

An artist's rendering shows the planned Heritage Park project in Gilbert, which will break ground later this year.

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By Corina Vanek Reporter, Phoenix
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Over the course of three decades, the East Valley town of Gilbert went from what people then described as “nothing but jackrabbits and rattlesnakes,” to the place where international companies chose to locate and hire thousands of people.

The growth has been due in part to extensive preplanning and high standards held for the town, a panel of experts discussed at an event hosted in January by the Phoenix Business Journal.

“I just think our time is due,” said Adam Baugh, land use attorney and partner with Withey Morris, who has done extensive work in Gilbert. “So that prework from 10, 12 years ago, you start to see today, it only happens because of the diligence from the leadership and the directorship who say, ‘We want to create a vision for this area.’”

Baugh was specifically referencing Rivulon, Nationwide Realty Investors' 250-acre, \$750 million, mixed-use project near Gilbert Road and Loop 202. Financial services giant Deloitte and other major companies, including Ensign Partners, Morgan Stanley Smith Barney Financing and Fairway Independent Mortgage Corp. have all leased space in the development.



Adam Baugh of
Withey Morris
ELAINE KESSLER

“Our challenge really is, how do we create that place where the market wants to invest?” Dan Henderson, economic development director for Gilbert, said on the panel. “And, candidly, it's a wonderful challenge, something I think each and every one of us can certainly talk about. But I think, in positioning ourselves for those larger announcements, we did so by being regionally connected.”

Henderson said strong relationships from both public and private entities have helped elevate Gilbert, along with investments by the town

into infrastructure, public safety and quality-of-life assets such as parks.



Dan Henderson,
director of the
Gilbert Office of
Economic
Development.

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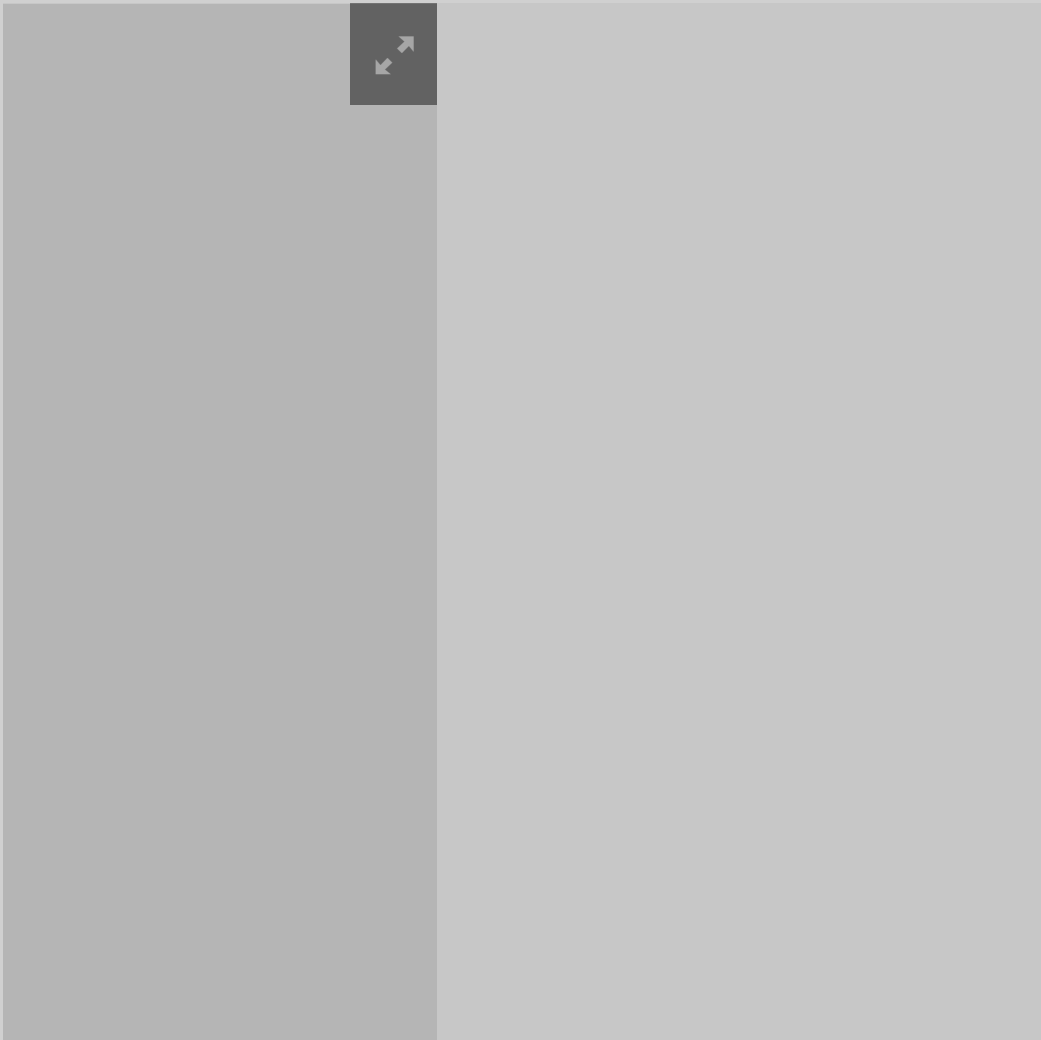
What makes Gilbert different

“One of the things that makes Gilbert special to me is where it sits kind of in the region with great neighbors that it collaborates with and that it works with,” Denny Barney, president and CEO of PHX East Valley Partnership said. “Many of the problems that a municipal jurisdiction faces don’t stop at the municipal borders. And so, to be in that sandbox with people that are willing to push in and go to work makes a big difference.”

Gilbert has spent several years focusing on the evolution of its Heritage District, the town's downtown, and early decisions by town leadership allowed the town to control the type of development in the area. The district,

generally located on Gilbert Road between Juniper Avenue and Elliot Road, has become a destination for dining and entertainment in the East Valley.

“I mean, the town had this vision of what they wanted this area to be,” said David Sellers, president and CEO of LGE Design Build. “They went in, they purchased property years and years ago, before it had any value like it is today, and what that enabled the town to do is issue (requests for proposals) for any developments that they want. If they want office, if they want mixed-use, if they want a certain kind of entertainment, they can issue an RFP, they can select the developer, they can select the design, and that's really unique.”



Denny Barney, president
and CEO of PHX East Valley
Partnership
PHX EAST VALLEY PARTNERSHIP

High-profile projects

Sellers' firm has several high-profile projects in the Heritage District and more underway or in the planning process. Sellers said that, to date, the largest project LGE has done in the Heritage District was worth about \$38 million. That project, the mixed-use Heritage Marketplace, includes several high-profile restaurants such as Barrio Queen and Lo-Lo's Chicken & Waffles.

The firm's next project, however, called Heritage Park, will break ground in the second half of the year and will be worth over \$200 million. Heritage Park will total about 530,000 square feet, and will be a mix of uses, including office, apartments, hotel, retail and restaurant uses, a parking garage and a public park. The project will be developed on a 9-acre site near Gilbert Road and Ash Street. LGE's sister company, Creation, is the developer of the project, and was selected by the town through an RFP process in 2019.



David Sellers, president,
LGE Design Build

As the Heritage District grows

and fills in, panelists said there could be continued opportunity for development on the outer edges of the area.

“I think there's still opportunities on the peripheries of it, particularly at the secondary edges of it,” Baugh said. “I think there's more opportunity there that can exist with more office, more multifamily. I think the opportunity for people to live and recreate down there without having to drive a car would be tremendously valuable. I think that land is squeezed along Gilbert Road, but that doesn't mean those opportunities can't exist just on the edges of what is a very intensive core area.”

While the Covid-19 pandemic has shifted the way many businesses and municipalities operate, Henderson said Gilbert is still positioned to come out strong.

“From our standpoint, we have seen quite a bit in 2020 and are anticipating a pretty exciting 2021, but safety is going to continue to be first and foremost,” he said. “As the country emerges from the effects of Covid-19 and the global pandemic, companies

will definitely want to seek out markets that demonstrate a measured and collaborative approach to cultivate top talent and redundant, reliable infrastructure.”

Gilbert Industrial Stats

Vacancy rate: 5.7%

Under construction: 880,838 square feet

Southeast Valley office stats

Vacancy rate: 15.2%

Under construction: 645,000 square feet

Source: CBRE research

The next Corridors of Opportunity virtual panel on March 10 will focus on the city of Scottsdale. The panel will bring together key industry experts to look at present and future developments. For more information and tickets, [click here](#).

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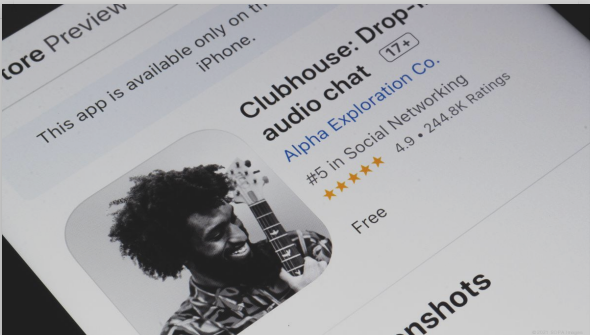
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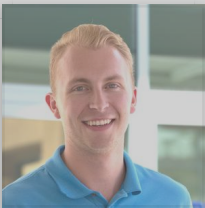
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