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Tale of Two Cities

Scottsdale and Tempe are experiencing a development boom

By REBECCA L. RHOADES

While the COVID-19 pandemic may have curbed progress for a lot of businesses in the East Valley, construction showed no signs of slowing down. Massive multifamily housing communities, expansive business campuses, eye-catching mixed-use towers and luxury hotels are transforming the region's skyline, and nowhere is that more evident than in Phoenix's suburban neighborhoods of Scottsdale and Tempe.

"It's been an interesting year. Everyone was expecting the worst, but we continue to be as busy as ever as people and businesses are looking to move here from higher-cost locations," says Maria Laughner, economic development manager for the City of Tempe.

The last couple years saw Tempe pivot from a university town into the Valley's second largest urban center.

The area surrounding Tempe Town Lake has experienced some of the most notable change. Completion of the 16-story mixed-use Watermark in 2019 brought retail and dining options to the north shore. "People are using the plaza area as part of their walking path, which is what the developers wanted when the project was designed," Laughner explains.

The remainder of 2021 and 2022 will see the creation of more mixed-use projects that will attract not only new businesses but also workforce. Just across the Salt River, the 24-story towers of The Pier will complement the Watermark's gleaming facade, while adding office and retail space as well as 500 apartments.

Visitors will also have more options over the next couple years.

"We have a lot of entitlements for hotels, primarily in the downtown

area, and we're glad to see three or four of them under construction now," notes Ryan Levesque, community development deputy for the City of Tempe. "Since the early 2000s, Tempe has been underserved by hotels. Our occupancy rates run in the 90% range, and when we have large events, people have to stay in other communities because we simply do not have the space to accommodate everyone."

Scottsdale is also experiencing an increase in hospitality growth.

Last year saw the opening of a number of anticipated projects, including Canopy by Hilton Old Town and AC Hotel Scottsdale North. The next 18 months will bring even greater value to the city's tourism sector with the opening of a bevy of high-end hotels as well as entitlements for additional accommodations in

Tempe Depot

In October 2020, RED Development was granted approval for a 993,000-square-foot mixed-use project that will preserve and incorporate the city's historic train depot. This structure comprises a 17-story Class A office tower, an 18-story five-star hotel that will provide 280 guest rooms and almost 10,000 square feet of conference space, 15,000 square feet of indoor retail and restaurant options, 4,000 square feet of outdoor dining and approximately 22,000 square feet of open-air plazas for gathering. The one-story 1924 brick depot will be rehabilitated and repurposed as retail, dining and bar space.

The Beam on Farmer

Construction began on this five-story 184,000-square-foot office building in May, with a projected completion date of May 2022. Developed and built by Mortenson, The Beam is located in the heart of Tempe, just blocks from Mill Avenue and ASU. The project has been making news for its first-in-Arizona use of cross-laminated timber. As suggested by its name, the building will showcase the wood throughout its offices and public spaces, along with concrete, steel and glass for a look that is sleek and contemporary yet warm.

The Pier

Development continues to ramp up along Tempe Town Lake. One of the latest additions is the 586-unit mixed-use community known as The Pier. Overlooking the waterfront, the 24-story dual-tower complex will offer more than 1,300,000 square feet of retail, dining, Class A offices and approximately 500 market-rate apartments. Designed by architect Rinka Chung and developed by Springbrook SGC, it will also feature below-grade parking for more than 1,000 vehicles.

Vrb Tempe

Best Western Hotels & Resorts' newest hotel offering, Vrb, which is short for "vibrant," is an upscale 102-room technology-centric boutique that looks to attract not just visitors to ASU but also travelers who crave a stylish, business-friendly experience. The innovative lobby flexes to serve as a workspace,



TEMPE: ASU Interdisciplinary Science and Technology Building 7



TEMPE: The Pier

socialization hub and event location. The hotel will also offer traditional amenities, such as a fitness center, outdoor pool and meeting rooms. Situated on a formerly vacant lot just outside of downtown Tempe, the \$20 million hotel, built by GCON, is anticipated to open in September 2021.

100 Mill Hotel

Approved earlier this year, this is the final phase of development for the

2.5-acre site near the intersection of Rio Salado Parkway and Mill Avenue. The 13-story 150,000-square-foot hotel will join an 18-story, 287,000-square-foot Class A office tower. The project is notable for its restoration of the historic 1873 Hayden House, one of Arizona's oldest adobe buildings and the former home of Arizona's late U.S. senator Carl Hayden. It is a partnership between LaPour Partners and NewcrestImage Development. ■■■