

MESA'S FALCON FIELD

Growing Beyond its Aerospace Roots

The Falcon Field Business District is an 11-square-mile area that serves as one of the eight employment centers in the city of Mesa and expands much beyond the airport itself. The official district is bounded by the Salt River-Pima-Maricopa Indian Community to the north, Brown Road to the south, Val Vista Drive to the west and Power Road to the east, including nearly 1,000 acres of improved business and industrial parks. The commercial mix includes small individual user (one to two acre) build-to-suit and spec type



BY LOIS
YATES

properties, some mid-sized parcels and the potential for large-scale development. Longbow Business Park, the area's largest, master-planned mixed-use park, is expected to attract high-end users in industrial, office and retail sectors. This park is most appealing because of its attractive main arterial street frontage and golf course lots. There are several other large-scale land holdings in the Falcon Field Business District offering very appealing development opportunities.

To support these developments, there are more than 200,000 people within a 15-minute commute and more than one-million residing less than 30 minutes from the district. Average household income of these residents exceeds \$70,000, making this a great location for executives and companies seeking skilled workers.

Is this area just for aviation and aerospace companies?

The Falcon Field Business District is comprised of a diverse industrial base. Aviation and aerospace historically and currently represent a key industry cluster for the area. Anchored by large corporate employers such as Boeing, Special Devices, ATK, Lockheed Martin and Talley Defense Systems, this area meets the needs of that business sector. Suppliers and support services gravitate to serve these powerful firms. These companies employ more than 6,000 people in the Falcon Field Business District.

In addition to the aerospace and aviation cluster, there is an eclectic mix of companies operating in the district, including those that

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The Business District is an Emerging Real Estate Market

For years, the northeast Mesa area has offered its residents quality schools, city parks and master-planned developments (Las Sendas, Red Mountain Ranch, Alta Mesa). However, until recently, this area has fallen short on commercial development, business parks and freeways. The lack of commercial expansion has been a problem for both the city of Mesa and its residents, resulting in lost employment opportunities and minimal retail choices.

Despite the shortage of available commercial properties, the demand to lease or buy commercial property in the Falcon Field area remains strong and continues to grow. With the extension of the Loop 202 Freeway, a busy Falcon Field Airport, large employers—Boeing, Lockheed and MD Helicopters—doing well, this area will continue to attract prospective tenants and buyers from all over the valley.



BY MARC T.
PIERCE

In addition, local developers are attracted to this growing market because of the low vacancy rate of 4 percent, attractive lease rates at 65 cents to 75 cents per SF (NNN), land costs of \$5.50 to \$6.50 per SF, access to freeways and favorable pre-leasing opportunities. Therefore, there are good opportunities to build quality office and industrial spec projects, of various types and sizes, for sale and lease.

For the above reasons, several quality developments have been newly built, or are planned or under construction for 2005 in the Falcon Field Business District.

Daedalus Real Estate Advisors developed the nearly sold-out 65-acre **Dover Industrial Park**, located on the northwest corner of McDowell and Greenfield roads, and the new 160-acre **Longbow Business Park & Golf Club**, located on the northeast corner of Higley and McDowell roads. Daedalus Real Estate Advisors and Hewson Development are the first large development companies to invest in this area, and both deserve credit for their pioneering and forward-thinking approach.

Hewson Dover Business Center, located on the northwest corner of

Greenfield Road and Presidio Street, is the largest and most timely spec project in **Dover Industrial Park**. The project broke ground in February, and pre-leasing activity is strong. Phase I will consist of three buildings—an 85,000 SF industrial multi-tenant building, with truckwells and bay sizes from 7,700 SF, and two class-A office buildings measuring 11,000 and 15,000 SF, with suites from 2,500 SF for sale or lease. Phase II will consist of an approximate 6-acre build-to-suit site.

Falcon Field Industrial Park, located at Loop 202 Freeway and Greenfield Road, consists of 20 acres of M-2 zoning heavy industrial, build-to-suit space. The corporate campus has approximately 260,000 SF of office/industrial buildings.

Falcon Field Airport, located at 5010 East Falcon Field Drive, consists of a 60,000 SF office/hanger building with suites from 6,000 SF and hanger space for lease.

Mesa Ridge Business Park is located near the southwest corner of Greenfield & McDowell roads. **Wilson Property Services** is planning to develop the 20-acre planned business park with office, industrial and lim-

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Business District *from page 6*

ited retail space. Two-story, class-A office, small bay multi-tenant and freestanding industrial buildings will be available for sale and lease.

Jensen Commerce Center, 4521 E. Jensen, is a 26,000 SF condo/industrial building currently under construction. Bay sizes start at 2,250 SF and are for sale or lease.

Mesa Commerce Center at McKellips & Greenfield Road is a 26,000 SF office/industrial building, design-built for a floor covering company.

Mesa Industrial Center, 5456 East McDowell Road, was recently built and is already 100 percent leased. The new, multi-tenant industrial building fronts McDowell Road and offers views of Longbow Golf Course.

In addition to these developments, three other large land transactions are in escrow or are in the planning stage. Twenty-five acres on the northwest corner of Recker Road and Loop 202, are in escrow as part of a **larger 70 acre planned mixed-use development**. **Greenfield Airpark Center**, on the northwest corner of Oasis Street and Greenfield Road, will offer office and warehouse condos from 2,680 SF. And 35 acres are currently for sale, as split-up parcels, on the **southwest corner of Higley Road and Ingram Street**.

Another notable project in Mesa includes **One MacDonald Center**, located on the northwest corner of Main Street and McDonald in downtown Mesa near the new \$94 million arts center. The downtown redevelopment project consists of a 60,000 SF, five-story, class-A office building with small and large office suites from 1,700 SF to 30,000 SF available for lease—prices range from \$19 to \$21 full service. US Bank is the newest tenant.

Lee & Associates Arizona is currently handling leasing and sales of the following projects mentioned in the article: Hewson Dover Business Center, Mesa Ridge Business Park and One MacDonald Center. Marc T. Pierce of Lee & Associates Arizona serves on the board of directors for both the Mesa Chamber of Commerce and the Falcon Field Area Alliance. Pierce was named Mesa Broker of the Year in 2003. He can be reached at (602) 697-2922 or mpierce@lee-associates.com.



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However, of the more than 115 companies operating in the business district, only 23 are included in the aerospace and aviation cluster. The Falcon Field Municipal Airport, and those who use the airport, create \$1.02 billion annually for the local economy. Just as important is the impact that comes from the rest of the business district, another \$1 billion annually. The combined \$2 billion equates to \$5.5 million of economic activity taking place every day in the Falcon Field Business District.

There have been several articles recently about rapid growth in this area. Is it really growing?

Since January 2004, 214 acres have sold within the district and more than 250,000 SF of new space is scheduled to come on-line in the next nine months. The extension of the Red Mountain Freeway / Loop 202 has been the development catalyst for industrial, retail and commercial activity. By June 14, the freeway will extend to Power Road, completing the business district freeway access with five major interchanges. And, the freeway is scheduled to be connected to Route 60 by 2007. This will greatly enhance the labor draw for the business district, as well as strategically serve the area midway between Sky Harbor and Williams Gateway airports.

A critical element in the future development of the Falcon Field Business District is the addition of services and amenities within the area. A full array of high-end offerings such as retail, hotel and restaurant services will be required for the district to reach its potential.

What is the vision for Falcon Field's future?

The Falcon Field Business District represents an exciting opportunity that has yet to be fully realized. The business district is supported by a very unique combination of excellent housing stock, high-end jobs, superb quality of life and spectacular scenic vistas. Residents and businesses in the area understand that they are part of a growing suburb, a focal point of both employment and activity that offers all the benefits of a

strong close-knit community with the conveniences of an urban town center.

The plan for Longbow Business Park is to become the East Valley's premier mixed-use business and retail center. The unique combination of employment, retail and golf uses will create a business address unlike any other in the valley and will differentiate Longbow from its competitors both locally and nationally. Other developments will follow suit as this area evolves into a submarket offering the quality of

environment seen in North Scottsdale and Central Phoenix. With all of its new market driven features, the Falcon Field Business District will successfully position Mesa as a leading submarket in the Valley's real estate marketplace.

Lois Yates is the executive director of the Falcon Field Area Alliance. She can be reached at (480) 610-0815 or icy@falcon-fieldarea.org.



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