



PRESIDENT'S MESSAGE

JUNE 2017

Greetings fellow REIAC members:

Can you believe we're at the midpoint of 2017 already? I hope the first half of the year has gone well for you. As usual, your Board of Directors continues to do an outstanding job steering our REIAC Southwest Chapter to higher membership and continued financial stability.

We now have 99 members and continue to chip away at our goal of 125 members by the end of the year. Our Board members have been proactive in seeking out qualified prospects and referring them to Cheri Brady, Chair of our Membership efforts. Thank you to our Board members and Cheri. Keep up the good work.

If you know any homebuilders; master-plan community developers; hotel developers or investors; multifamily developers or investors; self-storage developers; or other senior real estate professionals you think would benefit by membership in REIAC, please forward their names to Cheri. You can help us reach our membership goal by inviting them as your guests to our programs. We find that once a guest experiences the high quality of our events and the caliber of our membership, the chances they will inquire about membership in REIAC increase dramatically.

I would also like to welcome several new members. Please introduce yourself when you see them and welcome them to REIAC.

- **Stephen Loonan:** UMB Bank
- **Bill Saul:** Apex One Investment Partners
- **Ryan Chochran:** Kitchell Development Company
- **Rob Schramm:** Kitchell Development Company
- **Josh Simon:** SimonCRE
- **Scott Whittington:** Avalon Investments
- **Mike Baumgarten:** LevRose

I am also pleased to announce several new sponsor members:

- **Mark Ohre:** Snell & Wilmer LLP

- **Bess Cadwell:** Govig Real Estate Executive Search
- **Tre Ferrari:** LineageCRE Commercial Property Management
- **Jim Weaver:** Alpha Geotechnical
- **Brad Denham:** CoStar

Please welcome and thank our new sponsors as well as our existing sponsors - 14 total. Their financial support allows us to present our great member-only programs and events at no additional cost to our members and their guests.

Since the last edition of the President’s Letter in January, our Program Committee including Chairman Todd Jarman, Melinda Webster, Ann McCartney, Mat Avrhami, Mike Baumgartner and Don Becka presented several outstanding programs. The committee was assisted on certain programs by REIAC members Dawn Cartier, Dick Lund and, of course, Sheila and Nancy, our chapter administrators.

- **March 14, 2017:** The theme of our Breakfast Series programs this year is infrastructure development in Metro Phoenix including airports, transportation, water, and fiber/wireless. Below is a recap of the first program in the series from our PR consultant, Peter Madrid:



Each time an airplane lands and takes off from Phoenix’s three airports – Phoenix International Sky Harbor, Phoenix Deer Valley and Phoenix Goodyear – it’s very likely business is being conducted in the Valley.

What happens in the skies over Phoenix is felt directly on the ground, especially around the above-mentioned airports. That was the message delivered at the REIAC Breakfast Series by Jordan Feld, City of Phoenix Deputy Aviation Director for Planning & Environmental. The March 14 event was held at CoStar.



Jordan Feld

Feld’s discussion included updates on the Phoenix Goodyear Airport Master Plan, construction projects underway and planned at Phoenix Sky Harbor, and the extensive PHX Land Reuse Strategy project that is currently underway.

“The focus is on core assets, not runways,” Feld said. “Land use planning and real estate around the airports are priorities. The money is there, the projects are there: new corporate offices, mixed use opportunities. The development community gets that.”

From a handful of flights over the Grand Canyon during aviation's early days in Arizona, today's Phoenix airport numbers are impressive:

- 101 destinations;
- \$80 million daily economic impact;
- 108 gates;
- \$29 billion yearly economic impact.

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- **April 11, 2017:** Our annual Fireside Chat was honored to have Mike Kasser, CEO of Holualoa Companies. He was interviewed by Dick Lund. Mike has had a fascinating career and shared with the audience how he ended up in real estate. For those who missed it, below is a recap of Mike's accomplishments:



Mike Kasser

Holualoa is a real estate investment company with interests in residential and commercial real estate around the U.S. and in Europe. Mike started Holualoa in 1985 when he moved to Hawaii with his wife, Beth, after they competed in an Ironman Triathlon.

Mike has a B.S. and an M.S. in chemical engineering from M.I.T., a doctorate of engineering from the University of Grenoble (France), and an MBA from Harvard Business School. He is fluent in English, French, German, Spanish, Italian, and Hungarian.

Mike's community activities have included trustee or board member of the University of Arizona Foundation, the College of Science at the University of Arizona, the Tucson Museum of Art, the Metropolitan Museum of Art Department of Scientific Research Visiting Committee, M.I.T., Arizona Theatre Company, and C-Path Institute.

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- **May 4, 2017:** MRED-REIAC/Rockefeller Group Challenge. Our fourth annual Challenge was as popular as ever with more than 75 people in attendance. Following is a recap of the presentations from the MRED teams:



*Kyle Trent, Anna Sepic,
Jay Van Tussell*

The 4th Annual MRED-REIAC/Rockefeller Group Challenge didn't disappoint this year. Four teams consisting of graduating students from Arizona State University's W. P. Carey School of Business, Masters of Real Estate Development (MRED) program competed for cash prizes.

Spire Development captured the honor, garnering \$1,000 each for members Anna Sepic, Jay Van Tussell, and Kyle Trent.

This year's project consisted of a mixed-use development at Dorsey Lane and Apache Boulevard in Tempe. It featured six separate parcels

including a new school for the arts; a retail center at the NWC of Dorsey and Apache; retail/office space at the NEC corner of Dorsey and Apache; and three parcels of vacant City of Tempe land.

Spire Development's winning project, Third Space, was a four-phased master plan that included multifamily space of 70 apartments, 50 flats, 43 lofts, 16 studios, and 13 townhomes; a new school for the arts; a restaurant; a gym; and retail, office, and community space.

The other finalists and their projects:

- Crescendo Development – The Beat on Dorsey, a project to attract tech savvy millennials in a transit-oriented walkable environment with public art installations and 7,000 square feet of open pavilion space.
- Collage Development – Collage at Dorsey Station, a project that's the "character and soul of a community; a project that inspires us," according to the presenters. It features dining, retail, office, a school for the arts, and artist loft space.
- CED Development – Joule: An Innovation District. This master-plan design is intended to "build off the momentum of the light rail and Tempe street car.



- **May 11, 2017:** Our Breakfast Series programs on infrastructure continued with Eric Anderson, Transportation Director, Maricopa Association of Governments (MAG). Eric's presentation shared "hot off the presses" freeway projects recently approved by ADOT. Below is a summary of his presentation:

Regional freeways and highways. New overpasses and interchanges. Additional light rail tracks. If it moves people, it moves the economy.

"Transportation is the key to the economy," Eric Anderson, Transportation Director, Maricopa Association of Governments, emphasized at the May 11 REIAC Breakfast Series at the offices of CoStar.

"We went through a three-year period of sales tax decline," Anderson said, referring to the time period that included the Great Recession. "We lost a decade of sales tax during the recession. We went through a detailed effort to engineer our work for economic development."

Anderson shared an ambitious \$3.25 billion regional freeway and highway program that includes transportation projects from I-17 to the new SR 24 in the East Valley. He discussed how this program will have regional benefits.

"ADOT (Arizona Department of Transportation) and construction companies must be pretty happy with the amount of work coming," Anderson said with a laugh.

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- **Upcoming programs:** Watch your in box for program flyers announcing these programs you won't want to miss:

>> The Debt & Equity Panel is back. Joe Blackburn will again moderate a panel of top lenders and equity investors.

>> Our third Breakfast Series features a presentation by David Rousseau, President, SRP, on the latest developments in critical water infrastructure scheduled for September 14.

>> Distinguished Speaker Program: We are thrilled to announce that our Program Committee, chaired by Todd Jarman, has confirmed that nationally-acclaimed economist, educator, author, and real estate investor Dr. Peter Linneman will address our group on November 15. This program will be open to the public so please invite your guests.

>> Our Breakfast Series wraps up with a presentation on fiber/wireless infrastructure in Phoenix Metro. We will have an expert in this field discuss what we can expect on connectivity in the future.

>> Wrapping up the year, watch for our annual holiday mixer in December.

If you have ideas for future REIAC programs, we want you on our Program Committee. Please contact Todd Jarman if you are interested.

From your Board of Directors, we hope you stay cool this summer. We look forward to seeing you at our programs and mixers the rest of the year.

Sincerely,

[Mark Singerman](#), Vice President, The Rockefeller Group

President – REIAC Southwest Chapter