



Dell may be mulling HQ in Glendale

Computer giant sending mixed signals on a deal

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Dell apparently is considering establishing a regional headquarters in Glendale, but signals are mixed on whether the computer giant will proceed with a deal.

Some familiar with the situation say the Texas-based company has been studying a site west of Loop 101 across from University of Phoenix Stadium and near Glendale Municipal Airport.

A number of public agencies and business groups reportedly have been involved, including the Greater Phoenix Economic Council, Arizona Department of Commerce and Glendale.

A story in the *Business Journal of Phoenix* last week indicated the company was considering Glendale for a regional facility with up to 5,000 employees.

But a person familiar with the details characterized the reports as overstated, given Dell's corporate challenges. Another said a potential deal is far from imminent.

Company founder Michael Dell returned as chief executive in January to help boost its flagging stock price and guide the company through a Securities and Exchange Commission investigation into accounting irregularities.

Dell spokeswoman Colleen Ryan said that the company is looking to expand into various markets but that its policy is not to comment until a deal has been reached.

Officials from the Commerce Department and the Greater Phoenix Economic Council declined to comment about a potential Dell project.

Glendale Mayor Elaine Scruggs also would not comment on any specific deal with Dell but said that such a project would represent the "foundation" in attracting other major employers to the emerging West Valley city.

"It would be an absolutely perfect fit for what I see as the next step in Glendale's emergence as a balanced community and no longer a bedroom community," Scruggs said.

"High-quality employment is my Number 1 priority, and anything like this would be absolutely wonderful for Glendale and western Maricopa County."

Some analysts said locating a Dell regional headquarters in Arizona doesn't make sense at a time when executives are cutting the number of employees through attrition.

But Shaw Wu, an analyst with American Technology Research in San Francisco, said that such a venture was "possible" as Dell moves to improve its customer service operations and expand its retail presence.

"That's the challenge they are (faced with): Cut costs and pare down less productive employees but, at the same time, beef up their sales efforts, as well, particularly in retail spaces," said Wu, who has a "neutral" rating on Dell stock.

It's unclear which Glendale site Dell may be interested in.

One possibility is a 23.5-acre property west of Loop 101 that was purchased this year by Valley developer Rick Burton and his Rightpath Limited

Rightpath has teamed with MSD Capital, an investment company owned by Michael Dell, on two Glendale land deals in recent years.

A venture between Rightpath and MSD paid more than \$36.5 million to buy 82 acres at the southeastern corner of Loop 101 and Bethany Home Road in Glendale, according to a 2005 story in *Business Real Estate Weekly of Arizona*.

The weekly also reported that in December 2004, MSD, Rightpath and a Scottsdale investor paid \$30 million for the 150-acre Zanjero mixed-use development near Loop 101 and Glendale Avenue.

Today, Zanjero is home to Arizona's first Cabela's outdoors outfitter, three hotels under construction and a future upscale village.

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