

From the Phoenix Business Journal:

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Construction begins on 'unicorn' industrial site in south Phoenix

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ViaWest has started construction on the Converge Logistics Center near Interstate 10 and Ray Road in the Ahwatukee area of south Phoenix, a part of the region where the development team said it is nearly impossible to find land to develop new industrial projects.

“This site basically is a unicorn,” said Andy Markham, executive managing director for Cushman & Wakefield, who is one of the leasing brokers for the project. The industrial park will include three buildings totaling 500,000 square feet.

Phoenix-based ViaWest is leasing the land, which had been vacant, from the Kyrene Unified School District. The district has owned the land for years, and about four years ago the district governing board wanted to find a better use for it, Chris Herrmann, CFO of the district, said. Board members spent several years determining the best course of action, and ideas included selling it, developing



BUTLER DESIGN GROUP

ViaWest leased land in south Phoenix to develop a new industrial project.

on it themselves, or partnering with a private developer. ViaWest leased the land for 77 years.

James Murphy, CEO of Willmeng, the general contractor for the project, said the site is at “the center of mass” with easy access to Interstate 10 and Loop 202.

“On I-10, a first-generation site for new industrial is pretty hard to find,” Murphy said. “It’s a red-hot industrial market, and with this location, I’m really optimistic about the [lease] transactions we will see here.”

Danny Swancey, partner at ViaWest, said the project will provide a good income stream for the school district over the life of the lease. ViaWest owns several buildings nearby, so Swancey said they had a proven track record in the area to show the school district examples of previous success.

The Ahwatukee site sits right on the border of Phoenix and Chandler. Butler Design Group is the architect.

“It’s very infill, and has everything that comes with that, like employment, amenities, freeway visibility, easy access to multiple freeways,” Steven Schwarz, founding partner of ViaWest said. “It’s an ideal location from a logistics standpoint.”

ViaWest is also planning to redevelop Insight Enterprises’ former headquarters in Tempe to be an industrial development, Swancey said, giving the firm two of the very few remaining sites along Interstate 10 for new industrial.

“On these major corridors there is very little opportunity for new industrial,” Swancey said.

Schwarz said ViaWest has seven or eight more industrial projects in the Valley breaking ground this year and is in escrow on some other sites that will also be developed into industrial. The company is also active in Las Vegas, Salt Lake City, Denver and San Diego, and plans to have about 5 million square feet under construction in total in the next 12 to 15 months.

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