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# Vistancia commercial site marketed

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In the far northwest fringes of the Valley, the 7,100-acre Vistancia master-planned community remains an island of suburban homes surrounded by a raw desert expanse.

For Vistancia's developer, **Sunbelt Holdings**, that isolation is a good thing; it means there still is plenty of room for commercial growth to support the 14,000 residential units that eventually could be built there.

In the past month, Scottsdale-based Sunbelt has hired listing broker **Nate Nathan**, principal of **Nathan & Associates Inc.** in Scottsdale, to market the 500 acres zoned as mixed-use commercial space.

That area is wedged between Vistancia's residential villages to the west and the Loop 303 freeway to the east.

Officials with the city of Peoria and the **Greater Phoenix Economic Council** also have started promoting the Vistancia commercial core, an area set aside for businesses looking for large, pristine sites for development.

"It could be companies with growth potential, like renewable energy, that are looking for areas where they all can congregate," said **John Krueger**, GPEC's vice president of business development.

Nathan said he's already had a lot of people "poking around."

With the May opening of Loop 303 from Interstate 17 to Happy Valley Road, Sunbelt President and CEO **John Graham** said the time is right to move forward with marketing the Vistancia commercial core.

Loop 303 extends 39 miles from I-17 to I-10, but portions of it still are two lanes. The **Arizona Department of Transportation** is expanding it to four lanes from Grand Avenue to I-10, with completion scheduled for 2014. Loop 303 is expected to push Phoenix's future expansion even farther west.

"Freeways are a massive catalyst for accessibility and growth," Graham said.

To maximize the development's proximity to Loop 303, Sunbelt is completing a 1-mile stretch of Lone Mountain Road at its own expense from Vistancia's neighborhoods to the freeway, which has interchanges at Happy Valley and Lone Mountain roads. The first phase of two lanes will cost \$5.75 million. The second phase of two additional lanes will cost about \$1.25 million.

Meanwhile, Graham sees an even more diverse mix coming into play.

"We've also talked to several hospitals and education facilities about a campus on-site," Graham said.

Sunbelt has some flexibility in configuring the commercial area. It's designed for several uses, including health care, higher education, corporate campuses, multifamily, retail, public and quasi-public use, and open space. A large chunk has been set aside for a regional shopping center, but that likely won't come into play for years, given the unsteadiness of consumer spending.

The 500-acre site is especially critical to the city of Peoria's long-range plans.

"The Vistancia commercial core and the 303 corridor are really important to us as a future employment corridor," said **Scott Whyte**, director of Peoria's Economic Development Services Department.

Whyte points out that almost all of the land in that area is owned by the state and has no infrastructure, so it's not primed for development anytime soon.

"The Vistancia commercial core then becomes the near-term opportunity," he said.

Some might think the site's isolation and the dour economy present an odd combination for a major commercial development, but the team promoting it disagrees.

Whyte said there might not be any particular company in the immediate recruitment pipeline, but within the next 18 to 24 months he expects some to emerge, possibly from California.

Even with the early roll-out, Nathan said the reality is that it will take two to three years of "incubation" before ground is broken. It takes time to purchase, design and build. That's why companies and organizations think so far ahead, he said.

Graham likens Vistancia to McDowell Mountain Ranch, which Sunbelt also developed. That project was rolled out in an isolated section of North Scottsdale, just outside Loop 101. Introduced in 1995, the 3,200-acre master-planned community was fully built out in 2003.

Graham also noted that the residential communities in Vistancia have continued to grow and thrive through the worst market conditions since the Great Depression.

As such, the area now is primed for more commercial uses.

Sunbelt acquired the Vistancia land via the bankruptcy liquidation of the **Baptist Foundation** in 2002. Officials would not disclose the purchase price. Sunbelt is a partner with Stratford Land and **Shea Homes**.

The residential development opened in 2004, and residents started moving into Vistancia in 2005. There are 4,000 homes in Vistancia now, with about 11,000 residents. Some small commercial properties are scattered throughout the neighborhoods, primarily for retail use. Nathan also has those marketing assignments.

"That's really a testimony. People saw value here when they could buy any house they wanted at any price they wanted," Graham said.

Whyte said another plus about the commercial site is that the adjacent neighborhoods can support it in terms of employee housing, since there's a wide range of choices from luxury homes to starter homes. There are two country clubs, one private and one public.

"For a lot of reasons, Vistancia has a lot of market advantages," Whyte said.

Jan Buchholz covers commercial and residential real estate, construction, architecture and transportation.