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\$300M Surprise Pointe Breaks Ground In May

By Amy Wolff Sorter

SURPRISE, AZ-Ground will break in May on the first phase to the \$300-million Surprise Pointe. The lead play for the 300-acre project will be retail and entertainment space, anchored by an UltraStar Cinemas theater.

The Shoppes at Surprise Pointe's 37-acre first phase also includes more than 250,000 sf of small shop space and restaurants plus the 14-screen, 2,800-seat theater. Within months of work starting on the \$75-million first phase, the crew will dig into the 41-acre balance of the mixed-use project's retail component, which will rise at the intersection of Wadell and Litchfield roads. The first phase will deliver in May 2008. The second phase, which includes a spa, will come on line in fall 2008.

Within six months, construction also begins on 600,000 sf of spec flex and office space. "I think when you look at what's going on in the marketplace today, Surprise is in a quadrant of the metro area that's growing like a weed," says David Glimcher, president of project developer Glimcher Ventures Southwest LLC in Scottsdale.

Glimcher and UltraStar Cinemas are joint venturing to develop an entertainment hub with a bowling alley, sit-down restaurants and specialty retail. "We see the UltraStar relationship as the lead-in for us in this market--as an opportunity to provide this type of venue not only in Arizona, but also in the Southwest," Glimcher tells GlobeSt.com.

Glimcher says the JV plans to build five more theaters with retail components in the next three years. He won't say exactly where the developments will be, but did admit he's looking at Goodyear, Buckeye and the Gilbert/Queens Creek submarkets. Not all of the future projects will be as large as Surprise Pointe. He estimates future projects will be 20 acres to 100 acres.

The San Diego-based UltraStar has been eyeing the Arizona market for some time. "Initially, we were interested in primarily the Phoenix metro area and then anywhere in Arizona," says Alan Grossberg, president and CEO with UltraStar Cinemas. "Now we're looking almost everywhere in Arizona. And, down the road, [we] could have some sites possibly in Colorado and New Mexico."

Grossberg says UltraStar theaters have eight to 16 screens per location. Its prototypes range from 50,000 sf to 70,000 sf.

Level Four of Scottsdale is the theater architect. Richard Bowen & Associates of Ohio is designing the rest of the retail project. AA Builders is the general contractor for the theater.

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