



Developing a New Entertainment District: Phoenix, AZ

Safety and Responsible Hospitality Integrated into Design

With an expanded convention center, downtown university and two sporting event centers, a proposal for a new master planned, mixed-use entertainment district in Phoenix's historic warehouse district hopes to fill the vitality gap between events. Whereas most entertainment districts evolve into hospitality zones are eventually forced into reactive safety strategies, developing entertainment district "from the ground up" presents a unique opportunity to integrate responsible hospitality and safety best practices into the design.

Problem Statement

The Greater Phoenix area includes Glendale, Tempe, Mesa and Scottsdale, suburbs with well-established residential communities and dining and entertainment. Downtown Phoenix is just re-emerging from the proverbial ashes. The landscape has changed in the last 20 years from a deserted downtown to a blend of office, residential, arts and culture, a fix rail transit system and 60 new restaurants.

Primarily a daytime economy, the current nighttime economy is driven by convention visitors and events held at the Diamond Back's downtown ballpark and The Phoenix Suns' sports/concert arena, which together sell 5 million tickets annually. With few dining and entertainment options open at night, emphasis is placed on facilitating egress after events by driving these potential customers out of downtown. The majority of hospitality businesses service the daytime economy. Those few that are open at night struggle to make ends meet between events.

Large gaps in vitality and perceptions vs. reality of safety presented a threat to the City's economic investment. In order to compete with outer-lying hospitality zones, and to retain customers from existing economic anchors, a large-scale attraction was needed that could both dazzle and reassure residents and suburbanite visitors of a high standard for safety and security management.

Stakeholders

Jackson Street Entertainment District (JSED) is the developer of the Jackson Street Entertainment District. Michael Hallmark, part of the JSED design team, has experience

setting up sponsorship programs for seven sports stadiums. Larry Lazarus, Esq, is a development lawyer working to negotiate the agreement and help to secure entitlements. The Mayor and City Council buy-in are crucial to direct city staff to support this large economic driver for Phoenix' downtown. Economic Development Department had to be convinced of the cost outlays and long range benefits. Historic Preservation stakeholders were necessary to inform a plan that integrated or worked around Phoenix's historic structures. Public Works was just one of many city departments with whom JSED will work closely to secure entitlements for narrowing streets, widening sidewalks, relocation of lines, etc. Police will be included in the operation phase of the project to provide recommendations on security equipment and operational requirements.

Process

Jackson Street Entertainment District has developed a proposal that would address the economic and social gap in Phoenix' downtown. A live/work/play model that includes condos, a hotel, a variety of dining and entertainment and an event area, the development will span ten blocks in the warehouse district of Phoenix's downtown.

Two aspects of this project are unique in the development world, and lend themselves to future responsible operation of the district and individual businesses.

Firstly, as owners of 70% of the entertainment district property, the developers can choose to uphold operational standards and management requirements that would provide the highest level of safety and security. This could include lease provisions that require the entertainment venue to staff a certain ratio of door security per number of customers, or make door security or responsible beverage service training mandatory to lessees, even though the state does not require it. Such provisions have been known to decrease underage access to alcohol and reduce intoxication that could lead to customer DUIs.

A second unique characteristic of the development project is that the Jackson Street Entertainment District Project features a sponsorship plan modeled after those used by sport stadiums. With this high level of financial support, the district can underwrite costs for additional police services, security equipment and signage that can also communicate social responsibility messages.

Like any development project, the early stages of the Jackson Street Entertainment District project have focused on creating and selling the vision. The mayor and City Council have been crucial stakeholders. The concept was introduced and a good amount of time has been spent educating them about the economic and social benefits of the project, as well as what challenges had to be overcome to achieve the vision.

One such challenge: To assure pedestrian safety for the large crowds projected to utilize the district, sidewalks would have to be wider than the zoning currently provides for in Phoenix's historic downtown. This is only one of many entitlements the developer must secure in the design phase of the project, including street lighting and street narrowing to calm traffic and assure pedestrian safety.

Outcome

Jackson Street Entertainment is in the final stages of obtaining a development agreement with the City. Though it is too soon to know the outcomes of designing responsible hospitality into a new district, this case study does present a master plan that addresses safety and security of the district, assures responsible business policies and practices and controls desired customer behavior.

Some potential outcomes include:

- A mixed use Entertainment District along the lines of Memphis' Beal Street.
- Consistent, standardized operation and maintenance policies provided by one management company.
- Lease agreements requiring lessee's to provide responsible beverage service training and door security training to lower risk of underage access and over service.
- Valet parking integrated into plan, another point of DUI intervention.
- Taxi stand and light rail in safe, convenient proximity to the district to provide alternative rides.
- Corporate sponsorships to underwrite increased demand for police, trash pick up and other city services.
- Sponsorship signage can include social responsibility messages.
- Narrow streets to create a safer environment by slowing car traffic.
- Wider sidewalks to assure pedestrian safety.

Challenges and Lessons Learned

There are many challenges, including acquiring land, creating a multi-use district with the right mix of RHI Leadership Summit Case Study - 30 April 4, 2008 uses, understanding the need for significant residential and the sports owners buying in to the long term goals.

It is difficult to convince people of the need for responsible hospitality until there is actually a physical structure, people and problems.

Jurisdiction

City

Funding

Private funding, sales tax abatements, government property lease, excise tax abatements, sponsorships, property tax, Municipal Enhancement District Assessments.

Spin-off Projects

To support the additional service demand for police, trash pick up and maintenance, JSED plans to create an enhanced municipal services district using assessments, property taxes

and sponsorship. In the future, a Business Improvement District or Private Business Association will need to be formed to facilitate relationships between business and regulators, and to provide ongoing education for regulatory understanding and compliance.

Contact Info

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