PLANNING EFFORTS

Streetscape and pedestrian access improvements associated with the LRT platform and access to the park-and-ride facility should be planned to support retail uses on this site and connections to the Spectrum Mall.

SUMMARY TABLE

19th and Montebello—Site 2 11 acres, Chris-Town Plaza, 1 owner	
Implementation Issue	Recommended Strategy
Potential Development Program	<ul style="list-style-type: none"> • Redevelopment of Chris-Town Plaza shopping center • 60,200 SF retail with surface parking • 825-space surface park-and-ride facility
Alternative Development Program	Townhomes and low-rise apartments with surface parking may be feasible in near-term. In long-term, additional retail or mixed-use buildings with structured parking may be feasible, especially if station is no longer terminal station and park-and-ride lot is reduced.
Special Conditions	None identified.
Parcel Assembly	Opportunity site will be assembled and acquired by City for LRT park-and-ride.
Property Disposition	City should negotiate business terms for site acquisition (land sale vs. lease), then solicit for developer partners and determine roles and responsibilities.
Development Phasing	<ol style="list-style-type: none"> 1) Assemble parcels 2) Demolish existing structures 3) Develop retail buildings and surface parking and park-and-ride lot 4) Develop additional retail or residential if park-and-ride is no longer needed or if values can support structured parking costs.
Development Funding	Residential, retail, and mixed-use buildings all appear feasible in near-term, but public funding will be required for site acquisition and park-and-ride construction. Less expensive surface park-and-ride can be built and replaced with structure as land values increase in future, but may defer or preclude more dense use of the site.
Planning Efforts	<p>City should prioritize station area planning at this station as it includes two priority opportunity sites.</p> <ol style="list-style-type: none"> 1) Rezoning for the site could occur as part of the larger station area planning study or in a separate effort following the completion of the station area plan. 2) Create design guidelines to support a pedestrian-supportive environment could be part of an effort to create guidelines for all the City’s station areas. 3) Streetscape improvements may be required to create pedestrian-friendly environment that supports transit usage.

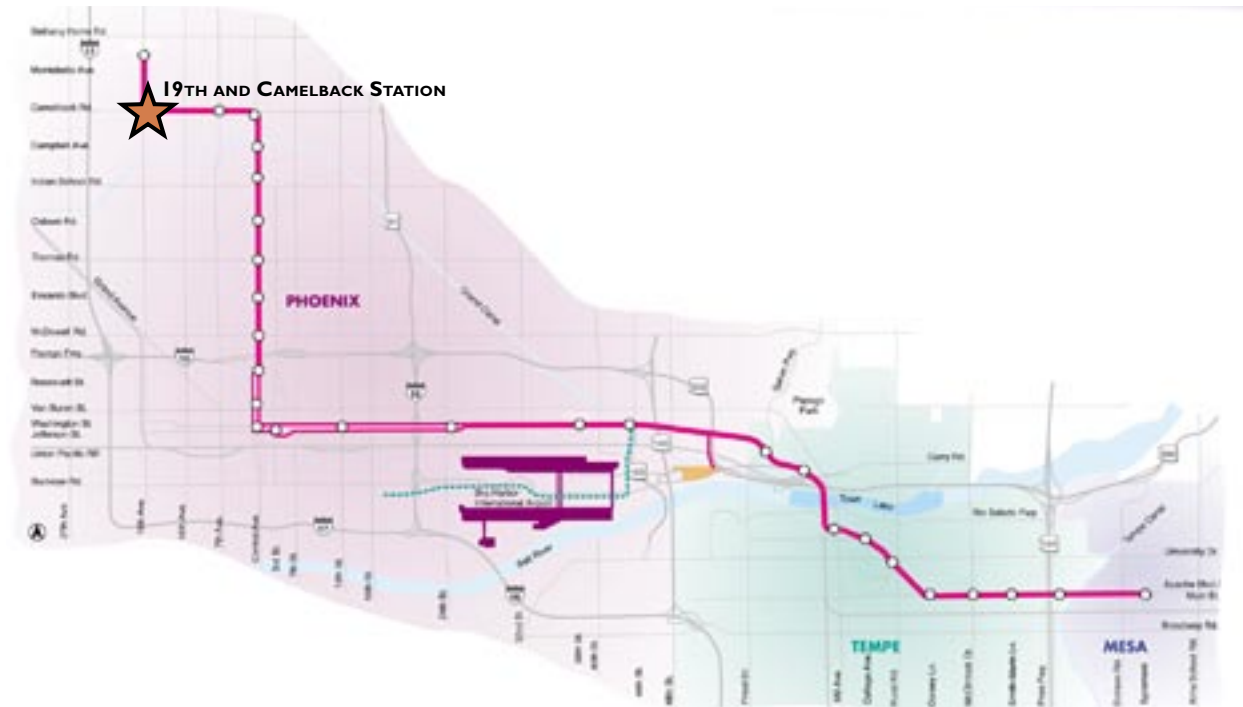
It is also particularly important for the City to undertake a station area planning effort for the entire area around the station, including this opportunity site. Such a plan can build from the extensive efforts of the City in the Transit Oriented Development (TOD) zoning overlay process. The station area planning effort will allow the community to proactively participate in the planning for the station area by defining community goals and objectives for the station area, and facilitating the resolution of issues that are likely to emerge from potential impacts and benefits from the combined park-and-ride and retail

development of the site. The TOD Interim Overlay Zone will address many of the setback, parking, and other zoning standards that are necessary to allow a TOD development concept to be realized.

Following, or as part of, the station area planning effort the City could also establish site specific design guidelines for the station area and opportunity site to further support the creation of a pedestrian-oriented development project and streetscape.

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19TH AND CAMELBACK—SITE 2



OPPORTUNITY SITE DESCRIPTION

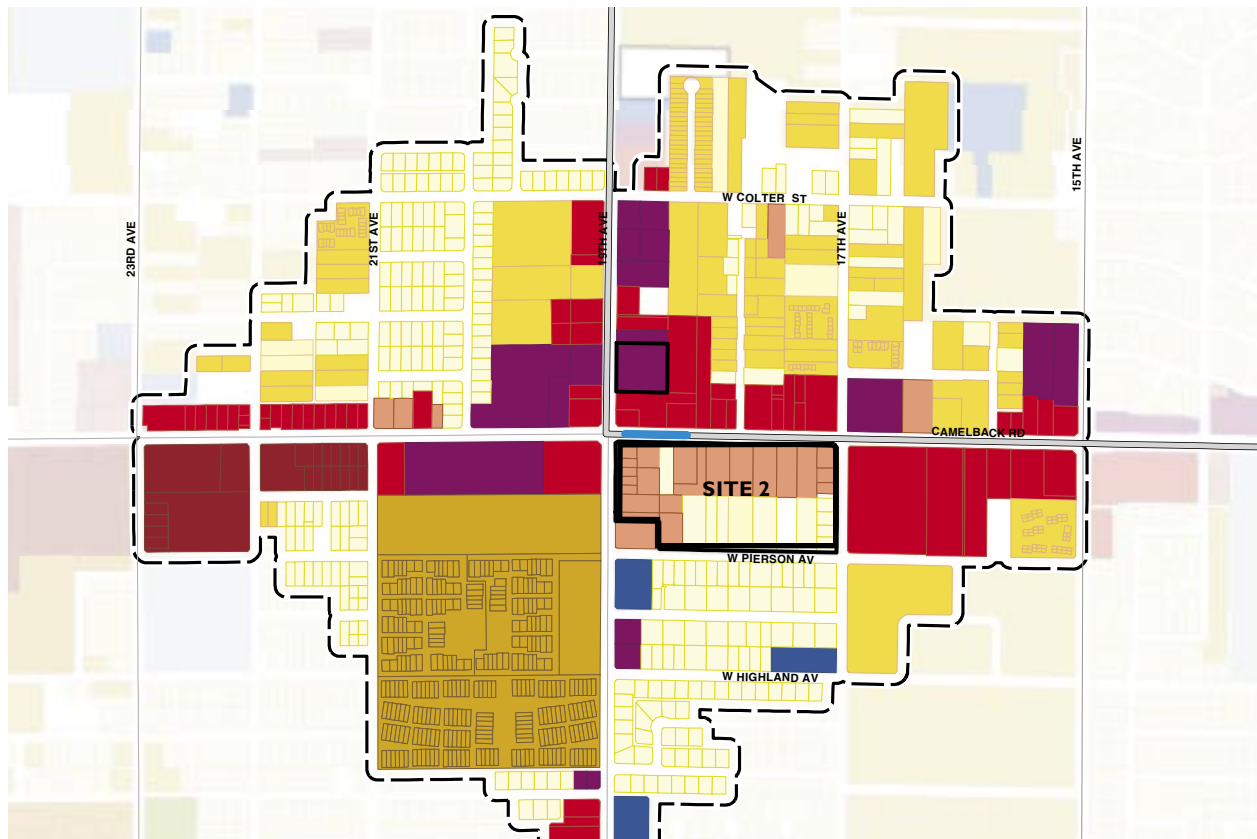
This opportunity site is located at the southeast corner of 19th Avenue and West Camelback Road, and includes all but one of the parcels on the entire block bounded by 19th Avenue, Camelback Road, 17th Avenue, and Pierson Street. The site is currently occupied by several low-scale retail buildings along the Camelback Road frontage, and a few small residences on the southern edge of the site along Pierson Street. Camelback Road is developed with commercial uses throughout this station area, while 19th Avenue has a mixture of commercial buildings and residential development. Beyond the commercial development at this prominent intersection are residential neighborhoods in all directions. The site is located within 3/4 mile of the Black Canyon Freeway exit on West Camelback Road, and both Camelback and 19th Avenue are significant traffic routes in this area of Phoenix, so visibility and accessibility at this site are strong.

A portion of this site is planned to be acquired by the City of Phoenix for the development of a 400-space park-and-ride facility for the LRT station. The opportunity site, as defined here, also includes other parcels that will not be needed for the park-and-ride lot, but could be assembled for a larger and more

attractive development site. The site is large, at roughly 14 acres, and has roughly 1,200 linear feet of frontage on Camelback Road. The site may be somewhat difficult to develop, because there are 32 separate parcels with 15 owners, and a number of existing commercial buildings and residences would need to be removed.

WHY THIS SITE IS IMPORTANT

While not the official terminal LRT station and park-and-ride facility in northwest Phoenix, this station area will attract significant ridership due both to the relatively dense residential neighborhoods and the ease of access from the Black Canyon Freeway. The development of a functional park-and-ride facility will be key at this location, but the attractiveness and functionality of the system can also be enhanced through the development of other amenities. Market and feasibility analyses indicate that this opportunity site has only average potential for near-term development, but such development can offset some of the costs associated with the acquisition of the property and development of the park-and-ride facility. Community and convenience retail uses may be particularly appropriate for this site, to extend and complement the commercial district along



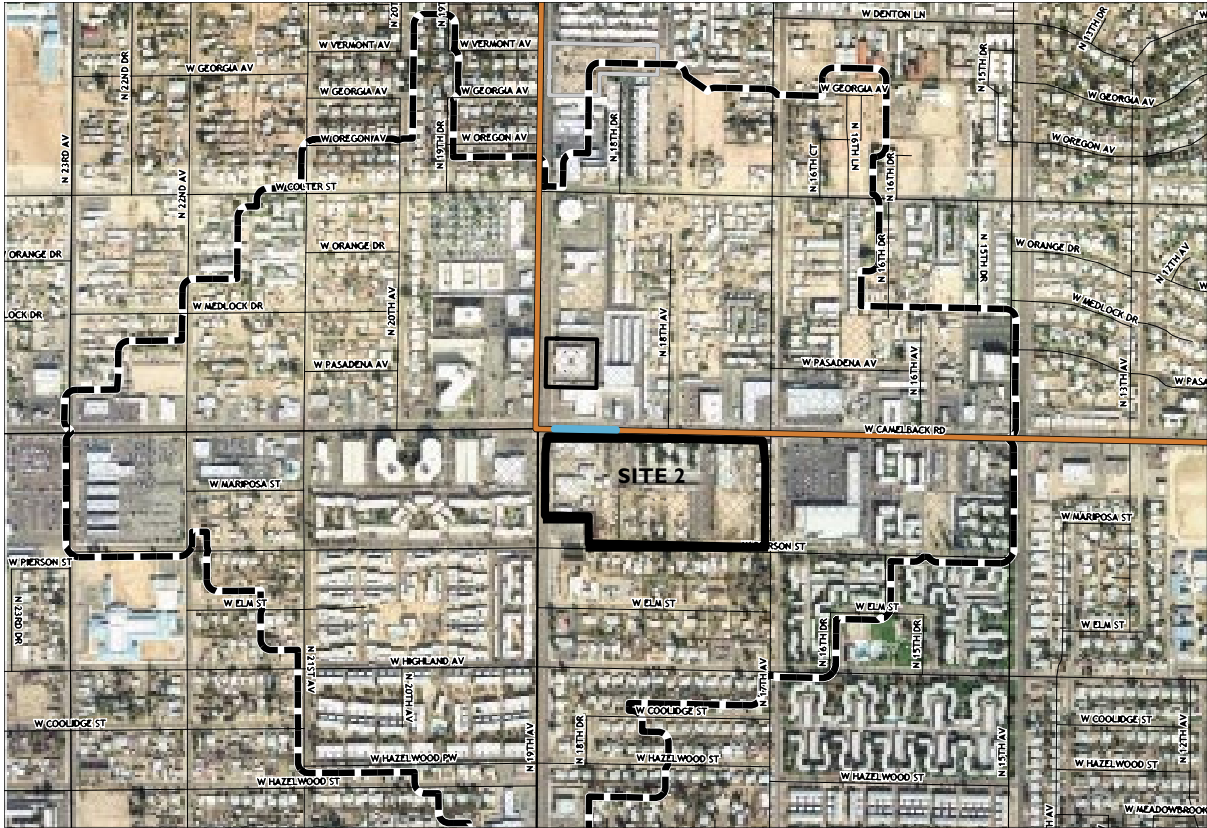
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|---------------------------|-------------------------|---------------------|--------------------------|
| Stations | Neighborhood Commercial | Institution | Airport |
| LRT Alignment | Community Commercial | Large Assembly Area | Parks/Open Space |
| 1/2-Mile Walking Distance | Regional Retail | Education | Golf Course |
| 0-1 du/ac | Hotel, Motel, Resort | Public Facility | Dedicated/NonDevelopable |
| 1-2 du/ac | Office | Parking Lot | Water |
| 2-5 du/ac | Commerce Park | Parking Structure | |
| 5-15 du/ac | Industrial | Transportation | |
| 15+ | Warehouse/Distribution | | |

Camelback Road and, eventually, to capture sales opportunities associated with the transit riders.

POTENTIAL DEVELOPMENT PROGRAM

The potential development program for this opportunity site consists of the 400-space surface and deck (two-level) park-and-ride facility, plus 101 low-rise rental multi-family units, 75,000 square feet of retail space, and several mixed-use buildings totaling an additional 88 rental units and 44,000 square feet of retail space. All of these developments would be served by surface parking. The site plan shows one large (50,000 square foot) retail building for a single tenant, plus a number of smaller retail buildings for multiple tenants. The new retail buildings would be most suitable for a variety of convenience and community retailers, similar to those currently

occupied buildings that will be demolished for the park-and-ride lot. The new retail uses are shown along the Camelback Road frontage, with surface parking located behind the buildings. Low-rise (2 and 3 story) rental apartment courts are located fronting onto W. Pierson Street, providing a transition in scale and use to the existing residential uses on the south side of the street. There is the potential for these new residences to increase traffic on Pierson Street, but the design of the access to parking behind the units will help to alleviate this potential traffic. Access to the parking is indicated off of 17th Avenue and from Pierson as close to 19th Avenue as possible so that most traffic will only pass the retail uses siding onto Pierson.



AERIAL PHOTO

WHY THE POTENTIAL DEVELOPMENT PROGRAM IS IMPORTANT

The development of residential units and retail space on this opportunity site serves several important purposes. By accommodating the development of building types that are marketable and feasible in the station area and on this specific site, proceeds from joint development can be used to offset some of the costs of acquiring the site and building the park-and-ride lot for the LRT system. Both the residential and retail uses fronting the street will create a more vibrant and pedestrian friendly edge to the Camelback Road frontage. The enhanced pedestrian environment will improve pedestrian accessibility to the station and to the other opportunity sites in the station area more so than a surface parking lot occupying the street frontage. The combination of these factors should encourage other private investment in the station area.

ALTERNATIVE DEVELOPMENT PROGRAMS

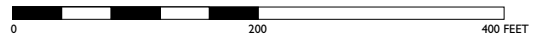
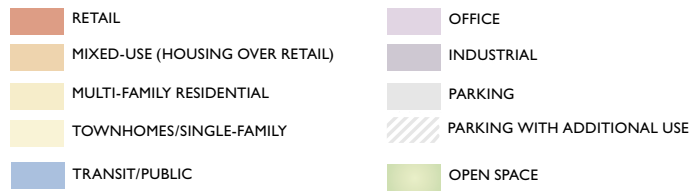
Other uses were also considered for this opportunity site, including restaurant/entertainment retail and

office uses. The restaurant/entertainment uses did not appear to be feasible under near-term market conditions, as the achievable rent rates for such development did not cover the costs of development, which are higher than for standard retail in part because the required parking ratio is greater. A parking utilization study could determine if a reduction in parking ratios may be appropriate — given the potential for shared parking that will be available through the park-and-ride and other surface lots and the potential for the high-quality transit access and increasing densities in the neighborhood to support non-auto access to these uses — and could enhance the feasibility of restaurant/entertainment uses. Office uses are more problematic, as the market for office development is generally weak and this site is not particularly competitive for office development, so achievable price points do not suggest office development will be feasible now or in the foreseeable future.

ILLUSTRATIVE CONCEPT PLAN



LAND USE LEGEND



DEVELOPMENT SUMMARY

Residential

Multi-Family (2-3 Stories)	101 units
Housing Over Retail (3-4 Stories).....	88 units
Total	189 units
<i>Parking Provided</i>	<i>332 spaces</i>

Retail

Neighborhood Serving Retail (Stand-Alone).....	25,000 sf
Neighborhood Serving Retail (Mixed-Use)	44,000 sf
Community Serving Retail (Stand-Alone).....	50,000 sf
Total	119,000 sf
<i>Parking Provided</i>	<i>476 spaces</i>

Park and Ride

Surface	130 spaces
Deck	270 spaces
Total	400 spaces

PRELIMINARY IMPLEMENTATION CONSIDERATIONS AND RECOMMENDATIONS

PARCEL ASSEMBLY

The acquisition and redevelopment of a portion of this site — including buyout of existing leases, demolition of structures, and creation of a surface parking lot — are already planned to occur within the context of the LRT park-and-ride development. The acquisition of other parcels of this opportunity

site may be more problematic, as they are not technically required for the park-and-ride facility. The City would need to work toward the free-market acquisition of numerous individual parcels, some of which are under residential use, or would need to find some greater public purpose to those parcels' acquisition and establish a Redevelopment Area to invoke public condemnation.

SUMMARY TABLE

19th and Camelback—Site 2 14 acres, existing retail and residential uses, 15 owners	
Implementation Issue	Recommended Strategy
Potential Development Program	<ul style="list-style-type: none"> • Redevelopment of SEC 19th and Camelback • 101 low-rise multifamily rental units with surface parking • 75,000 SF retail with surface parking • 88 mixed-use low-rise multifamily rental units over 44,000 SF retail with surface parking • 400-space surface and deck park-and-ride facility
Alternative Development Program	Restaurant and entertainment uses may be feasible in near-term, if parking requirement can be reduced through shared parking with park-and-ride facility as peak-demand may allow. For-sale townhomes may also be feasible, but may underutilize the site.
Special Conditions	None identified.
Parcel Assembly	Portion of parcel will be assembled and acquired by City for LRT park-and-ride. Remaining parcels should be pursued through market transactions, either by City or private developer.
Property Disposition	City should negotiate business terms for park-and-ride site acquisition, then solicit for developer partners and determine roles and responsibilities, including assembly of additional parcels.
Development Phasing	<ol style="list-style-type: none"> 1) Assemble parcels needed for park-and-ride, and other parcels as possible 2) Demolish existing structures on park-and-ride site 3) Develop park-and-ride lot and adjacent retail and mixed-use buildings 4) Develop additional residential, retail, and mixed-use buildings as parcels are assembled and prepared or as existing owners decide to redevelop their properties.
Development Funding	Residential, retail, and mixed-use buildings all appear feasible in near-term, but public funding will be required for site acquisition and park-and-ride construction. Less expensive surface park-and-ride can be built and replaced with structure as land values increase in future, but may defer or preclude more dense use of the site.
Planning Efforts	<p>City should prioritize the opportunity site for a focused planning effort or alternatively a broader station area planning effort.</p> <ol style="list-style-type: none"> 1) Rezoning for the station could occur as part of this planning effort or following a broader planning effort. 2) Design guidelines to support a pedestrian-supportive environment could be part of an effort to create guidelines for all the City’s station areas. 3) Streetscape improvements may be required to create pedestrian-friendly environment that supports transit usage.

Alternatively, the assembly of this site could be pursued by a private development entity, who may have greater financial, legal, and political latitude than is available to the public sector. One or more of the existing property owners may be an appropriate entity to pursue this parcel assembly.

PROPERTY DISPOSITION

Through discussions with the existing property owners, the City has already begun the process of negotiating the acquisition of a portion of this opportunity site. These discussions should include options through which the City purchases the land,

as well as options in which the City leases the land. The City should also consider the merits of various disposition approaches for the eventual development of the site, including ground leasing versus land sale arrangements and possible revenue participation with the owners or tenants of new buildings. Based on the preferred disposition strategy, the City may choose to negotiate with any number of potential development partners, and may need to issue Requests for Proposals or other solicitation documents. Terms of the business arrangement must then be negotiated between the development partners.

DEVELOPMENT PHASING

If the entire 32-parcel site is assembled prior to the development of the park-and-ride lot, the phasing strategy will be fairly straightforward. The site must be acquired or otherwise secured through lease arrangements by the City of Phoenix and the existing uses demolished before the development of the park-and-ride lot and any new buildings can commence. These actions can begin at any time, as the market conditions for the site appear to be adequate to begin residential, retail, and mixed-use development in the near-term.

If the City has difficulty assembling the entire 32-parcel site in the near-term, development phasing is likely to occur in a west-to-east direction. The park-and-ride facility and one or more retail or mixed-use buildings could be constructed on just the western end of the site. As the site assembly occurs and the site expands, additional retail and mixed-use development could occur along the Camelback Road frontage and residential development can occur along the Pierson Street frontage on the southern edge of the site.

The development program calls for the construction of a deck (two-level) parking structure for the park-and-ride facility and surface parking for the other uses. If market conditions or developer interest do not permit the construction of retail or mixed-use buildings at the corner of 19th Avenue and Camelback Road in the immediate future, it may be possible to construct a surface park-and-ride lot as an interim solution, and postpone the development expense of the structured lot until it is necessary to create sites for new buildings.

DEVELOPMENT FUNDING

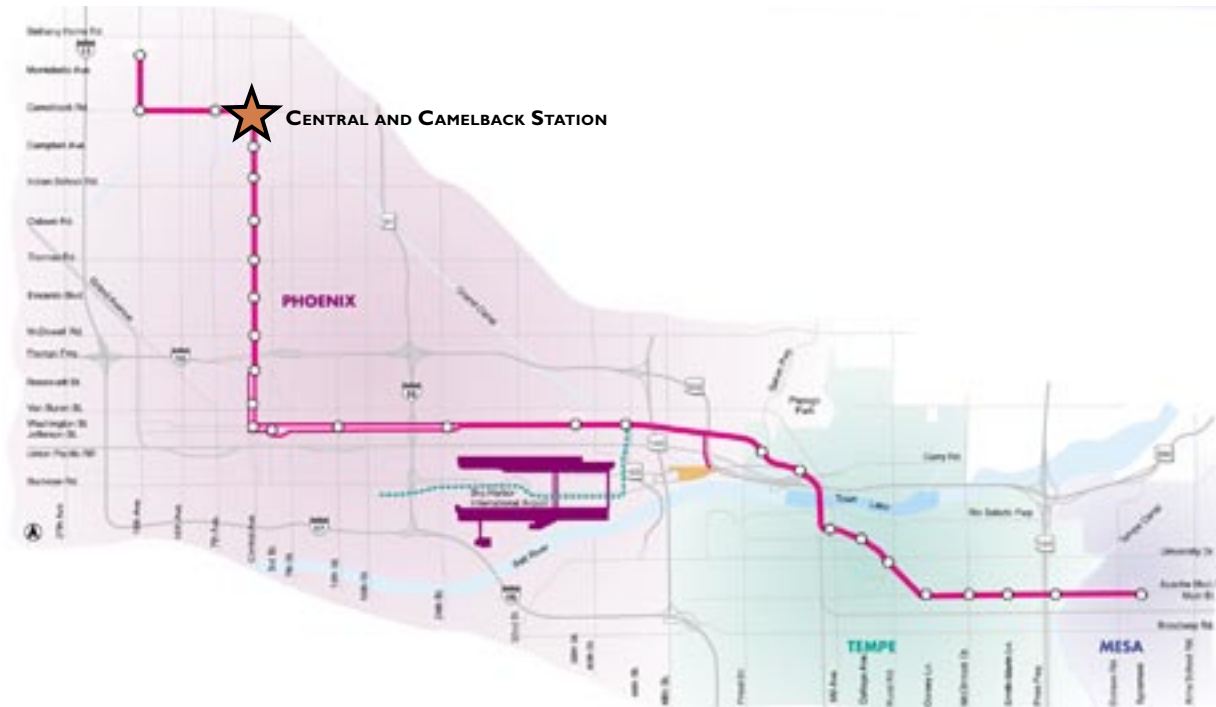
The initial funding requirement for this opportunity site will be used to acquire the site. Federal funds from the light rail project may be available for these purposes, but additional funding sources may need to be identified and secured, such as Community Development Block Grants, local capital improvement funds, etc. The value of the initial retail development program should be able to support the costs of a surface park-and-ride facility, but a deck parking structure would require increases in market values for residential units or retail space, or would require the provision of additional public subsidy, which would need to be identified and secured.

PLANNING EFFORTS

It is important for the City to undertake a station area planning effort for the area around this opportunity site. Such a plan can build from the extensive efforts of the City in the Transit Oriented Development (TOD) zoning overlay process. The station area planning effort will allow the community to proactively participate in the planning for the station area by defining community goals and objectives for the station area, and facilitating the resolution of issues that are likely to emerge from the potential impacts and benefits of the proposed combined park-and-ride, retail, and residential development of the opportunity site. The TOD Interim Overlay Zone will address many of the setback, parking, and other zoning standards that are necessary to allow a TOD development concept to be realized. But this important zoning effort does not address some of the land use related zoning issues of the development concept. The density of housing in the development concept, greater than 15 units to the acre would not be allowed under current zoning (the C-1 and R1-6 zones allow only up to 6.34 units to the acre with bonuses) and structured parking is also not an allowed use under existing zoning.

This effort could also establish site specific design guidelines for the station area and opportunity site to further support the creation of a pedestrian-oriented development project and streetscape.

CENTRAL AND CAMELBACK—SITE 4



OPPORTUNITY SITE DESCRIPTION

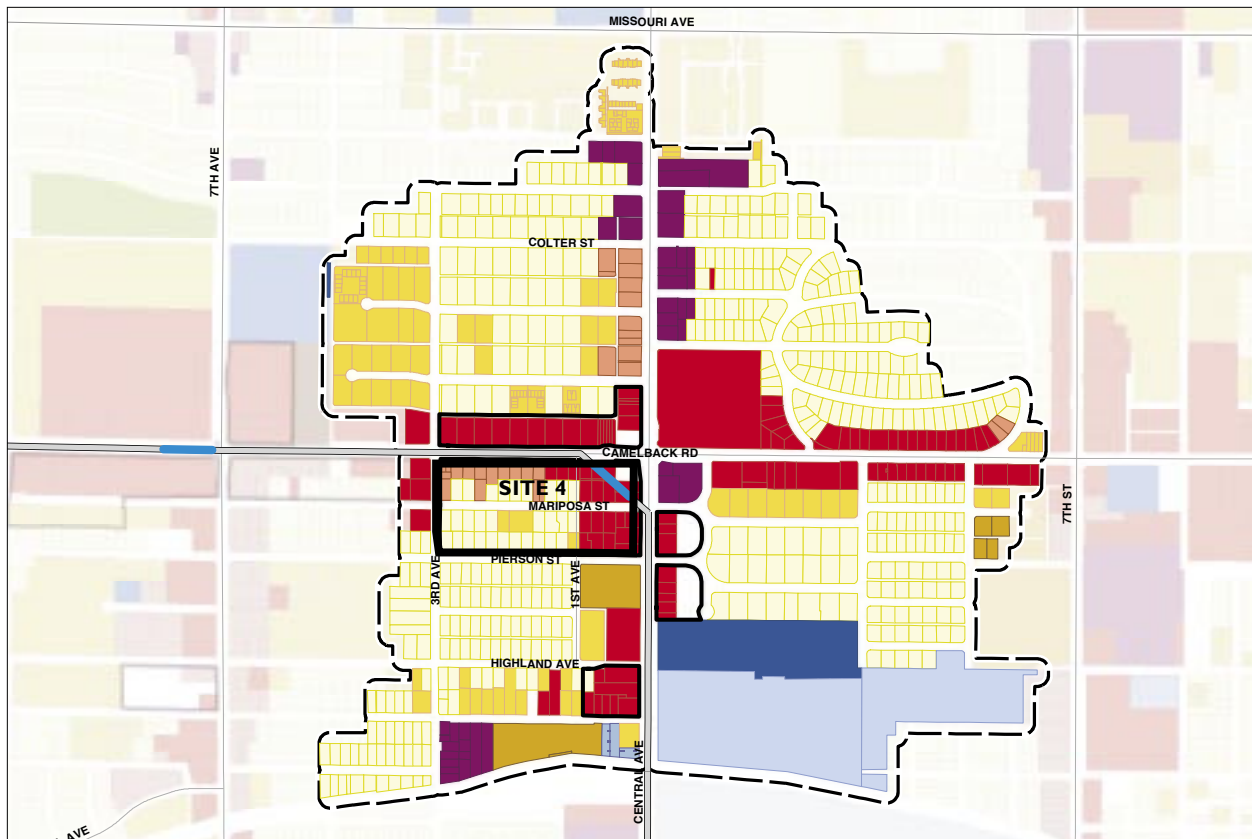
This opportunity site is located at the southwest corner of Central Avenue and Camelback Road and extends for two entire blocks bounded by Camelback Road, Central Avenue, Pierson Street, and 3rd Avenue. The site is bisected by Mariposa Street, which runs east-west between Camelback Road and Pierson Street. The site is currently occupied by a number of small commercial uses along the Camelback and Central frontages and small residences on the site's interior. In addition, a large billboard occupies the portion of the site at the immediate corner of Central and Camelback. Other features of the intersection include the Uptown Plaza community shopping center on the northeast corner and the high-rise One Camelback East office building on the southeast corner. Beyond the commercial development at this prominent intersection are residential neighborhoods in all directions. Both Central and Camelback are recognized commercial streets in the region and carry high volumes of traffic, but this station area is not directly accessible from the region's freeway infrastructure.

A portion of this site is planned to be acquired by the City of Phoenix for the development of an off-

street LRT station, LRT right-of-way, bus transfer station, and an LRT park-and-ride facility. The opportunity site, as defined here, also includes other parcels that will not be needed for the transit facilities, but could be assembled for a larger and more attractive development site that will support high-quality access to the station site from new uses as well as the surrounding neighborhood. The site is relatively large, at roughly 11 acres, and has roughly 1,200 linear feet of frontage on Camelback Road and another 600 feet of frontage on Central Avenue. The site may be somewhat difficult to fully assemble, because there are 59 separate parcels with 21 owners, and a number of existing commercial buildings and residences would need to be removed in addition to the accommodation of the prominently located billboard, which could be cost prohibitive to remove.

WHY THIS SITE IS IMPORTANT

This opportunity site is located at the intersection of two of the region's most recognized commercial streets and will be a highly visible station in the LRT system. Ridership projections are strong and the development of functional transit facilities will be key at this location. The attractiveness and functionality



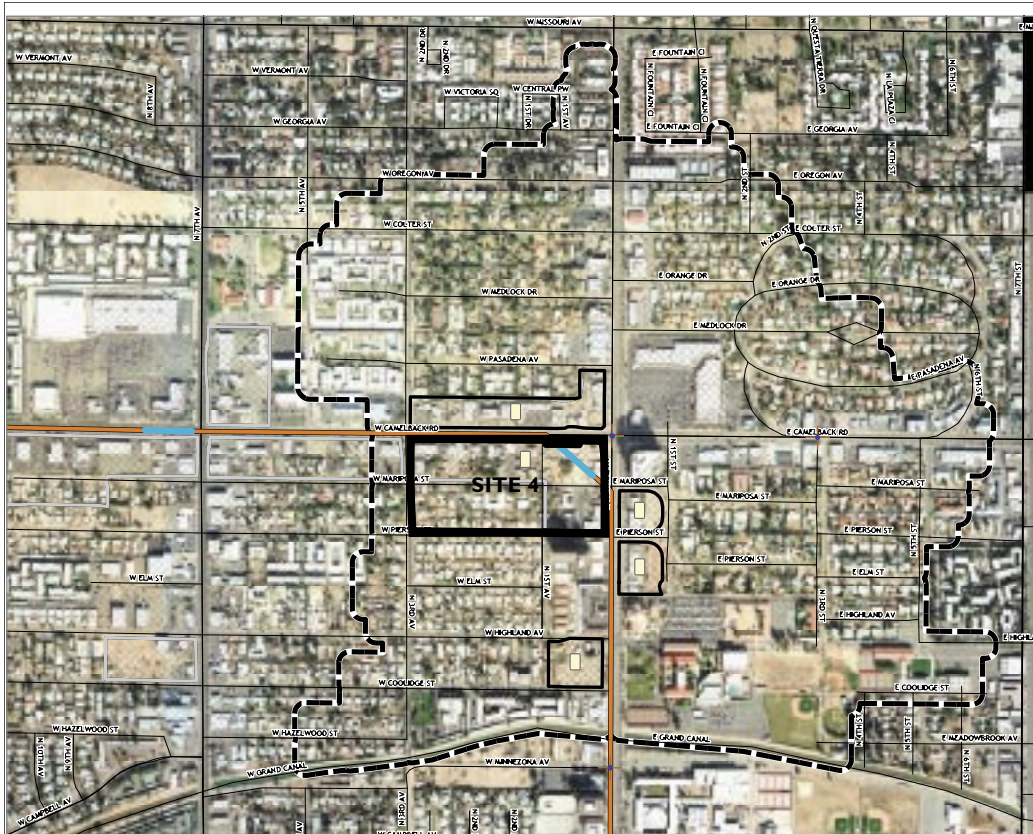
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|---------------------------|-------------------------|---------------------|--------------------------|
| Stations | Neighborhood Commercial | Institution | Airport |
| LRT Alignment | Community Commercial | Large Assembly Area | Parks/Open Space |
| 1/2-Mile Walking Distance | Regional Retail | Education | Golf Course |
| 0-1 du/ac | Hotel, Motel, Resort | Public Facility | Dedicated/NonDevelopable |
| 1-2 du/ac | Office | Parking Lot | Water |
| 2-5 du/ac | Commerce Park | Parking Structure | |
| 5-15 du/ac | Industrial | Transportation | |
| 15+ | Warehouse/Distribution | | |

of the system can also be enhanced through the development of other uses and amenities in direct proximity to the station, as existing uses are not strongly transit- and pedestrian-supportive. Market and feasibility analyses indicate that this opportunity site has only average potential for near-term development, but such development can offset some of the costs associated with the LRT program. Over the longer term, this site represents an opportunity for a large-scale, mixed-use development involving residential, retail, and office uses incorporated into a “flagship” station for the LRT system. The opportunity site includes the full two blocks south of Camelback to Pierson Street, rather than stopping at Mariposa Street, because a larger site can accommodate more development and result in a more

dramatic enhancement to this regionally prominent location while providing a smoother transition to the surrounding neighborhood.

POTENTIAL DEVELOPMENT PROGRAM

The potential development program for this opportunity site consists of a 300-space park-and-ride lot in a structured facility, plus 112 low-rise rental multi-family units, 36 for-sale mid-rise multi-family units, 195,200 square feet of office space, 13,500 square feet of retail space, and mid-rise mixed-use buildings totaling an additional 243 rental units and 122,100 square feet of retail space. All of these developments would be served by structured parking except for the low-rise multi-family apartments. The office building would have a combination of above- and below-ground structured parking.



AERIAL PHOTO

WHY THE POTENTIAL DEVELOPMENT PROGRAM IS IMPORTANT

The development of a mixed-use program on this opportunity site can fully capitalize on the site’s numerous current and future advantages — regional visibility, a “cornerstone” position on Central Avenue, and an off-street LRT station. The mix of uses can include building types that are marketable and feasible in the near-term, as well as reserving space for longer-term development opportunities. The residential uses in particular will enhance ridership of the LRT system, as residents will be attracted to locate at the site because of its easy LRT access to job concentrations along Central Avenue and in Downtown Phoenix. The City of Phoenix will be acquiring some of the site for the LRT park-and-ride facility, and development can offset some of the costs of that acquisition and facility development. Moreover, the total program at full build-out will contribute substantial revenues to the City’s tax base. Finally, while a more conservative development program may be more feasible in the near term, the scale of development proposed is more appropriate

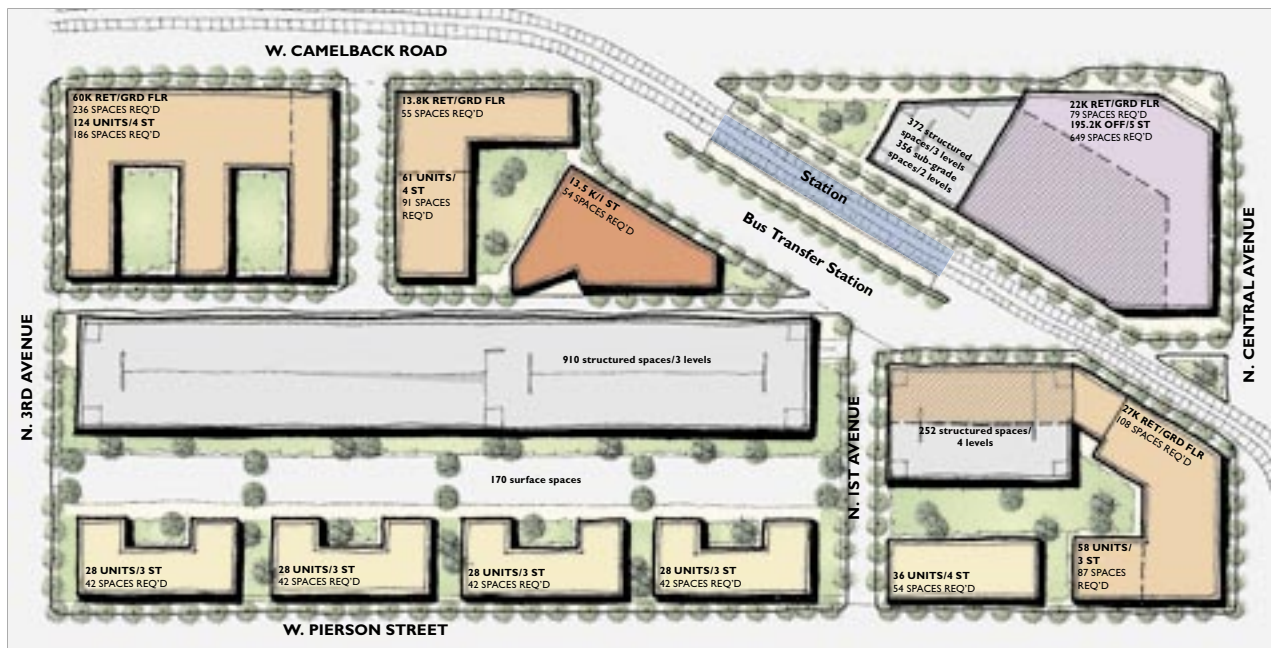
for this highly visible site at the terminus of the Central Avenue business district.

ALTERNATIVE DEVELOPMENT PROGRAMS











The development program presented in the Alternative Illustrative Concept Plan reflects recent changes made to the rail alignment, location of the bus transfer facilities and reduction of parking requirements for the park-and-ride lot. Overall, the reduction in park-and-ride requirements (from 300 spaces to 100 spaces) allows for a greater intensity of development on the site. The Alternative Illustrative Concept Plan illustrates this increased density with additional mixed-use development.

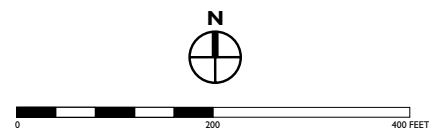
Some elements of either development program as defined face significant feasibility hurdles. These hurdles can be addressed through subsidy or through phasing, or the development program can be altered to include a more feasible mix of uses. An emphasis on for-sale rather than rental housing could improve the project feasibility, as would any program that could accommodate surface or deck (two-level) parking

ILLUSTRATIVE CONCEPT PLAN



LAND USE LEGEND

 RETAIL	 OFFICE
 MIXED-USE (HOUSING OVER RETAIL)	 INDUSTRIAL
 MULTI-FAMILY RESIDENTIAL	 PARKING
 TOWNHOMES/SINGLE-FAMILY	 PARKING WITH ADDITIONAL USE
 TRANSIT/PUBLIC	 OPEN SPACE



DEVELOPMENT SUMMARY

Residential

Multi-Family (2-3 Stories)	112 units
Multi-Family (4-6 Stories)	36 units
Housing Over Retail (4-6 Stories).....	243 units
Total	391 units
<i>Parking Provided</i>	<i>577 spaces</i>

Office

Mid-Rise Mixed-Use (4-6 Stories).....	195,200 sf
Total	195,200 sf
<i>Parking Provided</i>	<i>649 spaces</i>

Retail

Neighborhood Serving Retail (Stand-Alone).....	13,500 sf
Neighborhood Serving Retail (Mixed-Use)	72,100 sf
Community Serving Retail (Mixed-Use)	50,100 sf
Total	135,700 sf
<i>Parking Provided</i>	<i>341 spaces</i>

Park and Ride

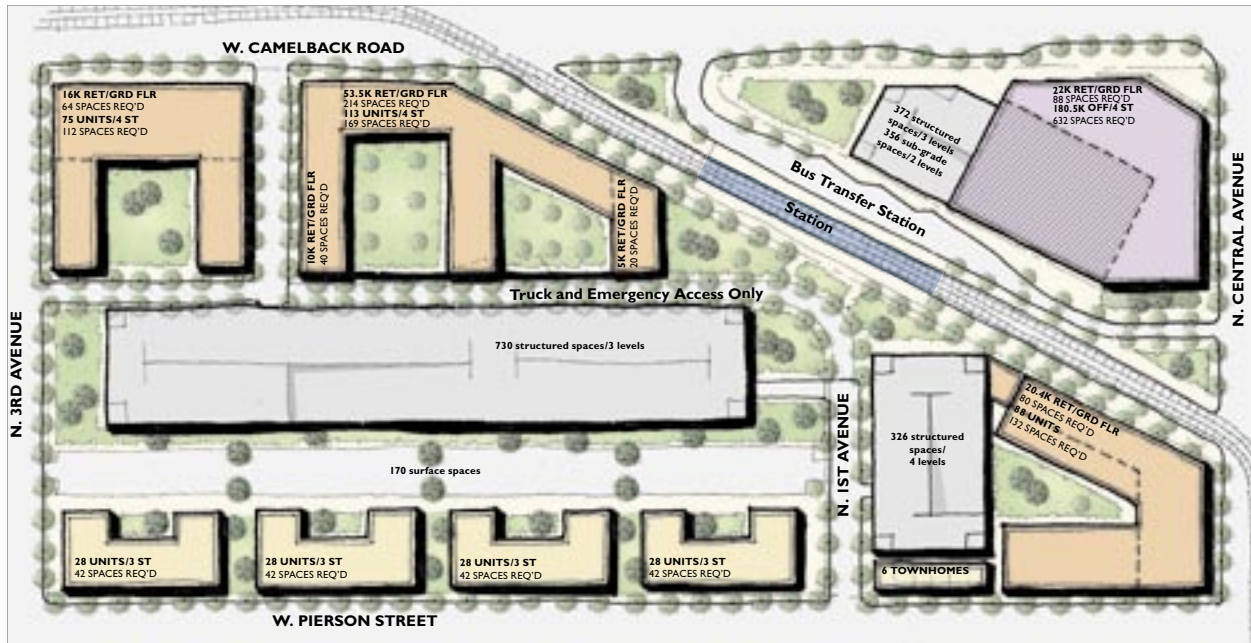
Structured.....	300 spaces
Total	300 spaces

rather than full structured parking. The replacement of office uses with other uses — especially for-sale housing — would also significantly improve the project feasibility. However, the appropriateness of housing development at the immediate intersection of Central and Camelback may be in question, and the marketing of for-sale units in advance of the major LRT construction project may be difficult.

In addition, both development programs aggressively assume that Mariposa Street could be closed, and that the entire two-block site can be assembled. Given the

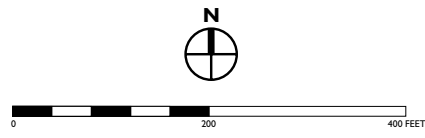
difficulties of assembling properties under residential use, as well as the difficulties of vacating public rights of way, it may be necessary to reduce the size of the opportunity site to just the one block between Camelback Road and Mariposa Street. Additionally, the City is currently exploring the possibility of two properties between Pierson and Mariposa as contributing to a larger historic district in that area. An alternative development plan would therefore have to preserve the historic buildings on these properties and integrate them into the development. For any

ALTERNATIVE ILLUSTRATIVE CONCEPT PLAN



LAND USE LEGEND

- RETAIL
- MIXED-USE (HOUSING OVER RETAIL)
- MULTI-FAMILY RESIDENTIAL
- TOWNHOMES/SINGLE-FAMILY
- TRANSIT/PUBLIC
- OFFICE
- INDUSTRIAL
- PARKING
- PARKING WITH ADDITIONAL USE
- OPEN SPACE



DEVELOPMENT SUMMARY

Residential

Townhomes.....	6 units
Multi-Family (2-3 Stories)	112 units
Housing Over Retail (4-6 Stories).....	276 units
Total	394 units
<i>Parking Provided</i>	<i>593 spaces</i>

Office

Mid-Rise Mixed-Use (4-6 Stories).....	180,000 sf
Total	180,000 sf
<i>Parking Provided</i>	<i>632 spaces</i>

Retail

Neighborhood Serving Retail (Mixed-Use)	73,400 sf
Community Serving Retail (Mixed-Use)	53,500 sf
Total	126,900 sf
<i>Parking Provided</i>	<i>292 spaces</i>

Park and Ride

Structured.....	100 spaces
Total	100 spaces

of these constraints, the development program most likely would be reduced significantly, and would focus on the most feasible near-term uses — residential and mixed-use housing over retail between Mariposa and Camelback.

PRELIMINARY IMPLEMENTATION CONSIDERATIONS AND RECOMMENDATIONS

SPECIAL CONDITIONS

Physical conditions at this site will impact the type and phasing of development. The billboard at the

immediate corner of Central and Camelback presents a development constraint, because that billboard generates high revenues to its owner and the acquisition and demolition of it by the City would be very costly. The billboard is expected to remain in place, or be replaced by comparably valuable signage in the new development program. Also, the site has some environmental contamination issues which would need to be characterized and addressed prior to any development on the affected land.

PARCEL ASSEMBLY

The acquisition and redevelopment of a portion of this site — including buyout of existing leases, demolition of structures, and creation of transit facilities — are already planned to occur within the context of the off-street LRT station development and reconstruction of Camelback. The acquisition of other parcels of this opportunity site may be more problematic, as they are not technically required for the park-and-ride or station facilities. The City would need to work toward the free-market acquisition of numerous individual parcels, some of which are under residential use, or would need to find some greater public purpose to those parcels' acquisition and evaluate the establishment of a Redevelopment Area. Additionally, the full build-out of the opportunity site would include the abandonment of a public street. For these reasons, phasing of the site's development may be necessary, as the assembly of the site may not be completed in the near-term.

Alternatively, the assembly of this site could be pursued by a private development entity, who may have greater financial, legal, and political latitude than is available to the public sector. One or more of the existing property owners may be an appropriate entity to pursue this parcel assembly.

As discussed below, a public planning process will also be necessary particularly given the extent of the extent of land use and circulation changes proposed in the development concept.

PROPERTY DISPOSITION

Through discussions with the existing property owners, the City has already begun the process of negotiating the acquisition of a portion of this opportunity site. These discussions should include options through which the City purchases the land, as well as options in which the City leases the land; although the City will likely prefer to own properties that will be developed for transit facilities or streets. The City should also consider the merits of various disposition approaches for the eventual development of the site, including ground leasing versus land sale arrangements and possible revenue participation with the owners or tenants of new buildings. Based on the preferred disposition strategy, the City may choose to negotiate with any number of potential development partners and may need to issue Requests

for Proposals or other solicitation documents. Terms of the business arrangement must then be negotiated between the development partners.

DEVELOPMENT PHASING

If the entire 59-parcel site is assembled prior to the development of the transit facilities, the phasing strategy will be fairly straightforward. The site must be acquired or otherwise secured through lease arrangements by the City of Phoenix, and the existing uses demolished before the development of the station, the park-and-ride lot, and any new buildings can commence. These actions can begin at any time, as the market conditions for the site appear to be adequate to begin residential, retail, and mixed-use development in the near-term. For optimal feasibility, office development would most likely be deferred for several years, until the market for new office space recovers. This deferral may or may not extend beyond the time when the LRT facilities are required, so any site planning and design should anticipate that office development may occur around or even above the station facilities after they are initially constructed.

If the City or private developer(s) have difficulty assembling the entire 59-parcel site in the near-term, development phasing would most naturally occur in a northeast-to-southwest direction, beginning with the parcels where the LRT facilities will be located. This approach may face severe feasibility difficulties, as the development program envisions office space in that northeastern area and that is the location of the billboard. However, the mixed-use development along Central and Camelback Roads may still be achievable if their underlying parcels are acquired for LRT right-of-way, and the office development could be deferred or replaced with more feasible uses.

The development program calls for the construction of a substantial amount of structured parking for the park-and-ride facility as well as the other uses. If market conditions, developer interest, or an unavailability of funds do not permit this structured parking construction in the near-term, a phasing program may allow early uses and the park-and-ride facility to be served by surface parking, to be replaced by structured parking at a later date. This approach may require a change in the development program's configuration.

SUMMARY TABLE

Central and Camelback—Site 4 11 acres, existing commercial and residential uses, 21 owners	
Implementation Issue	Recommended Strategy
Potential Development Program	<ul style="list-style-type: none"> • Redevelopment of SWC Central and Camelback • 112 low-rise multifamily rental units with surface parking • 36 mid-rise for-sale multifamily units with structured parking • 195,200 SF mid-rise office with structured and underground parking • 13,500 SF retail with structured parking • 243 mixed-use mid-rise multifamily rental units over 122,100 SF retail with structured parking • Off-street LRT station and 100-space structured park-and-ride facility
Alternative Development Program	Apartment units and/or office space can be replaced with for-sale housing, which appears more feasible in near-term. Program can utilize surface parking rather than costly structured parking, but density would be reduced. Program could reduce size of opportunity site, which currently includes two full blocks.
Special Conditions	Presence of billboard and potential environmental contamination must be addressed prior to or as part of any development on this site.
Parcel Assembly	Portion of parcel will be assembled and acquired by City for LRT station and park-and-ride. Remaining parcels should be pursued through market transactions, either by City or private developer.
Property Disposition	City should negotiate business terms for station/park-and-ride site acquisition, then solicit for developer partners and determine roles and responsibilities, including assembly of additional parcels.
Development Phasing	<ol style="list-style-type: none"> 1) Assemble parcels needed for station facilities, and other parcels as possible 2) Demolish existing structures and conduct environmental clean-up 3) Develop residential, retail, and mixed-use buildings as sites are available 4) Develop LRT station and park-and-ride lot 5) Develop office uses as market conditions allow
Development Funding	Initial public funding required for site acquisition and transit facility development. Private development feasibility profile is hampered by structured parking and office uses, but these can be deferred or replaced by surface parking, more for-sale housing, etc.
Planning Efforts	<p>City should prioritize station area planning at this station.</p> <ol style="list-style-type: none"> 1) The station area planning should include broad community discussion and concurrence in the concept of abandoning a portion of Mariposa Street. 2) Parking ratio reduction may be appropriate, and would enhance feasibility of private development. 3) Design guidelines to support a pedestrian-supportive environment could be part of an effort to create guidelines for all the City’s station areas. 4) Streetscape improvements should be planned to create pedestrian-friendly environment that supports transit usage.

DEVELOPMENT FUNDING

The initial funding for this opportunity site will be used to acquire the site and develop the off-street LRT facilities and right-of-way. Federal funds from the light rail project may be available for these purposes, but additional funding sources may need to be identified and secured, such as Community Development Block Grants, local capital improvement funds, etc. Given the significant scale and intensity of the development program some additional forms of public financing assistance may be required if there is a desire to expedite the development of the project. The costly structured parking, the billboard, and the currently infeasible office development represent significant financial hurdles that may need to be addressed.

Public investments in the streets and streetscape, particularly in the design of the Camelback and Central intersection, will be important to changing the auto-dominated character of the area which is detrimental to the site's ability to support mixed-use development.

PLANNING EFFORTS

It is important for the City to undertake a station area planning effort for the area around this opportunity site. Such a plan can build from the extensive efforts of the City in the TOD zoning overlay process. The station area planning effort will allow the community to proactively participate in the planning for the station area by defining community goals and objectives for the station area, and facilitating the resolution of issues that are likely to emerge from the potential impacts and benefits of the proposed mixed-use development concept. This is particularly important as the redevelopment of existing residential parcels and the abandonment of a public street (a portion of Mariposa) will need broad community discussion and concurrence with the development concept, and may require traffic studies and other documentation of public benefit from these actions.

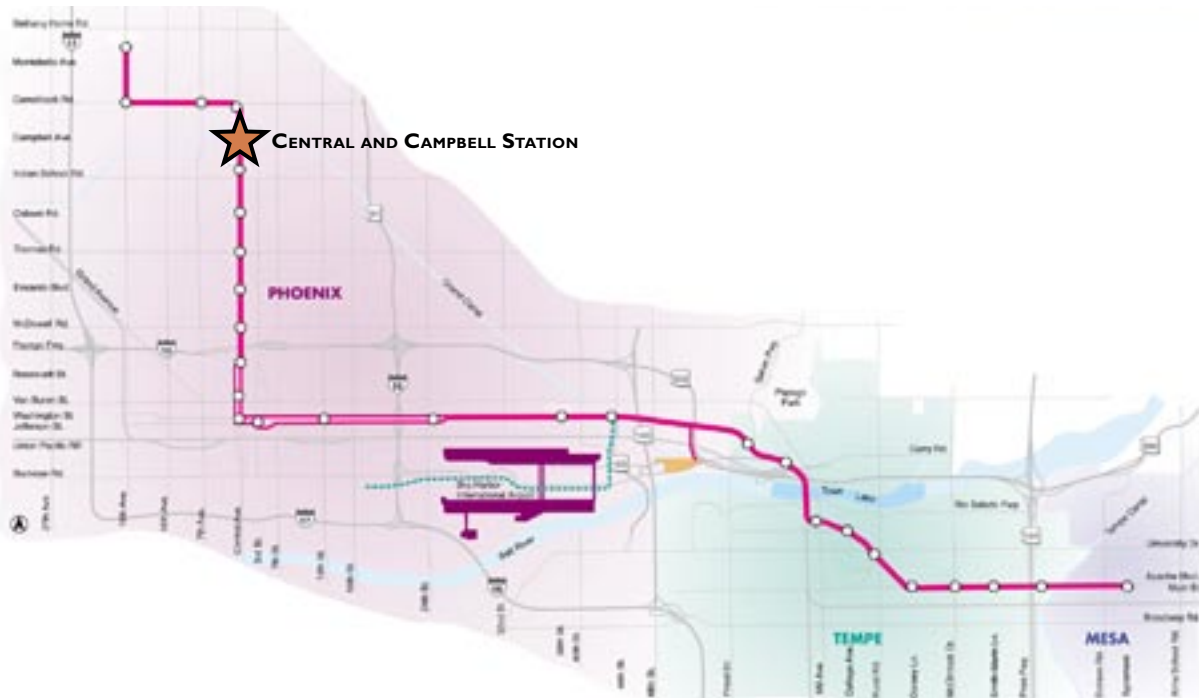
The Transit Oriented Development (TOD) Interim Overlay Zone will address many of the setback, parking, and other zoning standards that are necessary to allow a TOD development concept to be realized. Still the station planning effort should assess the site and project specific parking reductions that

could result from the mixed-use and transit-oriented nature of the plan. This would reduce the parking costs which are a constraint to the feasibility of the development proposal.

But this important zoning effort does not address some of the land use related zoning issues of the development concept. The density of housing in the development concept—greater than 20 units to the acre—would not be allowed under current zoning (the site is predominately zoned R-3—allowing only up to 17.4 units to the acre with bonuses—while only the narrow frontages along Camelback and Central frontage are zoned C-2 and C-3 respectively). Structured parking is also not an allowed use under existing zoning.

This effort could also establish site specific design guidelines for the station area and opportunity site to further support the creation of a pedestrian-oriented development project and streetscape.

CENTRAL AND CAMPBELL—SITE I



OPPORTUNITY SITE DESCRIPTION

This opportunity site is located at the southwest corner of Central and Turney Avenues, roughly one block south of the planned LRT platform at Central and Campbell. The site comprises the entire block bounded by Central, Turney, 2nd, and Glenrosa Avenues, and offers roughly 800 feet of Central Avenue frontage. The site is currently vacant, except for a small commercial building at its southeastern corner. Other features in the station area include Central High School and Steele Park east of Central Avenue and a residential neighborhood west of Central. New development nearby includes the Pavilions and Jefferson apartments, both located on Central Avenue. The station area is just north of the current Encanto Village Core within the Central Avenue business district. The site is large, at roughly 13 acres, and should be easy to develop, as it is vacant, flat, and held under a single ownership.

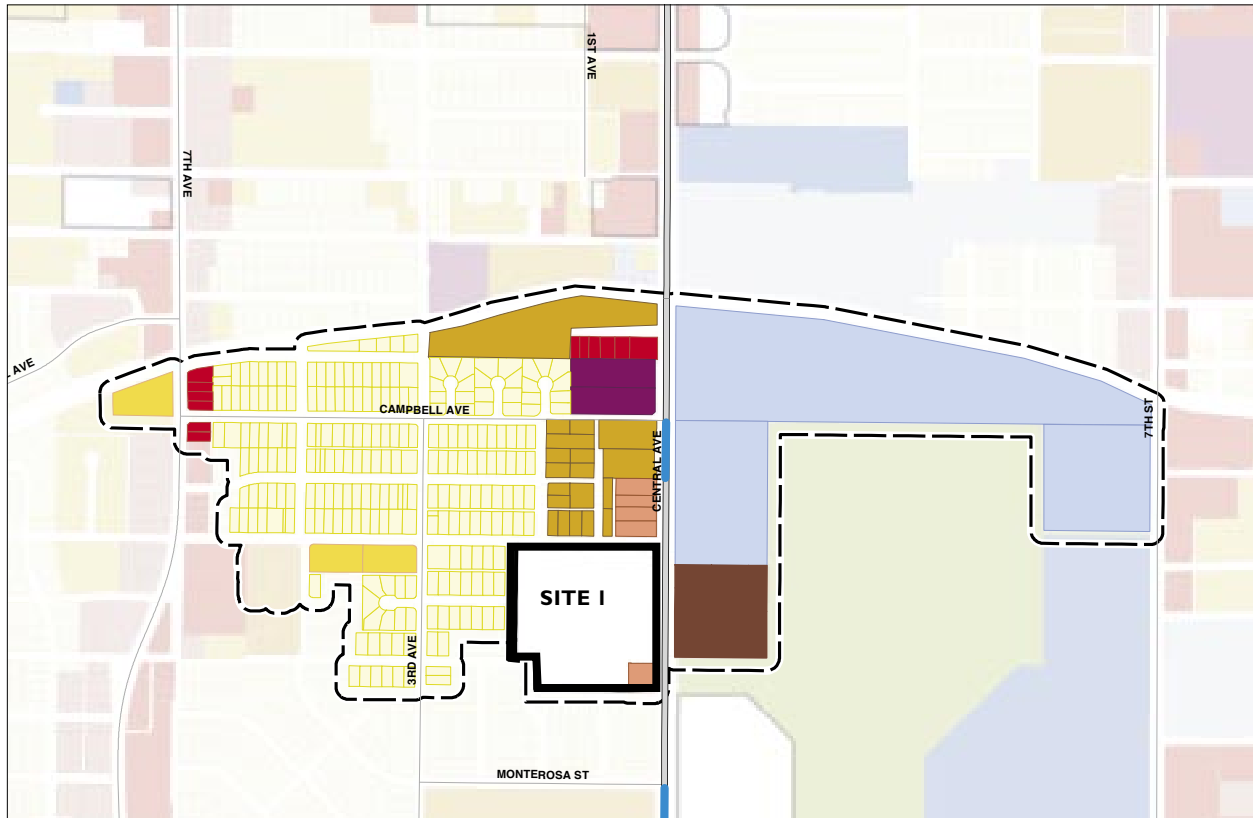
WHY THIS SITE IS IMPORTANT

This opportunity site is a very large vacant parcel of approximately 13 acres located just north of the Central Avenue commercial district, which is among the largest office submarkets and employment areas in the region. Market analysis suggests that development could occur on this site in the near-term, as new residential development has been

occurring along Central Avenue and in the immediate vicinity, bolstered by the recent creation of Steele Park. Ridership projections for the LRT station at Central and Campbell are relatively low, but can be significantly enhanced through the addition of residents to the local area. New development at this site can also add support and workers for businesses and buildings on the Central Avenue corridor, many of which have been affected by general economic trends.

POTENTIAL DEVELOPMENT PROGRAM

The development program for this site primarily features residential uses, in a variety of product types. The program envisions 63 for-sale townhomes, 252 low-rise rental apartments, 170 mid-rise for-sale condominiums, and a mixed-use mid-rise building featuring 65 apartments and 9,100 square feet of retail space. These developments would be served by a combination of surface and podium (first floor) parking. The density of development generally increases from west to east, so that the low-scale neighborhoods to the west of the site would be neighbored by townhomes, while the mid-rise residential buildings would front on Central Avenue with upper floor units having views of Steele Park and the mountains beyond.



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|---------------------------|-------------------------|---------------------|--------------------------|
| Stations | Neighborhood Commercial | Institution | Airport |
| LRT Alignment | Community Commercial | Large Assembly Area | Parks/Open Space |
| 1/2-Mile Walking Distance | Regional Retail | Education | Golf Course |
| 0-1 du/ac | Hotel, Motel, Resort | Public Facility | Dedicated/NonDevelopable |
| 1-2 du/ac | Office | Parking Lot | Water |
| 2-5 du/ac | Commerce Park | Parking Structure | |
| 5-15 du/ac | Industrial | Transportation | |
| 15+ | Warehouse/Distribution | | |

WHY THE POTENTIAL DEVELOPMENT PROGRAM IS IMPORTANT

A housing-based development program on this opportunity site would be the most feasible development in the near-term, and the best way to utilize a long-vacant parcel on Central Avenue that would help to improve the entire Avenue’s image. The housing development would also increase LRT ridership at this station. Housing would be consistent with the surrounding neighborhood pattern, especially if the density of development can be lower on the western side of the site adjacent to the existing single-family development and higher on the east fronting onto Central Avenue. This program would also help to create a stronger urban edge to Steele Park, improve the pedestrian connections between the park and surrounding areas, and bring more users

of the park to the area. Finally, this housing-based development would enhance patronage of Central Avenue businesses and generate significant tax revenues for the City of Phoenix.

ALTERNATIVE DEVELOPMENT PROGRAMS

Office uses were also considered for this opportunity site but were eliminated from consideration as a near-term use because the market for office development is generally weak and this site is not particularly competitive for office development, so achievable price points do not suggest office development will be feasible now or in the foreseeable future.

A program offering more for-sale townhomes and low-rise condominiums and fewer rental apartments could also be feasible, but the lower resulting



AERIAL PHOTO

densities may not take full advantage of the site’s size and locational qualities or optimize the site’s value to the owner or the City.

PRELIMINARY IMPLEMENTATION CONSIDERATIONS AND RECOMMENDATIONS

PARCEL ASSEMBLY

This site does not need to be assembled, as it is already held under a single ownership entity.

PROPERTY DISPOSITION

This site will not be required for LRT facilities, so there is no reason for the City of Phoenix to acquire the site. Therefore, development would be pursued by the private sector. The City can provide assistance in the property owners’ solicitation of development partners or tenants, including brokering relationships among potential partners or issuing requests for proposals.

DEVELOPMENT PHASING

Under current market conditions for this site, for-sale housing is more feasible than rental housing. A phasing strategy that reflects this difference

is recommended. Specifically, the townhomes proposed on the site’s western edge would be most feasible in the near-term. Development could begin on that western edge, and as the market improves, the development could move toward the east. This approach would also reserve the Central Avenue frontage for the final phase, at which time the market for rental housing and retail may be strongest.

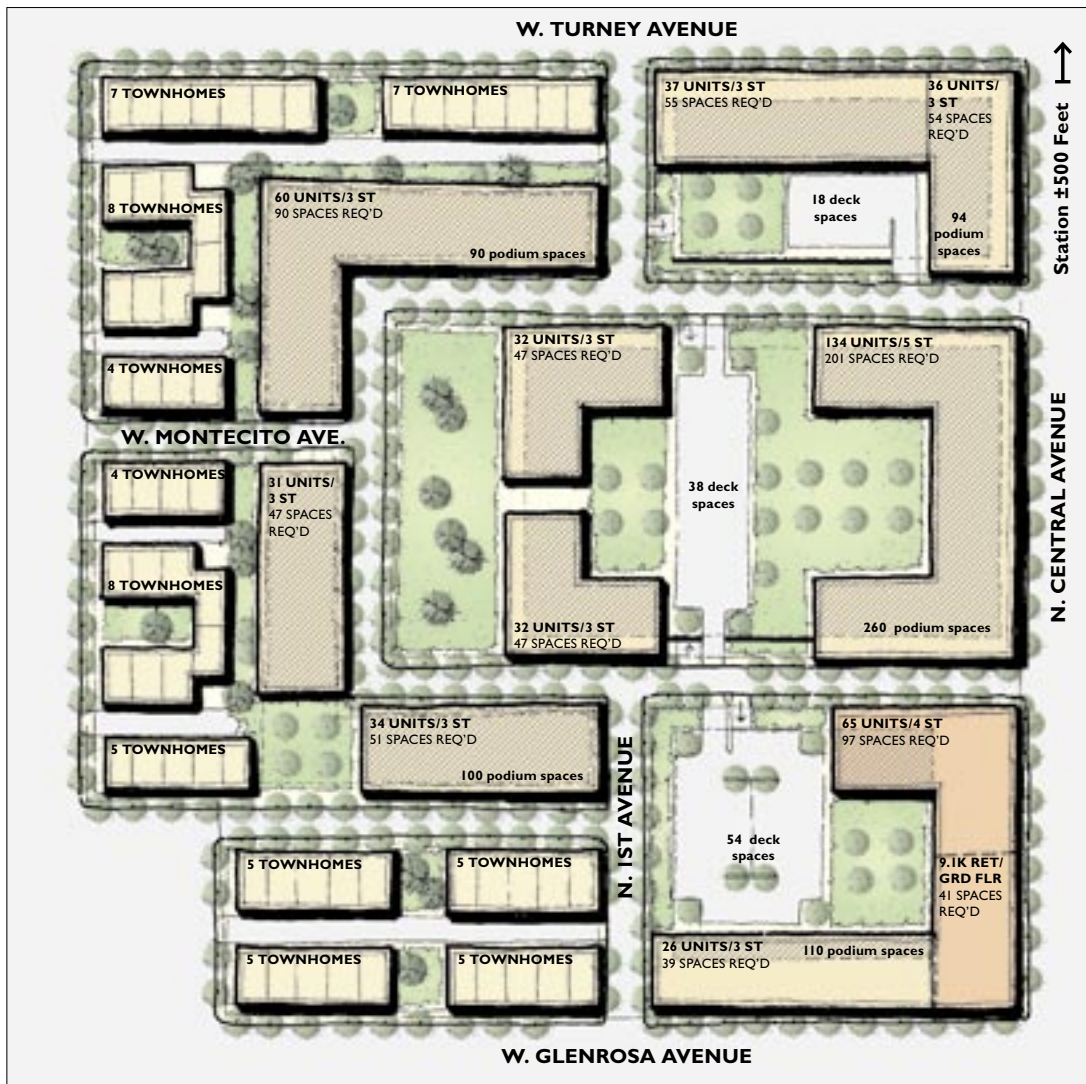
DEVELOPMENT FUNDING

Development on this site should not require any public financing assistance, as the building types envisioned for the site appear to be feasible in the near term, and no public or LRT facilities are required on this site.

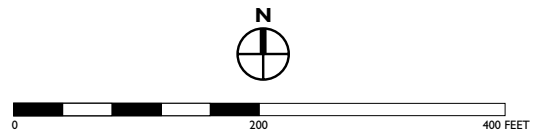
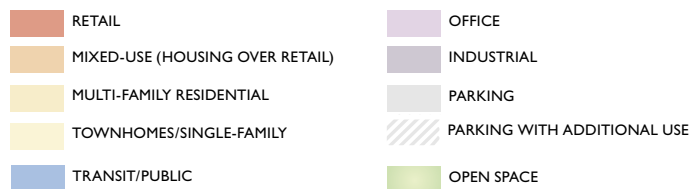
PLANNING EFFORTS

The City can work with the adjacent neighborhood to clarify their concerns in relation to the potential development of this opportunity site, so that development regulations (zoning, design guidelines, etc.) respond not only to market potential but to the needs of the surrounding community. Thus the City’s efforts at coordinating community input should provide potential developers of the opportunity site

ILLUSTRATIVE CONCEPT PLAN



LAND USE LEGEND



DEVELOPMENT SUMMARY

Residential

Townhomes	63 units
Multi-Family (2-3 Stories)	252 units
Multi-Family (4-6 Stories)	170 units
Housing Over Retail (4-6 Stories).....	65 units
Total	550 units
<i>Parking Provided</i>	<i>844 spaces</i>

Retail

Neighborhood Serving Retail (Mixed-Use)	9,100 sf
Total	9,100 sf
<i>Parking Provided</i>	<i>41 spaces</i>

SUMMARY TABLE

Central and Campbell—Site I 13 acres, vacant, 1 owner	
Implementation Issue	Recommended Strategy
Potential Development Program	<ul style="list-style-type: none"> • Development of vacant lot on SWC Central and Turney • 63 for-sale townhomes with attached garages • 252 low-rise multifamily rental units with surface and podium parking • 170 mid-rise for-sale multifamily units with podium parking • 65 mixed-use mid-rise multifamily rental units over 9,100 SF retail with surface and podium parking
Alternative Development Program	Program featuring more townhome and low-rise residential development may be more feasible in near-term, but may underutilize the site. Office development not expected to be feasible in near-term.
Special Conditions	None identified.
Parcel Assembly	None required, as this large site consists of a single undeveloped parcel.
Property Disposition	No public ownership of property is required, so development should be pursued by private sector. However, City can encourage development through discussions with property owners or assistance in establishing development partnerships.
Development Phasing	<ol style="list-style-type: none"> 1) Develop for-sale townhomes on site’s western edge 2) Develop apartments on site’s interior 3) Develop mid-rise condos and mixed-use buildings on Central Avenue frontage
Development Funding	Phasing strategy responds to near-term feasibility issues by developing townhomes first and reserving Central Avenue frontage for later. Could replace some apartments with additional for-sale townhomes to improve feasibility. No public financing is expected to be required.
Planning Efforts	City can facilitate discussions between developers and neighborhood stakeholders regarding this site to provide potential developers with an understanding of community considerations that will need to be addressed by their development proposals, but this station area should not be among the top priorities for full station area planning. If the City chooses to prepare design guidelines for station areas they would be applicable to this opportunity site.

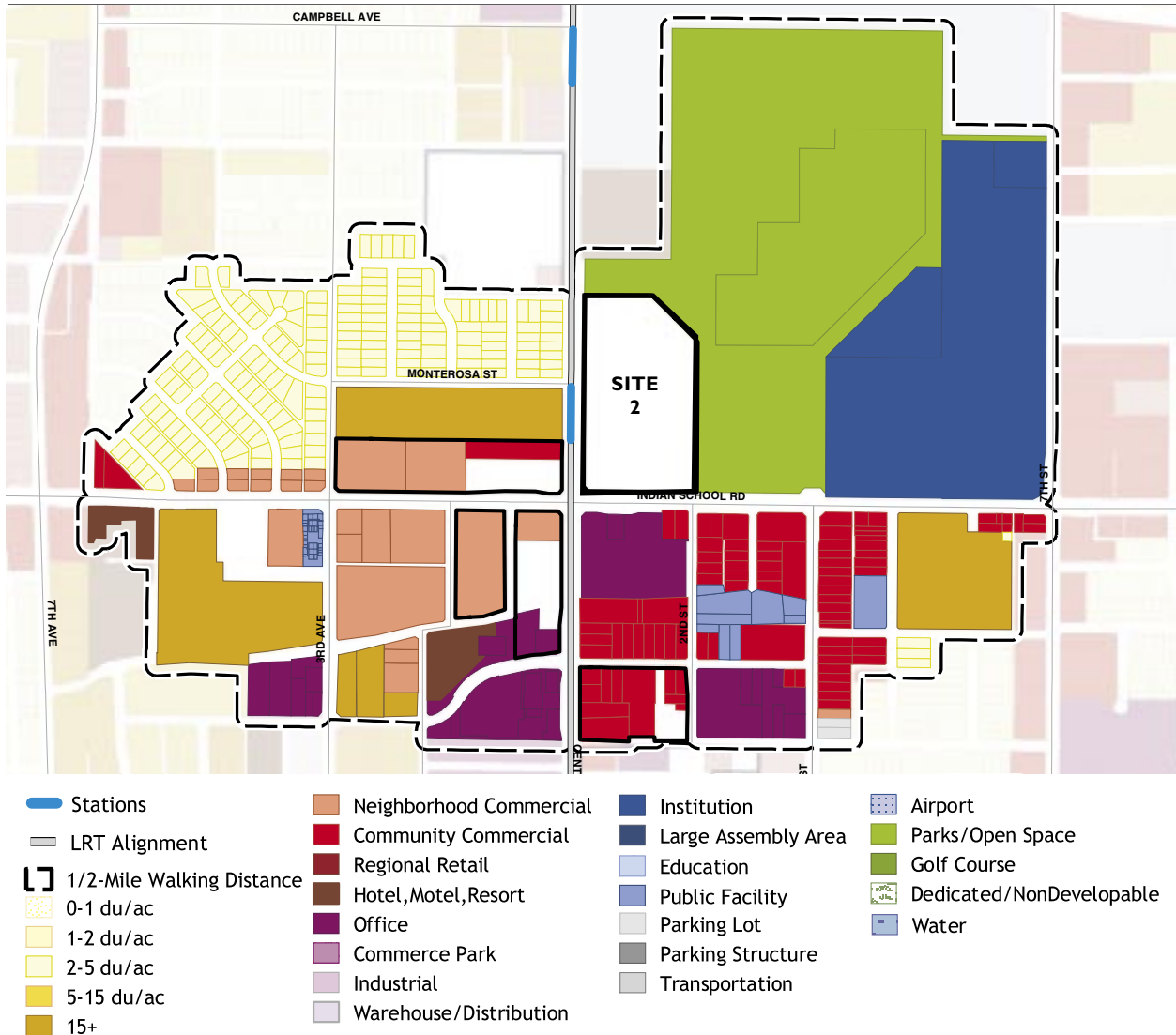
with an understanding of community concerns that they will need to address in their specific development proposals. However, this coordination effort should focus on the opportunity site itself, as this station area does not appear to be among those most in need of more comprehensive station area planning.

The Transit Oriented Development (TOD) Interim Overlay Zone will address many of the setback, parking, and other zoning standards that are necessary to allow a TOD development concept to be realized. Still the City’s community coordination effort and the development proposal that would be prepared by the developer of the project should assess the site and project specific parking reductions that could result

from the mixed-use and transit-oriented nature of the plan. This would reduce the parking costs which are a constraint to the feasibility of the development proposal.

Also, the TOD Interim Overlay Zoning effort does not address some of the land use related zoning issues of the development concept. The density of housing in the development concept which is greater than 20 units to the acre would not be allowed by the site’s existing R-3 zoning allowing up to 17.4 units to the acre with bonuses (the Central Avenue frontage is zoned C-2) and structured parking is also not an allowed use under existing zoning.

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POTENTIAL DEVELOPMENT PROGRAM

The program features 294 low-rise condominium units toward the rear of the site nearest the park, a 256-room business class hotel, a 238,000-square foot high-rise office tower, and mixed-use buildings totaling 91 rental apartments and 34,200 square feet of retail. These developments are served by a combination of podium (ground-level) parking and structured parking facilities. The scale of development is highest at the immediate corner of Central and Indian School and decreases in the site's interior as it meets the park. This development program is based on near-term and longer-term market and planning considerations, but does not necessarily reflect the intentions or designs of the current property owner. Also, the development program as illustrated

does not preserve a view corridor to Piestawa Peak, however, the view corridor can be maintained while achieving a similar building program. Prior to any further planning the development concept should be modified to allow for the view corridor.

WHY THE POTENTIAL DEVELOPMENT PROGRAM IS IMPORTANT

This development program capitalizes on the unique attributes of the site by establishing a higher-density mixed-use development at a key location. This development program also responds to near-term market conditions by featuring a significant amount of residential development, both for-sale and for-rent. The hotel and office developments may be longer-term prospects, given current market conditions, but can be phased in as opportunities emerge. This



AERIAL PHOTO

development program could be a unique showcase for privately-pursued transit-oriented development. Finally, this program could also generate higher tax revenues through property, sales, and hotel taxes than any other opportunity site evaluated in the entire LRT system.

ALTERNATIVE DEVELOPMENT PROGRAMS

The office and hotel uses included in the development described above face significant near-term feasibility challenges. To accelerate the overall development of the site, a program focused more on residential uses would be more feasible in the near-term. Such a program would best prioritize for-sale housing rather than rental, and could include mid-rise to high-rise housing, given price premiums that may be associated with adjacency to Steele Park. A combination of podium and structured parking would be feasible for such a program.

A limited-service/extended stay hotel might also be more feasible than the full-service/business class

hotel envisioned in this development program, as the costs of such development are lower and the parking requirement would be reduced. Lower-scale office development would not substantially improve the feasibility of the program in the near-term, as the current office market is too weak to support new development even in a lower-cost building type. Single-use retail should also be feasible, but would likely be a very low-scale building that severely underutilizes the opportunity site.

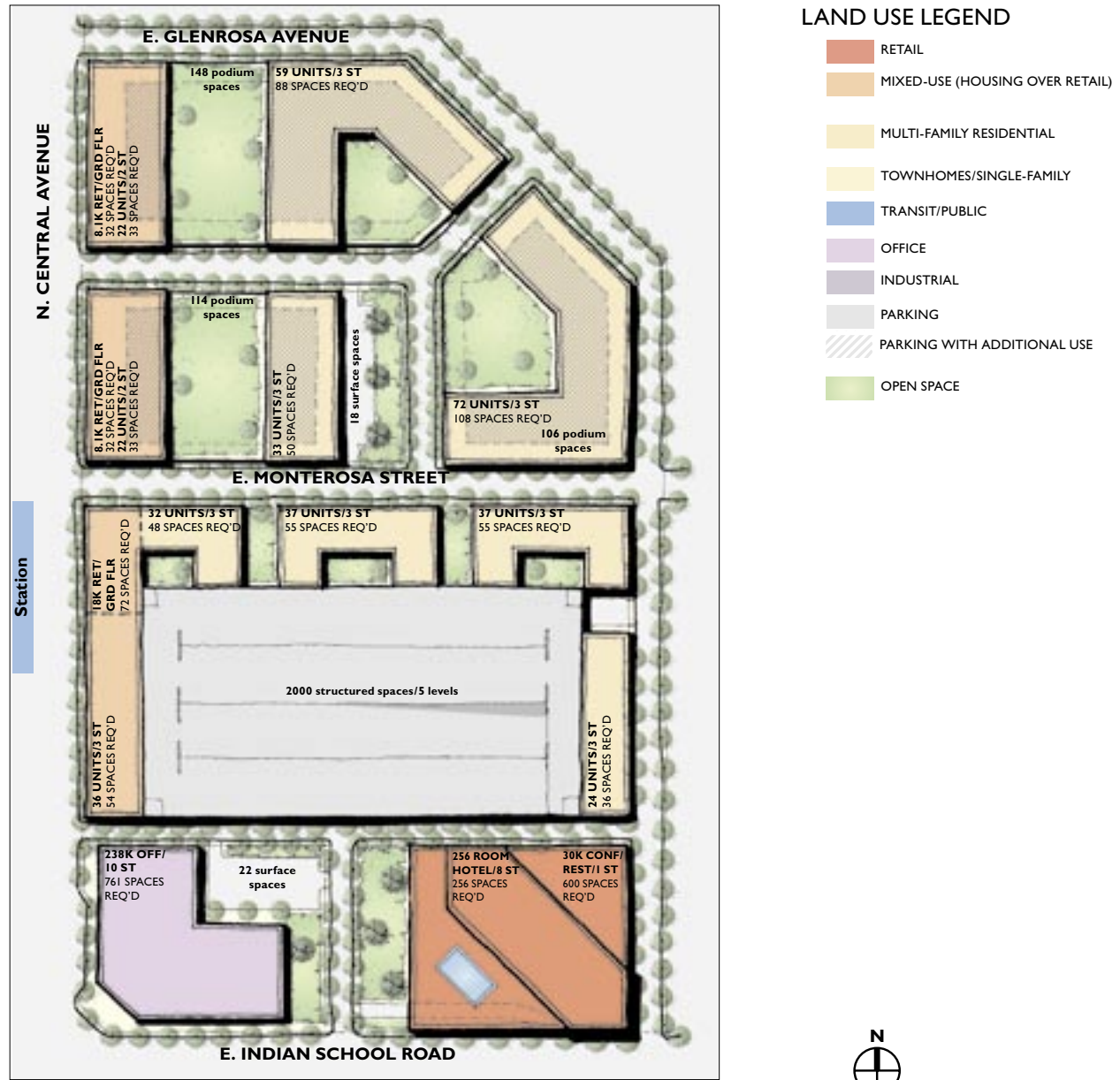
As noted above, the development program illustrated does not preserve the view corridor to Piestawa Peak. To preserve that view corridor, reconfiguration of the buildings would be necessary and could result in a reduction in development density.

PRELIMINARY IMPLEMENTATION CONSIDERATIONS AND RECOMMENDATIONS

PARCEL ASSEMBLY

This site does not need to be assembled, as it is already held under a single ownership entity.

ILLUSTRATIVE CONCEPT PLAN



DEVELOPMENT SUMMARY

Residential

Multi-Family (2-3 Stories)	294 units
Housing Over Retail (3-4 Stories).....	91 units
Total	385 units
Parking Provided	578 spaces

Office

High-Rise Stand Alone (7+ Stories)	238,000 sf
Total	238,000 sf
Parking Provided	761 spaces

Retail

Neighborhood Serving Retail (Mixed-Use)	34,200 sf
Total	34,200 sf
Parking Provided	136 spaces

Hotel

Limited Service/Extended Stay	256 Rooms
Ground Floor Conference/Restaurant	30,000 sf
Parking Provided	856 space

SUMMARY TABLE

Central and Indian School—Site 2 15 acres, undeveloped, 1 owner	
Implementation Issue	Recommended Strategy
Potential Development Program	<ul style="list-style-type: none"> • Development of NEC Indian School and Camelback • 294 low-rise for-sale multifamily units with podium and structured parking • 256-room business-class hotel with structured parking • 221,340 SF high-rise office with structured parking • 91 mixed-use low-rise multifamily rental units over 34,200 SF retail with podium and structured parking
Alternative Development Program	Program with more residential/less commercial uses or featuring townhomes or stand-alone retail may be more feasible in near-term, but may underutilize the site. Limited-service/extended-stay hotel may be more feasible than full-service/business-class hotel.
Special Conditions	Maintain view corridor to Piastawa Peak through the property.
Parcel Assembly	None required, as this large site consists of a single undeveloped parcel.
Property Disposition	No public ownership of property is required, so development should be pursued by private sector. However, City can encourage development through discussions with property owners or assistance in establishing development partnerships.
Development Phasing	<ol style="list-style-type: none"> 1) Develop for-sale residential units on site's eastern edge 2) Develop mixed-use buildings on Central Avenue frontage 3) Develop hotel and office uses and associated structured parking as market conditions allow
Development Funding	Phasing strategy responds to near-term feasibility issues by developing residential uses first and reserving office and hotel uses for later. Could replace office and/or hotel uses with more feasible residential uses. Public funding for sites acquired for LRT facilities should take priority over this site.
Planning Efforts	City can facilitate discussions between developers and neighborhood stakeholders regarding this site to provide potential developers with an understanding of community considerations that will need to be addressed by their development proposals, but this station area should not be among the top priorities for full station area planning. If the City chooses to prepare design guidelines for station areas they would be applicable to this opportunity site.

PROPERTY DISPOSITION

This site will not be required for LRT facilities, so there is no reason for the City of Phoenix to acquire the site. Therefore, development would be pursued by the private sector. The City can provide assistance in the property owners' solicitation of development partners or tenants, including brokering relationships among potential partners or issuing requests for proposals. To expedite the office development, the City could also direct any upcoming federal government building development needs to this site.

DEVELOPMENT PHASING

There are no known physical constraints or requirements that would require the development program to be phased. However, market conditions indicate that the residential development could be feasible in the near-term, while the hotel and office uses will likely require a significant economic recovery to be feasible. Therefore, the development phasing should focus on residential uses in the near-term and defer the office and hotel until later stages. This approach has the added benefit of allowing some or all of the higher-cost structured parking to be deferred until it is needed for the commercial uses.

DEVELOPMENT FUNDING

If the phasing strategy does not sufficiently enhance the feasibility of the total project, the City can lend financial support. Economic development incentives such as Community Development Block Grants or low interest loans can be used to offset some of the costs of the development. The City also may have access to federal funding sources related to transit-oriented development that can be used to subsidize the project. However, the public funding of development on this site should take lower priority than on those sites where public facilities are required.

PLANNING EFFORTS

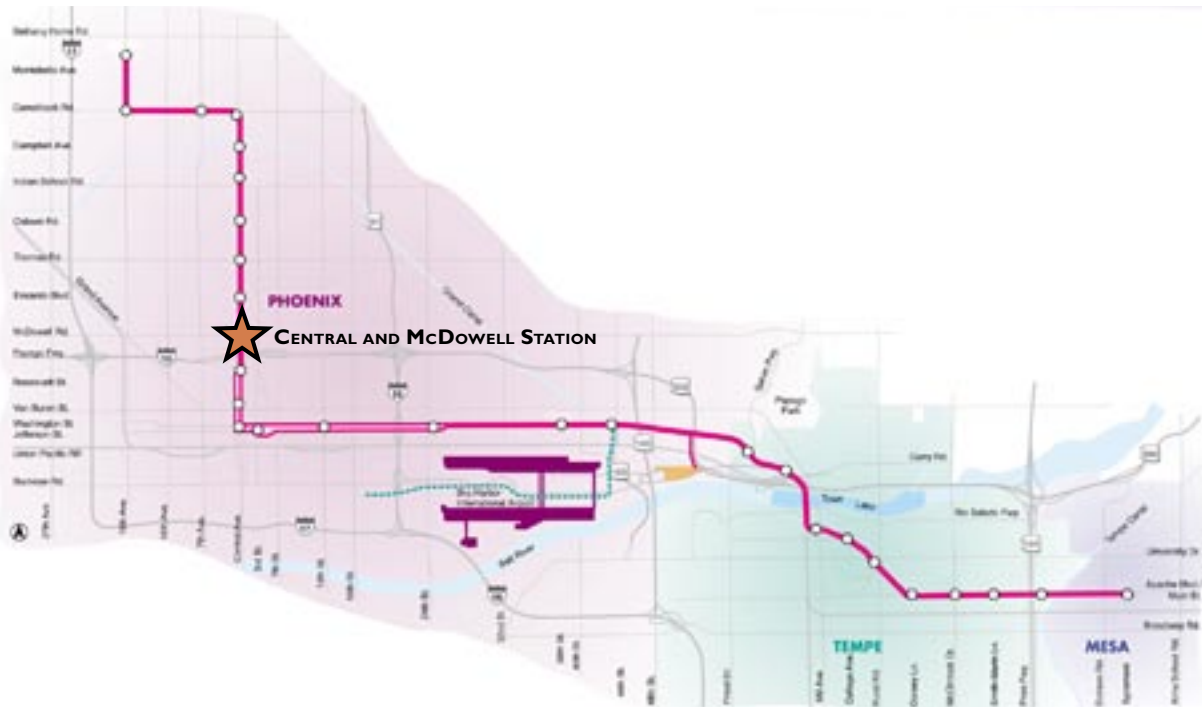
The City can work with the adjacent neighborhood to clarify their concerns in relation to the potential development of this opportunity site so that development regulations (zoning, design guidelines, etc.) respond not only to market potential but to the needs of the surrounding community. However, the City's efforts at coordinating community input should focus on the opportunity site itself, as this

station area does not appear to be among those most in need of more comprehensive station area planning in the near term.

The adjacency of Steele Park to the site provides the opportunity for the final design of each to be informed by one another. Understanding that the design of Steele Park and the location of the amenities have been determined through a separate planning process, the City may wish to amend the final plan to locate or relocate some amenities closer to new residential uses. Alternatively, the site's development plan could include a "public promenade" that would connect Central Avenue to the park through the site; this could coincide with the view corridor towards Piastawa Peak. The promenade could consist of an open space combined with road access through the site.

The Transit Oriented Development (TOD) Interim Overlay Ordinance being developed by the City will provide the necessary setback, parking, and other requirements that will support pedestrian-friendly TOD for the opportunity site.

CENTRAL AND McDOWELL—SITE I



OPPORTUNITY SITE DESCRIPTION

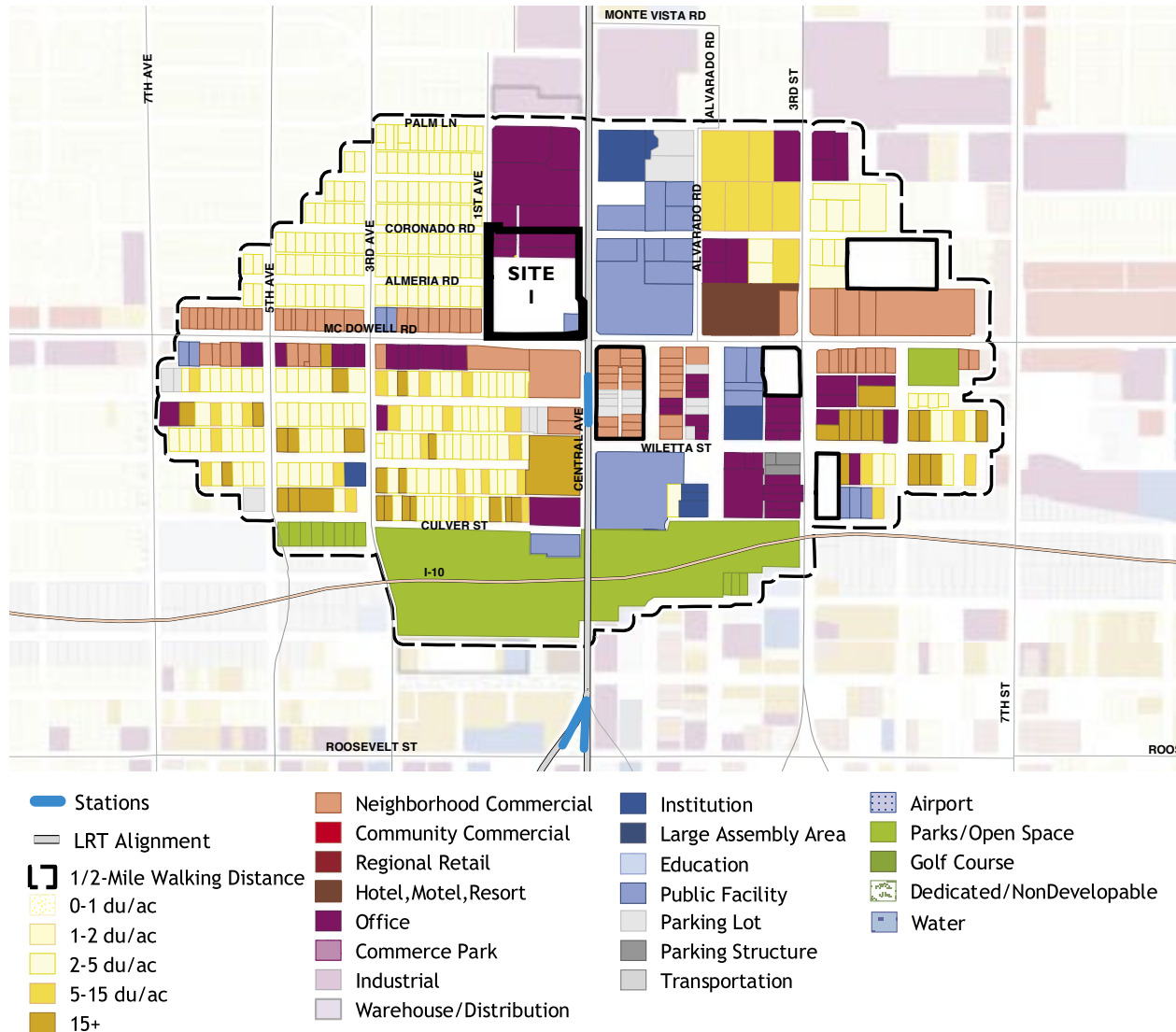
This opportunity site lies at the northwest corner of McDowell Road and Central Avenue, immediately across Central Avenue from the Phoenix Art Museum. Other features in the station area include the historic single-family neighborhoods west of Central and the large public library and Hance Park to the south. McDowell Road is also the current southern terminus of the core of the Central Avenue commercial district, and several high-rise buildings lie north of the site. Two residential complexes — Willo Walk and Artisan Lofts — are currently being developed nearby on Central Avenue, and on the southeast corner of Central and McDowell, a new Osco drugstore is developed. The McDowell Road LRT station is planned to be just south of this site.

This site is medium-sized, at roughly eight acres, and is mostly undeveloped. It features roughly 600 linear feet of Central Avenue frontage, plus 550 feet of frontage on McDowell Road. Both Central Avenue and McDowell Road are major traffic routes, so this site enjoys high visibility and local accessibility, and the site is less than one mile from Papago Freeway interchanges on both 7th Avenue and 7th Street. The site should be relatively easy to

develop, as it is held by three owners, at least one of whom has expressed interest in its development. The northern-most parcel of this opportunity site is currently occupied by the Walsh Brothers office furniture store, and would only be included in the development if the property owners were amenable. This analysis has included that property because it is a relatively low-scale building, and the parcel's value for redevelopment may be greater than the value of the current building — particularly if it is integrated with the development of the larger adjacent parcel.

WHY THIS SITE IS IMPORTANT

This opportunity site is large, flat, and mostly vacant, and is located at a prominent corner adjacent to one of the region's largest commercial districts. The site is also adjacent to historic neighborhoods where housing values have been on the rise. New development on nearby parcels has capitalized on the strength of those neighborhoods as well as the proximity to public facilities, Hance Park, downtown Phoenix, and a growing number of convenience and community retailers. Development on this site could substantially improve the image of Central Avenue and also enhance the commercial development both east and west on McDowell Road, as well as bolster



LRT ridership. And finally, most of the site is owned by an entity that has expressed interest in pursuing development that addresses most or all of these opportunities.

POTENTIAL DEVELOPMENT PROGRAM

The program features 63 for-sale townhome units toward the rear of the site nearest the historic neighborhood, 149 low-rise apartment units, and a mixed-use building totaling 27 rental apartments and 7,200 square feet of retail. The townhome units would have self-contained garages, while the remaining developments are served by podium (ground-level) parking. The scale of development is highest at the immediate corner of Central and McDowell and decreases in the site’s interior and to the west as it

meets the adjacent neighborhood. As noted above, the northern-most parcel of this opportunity site may not be included in the development, in which case the total amount of development would decrease slightly but the same building types would still be included.

WHY THE POTENTIAL DEVELOPMENT PROGRAM IS IMPORTANT

This development program responds to near-term market conditions by prominently featuring residential development, both for-sale and for-rent. This near-term feasibility means that the unattractive vacancy at this prominent corner could be replaced by new development that could enhance the image of the Central Avenue commercial core. The development program would also meet anticipated concerns of



AERIAL PHOTO

the community, as the scale of development changes from urban density on the major street frontages to less dense townhomes adjacent to the historic neighborhood. The addition of residents to this area would bolster support for local businesses, as well as enhancing transit ridership. The new residential units and their residents would also add a moderate amount to the City’s tax base and contribute to the policy goal of increasing the downtown housing.

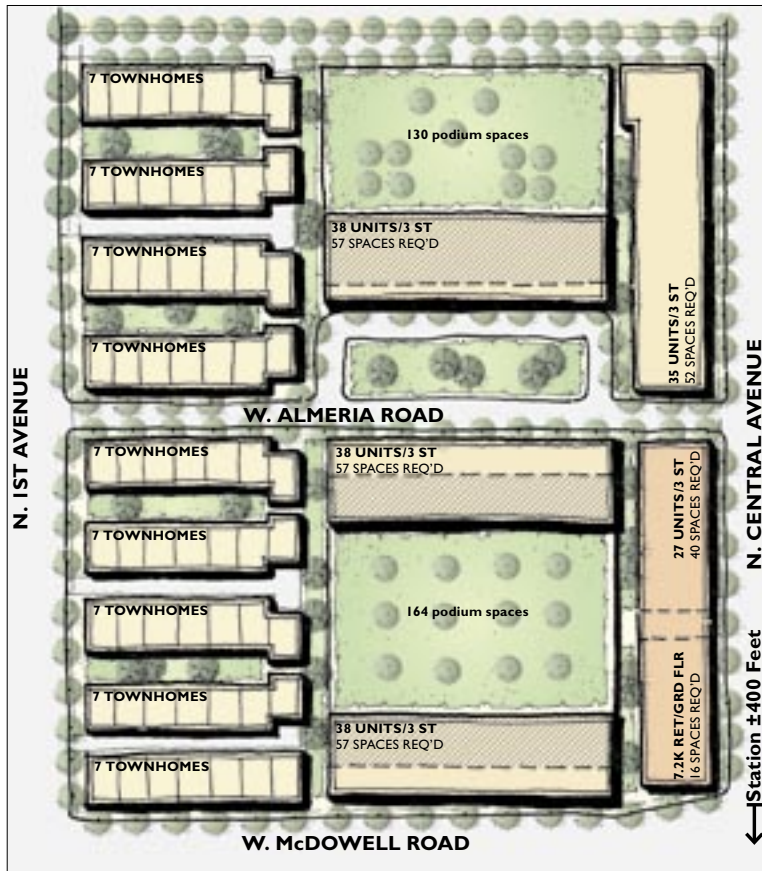
ALTERNATIVE DEVELOPMENT PROGRAMS

The low-rise multi-family housing included in the development program has been assumed to be rental housing in order to show a mix of development types for this analysis. Under near-term market conditions, the demand for rental housing at this site and on Central Avenue generally is somewhat weak, and the feasibility of rental housing with podium parking is in question. The feasibility of the project would be improved if the housing were offered as for-sale product, for which demand and achievable values are higher. This change would not impact the design of the Illustrative Concept Plan.

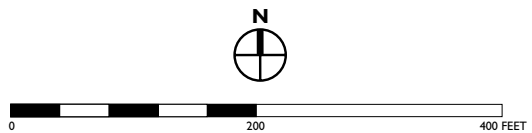
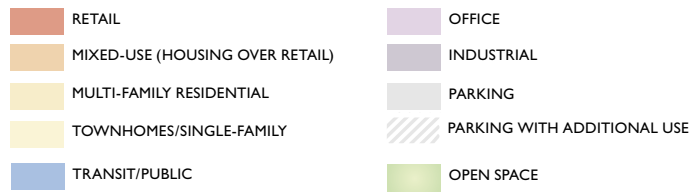
Stand-alone retail uses may be feasible at this site in the near-term, due to its high visibility and proximity to a growing residential base. The Osco drugstore on the opposite corner of McDowell and Central reflects this development opportunity. However, stand-alone retail would contribute little to transit ridership, and would represent a continued underutilization of this urban site.

Office uses were also considered for this opportunity site but were eliminated from consideration as a near-term use because the market for office development is generally weak and achievable price points do not suggest office development will be feasible now or in the foreseeable future. In the long-term, office may be a viable use, especially for federal government-related office buildings, as have been discussed for this site in the recent past.

ILLUSTRATIVE CONCEPT PLAN



LAND USE LEGEND



DEVELOPMENT SUMMARY

Residential

Townhomes.....	63 units
Multi-Family (2-3 Stories)	149 units
Housing Over Retail (3-4 Stories).....	27 units
Total	239 units
<i>Parking Provided</i>	<i>404 spaces</i>

Retail

Specialty Retail (Mixed-Use).....	7,200 sf
Total	7,200 sf
<i>Parking Provided</i>	<i>16 spaces</i>

SUMMARY TABLE

Central and McDowell—Site 1 8 acres, mostly vacant, 3 owners	
Implementation Issue	Recommended Strategy
Potential Development Program	<ul style="list-style-type: none"> • Development of mostly vacant NWC of McDowell and Central • 63 for-sale townhomes with attached garages • 149 low-rise multifamily rental units with podium parking • 27 mixed-use low-rise multifamily rental units over 7,200 SF retail with podium parking
Alternative Development Program	<p>Program featuring more townhome development or for-sale condos may be more feasible in near-term. Stand-alone retail may be feasible, but would underutilize the site. Office development is not expected to be feasible in near-term. The opportunity site and development program can be reduced slightly by not including the northern-most parcel, which is currently developed with office furniture store.</p>
Special Conditions	<p>None identified.</p>
Parcel Assembly	<p>Most of site is undeveloped, and owners have attempted to attract development recently. Private sector assembly should be relatively easy, with possible exception of small, northern-most parcel. If that parcel cannot be assembled, site plan should be slightly modified and pursued without that parcel.</p>
Property Disposition	<p>No public ownership of property is required, so development should be pursued by private sector. However, City can encourage development through discussions with property owners or assistance in establishing development partnerships.</p>
Development Phasing	<ol style="list-style-type: none"> 1) Attempt to assemble site, but proceed with development if assembly is delayed 2) Develop for-sale townhomes on site’s western edge 3) Develop apartments and mixed-use buildings on site’s interior and Central Avenue frontage
Development Funding	<p>Phasing strategy responds to near-term feasibility issues by developing townhomes first and reserving Central Avenue frontage for later. Could replace some apartments with condos or additional for-sale townhomes to improve feasibility. No public financing is expected to be required.</p>
Planning Efforts	<p>City can facilitate discussions between developers and neighborhood stakeholders regarding this site to provide potential developers with an understanding of community considerations that will need to be addressed by their development proposals, but this station area should not be among the top priorities for full station area planning. If the City chooses to prepare design guidelines for station areas they would be applicable to this opportunity site.</p>

PRELIMINARY IMPLEMENTATION CONSIDERATIONS AND RECOMMENDATIONS

PARCEL ASSEMBLY

This site is held by a total of three owners. If the owner of the northern-most parcel (currently occupied by the Walsh Brothers office furniture store) does not wish to redevelop that parcel, the remaining parcels can easily be assembled by the private sector, so no public sector intervention should be required for this parcel assembly.

PROPERTY DISPOSITION

This site will not be required for LRT facilities, so there is no reason for the City of Phoenix to acquire the site. Therefore, development would be pursued by the private sector. The City can provide assistance in the property owners' solicitation of development partners or tenants, including brokering relationships among potential partners or issuing requests for proposals. To expedite the office development, the City could also direct any upcoming federal government building development needs to this site.

DEVELOPMENT PHASING

The initial phase of development for this opportunity site should be the property assembly. Efforts should be made to assemble all 11 parcels under the control of three property owners into one development site, either through a development agreement or the consolidation of the properties under one ownership. However, if the Walsh Brothers parcel cannot be included in the property assembly, the development can still proceed. The townhomes at the rear of the site should be the first uses developed, as they are most marketable in the near-term. The low-rise apartments and mixed-use buildings can be developed at a later stage, when the market for those uses has fully recovered and benefited from the early investment in the townhomes. This phasing program, therefore, would move from west to east, leaving the mixed-use site on the prominent corner of McDowell and Central for the last phase.

DEVELOPMENT FUNDING

If the phasing strategy does not sufficiently enhance the feasibility of the total project, the City can lend financial support. Economic development incentives such as Community Development Block Grants or

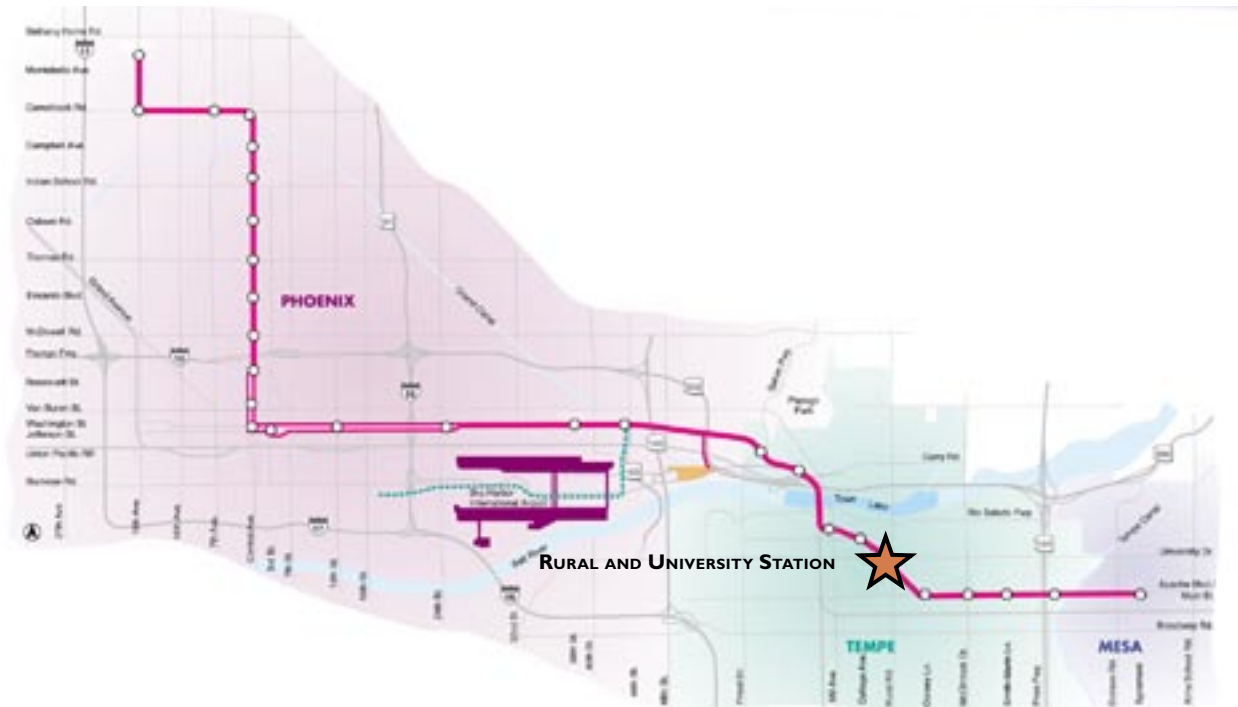
low interest loans can be used to offset some of the costs of the development. The City also may have access to federal funding sources related to transit-oriented development that can be used to subsidize the project. For example, the federal "Transportation Equity Act for the Twenty-First Century (TEA-21)" program has provided funds not only for rail facilities but also for bike path and station area pedestrian improvements that can reduce the burden of such costs on private development and enhance feasibility. However, the public funding of development on this site should take lower priority than on those sites where public facilities are required.

PLANNING EFFORTS

The City can also work with the adjacent neighborhood to clarify their concerns in relation to the potential development of this opportunity site, so that development regulations (zoning, design guidelines, etc.) respond not only to market potential but to the needs of the surrounding community. The City's efforts at coordinating community input would provide potential developers of the opportunity site with an understanding of community concerns that they will need to address in their specific development proposals.

The Transit Oriented Development (TOD) Interim Overlay Ordinance being developed by the City will provide the necessary setback, parking, and other requirements that will support pedestrian-friendly TOD for the opportunity site.

RURAL ROAD AND UNIVERSITY—SITE I



OPPORTUNITY SITE DESCRIPTION

This opportunity site lies at the northwest corner of Rural Road and University Drive in Tempe, on the campus of Arizona State University. The site is just southeast of Wells Fargo Arena and Sun Devil Stadium and is currently occupied by a number of fraternity/sorority houses occupied by ASU students. Other features of the station area include a shopping center on the northeast corner of Rural and University and strip commercial retail on the southern corners of University and Rural. Beyond the immediate corners, there are low-rise office buildings east on University, high-density housing development to the southeast, and ASU campus buildings to the southwest.

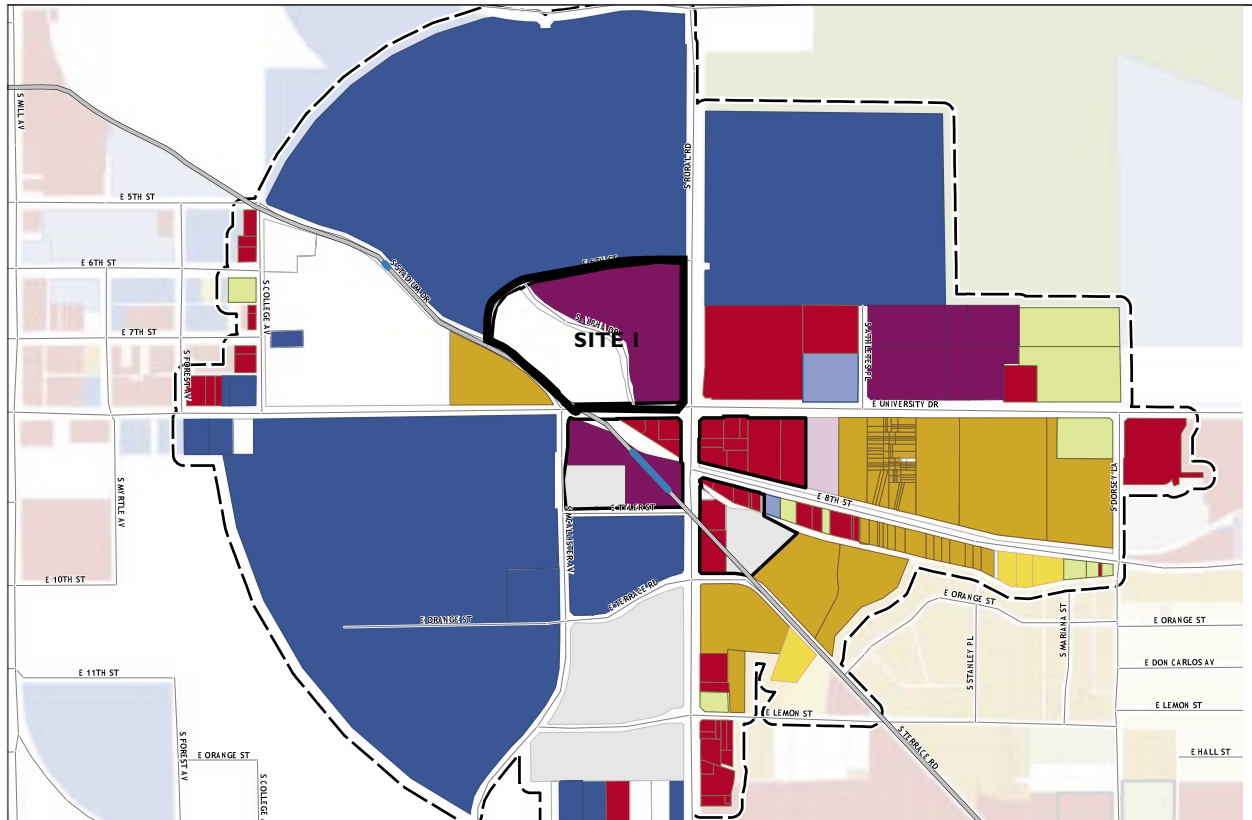
This site is very large, at roughly 18 acres, and has some topographical variation. Both University Drive and Rural Road are significant traffic routes, so this site enjoys high visibility and local accessibility, and the site is roughly one mile from the Red Mountain Freeway interchange on Rural Road. The site may be relatively difficult to develop, as it is held by the University and is occupied by housing and gathering facilities used by ASU students.

WHY THIS SITE IS IMPORTANT

This site represents an opportunity for a large-scale, transit-oriented development across University Drive from the planned LRT station. Demand for campus-related uses, such as high-density housing for students, is very high, and would be feasible in the near-term. Commercial and R&D uses may also be feasible in the near- to mid-term. Such dense, mixed-use development would also be compatible with the goals of the University and consistent with the surrounding development pattern, as the local area features the highest-density residential population in all of Arizona. In addition, redevelopment of this site would present an opportunity to improve conditions on this prominent corner, where the existing uses are in generally poor condition.

POTENTIAL DEVELOPMENT PROGRAM

The development program envisioned for this opportunity site includes 276 low-rise apartments, 162 mid-rise apartments, and a mid-rise mixed-use building with 99 apartment units and 36,900 square feet of retail space. These buildings would be served primarily by podium parking, although a small amount of surface parking is also envisioned. In addition, the development program includes 128,000



- | | | | |
|---------------------------|-------------------------|---------------------|--------------------------|
| Stations | Neighborhood Commercial | Institution | Airport |
| LRT Alignment | Community Commercial | Large Assembly Area | Parks/Open Space |
| 1/2-Mile Walking Distance | Regional Retail | Education | Golf Course |
| 0-1 du/ac | Hotel, Motel, Resort | Public Facility | Dedicated/NonDevelopable |
| 1-2 du/ac | Office | Parking Lot | Water |
| 2-5 du/ac | Commerce Park | Parking Structure | |
| 5-15 du/ac | Industrial | Transportation | |
| 15+ | Warehouse/Distribution | | |

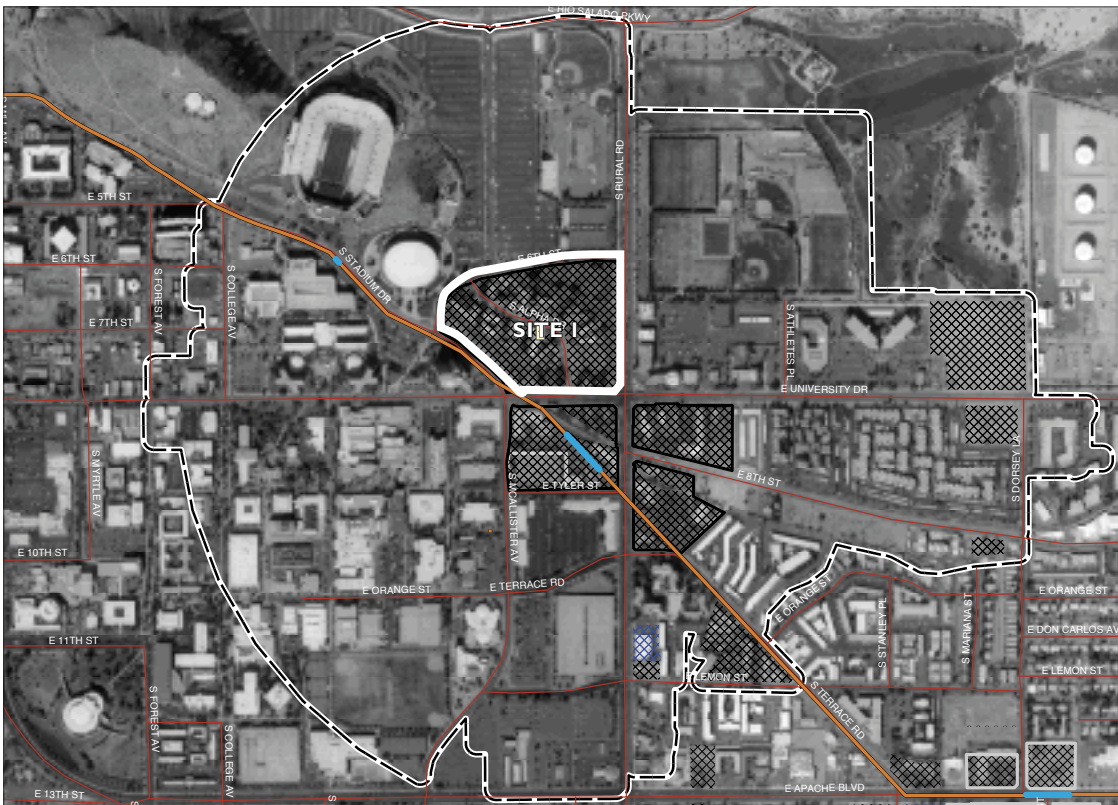
square feet of office space and 74,200 square feet of R&D space, both of which would share a parking structure. The mixed-use building is envisioned to be located at the immediate, highly visible corner of Rural and University, while the office and R&D space are envisioned just north along Rural Road. The interior of the site would be developed with the single-use apartment buildings.

WHY THE POTENTIAL DEVELOPMENT PROGRAM IS IMPORTANT

This development program responds to the most pressing demand in Tempe — quality housing for students. With a total of over 500 housing units adjacent to campus, as many as 1,500 students could be housed at this opportunity site. These new units would replace the existing buildings, which are

generally in poor condition. The new units would also help to mitigate the community’s concerns regarding the encroachment of students into lower-density neighborhoods farther from campus.

The mixed-use building on the corner of the site would help to activate the prominent intersection of University and Rural. In addition, the program allows for the development of office and R&D space that could address some of Tempe and the University’s interests in expanding the employment base, especially through technology-related employment. This commercial development may not be feasible in the immediate future, but as the economy recovers and the University’s recent activity in R&D development is built out and occupied, such opportunities are likely to exist in the future.



AERIAL PHOTO

The development program also takes advantage of the site’s topography to provide relatively affordable podium parking that would be tucked into the slope on the southwest corner of the site.

ALTERNATIVE DEVELOPMENT PROGRAMS

The office and R&D development included in this development program are not likely to be feasible in the near-term. The current achievable price points for these uses will not support new construction, especially with costly structured parking. As the economy generally recovers and the University’s current technology-related development efforts mature, the market for office and R&D space may allow these uses to be developed on this opportunity site, which is well located with respect to the campus activity and freeway access. However, in the event that this market demand does not materialize, the

portion of the site currently envisioned for office and R&D uses can easily be converted to additional low- to mid-rise residential uses, which are in high demand.

This prominent location may also be able to support a new hotel in the future, although near-term market conditions for the hotel industry generally are weak. Hotel uses are also being considered for another opportunity site immediately to the south, where the LRT station will be located.

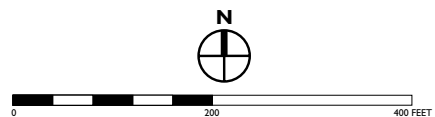
The development program as currently envisioned includes a significant amount of structured parking. Any adjustments to the development program that can reduce the parking ratio or replace structured parking with podium (ground-floor), deck (two-level), or surface parking may significantly enhance the feasibility of the site’s redevelopment.

ILLUSTRATIVE CONCEPT PLAN



LAND USE LEGEND

- RETAIL
- MIXED-USE (HOUSING OVER RETAIL)
- MULTI-FAMILY RESIDENTIAL
- TOWNHOMES/SINGLE-FAMILY
- TRANSIT/PUBLIC
- OFFICE
- INDUSTRIAL
- PARKING
- PARKING WITH ADDITIONAL USE
- OPEN SPACE



DEVELOPMENT SUMMARY

Residential

Multi-Family (2-3 Stories)	276 units
Multi-Family (4-6 Stories)	162 units
Housing Over Retail (4-6 stories)	99 units
Total	537 units
Parking Provided	806 spaces

Retail

Neighborhood Serving Retail (Mixed-Use)	36,900 sf
Total	36,900 sf
Parking Provided	111 spaces

Office

Mid-Rise (4-6 stories)	128,000 sf
Total	128,000 sf
Parking Provided	356 spaces

Industrial

Research and Development	74,200 sf
Total	74,200 sf
Parking Provided	211 spaces

SUMMARY TABLE

Rural Road and University—Site I 18 acres, existing ASU residential uses, University-owned	
Implementation Issue	Recommended Strategy
Potential Development Program	<ul style="list-style-type: none"> • Redevelopment of NWC Rural and University, now occupied by fraternity/sorority housing • 276 low-rise multifamily rental units with surface and structured parking • 162 mid-rise multifamily rental units with surface and structured parking • 128,000 square feet of mid-rise office space with structured parking • 74,200 square feet of R&D space with surface and structured parking • 99 mixed-use mid-rise multifamily rental units over 36,900 SF retail with structured parking
Alternative Development Program	Program featuring more residential/less commercial development may be more feasible in near-term, but for-sale housing not likely to be achievable under University land ownership or given neighboring uses. Stand-alone retail may be feasible, but would underutilize the site. Hotel development may be feasible in future.
Special Conditions	ASU’s control of the site limits City’s influence on its redevelopment. City should work with ASU to determine appropriate future for the site, and explore legal and financial relationships that can assist redevelopment.
Parcel Assembly	Site is owned by ASU, but development may be difficult, as site is developed with student housing and facilities. University will need to direct redevelopment efforts, such as tenant relocation and/or lease buyout negotiations.
Property Disposition	No City ownership of property is required, but ASU may wish to pursue joint development options for the site’s redevelopment. City can encourage development through discussions with ASU, financial participation, or assistance in establishing development partnerships.
Development Phasing	<ol style="list-style-type: none"> 1) Incrementally relocate existing tenants/demolish existing uses 2) Develop apartment buildings on site’s western end and interior 3) Develop mixed-use building on corner of Rural and University 4) Develop office/R&D uses along Rural Rd. north of University, or additional residential and retail uses if office/R&D demand remains weak
Development Funding	Initial funding will be required to make site available through relocation of existing tenants and demolition of existing buildings. ASU and potential private development partner would best contribute to those costs. City and University may be able to partner for infrastructure improvements.
Planning Efforts	City and ASU should work collaboratively to conduct planning effort for the entire station area. The current update of the city’s zoning code will affect this opportunity site, some additional revisions may be necessary to allow for full implementation of the proposed program.

PRELIMINARY IMPLEMENTATION CONSIDERATIONS AND RECOMMENDATIONS

SPECIAL CONDITIONS

This site is owned by Arizona State University. The University's development goals and timetable are generally independent from those of the City of Tempe. To convince the University to pursue this or any redevelopment of their property will likely require significant discussions and negotiations. In addition, this redevelopment program would replace the existing fraternity/sorority houses on the site, which may require negotiations with the national representatives for these organizations, which in turn would most likely be conducted by the University rather than the City. In essence, the redevelopment of this site will be largely contingent upon the motivation of the University, which may be difficult for the City of Tempe to influence.

PARCEL ASSEMBLY

This opportunity site does not face assembly difficulties, as the property is owned by Arizona State University. However, as will be discussed in the phasing section below, the process of clearing the site and preparing it for redevelopment is likely to be challenging.

PROPERTY DISPOSITION

The disposition of this site will be determined by the policies of Arizona State University, whose interests in property ownership, ground leasing arrangements, development of University-related buildings, and partnerships with private developers will prevail. The City of Tempe may have little influence on the redevelopment of this site. The City's interventions may be limited to conducting joint station area planning efforts with the University and providing support to the University's negotiations with existing users and future joint developers.

DEVELOPMENT PHASING

The phasing of development on this site may be controversial. To redevelop the site, the existing fraternity/sorority tenants would need to be relocated and their buildings razed. This effort is likely to require significant negotiations with those organizations and may require substantial financial

mitigation for their temporary or permanent relocation. These negotiations would need to be conducted by Arizona State University.

When development commences, the western-most portion of the site should be the first to be redeveloped. This phasing would allow the most feasible uses (low-rise apartments) to be developed in the near-term, while slightly deferring the mid-rise apartments in the site's center and the mixed-use buildings at the southeast corner of the site. The final development phase should be the commercial office and R&D buildings, for which the market is currently weakest. As discussed in the Alternative Development Programs above, these uses could ultimately be developed as residential uses if the commercial demand does not materialize.

DEVELOPMENT FUNDING

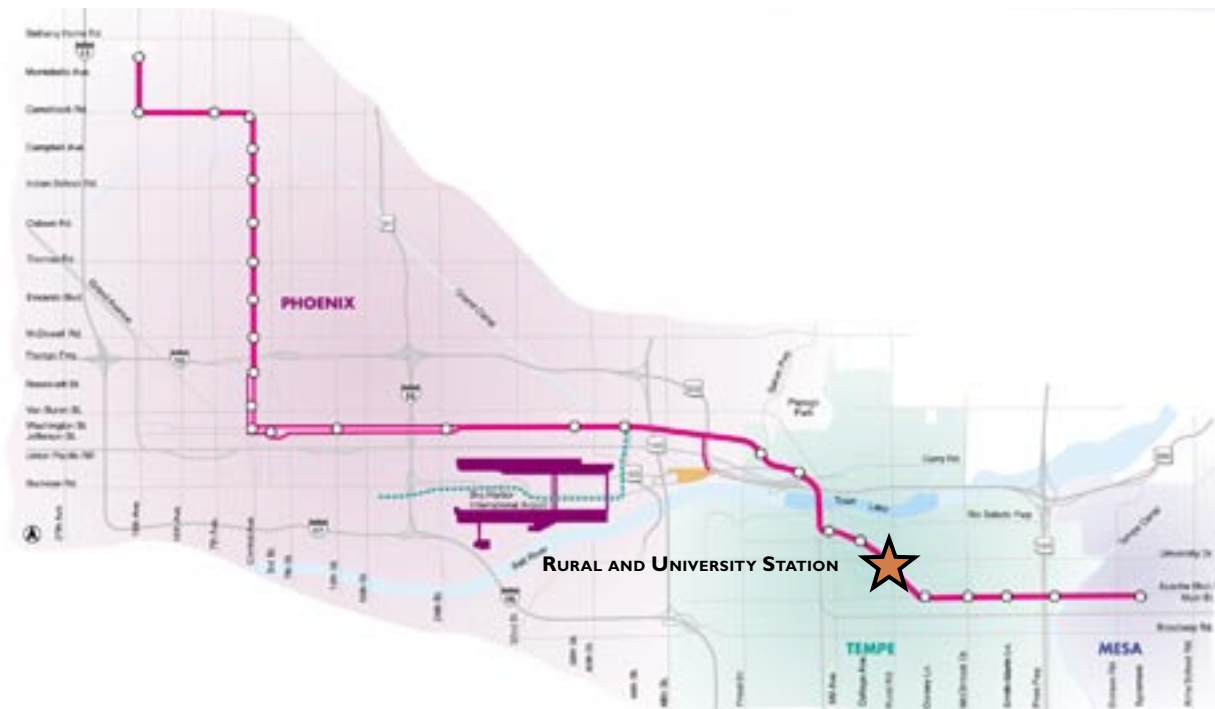
The funding of this site's redevelopment will be influenced by the costs to relocate or remove the existing tenants on the land, the availability of University funds, and any contributions that may come from private development partners. The City may be able to partner with the University for the site's redevelopment by providing infrastructure or streetscape enhancements.

PLANNING EFFORTS

It is important for the City to undertake a station area planning effort for the area around this opportunity site, as the station area contains three priority opportunity sites. Such a planning effort will allow the community to proactively participate in the planning for the station area by defining community goals and objectives for the station area, and facilitating the resolution of issues that are likely to emerge from the potential impacts and benefits of the proposed mixed-use development concept. Because this station area includes a significant amount of University-owned land, a station area planning process jointly sponsored by the City and University is important.

The current update of the city's zoning code will affect this opportunity site, some additional revisions may be necessary to allow for full implementation of the proposed program.

RURAL ROAD AND UNIVERSITY—SITE 3



OPPORTUNITY SITE DESCRIPTION

This opportunity site lies at the northeast corner of Rural Road and Terrace Road in Tempe, just east of the campus of Arizona State University. The site is currently occupied by single-story commercial buildings, including a bank and a small strip retail center, as well as some surface parking. Other features of the station area include a shopping center on the northeast corner of Rural and University, and additional strip commercial retail on the frontages of both University and Rural. Beyond the immediate corners, there are low-rise office buildings east on University, high-density housing development to the site's east and southeast, and ASU campus buildings to the west.

This site is medium-sized, at roughly five acres, and is divided by an irrigation canal. The site's frontage on Rural Road will be limited, as Terrace Road is expected to be realigned through the middle of the site to accommodate the LRT right-of-way, creating unusually shaped development sites. Yet this creates the opportunity to improve both pedestrian and bicycle circulation in the area. The site is near University Drive on Rural Road, both of which are significant traffic routes, so this site offers reasonable

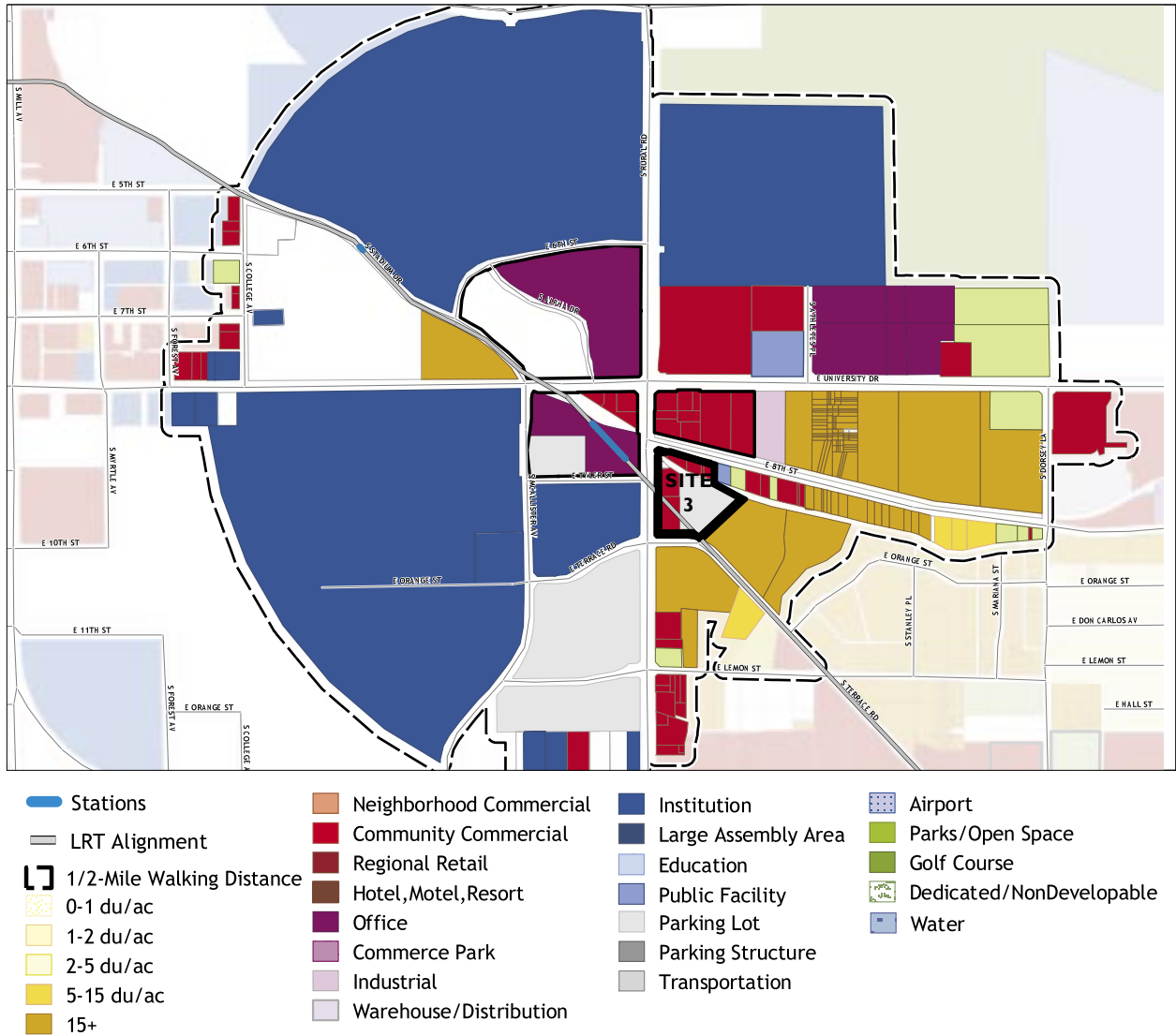
visibility and local accessibility, and the site is roughly one mile from the Red Mountain Freeway interchange on Rural Road. The site may be relatively easy to develop, as most of it will need to be acquired by the City of Tempe for the Terrace Road realignment to accommodate the LRT system.

WHY THIS SITE IS IMPORTANT

This site presents an opportunity for the City of Tempe and the LRT system to recoup some of the costs of property acquisition required for the Terrace Road realignment. The site is well-located, at the edge of Arizona State University and adjacent to the highest-density neighborhood in the state, and can accommodate dense development that is in demand. In addition, the site is not owned by the University, so the City of Tempe has a greater opportunity to exercise control of its redevelopment than will exist for some other opportunity sites in the Rural Road Station Area.

POTENTIAL DEVELOPMENT PROGRAM

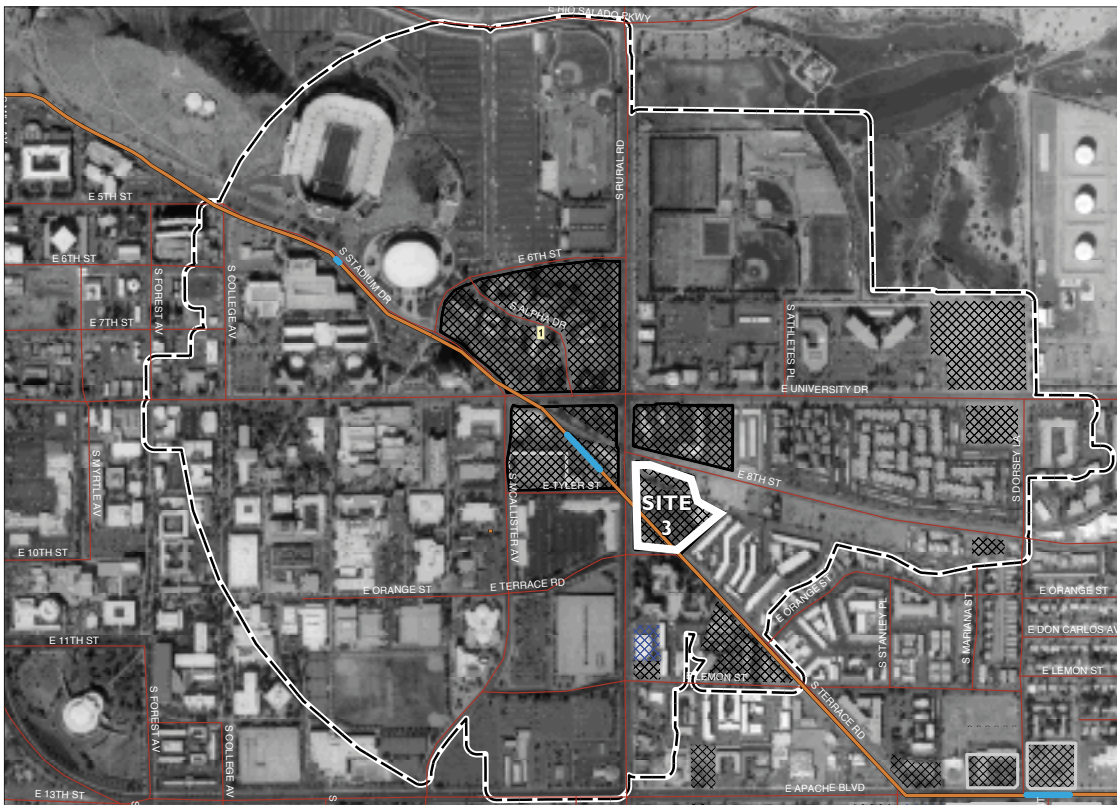
The development program envisioned for this opportunity site includes two single-story buildings totaling 18,000 square feet of retail, plus a four-story mixed-use building offering an additional 15,300



square feet of retail space and 32 apartment units along the Rural Road frontage. In the site’s interior, a six-story residential building offers 53 additional apartments. All of the development can be served by surface parking, which reduces the total amount of development available but enhances the development’s feasibility, by comparison with structured parking programs. Also, with the exception of a possible pedestrian or vehicular accessway, this development program does not bridge development over the irrigation canal, which would also be expensive and require water retention/detention mitigation. In fact, the development proposal creates the opportunity for the canal to be an amenity for the project.

WHY THE POTENTIAL DEVELOPMENT PROGRAM IS IMPORTANT

This development program is important because it can generate positive revenue in the near-term that can be used to offset some of the LRT program costs. In addition, this development program responds to market demand for housing and could replace some of the revenue-generating retail uses that will be lost to the roadway realignment. Moreover, the addition of residential units in this location will respond to the community’s concerns regarding the encroachment of students into lower-density neighborhoods farther from campus, and is consistent with the density and type of development already existing in the local area.



AERIAL PHOTO

ALTERNATIVE DEVELOPMENT PROGRAMS

The portion of this opportunity site just north of the irrigation canal, which is shown as the potential site of a 9,000-square foot retail building, will not be affected by the Terrace Road realignment. Moreover, if the irrigation canal remains in place and not bridged by new development, that land will remain separated from the rest of the opportunity site. Under those circumstances, it is not necessary for the City to acquire that portion of the site.

The existing Terrace Road right-of-way along the southern edge of the site will be vacated and is currently planned to be used as student parking in the near term. That portion of the land could be added to the development site that could allow a greater number of housing units and/or retail space to be developed.

This development program also aimed to minimize development costs and maximize land values by emphasizing surface parking rather than more costly parking solutions. If the market demand for housing continues to grow and achievable rents increase, this opportunity site may be able to accommodate

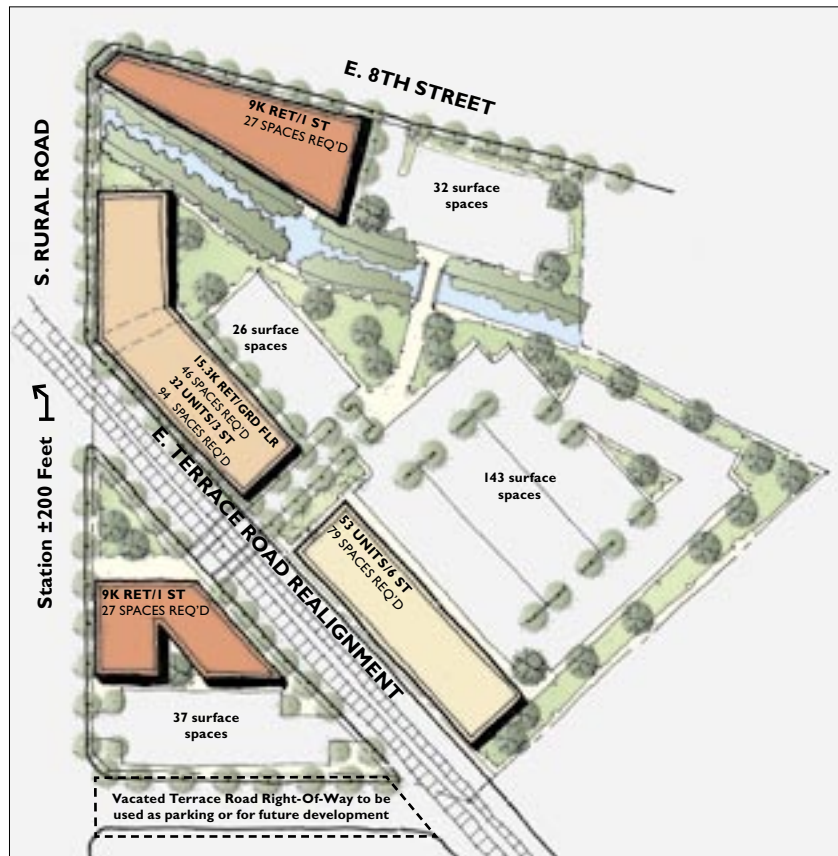
additional housing units, both in single-use buildings and in mixed-use buildings along Rural Road. If that density is desired prior to improved market conditions, the City may need to provide financial support to make that development feasible. This financial support may be in the form of tax-based incentives, transit-oriented development funding, or a partial write-down of the land value.

PRELIMINARY IMPLEMENTATION CONSIDERATIONS AND RECOMMENDATIONS

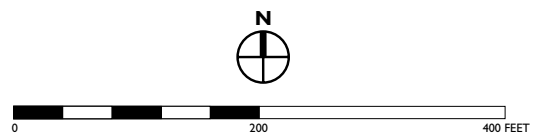
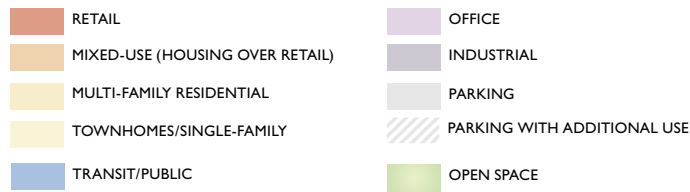
PARCEL ASSEMBLY

The acquisition and redevelopment of a large portion of this site — including buyout of existing leases, demolition of structures, realignment of the street, and creation of transit facilities — are already planned to occur within the context of the LRT project development. The acquisition of the parcels north of the irrigation canal may be more problematic, as they are not technically required for the LRT system. The City would need to work toward the free-market acquisition of that parcel, or it could be excluded from this development program and pursued separately by private development interests.

ILLUSTRATIVE CONCEPT PLAN



LAND USE LEGEND



DEVELOPMENT SUMMARY

Residential

Multi-Family (4-6 Stories)	53 units
Housing over Retail (4-6 Stories)	32 units
Total	85 units
<i>Parking Provided</i>	<i>127 spaces</i>

Retail

Neighborhood Serving Retail (Stand-Alone)	18,000 sf
Neighborhood Serving Retail (Mixed-Use)	15,300 sf
Total	33,300 sf
<i>Parking Provided</i>	<i>104 spaces</i>

SUMMARY TABLE

Rural Road and University—Site 3 5 acres, existing commercial uses, will be acquired for LRT	
Implementation Issue	Recommended Strategy
Potential Development Program	<ul style="list-style-type: none"> • Redevelopment of NEC Rural Rd. and Terrace Rd., for realignment of Terrace Rd. • 53 mid-rise multifamily rental units with surface parking • 18,000 SF of retail with surface parking • 32 mixed-use mid-rise multifamily rental units over 15,300 SF retail with surface parking
Alternative Development Program	Property north of drainage canal and on current Terrace Road right-of-way may or may not be included in property assembly. Housing density can be increased if structured parking is provided. Drainage canal could be bridged for larger development, but added costs may exceed added value.
Special Conditions	None identified.
Parcel Assembly	Most of site already planned to be acquired and demolished for street realignment and LRT right-of-way. Additional parcels can be added to expand development site, but are not necessary for other purposes.
Property Disposition	City should negotiate business terms for site acquisition (land sale vs. lease), then solicit for developer partners and determine roles and responsibilities.
Development Phasing	<ol style="list-style-type: none"> 1) Acquire parcels required for Terrace Rd. realignment and adjacent parcels, as possible or desired 2) Demolish existing buildings 3) Realign Terrace Road 4) Develop residential buildings 5) Develop retail buildings
Development Funding	Initial funding will be required to for site acquisition, relocation of existing tenants, demolition of existing buildings, realignment of Terrace Rd., and creation of LRT tracks and right-of-way. Private residential and retail development appears feasible in near-term, so no additional public funds are expected to be required.
Planning Efforts	<p>City should prioritize station area planning at this station.</p> <ol style="list-style-type: none"> 1) City and ASU should work collaboratively to conduct planning effort for the entire station area. 2) The current update of the city's zoning code will affect this opportunity site, some additional revisions may be necessary to allow for full implementation of the proposed program. 3) The realignment of Terrace Road creates the opportunity to provide a more pedestrian-friendly design to the street, as well as a pedestrian and bicycle-only connection to campus using the abandoned portion of Terrace.

PROPERTY DISPOSITION

This site will be acquired for the realignment of Terrace Road and the establishment of the LRT right-of-way. This acquisition will require the City to engage in negotiations with the existing property owners and, as necessary, the exercise the City's power of eminent domain. Concurrently, the City should consider the merits of various disposition approaches for the eventual development of the site, including ground leasing versus land sale arrangements and possible revenue participation with the owners or tenants of new buildings. Based on the preferred disposition strategy, the City may choose to negotiate with any number of potential development partners, and may need to issue Requests for Proposals or other solicitation documents. Terms of the business arrangement must then be negotiated between the development partners.

DEVELOPMENT PHASING

The opportunity site must first be acquired by the City of Tempe, and the existing buildings demolished and Terrace Road realigned prior to any new development activity. Once those efforts are complete, development of the retail and residential uses can begin at any time, as both appear to be feasible under near-term market conditions.

DEVELOPMENT FUNDING

The initial funding for this opportunity site will be used to acquire the site and develop the LRT facilities and right-of-way. Federal funds from the light rail project may be available for these purposes, but additional funding sources may need to be identified and secured, such as Community Development Block Grants, local capital improvement funds, etc.

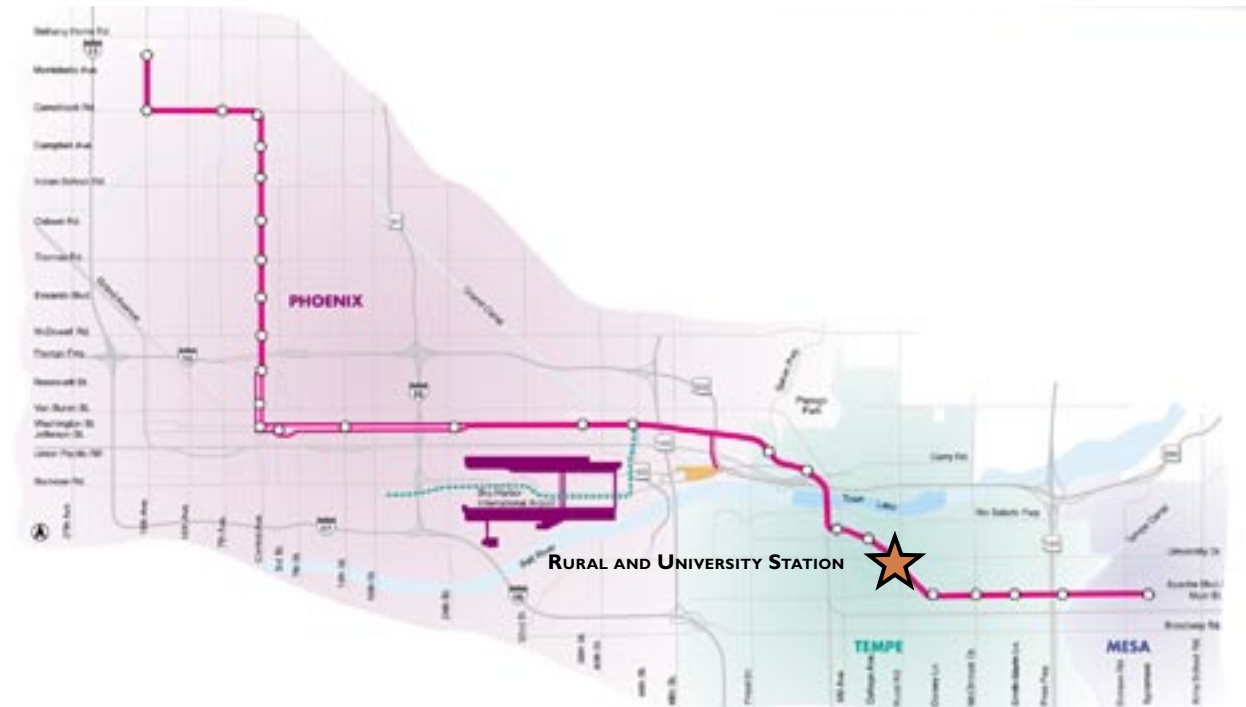
It is not currently anticipated that the City would need to provide financial assistance for the new development, as the uses involved appear to be feasible under near-term market conditions. However, the City may have access to federal funding sources related to transit-oriented development that can be used to enhance the project's feasibility and the City's land value and revenues. These funds could be invested in redevelopment of the streetscape and pedestrian-amenities surrounding the site.

PLANNING EFFORTS

It is important for the City to undertake a station area planning effort for the area around this opportunity site, as the station area contains three priority opportunity sites. Such a planning effort will allow the community to proactively participate in the planning for the station area by defining community goals and facilitating the resolution of issues that are likely to emerge from the potential impacts and benefits of the proposed mixed-use development concept. Because this station area includes a significant amount of University-owned land, a station area planning process jointly sponsored by the City and University is important.

The current update of the city's zoning code will affect this opportunity site, some additional revisions may be necessary to allow for full implementation of the proposed program.

RURAL ROAD AND UNIVERSITY—SITE 4



OPPORTUNITY SITE DESCRIPTION

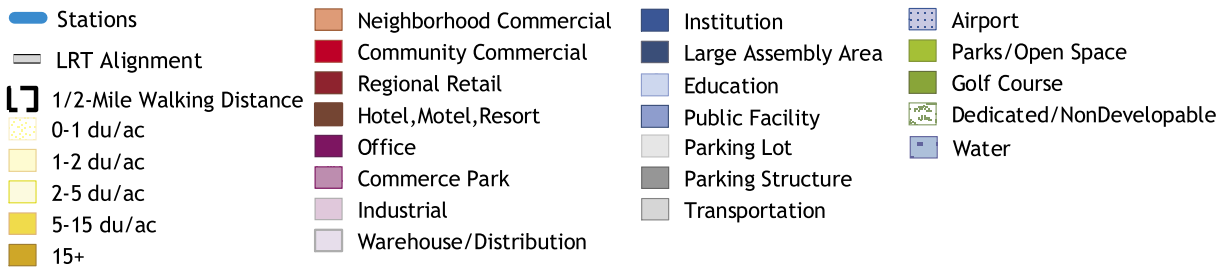
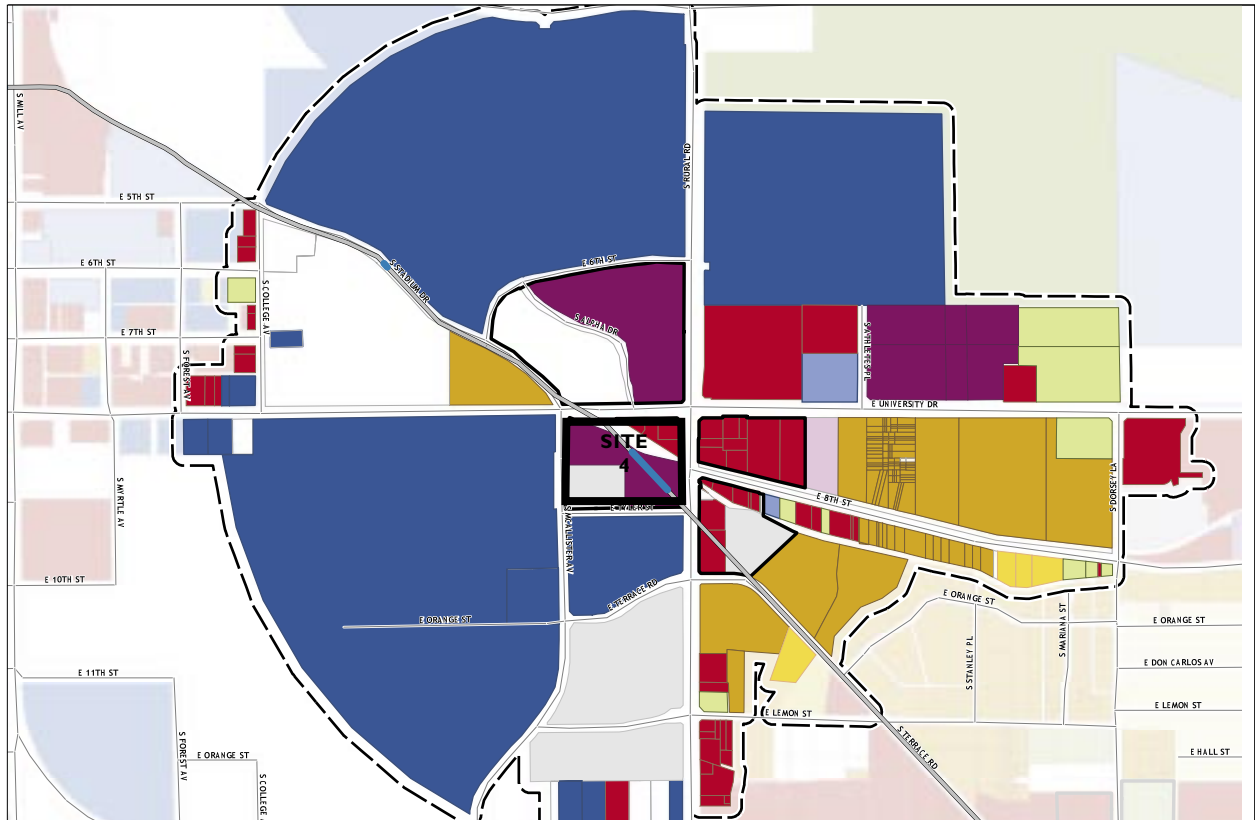
This opportunity site lies at the southwest corner of University Drive and Rural Road, adjacent to the Arizona State University campus, and is comprised of the entire block bounded by University Drive, Rural Road, McAllister Drive, and Tyler Street. A portion of the site is within the campus and is owned by the University. The site is currently occupied by low-scale commercial buildings, including a former gas station, as well as a structured parking garage operated by the University. Other features of the station area include a shopping center on the northeast corner of Rural and University, and additional strip commercial retail on the frontages of both University and Rural. Beyond the immediate corners, there are the University's athletic facilities to the northwest, low-rise office buildings east on University Drive, high-density housing development to the site's southeast, and ASU campus buildings to the west and south.

This site is medium-sized, at roughly eight acres, and is divided by a railroad track and irrigation canal. The site's frontages on University Drive and Rural Road will be limited, as the LRT right-of-way is expected to be aligned through the middle of the

site, creating unusually shaped development sites. The site is on University Drive and Rural Road, both of which are significant traffic routes, so this site offers strong visibility and local accessibility, and the site is roughly one mile from the Red Mountain Freeway interchange on Rural Road. The site may be relatively easy to develop, as much of it will need to be acquired by the City of Tempe or otherwise reconfigured by the University for the LRT system alignment. The irrigation canal provides a potential for an open space amenity for both the station and the surrounding development.

WHY THIS SITE IS IMPORTANT

This site represents a strong opportunity for development because it lies at the edge of the Arizona State University campus, is highly visible, and is adjacent to a highly dense residential area as well as a center of regional and super-regional activity at the ASU athletic and event facilities. Moreover, the site is scheduled for reconfiguration to accommodate the LRT system's off-street right-of-way and station. Regardless of whether the site is owned by the University or the City of Tempe, this reconfiguration will be costly. Development on the site can generate significant revenues that can offset the costs of the



LRT facility and right-of-way construction, and also enhance the vitality of the local area. Higher density uses are appropriate here, given the site’s location at a main intersection and adjacency to both the University and the dense residential area to the east.

POTENTIAL DEVELOPMENT PROGRAM

The development program envisioned for this opportunity site includes a 49,500 square foot, three-story office building on the corner of Rural and University, plus 34,000 total square feet of retail and restaurant space and a 275-room business class hotel west of the LRT tracks. This development program would be primarily served by a structured parking garage in the center of the site, adjacent to the LRT station, although a limited amount of surface parking would be provided near the retail and

office buildings. This development program does not anticipate the replacement of the existing parking and other facilities lost to the site’s reconfiguration. This program also does not anticipate that the irrigation canal which transects the site will be covered, but rather it will become part of an open space amenity within the site.

WHY THE POTENTIAL DEVELOPMENT PROGRAM IS IMPORTANT

This development program would generate positive revenues that could be used to offset some of the LRT program. The inclusion of a business-class hotel would generate tax revenues to the City of Tempe, as well as serving a growing need for quality lodging associated with University-related activities. The scale of development is consistent with the



AERIAL PHOTO

ASU campus, and the addition of office space at the intersection of University and Rural can add vitality to the area and capitalize on the site’s high visibility and accessibility.

ALTERNATIVE DEVELOPMENT PROGRAMS

The development program envisioned assumes that the University would be interested in redeveloping their portion of the opportunity site. In the event that the University does not wish to pursue redevelopment of its portion of the site, the remainder of the site — the northeast corner, currently held under private ownership — can still be redeveloped. The development program would need to be revisited, as the current program assumes that parking for the entire site would be shared on what is now University-owned land.

The office building shown on the northeast corner of the site is not feasible as speculative development under current market conditions, but could be feasible if a tenant (such as the University) were interested in build-to-suit development. Other uses were also considered for this site, including a limited

service hotel, low-rise and mid-rise apartments, and mixed-use buildings with residential uses over retail. All of these uses appear to be feasible, especially if surface parking can be provided. These uses could be developed on the opportunity site, whether or not the site includes the University-owned property.

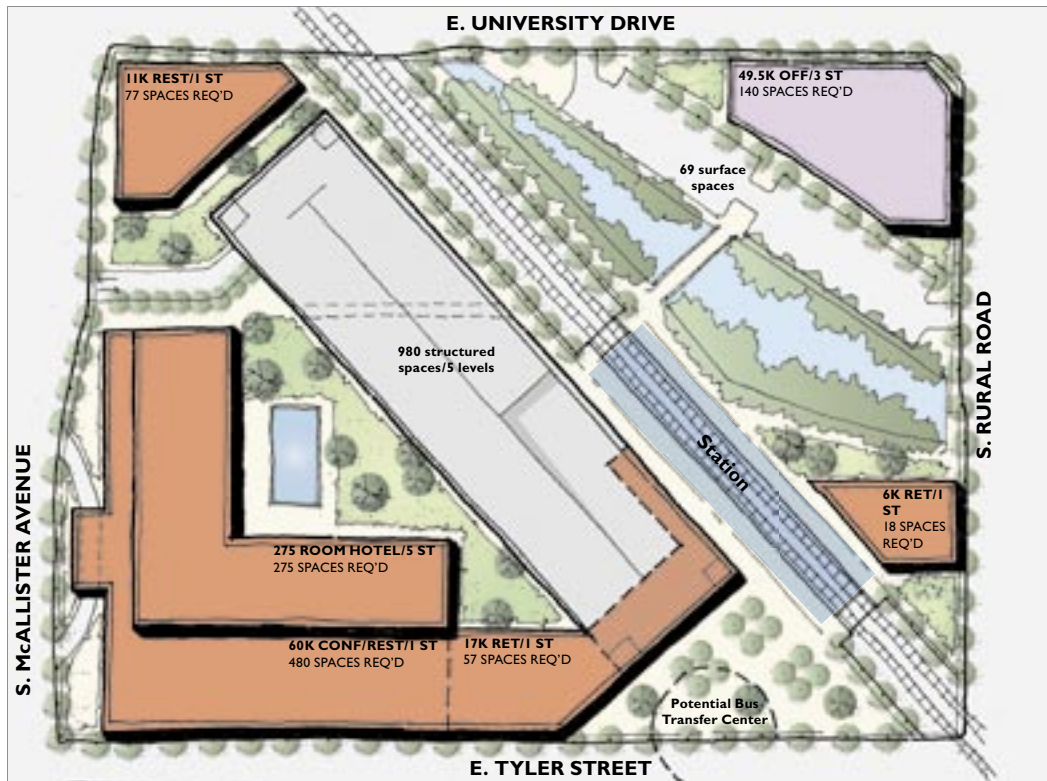
The development program assumes that the irrigation canal that currently transects the site will not be covered by development. If the irrigation canal were to be covered, the development program on the northeast corner could expand and its parking reconfigured.

PRELIMINARY IMPLEMENTATION CONSIDERATIONS AND RECOMMENDATIONS

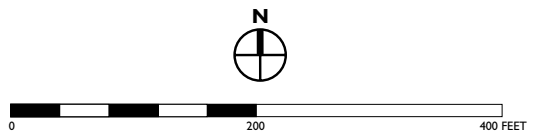
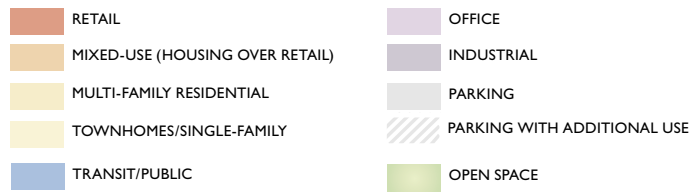
SPECIAL CONDITIONS

A large portion of this site is owned by Arizona State University. The University’s development goals and timetable are generally independent from those of the City of Tempe. To convince the University to pursue this or any redevelopment of their property will likely require significant discussions and negotiations. In essence, the redevelopment of this site will be largely

ILLUSTRATIVE CONCEPT PLAN



LAND USE LEGEND



DEVELOPMENT SUMMARY

Office
 Low-Rise (Stand-Alone)49,500 sf
Total 49,500 sf
 Parking Provided 140 spaces

Retail
 Neighborhood Serving Retail (Stand-Alone).....6,000 sf
 Neighborhood Serving Retail (Mixed-Use) 17,000 sf
 Specialty Retail (Restaurant)..... 11,000 sf
Total 34,000 sf
 Parking Provided 152 spaces

Hotel
 Business Hotel 275 Rooms
 Ground Floor Conference/Restaurant 60,000 sf
 Parking Provided 755 spaces

SUMMARY TABLE

Rural Road and University—Site 4 8 acres, existing commercial uses and parking structure, multiple owners, including ASU	
<i>Implementation Issue</i>	<i>Recommended Strategy</i>
Potential Development Program	<ul style="list-style-type: none"> • Redevelopment of SWC Rural and University, including off-street LRT station and right-of-way • 49,500 SF office building with structured parking • 275-room business-class hotel with structured parking • 34,000 SF retail and restaurant space with structured and surface parking
Alternative Development Program	Other feasible near-term uses include limited-service hotel, apartments, and mixed-use housing over retail. If ASU property is not included in site, northeast corner of site can still be developed, but site plan would need to be revisited. Also, site plan assumes development on the drainage canal which may prove infeasible and require reconfiguration of uses and parking.
Special Conditions	ASU's control of the site limits City's influence on its redevelopment. City should work with ASU to determine appropriate future for the site, and explore legal and financial relationships that can assist redevelopment.
Parcel Assembly	Portion of site already planned for acquisition for LRT right-of-way, but City will need to negotiate with ASU for large portion of site. Actual acquisition of site by City may not be possible, but coordination with ASU plans may permit development as envisioned.
Property Disposition	City should first work with ASU to determine future of site. Then City/ASU partnership should solicit for developer partners and negotiate business terms (land sale vs. lease, roles and responsibilities, etc.).
Development Phasing	<ol style="list-style-type: none"> 1) Assemble site with cooperation of ASU 2) Relocate or replace existing ASU-related uses, as necessary 3) Demolish existing uses 4) Develop LRT station and right-of-way 5) Develop retail and hotel uses 6) Develop office uses on corner or repogram site for more feasible use
Development Funding	Initial funding will be required to for site acquisition, relocation of existing tenants and facilities, demolition of existing structures, and creation of LRT facilities and right-of-way. Hotel and retail development appears feasible in near-term, but office uses should be deferred until higher rents are achievable or a specific tenant pursues build-to-suit development.
Planning Efforts	City and ASU should work collaboratively to conduct planning effort for the entire station area. Street closure? The current update of the city's zoning code will affect this opportunity site, some additional revisions may be necessary to allow for full implementation of the proposed program.

contingent upon the motivation of the University, which may be difficult for the City of Tempe to influence.

As mentioned above, the development program does not address the need to provide replacement parking or other campus facilities that will be demolished for the LRT facilities. This omission may be cause for major revisions to this development program, if the University determines that those facilities are integral to their operations and must be replaced on site. However, some of the development as envisioned here can still be achieved.

PARCEL ASSEMBLY

Portions of this site will be required for the LRT alignment and station facility. However, it may not be possible or desirable for the City to acquire the entire site, as most of it is owned by the University. The City must enter discussions with the University to determine the extent of the site's assembly and redevelopment, as well as the roles and responsibilities for each party.

PROPERTY DISPOSITION

The City should consider the merits of leasing or owning the property required for the LRT facilities and right-of-way, engage in negotiations with the private property owners and, as necessary, exercise the City's power of eminent domain. The City should also consider various disposition approaches for the eventual development of the site, including ground leasing versus land sale arrangements and possible revenue participation with the owners or tenants of new buildings. Based on the preferred disposition strategy, the City may choose to negotiate with any number of potential development partners, and may need to issue Requests for Proposals or other solicitation documents. Terms of the business arrangement must then be negotiated between the development partners.

DEVELOPMENT PHASING

This opportunity site must first be acquired by the City of Tempe and/or reconfigured by Arizona State University. It is likely that these efforts will require extensive negotiations between Valley Metro Rail, the City, and the University. If the University determines that it is necessary to replace the existing facilities on the site, those replacements or relocations will likely

need to occur prior to any demolition of existing uses. Once the site is prepared, the right-of-way and site for the LRT station will need to be carved out, and the remaining developable property delineated. Once those efforts are complete, development of the retail and hotel uses can begin at any time, as both appear to be feasible under near-term market conditions.

DEVELOPMENT FUNDING

The initial funding for this opportunity site will be used to acquire the site and develop the LRT facilities and right-of-way. Federal funds from the light rail project may be available for these purposes, but additional funding sources may need to be identified and secured, such as University funding sources, Community Development Block Grants, local capital improvement funds, etc.

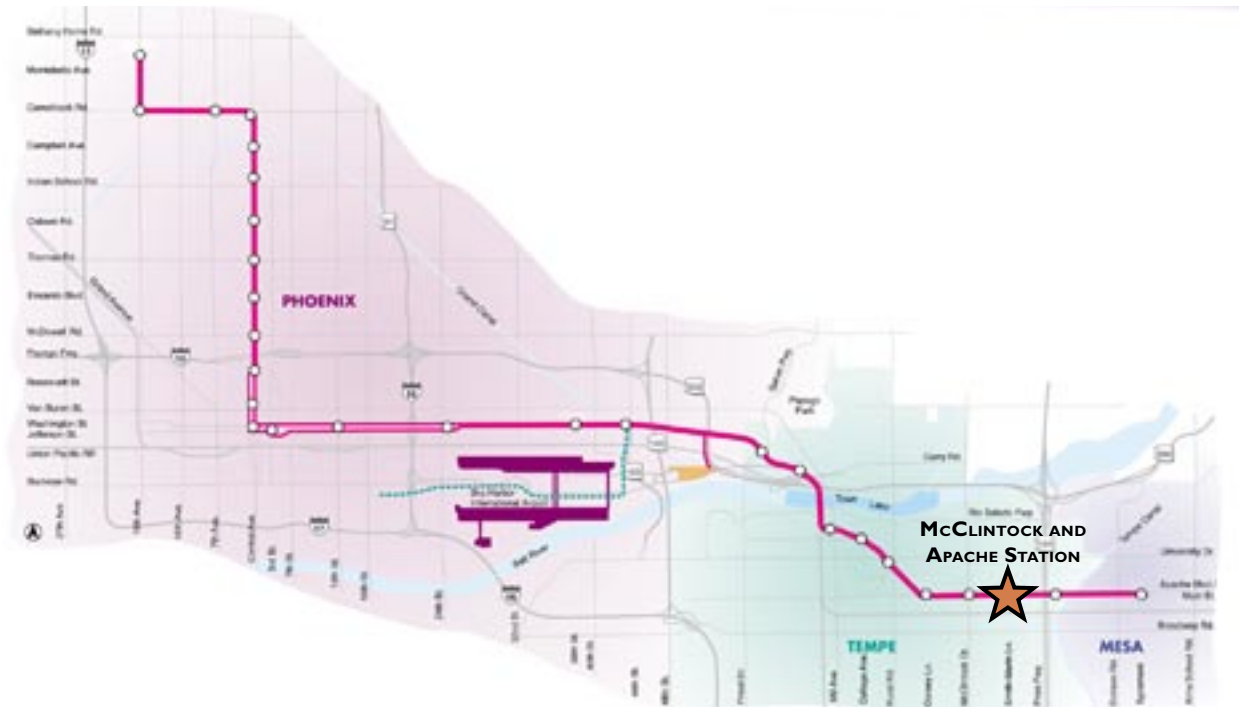
It is not currently anticipated that the City would need to provide financial assistance for the new development, as the uses involved appear to be feasible under near-term market conditions. However, the City may have access to federal funding sources related to transit-oriented development that can be used to enhance the project's feasibility and the City's land value and revenues. These funds could be invested in redevelopment of the streetscape and pedestrian-amenities surrounding the site.

PLANNING EFFORTS

It is important for the City to undertake a station area planning effort for the area around this opportunity site, as the station area contains three priority opportunity sites. Such a planning effort will allow the community to proactively participate in the planning for the station area by defining community goals and objectives for the station area, and facilitating the resolution of issues that are likely to emerge from the potential impacts and benefits of the proposed mixed-use development concept. Because this station area includes a significant amount of University-owned land, a station area planning process jointly sponsored by the City and University is important.

The current update of the city's zoning code will affect this opportunity site, some additional revisions may be necessary to allow for full implementation of the proposed program.

McCLINTOCK AND APACHE—SITE 4



OPPORTUNITY SITE DESCRIPTION

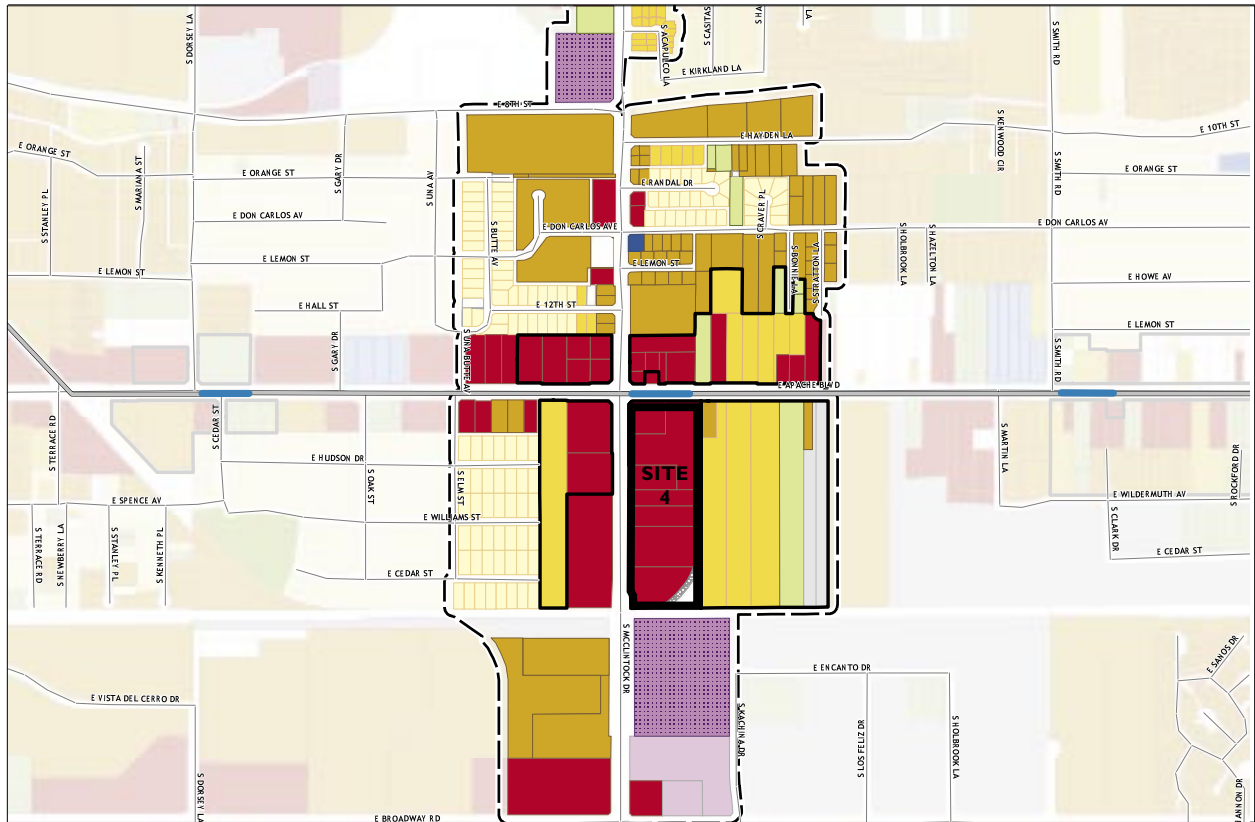
This opportunity site lies at the southeast corner of Apache Boulevard and McClintock Drive in Tempe. The site is currently occupied by low-scale commercial and industrial buildings, including the McClintock Business Center flex/industrial building at the corner of McClintock and Apache. On the southwest corner of that same intersection is a Pep Boys auto parts and service store, while the northwest corner hosts a gas station/convenience store and the northeast corner has low-scale commercial buildings, a motel/kitchenette, and a former Irish Pub now designated as a historic structure. Other features of the station area include strip retail and mobile home/recreational vehicle parks on Apache Boulevard, apartment complexes and single-family homes north and south of Apache, and industrial and commercial uses south of the railroad tracks.

This site is medium-sized, at roughly nine acres. The site extends from Apache Boulevard south to the railroad tracks and has roughly 1,250 feet of frontage on McClintock Drive. The Apache Boulevard frontage is more narrow, as the site extends only 450 feet to the east, where it abuts a recreational vehicle/mobile home park. The site is on Apache Boulevard

and McClintock Drive, both of which are significant traffic routes, so this site offers strong visibility and local accessibility, and the site is roughly 1.5 miles from interchanges with both the Red Mountain Freeway and the Pima Freeway. The site may be relatively easy to develop, as much of it will need to be acquired by the City of Tempe for an LRT park-and-ride facility, and an additional portion of the site is being considered for the development of the City's new Police Substation.

WHY THIS SITE IS IMPORTANT

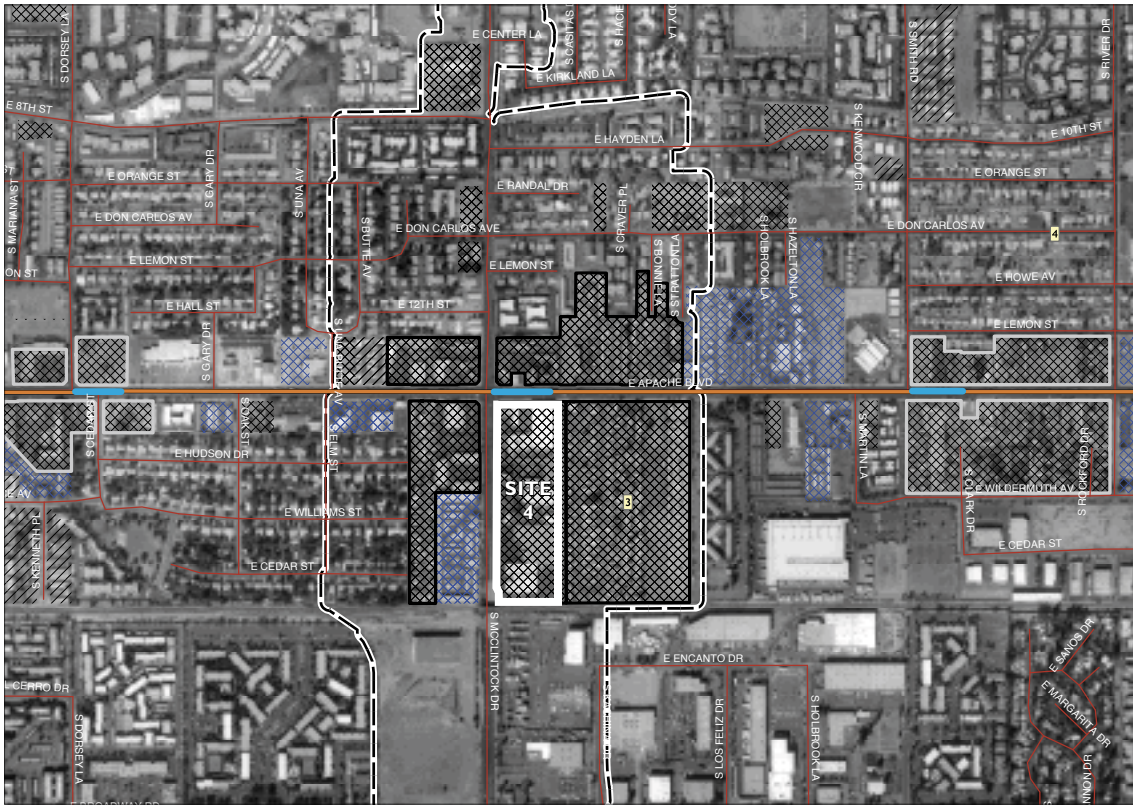
This opportunity site will be the location of a major LRT park-and-ride facility in Tempe. LRT ridership is expected to be strong at this station, and will attract commuters from throughout eastern and southern Tempe in addition to the immediate station area. The development of a functional park-and-ride facility will be key at this location, but the attractiveness and functionality of the system can also be enhanced through the development of other amenities. Market and feasibility analyses indicate that this opportunity site has potential for near-term development, especially for residential and retail uses. Such development can offset some of the costs associated with the acquisition of the property and



development of the park-and-ride facility. Housing and retail uses are also particularly appropriate for this site, as they can best contribute to the ongoing goal of revitalization for Apache Boulevard. This opportunity site provides the opportunity for Tempe and Valley Metro Rail to set an example for sound transit-oriented development around the light rail stations as the combined needs of the park-and-ride facility and the planned Police Substation represent a significant public investment in the area. Additionally, the development provides the opportunity to begin construction of a new street that would eventually provide a link between the major opportunity site to the east and McClintock Drive.

POTENTIAL DEVELOPMENT PROGRAM

In addition to the 440-space LRT park-and-ride facility, the development program envisioned for this opportunity site includes 39 low-rise multi-family apartments, 24,500 square feet of single-story retail space, and mixed use buildings totaling 81 apartments over 28,800 square feet of retail. The development program features a large parking deck (two-level) in the middle of the site that will be shared by the various buildings and the park-and-ride. This development program reserves several acres of land at the site's southern end, on which the City of Tempe's Police Substation could be accommodated, but the program assumes access to those Tempe facilities will be direct from McClintock Drive rather than through the remainder of the site.



AERIAL PHOTO

WHY THE POTENTIAL DEVELOPMENT PROGRAM IS IMPORTANT

This development program creates a park-and-ride facility that is convenient to LRT riders and proximate to the LRT station, but without creating an expansive surface parking lot that will serve as an empty space on Apache Boulevard. Instead, this program brings vitality to both Apache Boulevard and McClintock Drive by lining active uses (retail and residential) along these street frontages. The program also responds to near-term market potential, as both retail and multi-family residential uses appear feasible in the near-term. This development program strikes a balance between financial considerations and planning considerations by using a relatively low-cost parking structure (two-level deck) rather than a taller parking structure that would allow for more development on the site but would not generate sufficient revenues through that development to outweigh the added costs for the parking. The development also provides the opportunity for a major investment in the pedestrian quality of the streets in the area, again allowing the City of Tempe

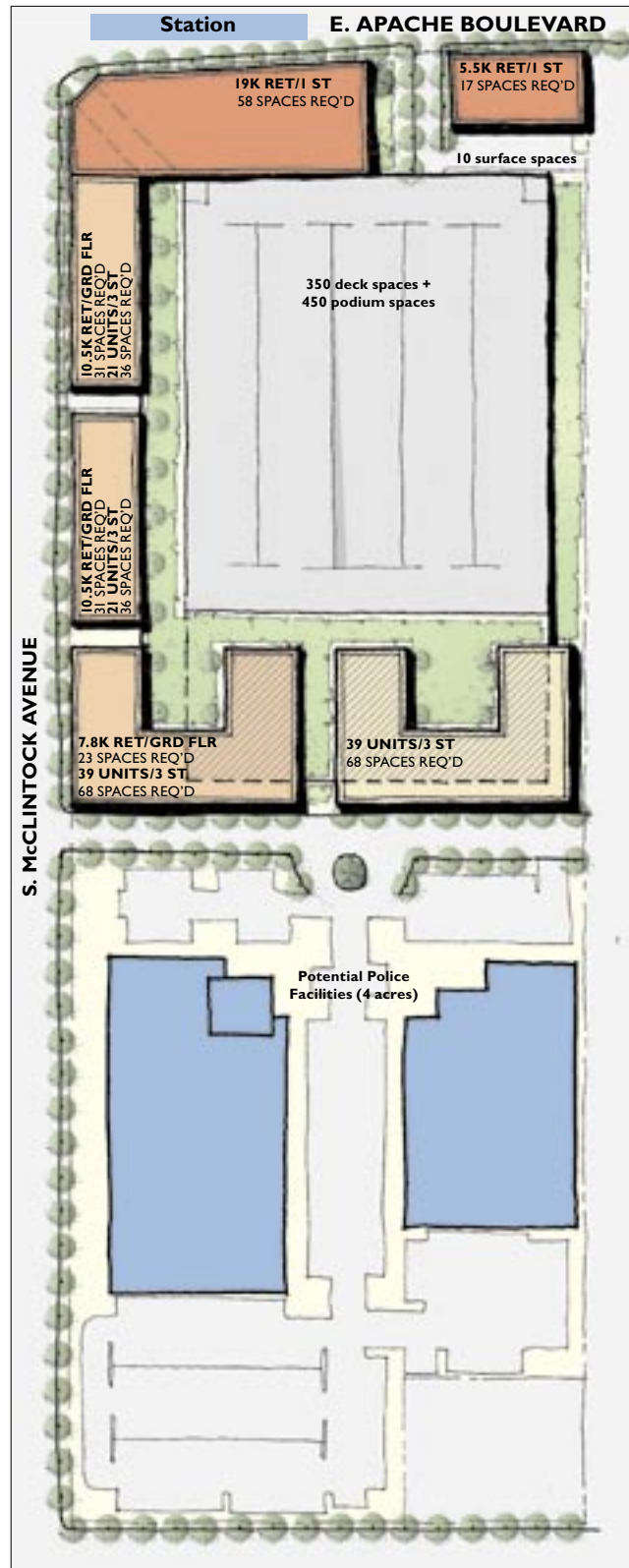
and Valley Metro Rail to lead by example. This development could yield a significant improvement in the perception of Apache Boulevard, where community goals are focused on redevelopment and reinvestment.

ALTERNATIVE DEVELOPMENT PROGRAMS

This development program is neither the least expensive park-and-ride solution nor does it maximize the amount of development achievable. If the City wishes to pursue the most inexpensive park-and-ride solution, a surface parking lot can be developed on the site. This program would still allow some portion of the site to be developed with retail, residential, or mixed-use buildings, but the size of those developments would be significantly reduced although a pedestrian-oriented frontage onto Apache Boulevard could be achieved.

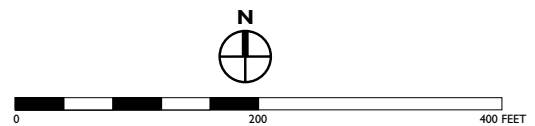
If the City wishes to maximize the development on the site, a multi-story structured parking facility could be developed to serve both the park-and-ride users and the new development. Under this scenario,

ILLUSTRATIVE CONCEPT PLAN



LAND USE LEGEND

- RETAIL
- MIXED-USE (HOUSING OVER RETAIL)
- MULTI-FAMILY RESIDENTIAL
- TOWNHOMES/SINGLE-FAMILY
- TRANSIT/PUBLIC
- OFFICE
- INDUSTRIAL
- PARKING
- PARKING WITH ADDITIONAL USE
- OPEN SPACE



DEVELOPMENT SUMMARY

Residential	
Multi-Family (2-3 Stories)	39 units
Housing over Retail (3-4 Stories)	81 units
Total	120 units
Parking Provided	208 spaces
Retail	
Neighborhood Serving Retail (Stand-Alone).....	24,500 sf
Neighborhood Serving Retail (Mixed-Use).....	28,800 sf
Total	53,300 sf
Parking Provided	160 spaces
Park and Ride	
Podium	440 spaces
Total	440 spaces

the amount of retail and residential space could be significantly increased, but the feasibility of the project would be diminished. This option, however, would have a greater impact on the image of Apache Boulevard, and would be more likely to catalyze additional development on the Boulevard.

Also, this opportunity site is adjacent to another identified opportunity site to the east, which is currently occupied by mobile home/recreational vehicle parks and vacant land. The most aggressive redevelopment option would combine these two opportunity sites into a single site of 34 total acres, on which still more retail and residential development could be achieved. However, this aggressive property assembly would require the relocation of the tenants of the mobile home/recreational vehicle parks, and may require the construction of a high number of affordable housing units. Nevertheless, this approach would have a far more dramatic effect on the image of Apache Boulevard. Careful planning of the primary opportunity site can support longer-term implementation of the adjacent opportunity site by providing street access from McClintock Drive.

Office uses do not appear to be feasible under near-term market conditions, as the general office market is weak and this site is poorly located to compete for significant new development. For-sale housing, however, remains a potentially feasible option. Townhomes seem especially promising, given the achievable price points in nearby developments, and would establish a higher density of residences than single-family or duplex housing, neither of which would be dense enough to fully capitalize on this site's transit orientation.

PRELIMINARY IMPLEMENTATION CONSIDERATIONS AND RECOMMENDATIONS

PARCEL ASSEMBLY

This site is comprised of a total of nine parcels held by eight different ownership entities. Much of the site is programmed with public uses, including both the park-and-ride facility and the Police Substation, and the assembly of the parcels will be necessary for these developments. Because this site is located in a Redevelopment Area, the City may be able to exercise its power of eminent domain to assist in the

site assembly, if private negotiations with the current property owners do not prove fruitful.

PROPERTY DISPOSITION

Through discussions with the existing property owners, the City has already begun the process of negotiating the acquisition of the site. The City should consider the merits of leasing or owning the property required for the LRT facilities and Police Substation, engage in negotiations with the private property owners and, as necessary, exercise the City's power of eminent domain. Concurrently, the City should consider the merits of various disposition approaches for the eventual development of the site, including ground leasing versus land sale arrangements and possible revenue participation with the owners or tenants of new buildings. Based on the preferred disposition strategy, the City may choose to negotiate with any number of potential development partners, and may need to issue Requests for Proposals or other solicitation documents. Terms of the business arrangement must then be negotiated between the development partners.

DEVELOPMENT PHASING

If the entire nine-parcel site is assembled prior to the development of the park-and-ride lot, the phasing strategy will be fairly straightforward. The site must be acquired or otherwise secured through lease arrangements by the City of Tempe, and the existing uses demolished before the development of the park-and-ride facility and any new buildings can commence. These actions can begin at any time, as the market conditions for the site appear to be adequate to begin residential, retail, and mixed-use development in the near-term.

If the City has difficulty assembling the entire nine-parcel site in the near-term or if the Police Substation development is deferred, development phasing is likely to occur in a north-to-south direction. The park-and-ride facility, retail buildings, and one or more mixed-use buildings could be constructed on just the northern end of the site. As the site assembly occurs and the site expands, additional mixed-use development could occur along the McClintock Drive frontage and residential development can occur within the site's interior.

The development program calls for the construction of a deck (two-level) parking structure to be shared by the park-and-ride facility and the other uses. If market conditions or developer interest do not permit the construction of retail or mixed-use buildings at the corner of Apache Boulevard and McClintock Drive in the immediate future, it may be possible to construct a surface park-and-ride lot as an interim solution and postpone the development expense of the structured lot until it is necessary to create sites for new buildings.

DEVELOPMENT FUNDING

The initial funding for this opportunity site will be used to acquire the site and develop the LRT park-and-ride facilities. Federal funds from the light rail project may be available for these purposes, but additional funding sources may need to be identified and secured, such as Community Development Block Grants, local capital improvement funds, etc. The value of the initial development program should be able to support the costs of a surface park-and-ride facility, but a deck parking structure in the full buildout scenario may require either increases in retail and residential market values or additional public subsidy, which would need to be identified and secured.

It is not currently anticipated that the City would need to provide financial assistance for the new development, as the uses involved appear to be feasible under near-term market conditions. However, the City may have access to federal funding sources related to transit-oriented development that can be used to enhance the project's feasibility and the City's land value and revenues. Also, because this site lies in a Redevelopment Area, the City may be able to provide financial incentives such as tax abatements, Community Development Block Grants, or low-interest loans.

PLANNING EFFORTS

It is important for the City to undertake a station area planning effort for the area around this opportunity site, as it contains several major opportunity sites. Such a planning effort will allow the community to proactively participate in the planning for the station area by defining community goals and objectives for the station area, and facilitating the resolution of

issues that are likely to emerge from the potential impacts and benefits of the proposed mixed-use development concept.

The current update of the city's zoning code will affect this opportunity site, some additional revisions may be necessary to allow for full implementation of the proposed program.

SUMMARY TABLE

McClintock and Apache—Site 4 9 acres, existing commercial and industrial uses, 8 owners	
Implementation Issue	Recommended Strategy
Potential Development Program	<ul style="list-style-type: none"> • 39 low-rise multifamily rental units with podium parking • 24,500 SF retail with surface and deck parking • 81 mixed-use low-rise multifamily rental units over 28,800 retail with podium and deck parking • 440 space park-and-ride facility on a parking deck
Alternative Development Program	For-sale townhomes also appear feasible in near-term. Office uses are not likely to be feasible until long-term. Site could be developed with higher density uses and taller structured parking, or lower density uses and surface parking. Adjacent parcels could be assembled, but may require expensive relocation for mobile home/RV park residents.
Special Conditions	Development and site planning should be coordinated with City’s efforts to build a Criminal Justice Center along Apache Boulevard.
Parcel Assembly	Much of site already planned for acquisition for LRT right-of-way, but City or private developer will need to negotiate with adjacent property owners for remainder of site.
Property Disposition	City should negotiate business terms for site acquisition (land sale vs. lease), then solicit for developer partners and determine roles and responsibilities.
Development Phasing	<ol style="list-style-type: none"> 1) Assemble parcels needed for park-and-ride, and other parcels as possible 2) Demolish existing structures 3) Develop park-and-ride lot and adjacent retail and mixed-use buildings 4) Develop additional residential, retail, and mixed-use buildings as parcels are assembled and prepared
Development Funding	Initial funding will be required to for site acquisition, relocation of existing tenants and facilities, demolition of existing structures, and creation of LRT facilities. Reliance on deck (two-level) parking poses a feasibility challenge. If private uses can’t support higher parking cost, public financing may be required to subsidize those developments, or structured parking could be deferred until ridership grows and market conditions improve, but this would also defer development of private uses. Redevelopment funding sources and incentives are applicable for this site.
Planning Efforts	City should prioritize station area planning at this station. Parking ratio reduction may be appropriate, and would enhance feasibility of private development. Streetscape improvements may be required to create pedestrian-friendly environment that supports transit usage. The current update of the City’s zoning code will affect this opportunity site, some additional revisions may be necessary to allow for full implementation of the proposed program.

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MESA STATION—SITE I



OPPORTUNITY SITE DESCRIPTION

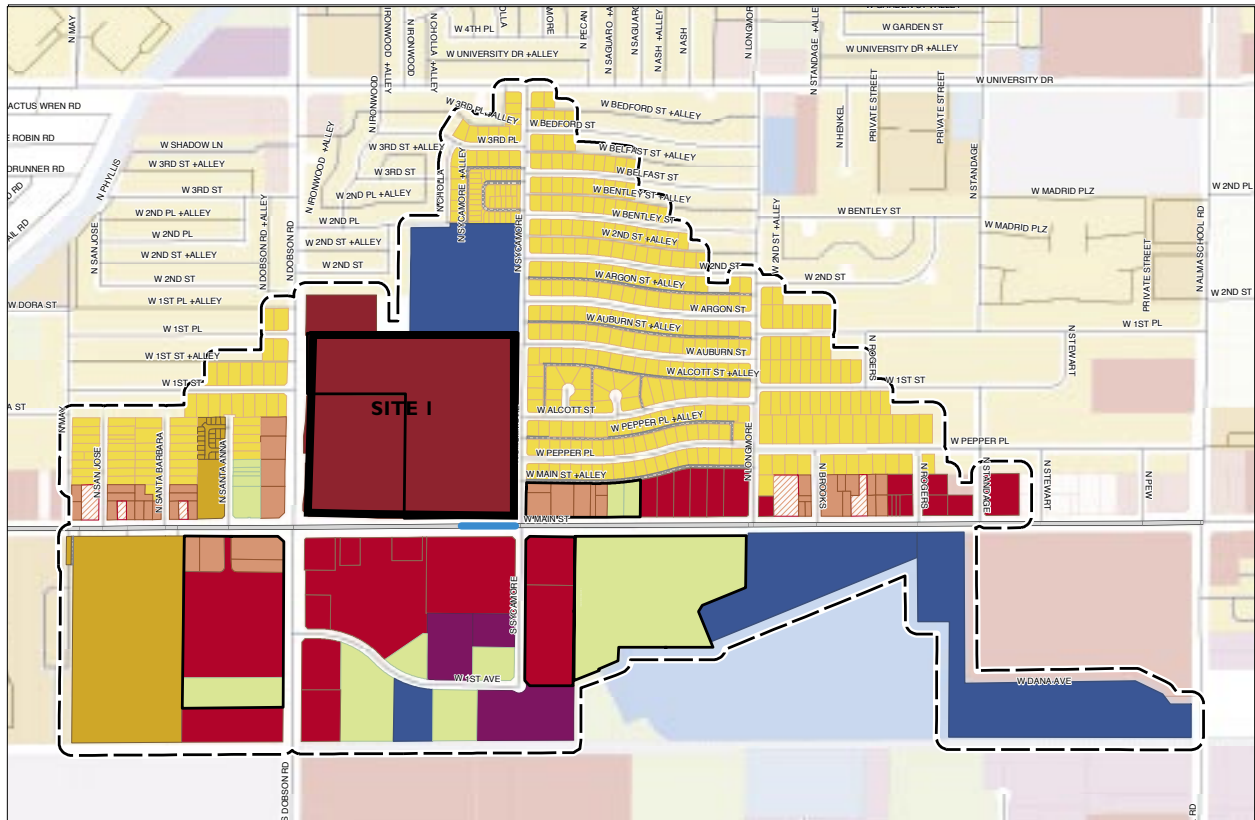
This opportunity site is located at the northeast corner of Main Street and Dobson Road, at what is currently planned as the terminal LRT station in Mesa for the initial years of the LRT operation. The site was formerly occupied by the Tri-City Mall, which has since been demolished and partially replaced with a grocery-anchored shopping center. This shopping center and its parking lot occupy the immediate corner of Dobson and Main. On the southeast corner of that same intersection is another grocery-anchored shopping center, while the southwest corner hosts a Target discount store and a variety of small retail buildings. Other features of the station area include strip retail and motels on Main Street, apartment complexes and single family homes north of Main and west of Dobson, and the East Valley Institute of Technology (EVIT) and Wal-Mart shopping center to the east.

This site is very large, at roughly 33 acres, and has roughly 1,300 feet of frontage on Main Street and 1,100 feet of frontage on Dobson Road. Both Main Street and Dobson Road are significant traffic routes, so this site offers strong visibility and local accessibility, and the site is roughly 1.5 miles from interchanges with both the Red Mountain Freeway

and the Pima Freeway. The site may be relatively easy to develop, as some of it will need to be developed for an LRT park-and-ride facility and the property owner and lessee (the shopping center developer) have expressed interest in the redevelopment of other portions of the site.

WHY THIS SITE IS IMPORTANT

This opportunity site will be the location of the only LRT station and park-and-ride facility in Mesa during the initial years of the LRT operation. LRT ridership is expected to be strong at this station, and will attract commuters from throughout the East Valley in addition to the immediate station area. The development of a functional park-and-ride facility will be key at this location, but the attractiveness and functionality of the system can also be enhanced through the development of other amenities. Market and feasibility analyses indicate that this opportunity site has potential for near-term development, especially for residential and retail uses. Such development can offset some of the costs associated with the acquisition of the property and development of the park-and-ride facility. Housing and retail uses are also particularly appropriate for this site, as they can best contribute to the ongoing revitalization of Main Street.



- | | | | |
|---------------------------|-------------------------|---------------------|--------------------------|
| Stations | Neighborhood Commercial | Institution | Airport |
| LRT Alignment | Community Commercial | Large Assembly Area | Parks/Open Space |
| 1/2-Mile Walking Distance | Regional Retail | Education | Golf Course |
| 0-1 du/ac | Hotel, Motel, Resort | Public Facility | Dedicated/NonDevelopable |
| 1-2 du/ac | Office | Parking Lot | Water |
| 2-5 du/ac | Commerce Park | Parking Structure | |
| 5-15 du/ac | Industrial | Transportation | |
| 15+ | Warehouse/Distribution | | |

POTENTIAL DEVELOPMENT PROGRAM

At full buildout, the development program envisioned for this opportunity site includes 41 for-sale townhomes, 310 low-rise multi-family apartments, 109 mid-rise apartments, 96,600 square feet of single-story retail space, and mixed use buildings totaling 189 apartments over 112,900 square feet of retail. These uses will be developed around a 758-space LRT park-and-ride facility and a bus transfer facility at the site’s southeastern corner, nearest the LRT station. The development program assumes significant usage of structured parking, which can be found under residential buildings and behind or alongside retail and mixed-use buildings.

WHY THE POTENTIAL DEVELOPMENT PROGRAM IS IMPORTANT

The full-buildout development program creates a park-and-ride facility that is convenient to LRT riders and proximate to the LRT station, but without creating an expansive surface parking lot that will serve as an empty space on Main Street. Instead, this program brings vitality to both Main Street and Dobson Road by lining active uses (retail and residential) along these street frontages. The program also responds to near-term market potential, as both retail and multi-family residential uses appear feasible in the near-term. This development could yield a significant improvement in the perception of this intersection, where several other opportunity



AERIAL PHOTO

sites could be redeveloped in the near-term. The development program also projects substantial tax revenues for the City of Mesa.

ALTERNATIVE DEVELOPMENT PROGRAMS

The full-buildout development program is not the least expensive park-and-ride solution. One interim or alternative development program would establish a surface park-and-ride lot and bus transfer facility, while still allowing the rear of the site to be developed with residential uses (see Illustrative Concept Plan — Phase I). If the LRT system extends into downtown Mesa in the future and this station no longer requires the full 758-space park-and-ride facility, it may be possible to develop the site with additional housing, in which case an interim surface park-and-ride lot would facilitate the future development of the site.

Also, the development program could include stand-alone retail buildings along the Main Street frontage in the near-term, rather than having the park-and-ride lot at the Main Street frontage. This approach would help to enliven Main Street and create amenities and

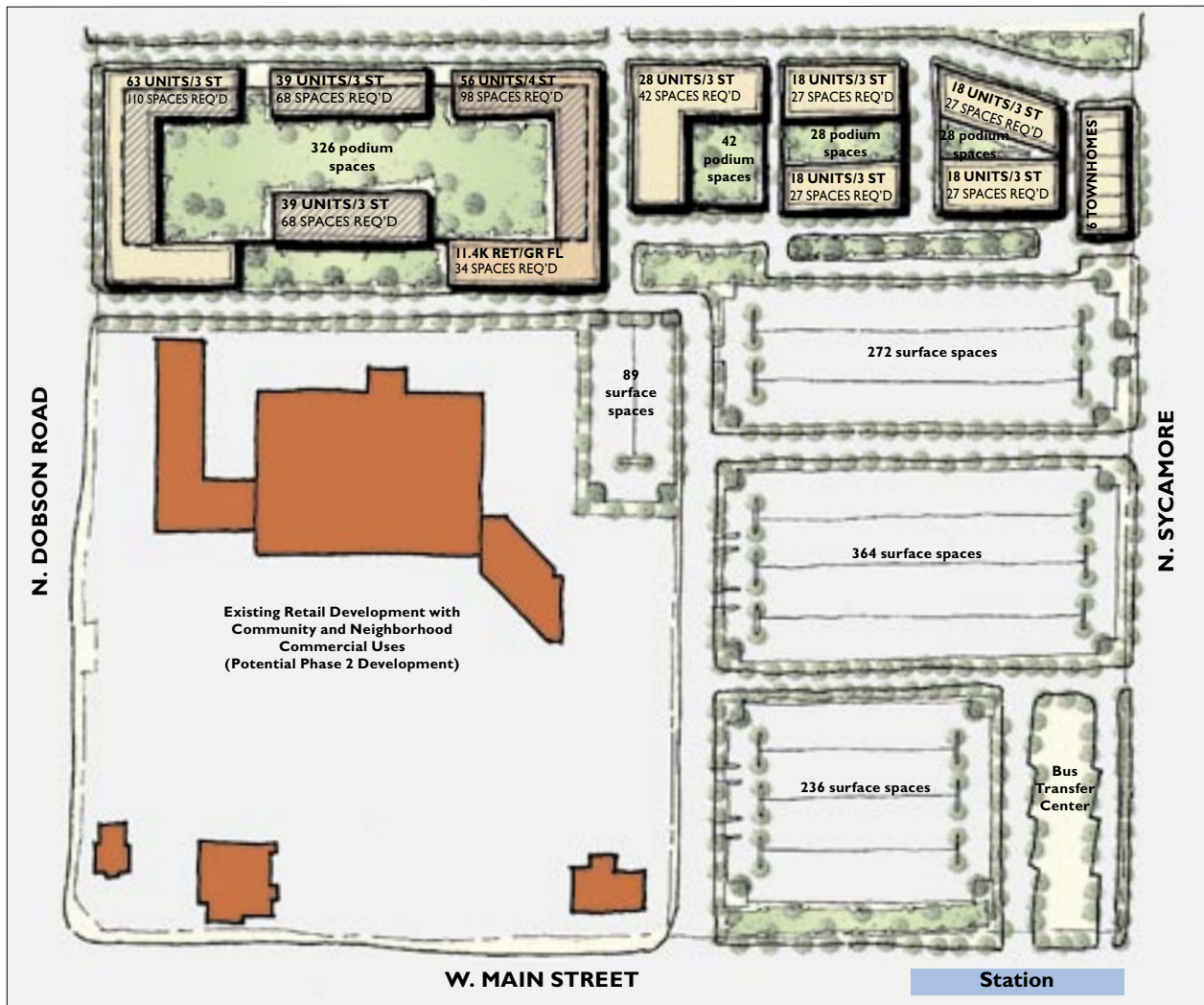
services for park-and-ride patrons, and should have little adverse impact on park-and-ride usage.

Current market conditions indicate that for-sale townhome development would be more feasible than multi-family apartments. The development program could place greater emphasis on townhomes, which would both enhance feasibility and be more compatible with the community’s objective to increase home-ownership opportunities, but would diminish the development’s contribution to LRT ridership.

The development program also includes a very large amount of retail space, at a total of over 200,000 square feet. This amount of retail space is highly aggressive, and some of that space could be replaced with residential uses.

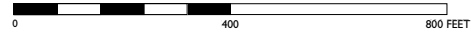
Office and R&D uses do not appear to be feasible under near-term market conditions, as the general market for these uses is weak, and this site is poorly located to compete for significant new development.

ILLUSTRATIVE CONCEPT PLAN—PHASE I



LAND USE LEGEND

- RETAIL
- MIXED-USE (HOUSING OVER RETAIL)
- MULTI-FAMILY RESIDENTIAL
- TOWNHOMES/SINGLE-FAMILY
- TRANSIT/PUBLIC
- OFFICE
- INDUSTRIAL
- PARKING
- PARKING WITH ADDITIONAL USE
- OPEN SPACE



DEVELOPMENT SUMMARY

Residential

Townhomes	6 units
Multi-Family (2-3 Stories)	209 units
Housing over Retail (3-4 Stories)	56 units
Total	271 units
<i>Parking Provided</i>	<i>450 spaces</i>

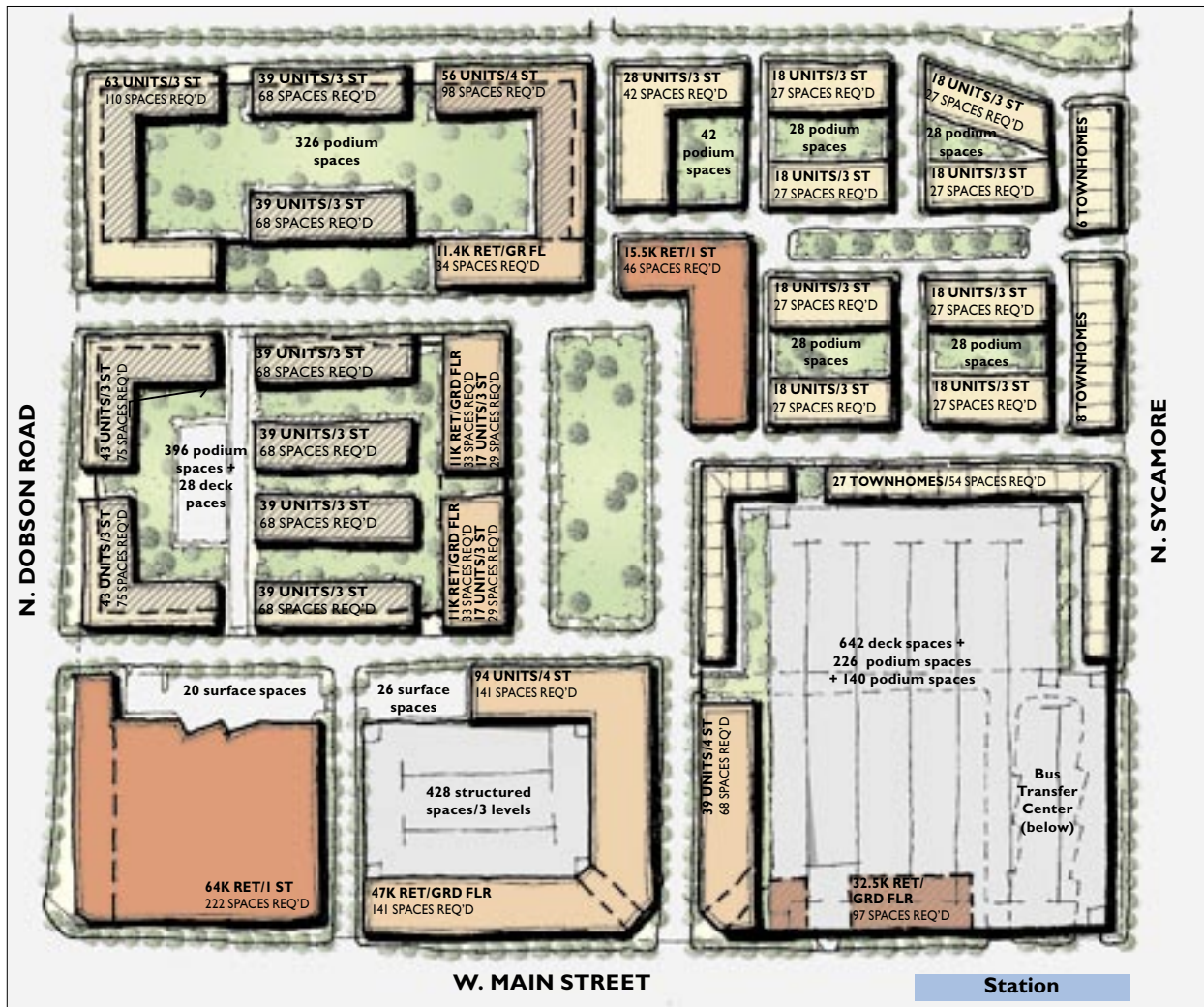
Retail

Neighborhood Serving Retail (Mixed-Use)	11,400 sf
Total	11,400 sf
<i>Parking Provided</i>	<i>34 spaces</i>

Park and Ride

Surface	758 spaces
Total	758 spaces

ILLUSTRATIVE CONCEPT PLAN—FULL BUILDOUT



LAND USE LEGEND

RETAIL	OFFICE
MIXED-USE (HOUSING OVER RETAIL)	INDUSTRIAL
MULTI-FAMILY RESIDENTIAL	PARKING
TOWNHOMES/SINGLE-FAMILY	PARKING WITH ADDITIONAL USE
TRANSIT/PUBLIC	OPEN SPACE

DEVELOPMENT SUMMARY

Residential

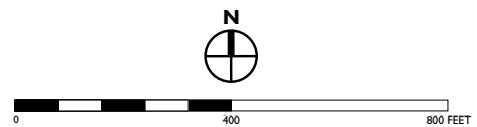
Townhomes.....	41 units
Multi-Family (2-3 Stories).....	310 units
Multi-Family (4-6 Stories).....	109 units
Housing over Retail (3-4 Stories).....	189 units
Total	841 units
Parking Provided.....	1144 spaces

Retail

Neighborhood Serving Retail (Stand-Alone).....	36,600 sf
Neighborhood Serving Retail (Mixed-Use).....	112,900 sf
Community Serving Retail (Stand-Alone).....	60,000
Total	209,500 sf
Parking Provided.....	633 spaces

Park and Ride

Podium.....	312 spaces
Deck.....	446 spaces
Total	758 spaces



PRELIMINARY IMPLEMENTATION CONSIDERATIONS AND RECOMMENDATIONS

PARCEL ASSEMBLY

The public utilization of a portion of this site is already planned to occur within the context of the LRT park-and-ride development. The acquisition of the remainder of this opportunity site may be more problematic, as the remaining property is not technically required for the park-and-ride facility. However, the public sector's assembly of the site may not be necessary to achieve its potential development, as the current property lessee (the shopping center developer) has expressed interest in redeveloping the site for more profitable uses, and appears to be cooperative in the City's planning efforts.

PROPERTY DISPOSITION

Through discussions with the existing property owners and lessee, the City has already begun the process of negotiating the redevelopment of the site. The City should consider the merits of leasing the site as well as owning the site. Concurrently, the City should consider the merits of various disposition approaches for the eventual development of the site, including land sale versus ground leasing arrangements and possible revenue participation with the owners or tenants of new buildings. Based on the preferred disposition strategy, the City may choose to negotiate with any number of potential development partners, and may need to issue Requests for Proposals or other solicitation documents. Terms of the business arrangement must then be negotiated between the development partners.

DEVELOPMENT PHASING

The phasing of the overall development program may be complicated by market conditions and feasibility considerations. The development program assumes the eventual redevelopment of the grocery-anchored shopping center, which was built relatively recently. The property owner is likely to resist this part of the redevelopment, as the existing use is productive and viable, while the future uses envisioned for the same location are more speculative and costly. Thus, that shopping center is likely to remain in place for the foreseeable future. The development program anticipates this, however, and can proceed without the redevelopment of that particular portion of the site.

In the near-term, it will be most economical and strategic to develop a surface park-and-ride lot and bus transfer facility. This approach will save costs in the near-term, and the surface lots can be built over as market conditions improve over the longer term. Market conditions suggest that the townhome and low-rise apartments at the rear of the site can be developed in the near-term. The more speculative mixed-use buildings and more costly structured parking can be phased in as economic opportunities permit. If those opportunities never materialize, the partial redevelopment of the site will still be an improvement over its current condition, and will provide a convenient park-and-ride facility at the terminal station in Mesa.

DEVELOPMENT FUNDING

The initial funding for this opportunity site will be used to acquire the site and develop the LRT park-and-ride facilities. Federal funds from the light rail project may be available for these purposes, but additional funding sources may need to be identified and secured, such as Community Development Block Grants, local capital improvement funds, etc. The light rail project funding may be able to support the costs of a surface park-and-ride facility, but a parking structure in the full buildout scenario may require either increases in retail and residential market values or additional public subsidy, which would need to be identified and secured.

It is not currently anticipated that the City would provide financial assistance for the new development, as the uses involved should only be developed as they are deemed feasible under prevailing market conditions. However, the City may have access to federal funding sources related to transit-oriented development that can be used to enhance the project's feasibility and the City's land value and revenues. Also, the City may be able to provide financial incentives such as tax abatements, Community Development Block Grants, or low-interest loans.

PLANNING EFFORTS

It is important for the City to undertake a station area planning effort for the area around this opportunity site as it includes several major opportunity sites and will be important for setting the tone for future planning for light rail in Mesa. Such a planning effort will allow the community to proactively participate

SUMMARY TABLE

Mesa Station—Site I 33 acres, existing retail uses, 1 owner	
Implementation Issue	Recommended Strategy
Potential Development Program	<ul style="list-style-type: none"> • Redevelopment of former Tri-City Mall site at NEC Main and Dobson, including existing Safeway-anchored retail center • 41 for-sale townhomes with attached garages • 310 low-rise multifamily rental units with structured and podium parking • 109 mid-rise multifamily rental units with podium parking • 96,600 SF retail with surface and podium parking • 189 mixed-use low-rise multifamily rental units over 112,900 SF retail with surface, structured and podium parking • 758-space structured park-and-ride facility
Alternative Development Program	Site could be developed with higher density and taller structured parking, or lower density and surface parking. Retail pads or strip could be developed along Main Street frontage, with park-and-ride behind. For-sale housing could be increased. Amount of retail could be reduced, and replaced with additional housing or not replaced, so parking costs would remain low. Office and R&D uses are not likely to be feasible until long-term.
Special Conditions	This development program assumes LRT station and park-and-ride facility would be located at this site. If those LRT facilities are finally located elsewhere, this development program must be reconsidered.
Parcel Assembly	Much of site already planned for acquisition for LRT right-of-way, and property owners have shown interest in redevelopment of remainder of site.
Property Disposition	City should negotiate business terms for site acquisition (land sale vs. lease), then solicit for developer partners and determine roles and responsibilities. Negotiations should first begin with current property owner.
Development Phasing	<ol style="list-style-type: none"> 1) Demolish former department store building 2) Develop surface park-and-ride facility near Main Street frontage 3) Develop townhomes and apartments at rear of site 4) Build second level of park-and-ride deck, and additional mixed-use buildings wrapped around parking deck 5) Redevelop current grocery-anchored shopping center with residential, retail, mixed-use and structured parking
Development Funding	Initial funding will be required to for site acquisition, demolition of existing structures, and creation of LRT facilities. If private uses can't support structured parking cost, public financing may be required to subsidize those developments, or structured parking could be deferred until ridership grows and market conditions improve, but this would also defer development of private uses. Could retain existing grocery-anchored shopping center if market conditions do not warrant its redevelopment.
Planning Efforts	<p>City should prioritize station area planning at this station as it includes several opportunity sites.</p> <ol style="list-style-type: none"> 1) Rezoning for the site could occur as part of the larger station area planning study or in a separate effort following the completion of the station area plan. 2) Create design guidelines to support a pedestrian-supportive environment. 3) Streetscape improvements may be required to create pedestrian-friendly environment that supports transit usage.

in the planning for the station area by defining community goals and facilitating the resolution of issues that are likely to emerge from the potential impacts and benefits of the proposed mixed-use development concept.

Following, or as part of, the station area planning effort the City could rezone the site or develop a station area overlay zoning district for the entire area to require buildings to front onto streets with parking behind and to allow the uses and densities that are illustrated in the plan. This effort could also establish design guidelines for the station area and opportunity site to support the creation of a pedestrian-oriented development project and streetscape.