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# Study: SkySong's economic impact will be \$58 billion over next 30 years

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In the 12 years since the first buildings opened, SkySong, The ASU Scottsdale Innovation Center, has grown to generate \$1.3 billion in annual economic activity, according to a new study commissioned by its developers.

The estimated economic impact of SkySong over the next 30 years will be \$58.2 billion, according to the study completed by Elliott D. Pollack and Co.

“We are trying to lay down the foundation for modernizing Arizona’s economy,” Arizona State University President Michael Crow said. “What we’ve done is demonstrate the ability to create entrepreneurial energy concentrated in one area.”



PROVIDED BY PLAZA COMPANIES

An artist's rendering shows SkySong 6, the sixth office building planned in the ASU Scottsdale Innovation Center.

That's the reason ASU partnered with the city of Scottsdale and developer Plaza Cos. to develop SkySong, which includes offices used by both ASU and private companies, a hotel, apartment complex and retail space, he said.

And SkySong only happened after the former Los Arcos Mall in south Scottsdale closed and a deal fell through to develop an arena for the Arizona Coyotes on the site.

"The people of Arizona have thought of the university as the 13th, 14th, 15th and 16th grades, as an extension of school," Crow said. "We are a knowledge enterprise capable of creating new categories of economic success."

Universities in other states and other countries, including MIT and universities in Europe and the Middle East, have created projects like SkySong, but the idea was novel in Arizona when the project began. Crow said ASU sent people to visit different sites around the country and world to grow the idea, which he said was a "breakthrough in implementation" in Arizona.

Sharon Harper, chairman and CEO of Plaza Cos., the master developer of SkySong, said the project's reach has extended far beyond the 37 acres developed so far, and has created a "ripple effect" of other redevelopment in the area. Across Scottsdale Road from SkySong, the former Papago Plaza shopping center is being redeveloped as a mixed-use project that includes a hotel, apartment complex and retail components.

"The entire region has been impacted," Harper said.

Harper's company is also one of the co-developers of Park Central Mall, which has undergone a massive renovation to change the buildings from a shopping mall to a mixed-use office campus.

SkySong leases its land from the city of Scottsdale, and the development expanded its ground lease in 2020 to allow for the development of at least one additional building. Harper said Plaza Cos. is working to pre-lease SkySong 6, which will

be the biggest office building in the complex, and there is room for another 70,000 to 80,000-square-foot building with the extended ground lease.

Since 2013, more than \$140.8 million worth of private redevelopment has occurred in the area surrounding SkySong, representing eight different projects, according to the study. An additional \$510.3 million in future projects has also been identified in the area.

Crow said commissioning the impact analysis was crucial to create empirical data that proved the project, and the novel idea behind it, was a success.

“The economic evolution of Arizona had been driven by natural resources,” Crow said. “Now, you can have all of that, but you can also have entrepreneurship, but we had to have proof. This proves the point you can have catalytic change in an area that wasn’t exactly on an upward trajectory.”

Crow said now that the concept has been proven, it “needs to be replicated on many fronts and in many ways.”

SkySong is one of several ASU “innovation zones” where the university has been involved in targeted development in the area. Others include the [Novus Innovation Corridor adjacent to the Tempe campus](#), the ASU Research Park in south Tempe, ASU West, ASU Polytechnic and the ASU Mayo campus near the Mayo Clinic.

“This kind of innovation center could be replicated all across the Valley, and facilitate a concentration of entrepreneurship,” Crow said.

**Corina Vanek**

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