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## DMB paying \$300 million for GM proving ground

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by [Christia Gibbons](#)  
The Business Journal

Scottsdale-based **DMB Associates Inc.** apparently has inked a deal with **General Motors Corp.** to buy its 3,200-acre Desert Proving Ground, sources say.

The land likely is going for \$75,000 to \$100,000 an acre, putting the cost at around \$300 million, sources said.

GM has been looking to sell the land as residential development moves further east. The deal, said GM spokeswoman Janine Fruehan, calls for a purchase and three-year lease back.

"The Phoenix market is under such unprecedented suburban growth and reaching our perimeter resulting in highly valuable land," she said.

The proving ground's 220 employees were told the news today, Fruehan said, and assured that "it would be business as usual" until a new hot-weather location in the Southwest is found or constructed.

Other bidders on the project, sources say, were a consortium of Sunbelt Holdings President John Graham and **First Industrial Realty Inc.** of Chicago and William Levine, co-founder of Outdoor Systems.

"This helps move forward plans of the city of Mesa and what the ULI (Urban Land Institute) said needed be done in the 50-mile Williams Gateway plan," a source said.

The proving grounds are at Ellsworth and Elliot roads, east of Williams Gateway Airport.

In September, a panel of land-use experts from the Washington, D.C.-based ULI studied the area for a week before releasing their findings to about 300 civic and business leaders at Arizona State University Polytechnic in Mesa.

Panelists said there was no question the area will grow -- driven largely by projected student growth at ASU's eastern campus. But it faces challenges, including competition with the city of Phoenix in the biotech industry, lack of balance between residential development and industry/office/retail options, an ineffective arterial streets system, and lack of well-planned open space.

DMB master planned such high-end communities as DC Ranch and Silverleaf. It currently is going through the city of Scottsdale planning process for its One Scottsdale, a 1.8 million-square-foot retail, restaurant and Class A office complex at Scottsdale Road and the 101 Freeway. That community will include 1,100 mixed-use residential units. Plans for Phase I include construction of about 250 luxury condominiums and penthouses and 400 resort and boutique hotel rooms.

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