

Commercial Real Estate

# Behind the deal: How a huge industrial park bordering Luke Air Force Base came into focus



Phoenix-based ViaWest Group is looking to build a massive industrial park comprising 15 buildings in Glendale

VIAWEST GROUP



By [Audrey Jensen](#) – Reporter, Phoenix Business Journal  
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In 2021, CBRE Group Inc. brokerage team Luke Krison and Mark Krison learned about a large site bordering the east side of Luke Air Force Base, an area that has been quickly bought out by industrial developers.

They said they couldn't believe it was up for grabs, but after learning it was still available the father-and-son team thought of a developer who would be interested in the property: Steven Schwarz, the founding partner of Phoenix-based ViaWest Group, who Mark Krison has known for decades.

"When you're in front of a site and you find it as a broker, you think about, 'OK, I really have one good shot, ... who do I take this to?'" Luke Krison said. "Someone who has the courage to build right now."

More than two years after the Krisons came across the site, ViaWest broke ground on the property on Sept. 29 for the first phase of a new industrial and commerce park called The Base at a time [when construction starts have slowed down](#) because of rising interest rates and inflation.

The Base could total about 2 million square feet across 15 buildings at full build-out in Glendale. The groundbreaking came after ViaWest [secured a \\$96.5 million construction loan](#).



ViaWest Group, Willmeng, CBRE and the city of Glendale held a groundbreaking ceremony for a new industrial and commerce park near Luke Air Force Base on Sept. 29, 2023.

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The overall site is about 144 acres with frontage along Litchfield Road on the north and south sides of Bethany Home Road. The first phase of the project will feature seven buildings ranging in size from 85,181 square feet to 309,734 square feet, totaling 1.2 million square feet.

### **ViaWest to spend \$200M on first phase**

ViaWest Group plans to invest more than \$200 million on the first phase of the speculative project, which will be built by Willmeng Construction Inc., a firm that has worked with ViaWest Group on its other industrial developments in the Valley.

"The reality is, a lot of groups aren't moving forward," said James Murphy, CEO of Willmeng, during the groundbreaking ceremony. "It takes the best game, those that are the best at what they do, that are confident that it'll move forward."

Prior to breaking ground on Sept. 29, ViaWest Group [worked through rezoning](#) and [acquiring the 144 acres](#), adding utilities and resolving topography challenges on the site. The first phase is expected to be delivered by 2025.

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The project, designed by DLR Group, has already garnered interest from about six potential tenants in industries such as manufacturing and services looking for 50,000 square feet to 250,000 square feet of space, according to the Krisons, who are leading marketing for The Base industrial park.

Danny Swancey, a partner at ViaWest, said the buildings were laid out with functionality, circulation and flow in mind. The buildings were also designed parallel to the road so that tenants can have frontage along Litchfield Park and feature showrooms, for example.

"When you're building one building, it's fairly easy. Building seven, you've got to consider the cohesive game-plan of multiple businesses and users and how they're going to flow and interface and work best together and anticipate those challenges and build them into the plan," Swancey told the Business Journal.

The depth of the buildings will also allow for a variety of tenant sizes and for more tenants in each building, Swancey said.

The small- to mid-sized buildings have been an ongoing focus for ViaWest, a strategy that has worked out well since leasing for big-box warehouses has slowed down in recent months.

Most of the demand for space is also for smaller industrial buildings, according to CBRE.

Although the Valley had a 3% industrial vacancy in Q2, Luke Krison said that industrial facilities 200,000 square feet or less in the metro have a 1.6% vacancy, demonstrating a need for smaller spaces.

In addition to the park's proximity to major industrial users on the west side of Luke Air Force Base, the project is close to a multitude of existing retail amenities and housing and is centrally located between key commerce corridors such as the Loops 101 and 303, Northern Parkway and Interstate 10.

ViaWest Group paid nearly \$25 million for the 144 acres through multiple transactions from 2021 through 2023, according to real estate database Vizzda.