

Palm Valley 303 project taking shape

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SunCor Development Co. bought 10,000 acres of land from Goodyear Tire & Rubber Co. in 1986 in the vicinity of Indian School Road and Cotton Lane.

While most of the land has since become home to the Palm Valley residential development, another 1,600 acres sat fallow for years and years. Until recently.

The first of some 60 buildings totaling as much as 19.6 million square feet was recently completed at the northeast corner of Indian School and Cotton, just west of the county road that will serve as the alignment for the future Loop 303.

The mixed-use development of industrial, office and retail space is dubbed Palm Valley 303. Completion could take as long as 26 years, SunCor executives said.

The first building, almost complete, is a 440,000-square-foot cross-dock warehouse. The building is set up to distribute goods quickly, with separate docks for deliveries and departures that will minimize warehousing time, said Mitch Rosen, director of office and industrial development for SunCor.

Palm Valley 303 is in a prime location to take advantage of transportation corridors, Rosen said. Even though Loop 303 is still several years from completion, Interstate 10 lies only one mile to the south, while Loop 101 is nine miles east. The site is nine miles from Phoenix Goodyear Airport and 29 miles from Phoenix Sky Harbor International Airport. Glendale Municipal Airport and Buckeye Municipal Airport also are within several miles.

Another critical advantage for Palm Valley 303 is that it's close enough to ports of Los Angeles and Long Beach, Calif., so that hauling goods is about a 5½-hour drive, Rosen said. That means long-haul truck drivers can go there and back and not go over the hours to which they're limited on "turn-around" trips under federal regulation. Likewise, Las Vegas is less than five hours away.

The cross-dock warehouse arrangement provides a lot of flexibility for the distribution of goods, Rosen said.

"You might have trucks full of toilet paper, trucks full of teddy bears and trucks full of Hot Wheels cars coming in," Rosen said. "As those are being unloaded, you might put some of each of those items on another truck across the warehouse to go out for delivery."

The first phase of Palm Valley 303 is expected to be completed over the next five to seven years, as demand dictates, Rosen said.

Besides the warehouse nearly completed, Phase I will include an additional 2 million square feet of warehouse and distribution space, 387,000 square feet of light industrial space and 208,000 square feet of retail space.

By the time it's completed, Palm Valley 303 is expected to have:

- 12.3 million square feet of distribution and warehouse space.
- 2.8 million square feet of retail space.
- 1.3 million square feet of light industrial space.
- 1.8 million square feet of office space.
- 1.3 million square feet of flexible office space.

A report prepared by Elliott D. Pollack & Co., a Valley-based economic research firm, estimates that about 770 new construction jobs will be created annually during the 20- to 30-year development time frame.

Those jobs would yield about \$41.2 million in wages each year, for a total construction cost of about \$93 million annually. Cumulatively, that would mean about \$1.1 billion in wages and a total of about \$2.4 billion in economic impact, the Pollack & Co. report states.

By build out, Palm Valley 303 should account for an estimated 26,500 jobs with another 20,225 jobs being created regionally in support of businesses at the development, the Pollack & Co. report states.

The economic impact over the course of construction to various governments is:

- \$106.1 million to the state.
- \$40.9 million to Maricopa County government.
- \$26.1 million to Goodyear.

Rosen had high praise for everyone at the city and with Luke Air Force Base in getting Palm Valley 303 under way.

"It's a great, complementary use to an aviation area," Rosen said of Palm Valley 303's relative proximity to Luke, where development around the base, particularly in the flight path of the aircraft, is always a concern.