

Camelback 303 is Merit Partners' latest mega project

The Loop 303 may soon be renamed Merit Partners Parkway if the developer keeps doing what it has been doing along the West Valley freeway.

Merit Partners is one of the companies developing the PV|303, a 1,600 acre business park that spans both sides of the Loop 303 from Thomas Road north to Camelback Road in Goodyear. That development, at full build out, could include more than 20 million square feet of industrial, office and retail space.

Merit Partners, with joint venture partners First Industrial Realty Trust Inc. and Diamond Realty Investments, recently acquired 615 acres of land along the 303 and announced plans for Camelback 303, a \$1.5 billion global logistics park that will accommodate up to 10 million square feet of Class A industrial distribution and manufacturing space.

"We are extremely excited to be building at this location and at a point in the cycle where demand for Class A industrial is exponential – and expected to continue to rise in the years ahead," said Merit Partners President Kevin Czerwinski. "Camelback 303 is the natural extension of the market success we've already experienced at our adjacent industrial park, PV 303. Camelback 303 allows us to continue that momentum."

The Camelback 303 development is situated on land that runs along the west side of the Loop 303 between Camelback Rd. and Bethany Home Rd. in Glendale.

Merit Partners is seizing on the rapid industrial growth along the Loop 303 freeway. Marc Hertzberg, managing director at JLL, the firm that brokered the land purchase for the joint venture group, said the area is growing into a "Baby Inland Empire."

"It was just 10-15 years ago that

the Inland Empire east was probably under 100 million square feet and now they are over 350 million feet," said Hertzberg. "Right now, this Loop 303 corridor has 15 million square feet and we're projecting that more than 50 million square feet will be built in the next five to six years. So it's large land development opportunities for all different ranges of corporate users."

Camelback 303 is a sub-four-hour-drive from Southern California's Inland Empire submarket and will leverage its proximity to the ports of Los Angeles and Long Beach. It is less than 30 minutes from Sky Harbor International Airport and 2.5 miles from the new Northern Parkway, a four-lane I-10 reliever expressway providing workforce connectivity between the Loop 303, Central Phoenix and Glendale, and placing Camelback 303 within 30 minutes of 1.5 million residents.

Merit Partners and its partners plan to develop build-to-suit and speculative buildings. The initial plans have buildings ranging in size from 267,000 square feet all the way up to 1.5 million square feet. Hertzberg said he's already had several meetings during the land sale transaction period with corporate users of all sizes.

"From JLL's perspective, we look forward to using it as the gold standard for solutions for these kinds of users," Hertzberg said. "These properties come few and far between. This group is going to be able to tie it up with a bow and be able to deliver unbelievable sites, whether on a build-to-suit or sale basis. It just offers everything."

A project of this size doesn't just snap together quickly. The 615 acres that Camelback 303 will occupy was part of a larger, 840 acre parcel that was owned by Allen Ranch and was originally a Maricopa County island before it was annexed by the City of

Glendale. First Industrial Realty Trust purchased that 840 acre parcel for \$70.5 million.

The property is next to a large residential development, Douglas Ranch, whose residents were strongly opposed to the large-scale industrial project.

In order to alleviate some of those neighbors concerns, the developers planned for a 760 lot single-family residential development, Allen Ranch, on 250 acres along the western

part of the property, creating a buffer between the established community and Camelback 303. The bulk of the property is less than two miles from Luke Air Force Base and along a freeway corridor that is exploding with industrial development, making the options for its use pretty cut and dry.

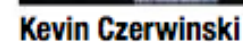
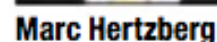
"Realistically, the land, to a large degree, planned itself," said Jason Morris, partner at Withey Morris, the law firm that worked on land use and entitlement issues on the property. "From a land use planning standpoint, there really wasn't a lot to be said. It was a matter of how you put the uses that could occur on that property in place."

"We knew we wanted to have a residential component because of the size of the property and because of the

residential to the west. It was a matter of keeping it out of the flight contours and making sure that there is a land plan where the industrial had a buffer to the residential. If you could do that well, it meant that you actually had an opportunity to design something where you had created jobs and housing in one place."

Morris credits both the City of Glendale and Merit Partners for having the foresight to unlock the economic opportunities that the Loop 303 corridor can produce.

"Recognizing that there are not opportunities that come up with a site this large with that much freeway frontage and that much access across that many arterials; recognizing what that opportunity could be and not being



frightened by it. I think says a lot about how Merit Partners operates," Morris said. "And Glendale has recognized that this is where our financial well-being as a jurisdiction lies and have sort of remade themselves into a jurisdiction that is incredibly business-savvy and they work with all of these projects in mind."

