

Exterior Building Color & Material Samples
Color Drawdowns
Archaeological Resources
Airport Vicinity Development Checklist
Parking Study
Trip Generation Comparison
Parking Master Plan

Commercial Market Analysis South Scottsdale Market Area



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Executive Summary

Elliott D. Pollack and Company was retained to review commercial real estate market conditions surrounding commercial sites located at the northeast and southeast corners of McDowell Road and 68th Street in Scottsdale, Arizona. The properties that are the subject of rezoning include requests from C-3 and C-4 to R-5 for the development of for-sale residential. The market area surrounding the properties was analyzed in terms of current and available retail and employment building space.

Following are key findings of this research.

- Within the South Scottsdale Market Area (defined as the east and west borders of the City of Scottsdale (56th Street to Pima Road) and from McKellips Road on the southern border to Osborn Road on the north), the vacancy rate for office space stands at 31%. Excluding the new building at SkySong that is under construction, the vacancy rate is 23%.
- Available retail space in the Market Area is abundant with 1.16 million square feet of retail space and an overall vacancy rate of 8.4%. In addition, at least three major auto dealer sites are currently vacant totaling 252,000 square feet of space. It is questionable whether these buildings in their current condition can be put to a commercial use other than an auto dealership.

Much of the conventional retail space remaining in the area is built on small lots with limited depth that restricts the use and redevelopment of the property. The former dealership site at 6850 E. McDowell is an example of a site that would be difficult to redevelop as a retail property. In addition, many of the existing retail buildings are older free-standing structures that may have limited use for modern retailers. In fact, the buildings under 10,000 square feet in size in the Market Area have a vacancy rate of 50%.

- SkySong is strategically located within the Market Area and has created a critical mass of office tenants within 445,000 square feet of office space and a 325-unit apartment complex. SkySong will be the focus of continued commercial development and can accommodate more than 440,000 square feet of additional building space.
- SkySong is clearly the anchor for the Market Area and has demonstrated the strong linkage between Arizona State University, research and innovation within a business setting. A variety of academic research has been conducted on how cities can foster innovation, technological breakthroughs and the growth of knowledge. The Brookings Institute has coined a term for this model of urban development known as "innovation districts".



In recent years, innovative and emerging firms and talented workers are choosing to locate in compact, amenity-rich cores of central cities where they are close to other firms, research labs, and universities so that they can share ideas. Scottsdale is beginning to participate in this transformation with densification of development, revitalization of Downtown, alliances with higher education institutions and promotion of emerging technologies through incubators. With its educated workforce and diversified economy, Scottsdale is positioned to take advantage of the emerging trend of innovation districts and SkySong represents one of the first opportunities in the Greater Phoenix area to build upon the successful collaboration between a university and a city.

Mixed-use development is a key component of the innovation district concept. The area surrounding SkySong is rich in retail development although many of the properties are obsolete or oriented toward the auto sales market. The immediate area's office vacancy rate is 31%. Multi-family development has grown in the last few years in the area with the construction of SkySong's 325 residential units, the completion of San Travesia adjacent to SkySong (440 units) and the approval of Las Aguas's 154 units.

In order to continue the expansion of the fledgling innovation district centered on SkySong, additional mixed-use residential and office development should be promoted, especially modern office buildings that are designed and wired for today's emerging technologies, employees and business models. The redevelopment of the Papago Plaza with a grocery store anchor and additional retail space will provide some of the services demanded by residents and employees in the area. In order to support this new retail development, additional residential is required.

In our opinion, the City of Scottsdale should work to strengthen its existing retail real estate assets as opposed to protecting potential retail sites where they may not be warranted or demanded. In the end, the addition of new retail centers in a community, without a corresponding increase in the resident population, may have no effect on actually increasing retail sales and may only disperse sales among competing shopping centers. A viable alternative strategy is to support and strengthen existing retail establishments by increasing the resident population in the area. Retail sales and other forms of revenue originate from the spending of the community's residents and, to some extent, employees working in the area. Additional residents living in close proximity to retail development will lead to higher retail sales activity.



1.0 Introduction

1.1 Purpose of Study

Elliott D. Pollack and Company was retained to review commercial real estate market conditions surrounding commercial sites located at the northeast and southeast corners of McDowell Road and 68th Street in Scottsdale, Arizona. The properties that are the subject of rezoning include requests from C-3 and C-4 to R-5 for the development of for-sale residential. The market area surrounding the properties was analyzed in terms of current and available retail and employment building space.

1.2 Limiting Conditions

This study prepared by Elliott D. Pollack & Company is subject to the following considerations and limiting conditions.

- It is our understanding that this study is for the client's due diligence and other planning purposes. Neither our report, nor its contents, nor any of our work were intended to be included and, therefore, may not be referred to or quoted in whole or in part, in any registration statement, prospectus, public filing, private offering memorandum, or loan agreement without our prior written approval.
- The reported recommendation(s) represent the considered judgment of Elliott D. Pollack and Company based on the facts, analyses and methodologies described in the report.
- Except as specifically stated to the contrary, this study will not give consideration to the following matters to the extent they exist: (i) matters of a legal nature, including issues of legal title and compliance with federal, state and local laws and ordinances; and (ii) environmental and engineering issues, and the costs associated with their correction. The user of this study will be responsible for making his/her own determination about the impact, if any, of these matters.
- This study is intended to be read and used as a whole and not in parts.
- This study has not evaluated the feasibility or marketability of any site for planned uses.
- Our analysis is based on currently available information and estimates and assumptions about long-term future development trends. The data is considered current as of September 2015. Such estimates and assumptions are subject to uncertainty and variation. Accordingly, we do not represent them as results that will be achieved. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur; therefore, the actual results achieved may vary materially from the forecasted results.



2.0 Commercial Market Analysis

2.1 Retail Market Trends

Cassidy Turley estimates the retail vacancy rate for the Scottsdale market area through the second quarter of 2015 at 8.4% (vacancy data is not disaggregated to individual cities or smaller regions). The Scottsdale market area extends from McKellips Road north to the city limits, east of 64th Street. Greater Phoenix's retail market as a whole has a much higher vacancy rate at 11.3%. Average asking rents in the Scottsdale submarket are also 36% higher than the average rents for Greater Phoenix.

Approximately 202,000 square feet of retail space is under construction. The majority of that activity is found at Scottsdale Fashion Square where a 142,000 square foot expansion is underway.

2015 Q2 Retail Vacancy Rates Scottsdale and Greater Phoenix						
	Inventory	Total Vacant	% Vacant	YTD Net Absorption	Under Construction	Average Asking Rate
Scottsdale	16,159,307	1,350,298	8.4%	(77,991)	142,000	\$18.84
Greater Phoenix						
Neighborhood	88,864,572	12,055,815	13.6%	226,178		\$13.30
Power/Regional	46,240,999	2,560,864	5.5%	9,754	-	\$22.57
Specialty	2,108,652	199,953	9.5%	192,637	-	\$23.56
Strip	13,386,659	2,225,009	16.6%	12,882	-	\$13.43
TOTAL	150,600,882	17,041,641	11.3%	441,451	202,000	\$13.82

Source: Cassidy Turley

2.2 Office Market Trends

The Greater Phoenix office market is considered overbuilt with a vacancy rate of 19.3% (according to DTZ). While the market is improving from its vacancy rate of 25% in 2012, conditions are still difficult for most landlords and not near a stabilized occupancy rate that would spur significant additional office development. Some submarkets have vacancy rates well above 20%.

In spite of the difficulty in the office market, some parts of Greater Phoenix have experienced significant absorption with vacancy rates in the 10% range. The two primary submarkets that are experiencing growth are South Scottsdale and North Tempe. Cassidy Turley estimates the office vacancy rate for the South Scottsdale market area in the second quarter of 2015 at 10.0%. North Tempe's vacancy rate is 10.8%. The South Scottsdale average asking rent is 18% higher than the Greater Phoenix average.

The South Scottsdale submarket is defined by DTZ as extending from McKellips Road on the south to Lincoln Drive on the north, east of 64th Street. The submarket includes the Downtown Scottsdale area.



Most observers believe that the low vacancy rates in these two submarkets are due to the amenities available in the area – restaurants, entertainment and an urban residential lifestyle. Many of the new businesses in the area are in the “high tech” field including R&D, software development and online services.

The primary anchor in the McDowell Road Corridor is SkySong, the ASU Scottsdale Innovation Center that links technology, research, education and entrepreneurship. The complex is comprised of 1.2 million square feet of mixed-use office, retail and residential components.

Office Vacancy Rates South Scottsdale and Greater Phoenix							
	Bldgs	Inventory	Total Vacant	% Vacant	Net Absorption	Under Construction	Average Asking Rate
South Scottsdale							
TOTAL	35	3,649,701	365,724	10.0%	62,708	-	\$26.22
Greater Phoenix							
Class A	240	37,083,865	5,973,590	16.1%	627,948	3,175,581	\$26.34
Class B	733	51,799,969	11,053,659	21.3%	116,199	1,189,972	\$20.60
Class C	197	7,734,489	1,622,835	21.0%	169,216	-	\$15.70
TOTAL	1,170	96,618,323	18,650,084	19.3%	913,363	4,365,553	\$22.21

Source: Cassidy Turley

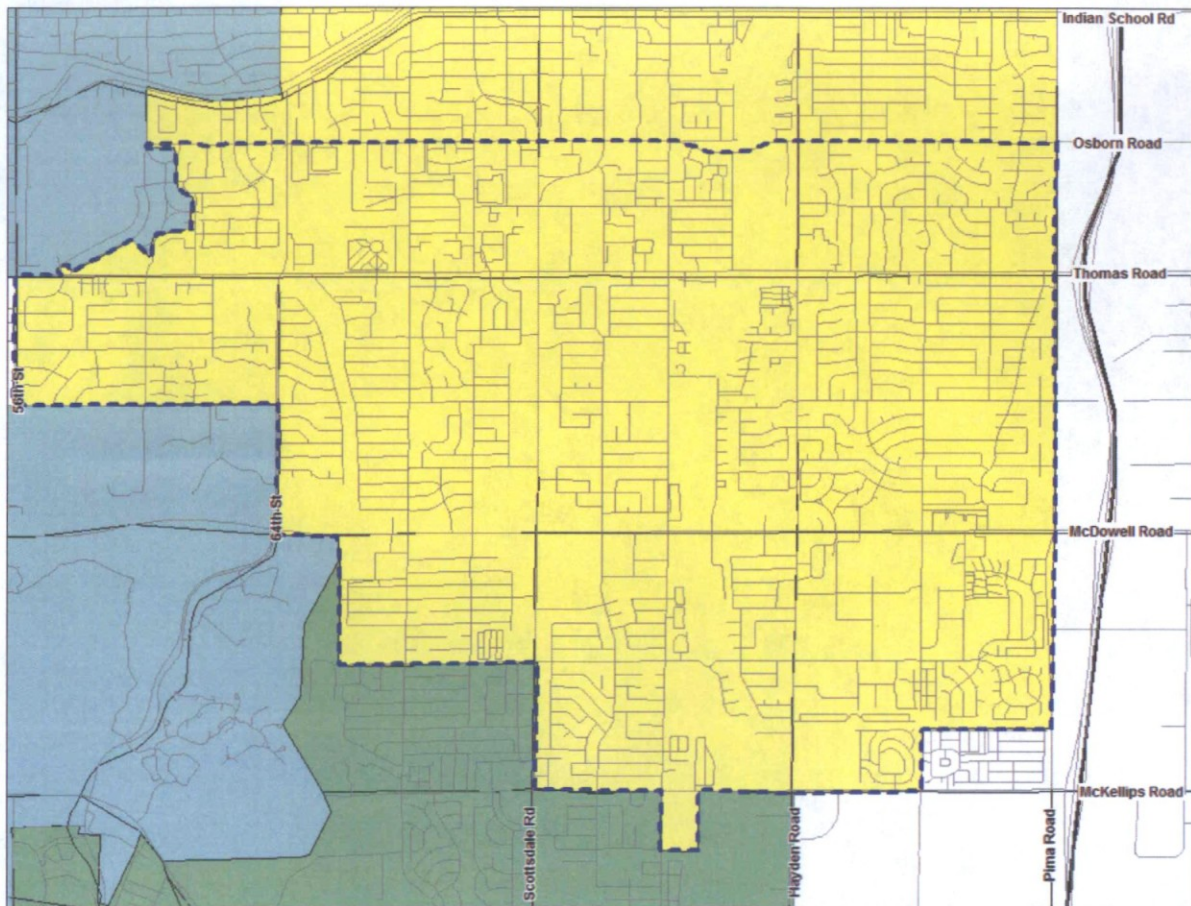
2.3 Existing Vacancy

The market area surrounding the subject sites at 68th Street and McDowell Road was analyzed in terms of occupancy of retail and office space. This was conducted in order to assess the availability of ready-to-lease space for retail and office users.

The market area defined for this study encompasses a reasonable commercial driving distance from the subject site while staying within the City of Scottsdale's municipal boundaries. The area extends to the east and west borders of the City of Scottsdale (56th Street to Pima Road) and from McKellips Road on the southern border to Osborn Road on the north. The following map illustrates the market area.



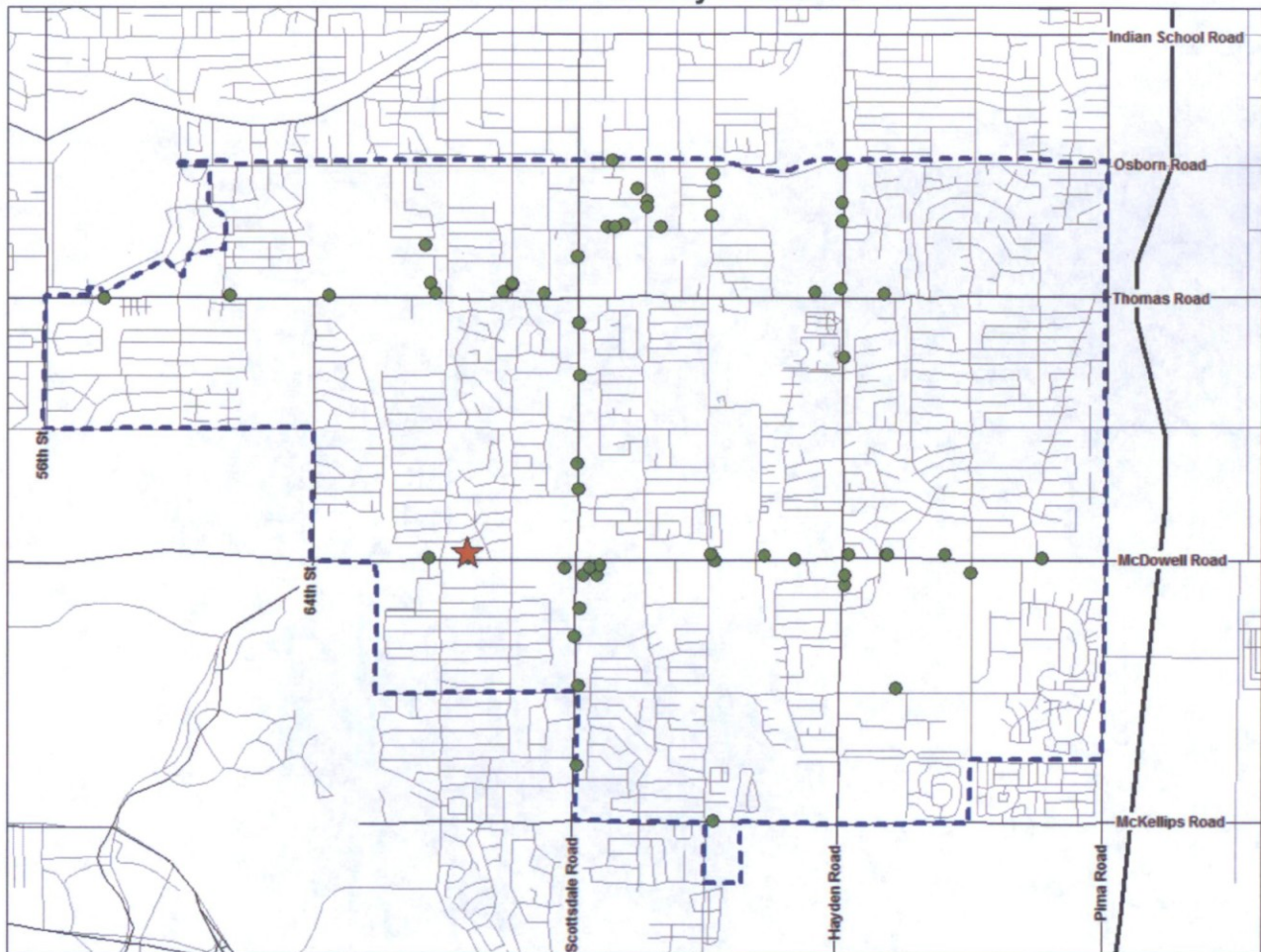
Market Area Boundary Map



After a review of broker websites, other online resources and physical site visits, over 967,000 square feet of vacant retail and office space was located within the market area. Vacancies ranged from free-standing buildings as small as 1,300 square feet to spaces within multi-tenant neighborhood shopping centers and office buildings as large as 700,000 square feet.



Commercial Vacancy Locations



While some commercial space is versatile enough to accommodate office and retail uses, vacancies have been subdivided into two categories according to primary use. The following tables detail each location with available commercial space, including physical address, total square feet, available spaces, and vacant square feet by type.

As the table on the following page illustrates, 85 vacant office spaces were located in the market area. This represents nearly 618,000 square feet of vacant space. The Roosevelt Facility (8220 E. Roosevelt St) comprises over one third of the vacant office space in South Scottsdale. Other notable vacancies include SkySong 4 (145,000 SF under construction), Scottsdale Executive Villas (30,229 SF) and Scottsdale Commerce Center (46,859 SF).

Many of the office buildings listed below are older structures that may not appeal to modern internet service providers and startups. Other than SkySong, this part of Scottsdale has seen little if any new office development in the past ten years. Modern buildings with amenities in Downtown Scottsdale appear to be well-occupied compared to properties south of Osborn Road. While the overall South Scottsdale office market as defined by DTZ is doing well at a low vacancy rate, the smaller area surrounding the intersection of McDowell and Scottsdale Roads has a high vacancy rate. However, approximately one-third of the vacant square



footage is within one complex, the Roosevelt Facility at the General Dynamics complex near Hayden Road and Roosevelt Street. SkySong 4 is shown as vacant, but is under construction and should rapidly lease-up similar to its other buildings.

Office Space Listings & Vacancy South Scottsdale Market Area					
Name	Address	Total Space	Vacant Spaces	Vacant SF	Vacant %
Scottsdale Old Town Plaza Condominium	7285 East Earll Dr	6,328	1	6,328	100%
Skysong 1	1475 N. Scottsdale Rd	150,000	2	12,487	8%
Skysong 2	1375 N. Scottsdale Rd	150,000	2	10,281	7%
Skysong 3	1365 N. Scottsdale Rd	145,000	1	3,308	2%
Skysong 4	1355 N. Scottsdale Rd	145,000	1	145,000	100%
Quiet Center - Scottsdale	3301 N. Miller Road	23,000	2	1,056	5%
Monterey Plaza	3226 N. Miller Road	8,028	1	1,080	13%
Hayden Park Professional Plaza	3200 N Hayden Rd	65,434	6	13,583	21%
Parkway Plaza	609 N Scottsdale Rd	5,102	1	1,168	23%
1017 N. Scottsdale Road	1017 N. Scottsdale Road	1,782	1	1,782	100%
Roosevelt Facility	8220 E Roosevelt Street	700,000	4	220,676	32%
1525 N. Granite Reef Road	1525 N. Granite Reef Road	19,352	3	8,260	43%
Scottsdale Commerce Center	1435 N Hayden Rd	120,000	7	46,859	39%
NEC of Hayden & McDowell Roads	8010 E. McDowell Road	43,368	1	5,917	14%
Fairway Park	5733 - 5743 E Thomas Rd	5,924	4	2,130	36%
Scottsdale Executive Villas	6200-6390 E Thomas Rd	158,600	15	30,229	19%
AllCare	6401 E. Thomas Rd	6,000	1	2,000	33%
Wilshire Plaza	2515 N Scottsdale Rd	40,000	2	4,660	12%
6908 E Thomas Road	6908 E Thomas Road	15,907	1	1,535	10%
7107 E Thomas Rd	7107 E Thomas Rd	1,700	1	320	19%
2607 N Hayden Rd	2607 N Hayden Rd	1,400	1	1,400	100%
Scottsdale Hayden Office Building	3260 N Hayden Rd	31,348	4	5,858	19%
7447 Earll Drive	7447 E Earll Dr	8,297	1	8,297	100%
Scottsdale Medical Building	3271 N Civic Center Plaza	16,178	3	6,779	42%
7330 E. Earll	7330 E. Earll Drive	9,000	1	1,135	13%
3225 N. Civic Center Plaza	3225 N. Civic Center Plaza	10,230	1	540	5%
Monterey Plaza Bldg	3295 N Drinkwater Blvd	20,000	3	5,495	27%
Scottsdale Medical Pavillion	7331 E Osborn Rd	53,529	6	10,809	20%
Scottsdale Office Condos	3337 N. Miller Road	1,267	1	1,267	100%
7303 E. Earll Drive	7303 Earll Dr	40,878	1	40,878	100%
Offices at Thomas & Hayden	8111 E Thomas Road	2,987	1	2,987	100%
2922 N. 70th Street	2922 N. 70th Street	3,400	1	3,400	100%
2928 N. 70th Street	2928 N. 70th Street	3,500	1	3,500	100%
Scottsdale Office Building	2940 N. 67th Place	2,449	1	2,449	100%
6722 E Avalon Drive	6722 E Avalon Drive	2,925	1	2,925	100%
6730 E. McDowell RD	6730 E. McDowell Rd	1,500	1	1,500	100%
Totals		2,019,413	85	617,878	31%
Sources: Colliers International; Whitestone REIT; Commercial Properties Incorporated (CPI); Diamond Pacific Investments, Inc.; Voit Real Estate Services; North Bay Commercial; ESCEE Commercial Properties; Plaza Companies; The Hogan Group; Sperry Van Ness; CBRE; Strategic; HURD Realty; Gilligan Commercial LLC; Westwood Financial Corp.; Donahue Shriber; De Rito Partners Inc.; Cushman & Wakefield; LoopNet.com; Elliott D. Pollack & Co.; Landiscor; Maricopa County Assessor					



Available retail space is also abundant in the market area surrounding the intersection of McDowell and Scottsdale Roads. Of the 1.16 million square feet of retail space in the area, a total of 98,905 square feet are vacant and available. The overall vacancy rate is 8.4%.

In addition to the inventory of traditional retail space, at least three major auto dealer sites are currently vacant including the site at the northeast corner of 64th Street and McDowell Road containing more than 160,000 square feet of building space. It is questionable whether these buildings in their current condition can be put to a commercial use other than an auto dealership. There has been significant movement of new and used auto dealers in the area from one site to another as they are vacated.

Much of the conventional retail space remaining in the area is built on small lots with limited depth that restricts the use and redevelopment of the property. The former dealership site at 6850 E. McDowell is an example of a site that would be difficult to redevelop as a retail property. In addition, many of the existing retail buildings are older free-standing structures that may have limited use for modern retailers. In fact, the buildings under 10,000 square feet in size in the Market Area have a vacancy rate of 50%.

When the vacant auto dealership sites are added to the inventory of vacant retail space, the vacancy rate for the market area surrounding intersection of Scottsdale and McDowell Roads balloons to 24.8%.



Retail Space Listings & Vacancy Subject Site Market Area

Center	Location	TOTAL SF	Vacant Spaces	Vacant SF	Vacant %
Scottsdale Path of Progress	2122 N Scottsdale Rd	7,330	1	7,330	100.0%
McKellips Plaza	7620 E. McKellips Rd	18,000	2	2,000	11.1%
Antique Center	NW Corner Scottsdale Road & Palm Lane	34,816	0	0	0.0%
Frontier Lanes Center	NE Corner Scottsdale Road & Thomas Road	44,012	0	0	0.0%
Fry's Center	NE Corner 60th Street & Thomas Road	51,406	0	0	0.0%
Lowe's	NW Corner Hayden Road & McDowell Road	136,796	0	0	0.0%
Papago Plaza	SW Corner Scottsdale Road & McDowell Road	123,791	9	23,850	19.3%
Scottsdale Crossing	SE Corner Scottsdale Road & Thomas Road	119,567	1	2,434	2.0%
Scottsdale East Plaza	SE Corner Hayden Road & Roosevelt Street	38,464	0	0	0.0%
Scottsdale Oak Plaza	N of NW Corner Scottsdale Road & Oak Street	35,889	0	0	0.0%
Scottsdale Plaza	S of SW Corner Scottsdale Road & Oak Street	43,958	0	0	0.0%
Sky Song	1375 N Scottsdale Rd	10,920	1	10,920	100.0%
South Scottsdale Office/Retail	1608 N. Miller Road	7,788	1	925	11.9%
Rio at Scottsdale	7607 East McDowell Road	33,769	2	2,050	6.1%
Fountain Plaza	7730 E. McDowell Rd	123,086	2	5,760	4.7%
Scottsdale Commerce Center	1495 N. Hayden Rd	13,772	1	1,140	8.3%
7845 E. McDowell Rd	7845 E. McDowell Rd	2,100	1	2,100	100.0%
8110 E McDowell Rd	8110 E McDowell Rd	3,420	1	3,420	100.0%
8120 E. McDowell Rd	8120 E. McDowell Rd	10,159	2	2,000	19.7%
8322 E. McDowell	8322 E. McDowell Rd	9,930	4	4,997	50.3%
Office / Retail Space	1919 N. Scottsdale Road	8,000	1	1,315	16.4%
Wilshire Plaza	2515 N Scottsdale Rd	40,000	2	4,660	11.7%
Former Restaurant	2730 N. Scottsdale Road	3,400	1	3,400	100.0%
Scottsdale Rd Plaza	3020 N Scottsdale Rd	1,296	1	1,296	100.0%
Scottsdale Plaza	6750 E Thomas Rd	9,740	1	1,607	16.5%
Indian River Plaza	7919 E Thomas Rd	92,341	2	7,979	8.6%
Hayden Park Center	2910 N. Hayden Rd	57,248	1	1,500	2.6%
OfficeMax Plaza	3388 N Hayden Rd	75,000	4	6,581	8.8%
Totals		1,155,998	41	97,264	8.4%
Vacant Auto Dealership	6850 E McDowell Road	38,962	1	38,962	100.0%
Vacant Auto Dealership	1200 N Scottsdale Rd	51,632	1	51,632	100.0%
Vacant Auto Dealership	6480-6620 E McDowell Road	161,436	5	161,436	100.0%
Totals		252,030	7	252,030	100.0%

Sources: Velocity Retail Group; Voit Real Estate Services; ESCEE Commercial Properties; Plaza Companies; The Hogan Group; CBRE; Strategic; HURD Realty; Gilligan Commercial LLC; Westwood Financial Corp.; Donahue Shriber; De Rito Partners Inc.; Cushman & Wakefield; LoopNet.com; Elliott D. Pollack & Co.; Landiscor; Maricopa County Assessor



2.4 Future Development Potential – SkySong

The future of significant office development in South Scottsdale will be concentrated in the SkySong development located at the southeast corner of McDowell Road and Scottsdale Road. At full build out, over 1.2 million square feet of development will be built.

As the following illustration shows, SkySong is well under way. Development began in 2008 and slowed due to the recession. However, the project has been a bright spot for real estate recovery in the south Scottsdale area. The third office building of 145,000 square feet was completed in January 2015 and is already nearing full occupancy. SkySong 4 is now in the pre-leasing stage and is expected to be delivered in 2016.



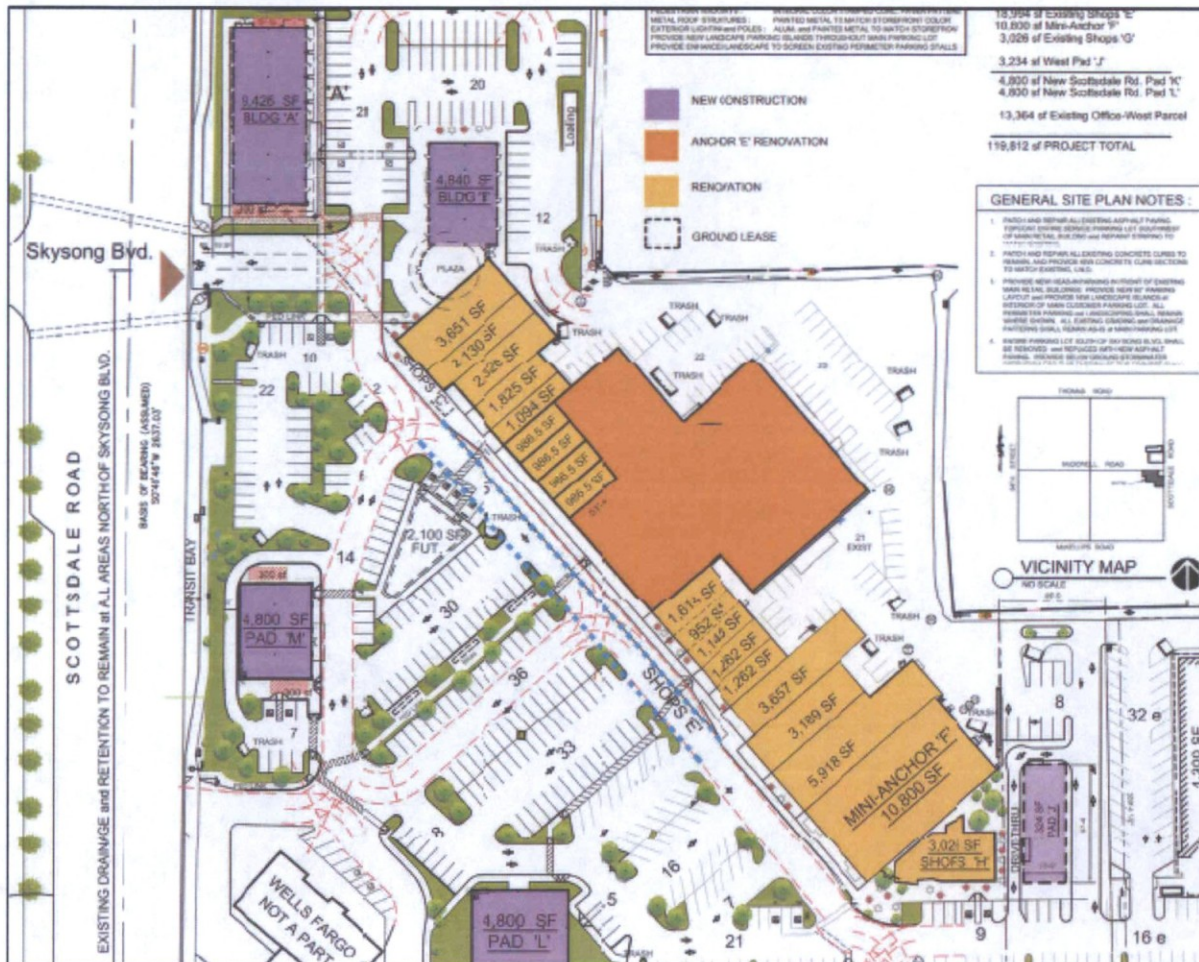
A 12,000 square foot restaurant and retail building is also planned for 2016, bringing more dining choices for the over 1,000 employees located at SkySong. The 325-unit SkySong Apartments were built in 2013 and are also fully occupied.



Future SkySong projects, in addition to the 145,000 square foot SkySong 4 office building, include a planned hotel/conference center and a retail center. After accounting for development already built and occupied, over 440,000 square feet of commercial space is yet to be developed. The project will continue be the focus of commercial development in the south Scottsdale area in the near term, with spillover effects to the surrounding properties.

2.5 Future Development Potential – Papago Plaza

Due to the overwhelming popularity of SkySong, the retail site known as Papago Plaza is planned for major renovations, redevelopment and expansion to leverage its proximity to the SkySong development. The property just recently sold in September 2015. While the plaza is approximately 20% vacant, the new owners are preparing to redevelop the center and add a grocery store anchor and new shops with higher visibility to the adjacent arterial streets. The property will be renamed Papago Marketplace. The following site plan shows the location of the anchor grocery store in the center of the property with new freestanding pads on the McDowell and Scottsdale Road frontage.



2.6 Conclusions

There is a significant amount of vacant available retail and office space within a very short distance of the subject sites at 68th Street and McDowell Road. Much of this space is obsolete in terms of modern development standards and often built on small lots with narrow depths. This configuration severely limits the ability of owners to redevelop their sites.

SkySong is clearly the anchor for the immediate area and has demonstrated the strong linkage between Arizona State University, research and innovation within a business setting. A variety of academic research has been conducted on how cities can foster innovation, technological breakthroughs and the growth of knowledge. The Brookings Institute has coined a term for this model of urban development known as “innovation districts”. The Institute defines the districts as:

Geographic areas where leading-edge anchor institutions and companies cluster and connect with start-ups, business incubators, and accelerators. They are also physically compact, transit-accessible, and technically-wired and offer mixed-use housing, office, and retail.

The Brookings Institute identified three different types of innovation districts:

- The “anchor plus” model found in the downtowns of central cities is where large scale mixed-use development is centered around major anchor institutions such as universities.
- The “re-imagined urban areas” model where industrial or warehouse districts are undergoing a physical and economic transformation. Important elements of the model are transit access, a historic building stock, and proximity to downtowns in high rent cities.
- The “urbanized science park” model commonly found in suburban areas. This model, exemplified by the Triangle Research Park in North Carolina, is comprised of sprawling areas of employment and industry that are urbanizing through increased density and mixed-use development (including residential, retail and restaurants).

In recent years, innovative and emerging firms and talented workers are choosing to locate in compact, amenity-rich cores of central cities where they are close to other firms, research labs, and universities so that they can share ideas. Scottsdale is beginning to participate in this transformation with densification of development, revitalization of Downtown, alliances with higher education institutions and promotion of emerging technologies through incubators. With its educated workforce and diversified economy, Scottsdale is positioned to take advantage of the emerging trend of innovation districts and SkySong represents one of the first opportunities in the Greater Phoenix area to build upon the successful collaboration between a university and a city.

As noted by the Brookings Institute, mixed-use development is a key component of the innovation district concept. The area surrounding SkySong is rich in retail development



although many of the properties are obsolete or oriented toward the auto sales market. The immediate area's office vacancy rate is 31%. SkySong's fourth office building is just starting construction and is included in those vacancy numbers as well. Without the SkySong building, the vacancy rate is estimated at 23%, still higher than the metro average.

Multi-family development has grown in the last few years in the area with the construction of SkySong's 325 residential units, the completion of San Travesia adjacent to SkySong (440 units) and the approval of 154 units at the Las Aguas residential complex located on a former auto dealership site near 68th Street and McDowell Road (now under construction).

In order to continue the expansion of the fledgling innovation district centered on SkySong, additional mixed-use residential and office development should be promoted, especially modern office buildings that are designed and wired for today's emerging technologies, employees and business models. The redevelopment of the Papago Plaza with a grocery store anchor and additional retail space will provide some of the services demanded by residents and employees in the area. In order to support this new retail development, additional residential complexes are likely required.

In our opinion, the City of Scottsdale should work to strengthen its existing retail real estate assets as opposed to protecting potential retail sites where they may not be warranted or demanded. In the end, the addition of new retail centers in a community, without a corresponding increase in the resident population, may have no effect on actually increasing retail sales and may only disperse sales among competing shopping centers. A viable alternative strategy is to support and strengthen existing retail establishments by increasing the resident population in the area. Retail sales and other forms of revenue originate from the spending of the community's residents and, to some extent, employees working in the area. Additional residents living in close proximity to retail development will lead to higher retail sales activity.

