

ASU creating thriving live-work-play community in Novus project

Innovation corridor expected to create 34K jobs, \$4.6B in economic output

By Mary Beth Faller, ASU News
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Sarah Chandler knew that for her first year as a student at Arizona State University, she wanted to live close to everything on campus.

That's why she chose Vero — a new apartment building at the [Novus Place](#) complex on the northeastern side of the Tempe campus.

"I thought it was fantastic because it's not that far from the heart of ASU and the rest of the campus," said Chandler, who will major in data science starting in the fall semester. She decided to forgo the dorms and dining halls because of her special diet, so she wanted a place with a kitchen.

Chandler toured several apartment buildings with her parents before choosing Vero.

"I have a one bedroom with this fantastic little balcony and so much storage space," she said.

"There are restaurants like Over Easy right here and being close to Trader Joe's is great. It's close to everything I need and it's so walkable."

Chandler has also enjoyed the yoga classes held at Vero.

"The staff here has been so fantastic and they know who I am," she said.

Chandler is experiencing the "live-work-play" intention of Novus Place, which opened this past spring. She first came to the area when she attended immersion classes at the 777 Tower at Novus office building last year as an ASU Prep Digital+ student. Now, she's living at Vero and enjoying the restaurants and nearby venues like Mullet Arena and Desert Financial Arena.

Novus Place, with nine restaurants, three multifamily housing complexes, the office tower and a hotel, is the third phase of ASU's [Novus Innovation Corridor](#), a public-private collaboration to create a vibrant, 350-acre city within a city.

When all seven phases of Novus are finished, it will include 10 million square feet of housing, offices, restaurants, hotels, shops and open spaces.

With the opening of Novus Place this year, the entire innovation corridor project is about one-third complete, according to Jay Donnelly, vice president of real estate at ASU. Altogether, Novus is projected to create more than 34,000 jobs with more than \$2 billion in wages and \$4.6 billion in economic output, he said.

“Think of it as a city within a city that has all of the live-work-play elements, meaning offices, retail amenities, entertainment venues and multifamily living opportunities,” Donnelly said.

Novus encompasses seven phases:

Phase one was [Marina Heights](#), along Rio Salado Parkway on the south side of Tempe Town Lake, which includes State Farm and Carvana, completed in 2017.

The second phase was the \$350 million reinvention of Sun Devil Stadium, now [Mountain America Stadium](#), to support year-round use.

Current development is in phase three, which includes Novus Place, and phase four, a large swath of land along the south side of Rio Salado Parkway between Rural and McClintock that includes the new [Rio Yards](#) building.

Still to be developed are phase five, which includes the four corners of the intersection at Rural and Rio Salado; phase six, the parcel on the northwest corner of Rio Salado and McClintock; and phase seven, the east and west sides of Rural Road, north of Sixth Street.

When the Novus Innovation Corridor project began, with the Marina Heights groundbreaking in 2013, there was a focus on office space, which, since the pandemic, has pivoted to creating multifamily housing that supports a hybrid home-and-office work style.

“Nobody wants to go back to the suburban office where there's nothing to do. They want to be able to come in in the morning, grab a cup of coffee, work out at lunch and then maybe go to happy hour afterward and never get in their car. And we designed that environment,” Donnelly said.

The nature of the projected office space is evolving, with tenants seeking more boutique spaces.

“Our second wave of office space is a smaller footprint and also specialized medical mixed use in a topsy-turvy market right now,” he said.

Novus embodies ASU's commitment to ensuring the well-being of the community. For example, due to its walkability, sustainability and proximity to transit, Novus earned an LEED-ND gold certification in 2021 for neighborhood developments from the U.S. Green Building Council — the first community in Arizona to do so.

In addition, a multifamily residential building on the southeast corner of Rural Road and Sixth Avenue, which will be completed soon, will offer 10% of its units at below-market rates to ASU employees.

Supporting ASU's core mission

The university receives revenue from Novus two ways, according to Morgan Olsen, executive vice president, treasurer and chief financial officer of ASU.

First, the developer pays ASU for the term of the ground lease, typically 65 to 99 years. After the lease expires, ASU still owns the site.

Second, while university-owned property is exempt from property tax, tenants pay rent to ASU in lieu of that tax.

“Rather than say to somebody, ‘Oh gosh, you decided to build your hotel on some of our land — congratulations, you don’t have to pay any property tax,’ we actually monetize that,” Olsen said.

The concept dates back to 2010, when the Arizona Legislature passed a bill that allows the three public universities to create innovation zones, although ASU has been the only one to do so. The law requires revenue from the zones to be invested in building or improving intercollegiate athletic facilities, like Mullett Arena.

ASU has [eight innovation zones](#), including Research Park and SkySong in South Scottsdale, which are almost fully built out. Others, such as the zones next to the Polytechnic and West Valley campuses, are still on the drawing board.

While Novus Place has fun restaurants and Instagrammable features, the mission of the innovation zones is to nurture ASU’s knowledge core by bringing businesses, students and faculty together.

Since moving to Marina Heights in 2017, State Farm has deepened its ties to ASU with a [workforce-training program](#) and [an internship program](#). Infosys, which has a [continuing-education program](#) for employees through ASU, moved into the 777 Tower at Novus building when it opened at the corner of Rural Road and University Drive in 2020. That building also houses several ASU units, including the Biomimicry Center and faculty in The Design School.

“ASU’s core mission is education, not real estate development,” Donnelly said, so the innovation zones create an ecosystem with private-sector companies.

“The goal is to facilitate collaboration on curriculum and research and to create an educational opportunity for our students with internships and externships,” he said.

“And that creates a talent pipeline for that private-sector company.”

A sense of place

Novus Place has been a game changer for the Tempe campus, with crowds thronging the restaurants and venues.

“There are 200,000 visitors a year to Mullet Arena, and until this year, there was no place to grab a bite to eat or a drink before or after the game without getting in your car and driving somewhere,” Donnelly said.

Matthew Shaloo, general manager of the [North Italia](#) restaurant at Novus Place, said that being located on the ASU campus was a good fit.

“This is our sixth location and North Italia is super excited to be close to Mountain America Stadium, Desert Financial Arena and Mullett,” he said.

The restaurant, part of the Fox Restaurant Concepts group, saw a spike in business when the Sun Devils were in the NCAA hockey playoffs, and has even hosted special events for visiting athletic teams who stay at the nearby Hyatt.

“The vibes have been great and every day there's something new,” Shaloo said.

Novus is the only ASU innovation zone on the Tempe campus, and it's near major highways and an international airport. It also includes some of the last undeveloped parcels in Tempe, Donnelly said.

“All those characteristics make it extremely unique, not just in the Valley, but in all of the Southwest,” he said.

Donnelly is excited that Novus Place is starting to become a distinct destination, like Kierland or the Quarter.

“I've started to hear people say, ‘Hey, let's meet at Novus before the game,’” he said.

“That's a major milestone for the project, and now it can connect back to ASU and have everyone take advantage of this great asset.”

This story originally appeared on [ASU News](#).

Main image



This drone photograph of Novus Place on the Tempe campus of Arizona State University shows the 777 Tower at Novus office building at the top and the restaurant entertainment complex at the bottom. Photo by Samantha Chow/ASU News

Text image(s)



Sarah Chandler, who will be a first-year student at ASU in the fall semester, chose to live in a one-bedroom apartment at the Vero complex in Novus Place. She's enjoying the amenities and location close to everything on campus. Courtesy photo



A map of the current and proposed Novus corridor spaces.



North Italia opened its sixth location at Novus Place this spring. Photo by Charlie Leight/ASU News

Gallery



Vero is one of three multifamily residential complexes at Novus Place and includes a gym.



This drone photograph of Novus Place, facing north, shows the Marina Heights complex on the south side of Tempe Town Lake.



Novus Place, which opened this spring, has been a huge draw for crowds attending events at Mullett Arena and Desert Financial Arena.



Rio Yards, a new office building on the south side of Rio Salado Parkway, is part of the Novus Innovation Corridor.