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# What can breathe new life into zombie Fiesta Mall?

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Two established developers and one of Arizona's top real estate deal makers are working to redevelop [Fiesta Mall](#) in Mesa into a new 1.2 million square foot mixed-use development called The Campus.

[Fiesta Mall](#) is mostly empty save a Sears (Nasdaq: SHLD) store and Dillard's (NYSE: DDS) outlet.



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Fiesta Mall in Mesa.

Dimension Financial & Realty Investments Inc. (DFRI) bought the mall property for \$6.72 million. Developers [Jerry Tokpoh](#) and [Wayne Howard](#) are DRFI's principals.

Real estate deal maker [Ray Cashen](#) of Cashen Realty Advisors helped forge the mall sale and redevelopment plans which including bringing in education, health care and office tenants.

According to "Mall Monitor," a report from Chicago-based [Morningstar](#) Credit Ratings, a subsidiary of investment research and investment management firm Morningstar, Inc. (NASDAQ: MORN), [Fiesta Mall](#) had one of the [largest projected losses in the country](#), based on its loans and value.

[Morningstar's](#) report points out that the highest-performing malls "are in densely populated primary and gateway markets and have a more affluent customer base," and "their sponsors are able to fund capital expenditures to make their properties more welcoming to both customers and premium tenants."

While [Fiesta Mall](#) is far from being a high-performing mall, this has been the case of shopping centers such as Arizona Center, Scottsdale Fashion Square and Desert Ridge Marketplace, all of which are undergoing major, multimillion-dollar renovations in order to stay appealing, and offer more experiential retailing and dining.

We asked some top real estate brokers and industry executives what they think can work at the epitome of a zombie mall such as Fiesta.

Beau Flahart, a retail broker with SVN Desert Commercial Advisors who focuses on the East Valley, said redevelopment plans need to link into nearby [Mesa Community College](#) and appeal to millennials.

"I think it will have to be a project that ties into MCC and millennials. I could see an office or mixed use project being a play," Flahart said.

The mall opened in 1979 and is located at Southern Avenue, the U.S. 60 and Alma School Road. It was once a go-to shopping destination in the East Valley. Now, the mall is mostly empty including a closed Macy's (NYSE: M) store, though there are restaurants and coffee shops, including a Dutch Bros Coffee, Olive Garden and In-N-Out Burger ringing the mall property.

"I do think redevelopment is possible for a property like [Fiesta Mall](#)," said [Jack Luciano](#), a partner with The Agency, a Beverly Hills-based real estate firm that is growing its Arizona footprint.

Luciano points to the redevelopment of the former Los Arcos Mall in Scottsdale into the ASU SkySong high-tech office park.

Mesa is also looking at extending the Metro light rail to the mall area.

Luciano said:

*"There are a lot of creative uses being conceptualized for vacant mall centers. [Fiesta Mall](#) will be transformed into an educational and medical campus which will be an outstanding addition to*

*Mesa and likely bring thousands of new jobs, other malls are being adapted into coworking space or start-up oriented campuses like SkySong. There are even adaptive reuse concepts in the works that are transforming old malls into Class A multifamily and mixed use."*

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