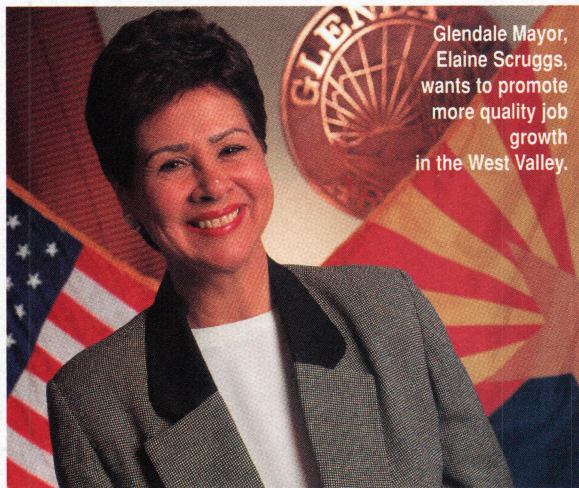


## West Side Story

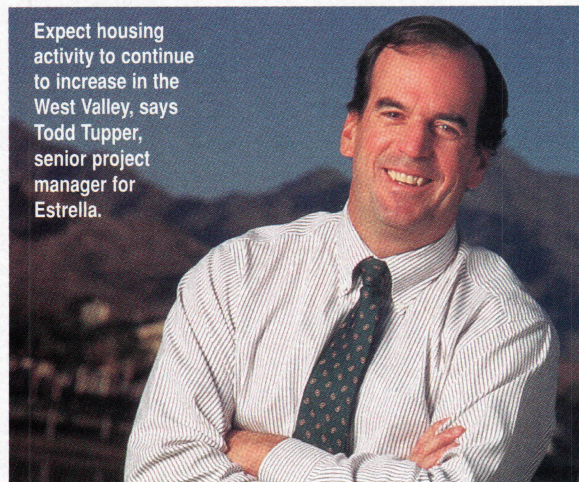
by Cynthia Scanlon



"We are also seeing a lot of other people relocating from other parts of the Valley," says Diane McCarthy, president of the Western Maricopa Coalition.



Glendale Mayor, Elaine Scruggs, wants to promote more quality job growth in the West Valley.



Expect housing activity to continue to increase in the West Valley, says Todd Tupper, senior project manager for Estrella.

## The West Valley is finally getting a share of metropolitan Phoenix's growth

photography by Mark Zemnick

After years of watching other Valley communities capture the lion's share of growth, the West Valley is finally beginning to share in the bounty. In addition to increasing population growth, the West Valley is enjoying significant new development of housing, industrial buildings, offices and retail outlets.

The communities that make up the West Valley — including Goodyear, Surprise, Tolleson, Avondale, Glendale, Maryvale, Peoria, Litchfield Park — are enjoying increasing population growth.

Population figures for these cities continue to climb every year. According to U.S. Census figures, Surprise had a population of 7,122 in 1990. By 1994, the latest year for available statistics, that figure had risen to 9,470. Peoria is averaging almost 4,000 new people a year in their city. As of 1994, Peoria had more than 65,000 residents. Glendale's population grew from 148,100 in 1990 to 164,900 in 1994.

According to the Maricopa Association of Governments, Goodyear's population is expected to double in the next four years from 9,500 to 19,000.

"We know the growth is coming, so we are working closely with developers on their projects to make sure they are quality projects," says Brian Dalke, economic development director for Goodyear.

Population isn't the only statistic to increase for the West Valley; figures for new single-family homes construction are also on the rise.

"We are also seeing a lot of other people relocating from other parts of the Valley who just want to get out," says Diane McCarthy, president of the Western Maricopa Coalition. "It's not as congested as it is downtown or in Mesa and Tempe."

Because land prices are lower in the West Valley, residents can purchase a 2,000 square foot home for up to \$30,000 less than other parts of the Valley, she says.

During 1996, more than 22,524 building permits were issued for single-family home construction in Maricopa County, an increase over the 21,060 issued in 1995 and more than 1,000 better than the number posted in 1994, according to Arizona State University's Center of Business Research.

While Phoenix, Gilbert and Scottsdale were the most active areas during the year, several communities in the West Valley posted double-digit gains in new home construction.

"If you look at an aerial photograph, the entire center of the city is full, so the growth has to go out," says Stanley Paul Cook, manager of real estate studies and market information for Phoenix-based Landiscor, which provides aerial photography and real estate analysis. "There are thousands and thousands of homes that are going to be built in Surprise, Peoria and Glendale over the next five to 20 years. I mean thousands."

New home construction has more than triple in Surprise in the past two years. In 1994, the West Valley city recorded 331 housing starts, but in 1996 that number jumped to 1,162. Peoria has shown similar growth. In 1992, the city had 1,500 housing starts. Last year, the city registered more than 2,100 housing starts for the year.

According to Cook, who estimates that the Valley's population will add another 1.3 million people to its rolls in the next 20 years, the East Valley is in a crunch in terms of planning efforts as well as restrictions on

development and lot sizes. He points out that most of the East Valley's land is now owned by the state, severely curtailing housing development. "East Gilbert and Queen creek are still available, but that land does not have utilities serving it yet. So the pricing and availability of land is favorable now in the Northwest," says Cook.

While Glendale, Peoria, and Surprise are experiencing tremendous growth, the city of Goodyear has shown perhaps the most dramatic growth in recent years. In 1994, Goodyear posted housing starts at 270. In 1995, that figure jumped to 560. In 1996, the figure was more than 600, more than double the 1994 figure.

In addition to growth in housing, cities in the West Valley are also reporting a consistent drop in unemployment figures as more commercial development comes into the area. Rates in some West Valley cities are among the lowest in metropolitan Phoenix, which posted an unemployment rate of just less than 4 percent for year-end.

Surprise's unemployment rate dropped from 7.9 percent in 1991 to 5.6 percent in 1996. Peoria's unemployment rate has gone from 3.8 percent to 2.7 percent during that same time. Glendale's unemployment rate stood at 4.9 percent in 1991 and is now 3.5 percent. And Goodyear's unemployment rate has continued to drop from 6.1 percent in 1991 to 4.3 percent in 1996.

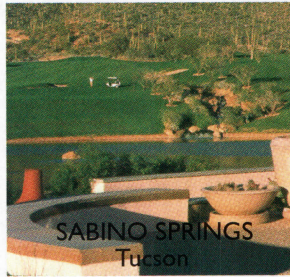
According to Elaine Scruggs, mayor of the city of Glendale, the population for that city is growing by 7,000 new residents a year. Glendale reports 1996 new housing starts at 1,972, about the same as the 1,977 figure in 1995. Scruggs says she hopes that that number will stabilize in the next two years. But, she is quick to add that the Glendale master plan has been carefully planned and zoned for more than a decade and a half. She also points out that Glendale has not annexed any new land since the late 1970s and is, instead, building on existing land in a controlled way.

"People like the concept of a master-planned community," says Scruggs. "They move in because they like to know what they can expect in the future; it represents an assurance of property values. Tight restrictions can be upsetting at times, but they are a protection from neighborhood deterioration."

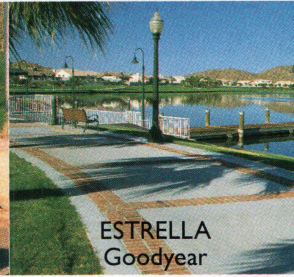
In addition to residential development, Scruggs wants to concentrate on attracting new employers and quality, high-paying jobs. In addition, she wants to continue the quest toward downtown revitalization.

"That's the kind of project that is never really finished," she says, referring to the continuous challenges involved in transforming a downtown area of a city. "We

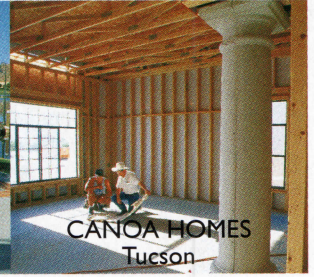
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have to go slow because people are investing a lot of money in businesses to try to get them started and running. If we expand too far too fast, we hurt the businesses that are building up their clientele. The businesses that have already invested need to grow and stabilize, so it's a very tricky situation."

Despite all this, Scuggs is pleased with the path that Glendale has taken, giving residents a feeling of being family oriented and a warm place that is really home she says. "So continuing to improve quality with what we have is going to be a major focus for the future," she adds.

Still farther out, attention has once again focused on Estrella, a 19,000-acre master planned community started by Charles Keating in the 1980s. The community is just south of Goodyear. The 1980s real estate slump and Keating's own troubles with the federal government stopped development on the project after millions had gone into infrastructure development, including a central lake.

Today, Estrella has developed approximately 300 acres of the land with more than 450 houses already built.

Phoenix-based Sun Chase Capital, Inc., which purchased the development from the RTC in the early 1990s, wants to eventually develop the entire area into a place where people can live, work, and play.

"The area is sandwiched between Interstate 10, State Route 85, which is the old route to get into southern California, the Southern Pacific RR, and the Goodyear airport," says Todd Tupper, senior project manager for Estrella. "From an industrial and commercial standpoint, Estrella has all the makings to offer many things for those kinds of users."

John Christensen, Phoenix operations manager for Sun Chase, adds, "Since these properties are nearby and adjacent to the Goodyear Airport, this will be a viable development for the aerospace industry."

Tupper, who has been working on Estrella for the past two years, is taking the former master plan and working with planners, traffic engineers, and other developers to bring a new "design and vision into the 90s and beyond."

As would be expected, all the West Valley's population growth and home development has created a growing demand for schools, retail shops, restaurants, and services to the area. According to Scuggs, business is usually reluctant to put down stakes until demand is known for certain. Now that there are signs that residential development is picking up in the West Valley, commercial development is quick on its heels, she says.

"We have had the infrastructure in place that indicated that the marketplace would be

there for them, and we had to spend a lot of money to fill in the empty spaces before getting the revenue generators," she says. "That infill has now happened, so we are seeing the commercial side of it follow at a dizzying rate."

Suncor Development Company, which is developing Palm Valley, a 9,000-acre residential community in Goodyear, built the 260,000-square-foot Wigwam Outlet stores in anticipation of the growing residential population moving into the city, Dalke says. "They've joined in on the risk and made a commitment to build the Wigwam Outlet stores because they knew we would have to have some services out here for the residents," he says. "They built it in advance of the demographics justifying it, and they've worked with businesses to make it a reality."

Goodyear also boasts a new autoplex, which will eventually house seven different dealerships. Cracker Barrel has also just completed building its first outlet in Arizona and placed it in Goodyear. "Cracker Barrel's philosophy is to stay on the outskirts of town and try to capture the business and travel market," says Dalke. "They saw the opportunity on Interstate 10 with California traffic to put the restaurant in here, and it's been fabulously successful."

The first phase of a 36-acre medical campus has been completed by Phoenix Memorial Hospital in Goodyear. "The next building will be an assisted-care, skilled nursing facility for Alzheimer's patients and patients dependent on critical care," says Dalke. "Long term, Phoenix Memorial is looking at building a hospital on that site, but it will be more of a campus-type setup."

Manufacturing is also taking a critical look at the West Valley and coming up with significant approval ratings. According to Dan L. Withers, president of D.L. Withers Construction, Inc., a Phoenix-based commercial general contractor, the restrictions on new construction in California have forced many of that state's companies into relocating outside the area.



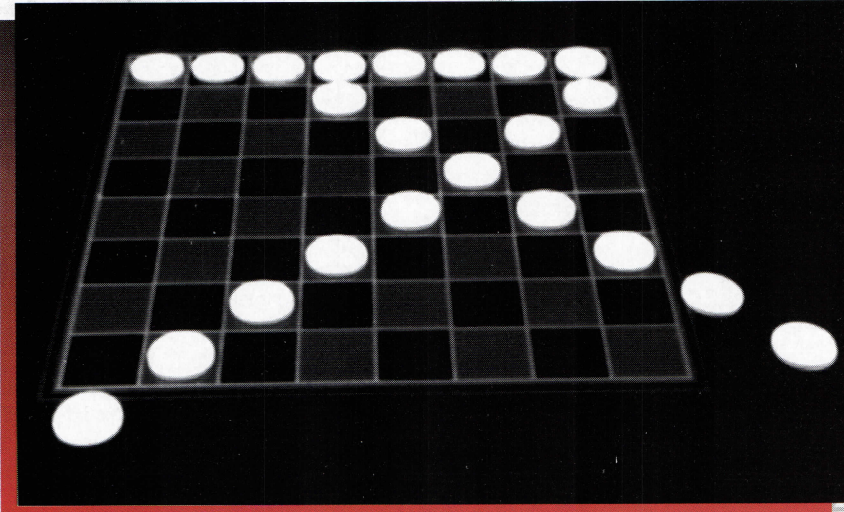
Dan Withers, president of D.L. Withers Construction, Inc., says he expects commercial construction to pick up in the West Valley.

Despite the distance between Arizona and California, Goodyear and Litchfield Park seem to offer an ideal alternative, with inexpensive homes, a higher quality of life and easy access to rail and freeways.

"We've done a manufacturing facility for Conair Manufacturing and Serta Manufacturing and Warehouse," says Withers. "They will be servicing the California market for their manufacturing. Housing will follow that even though the state is 600 miles away."

D.L. Withers Construction has been actively building office and medical buildings, retail shops and malls in the West Valley to keep up

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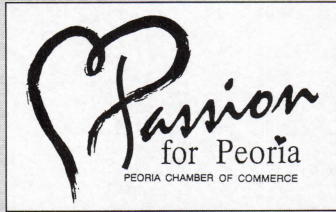
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—Sir Francis Bacon



with the housing demand. Among its many projects, the construction firm has completed a Kmart in Glendale, is currently completing Palm Valley Marketplace in Goodyear and is putting the final touches on Alhambra Sevilla Elementary School, near Glendale.

“Housing is being developed and now they need all the services, support and infrastructure facilities,” says Withers. “I think the development is trying to keep up with the growth, and when you put in housing, you need shopping centers, schools and all those other things. That’s going to continue.”

Further transportation infrastructure would add to the West Valley’s growth potential, he says.

Cook envisions all Valley cities, including those in the West Valley, solving some of their transportation problems by becoming more self-contained and self-sufficient. “In Peoria they have their own cactus league ball center, their own Arrowhead Mall, their own automall, and retail and schools are coming in,” he says. “More and more high-tech and telecommunications jobs are going out there. These areas become their own communities where people don’t have to migrate out from them to go to work.”

But Cook adds, “The real key is employment. Most major employers like to go near transportation corridors. As more transportation corridors evolve, it becomes easier for businesses to locate along them. And as long as you can work where you live, why would you want to go anywhere else?”

McCarthy says her organization is concerned with transportation infrastructure for the West Valley. “We have established transportation as our number one issue in terms of working with the legislature to try to get this whole thing solved,” she said. “It has been our number one issue for a long time and it is still our number one issue.”

With a sharp eye to the future and solid grounding in the present, the West Valley is poised to move into the next century with confidence, as long as growth can be managed smartly and planned for correctly. As Estrella’s Tupper says, the Valley doesn’t really have much of a choice. It’s planning or chaos.

“Growth in Arizona is a fact of life,” says Tupper. “We can ignore it and deal with these problems later because people are still going to come here, or we can anticipate it and try to embrace and plan for how to best handle the growth.”



*Cynthia Scanlon is a Tempe-based free-lance writer and a regular contributor to Arizona Business Magazine.*

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