Daily Motivation for Today's Leaders If you love what you do and are willing to do what it takes, Subscribe for Free it's within your reach. — Steve Wozniak Apple Co-Founder **CRANE WATCH** COMMERCIAL REAL ESTATE THE LITTLE CITY THAT COULD Once a sleepy bedroom community, Surprise is gearing up for massive economic growth A drone image shows the construction progress of the Village at Prasada shopping, entertainment and restaurant center, which will include a FatCats entertainment facility. SIMONCRE **f** Share **in** Share **Y** Tweet **Ø** Share Article By Audrey Jensen - Reporter, Phoenix Business Journal IN THIS ARTICLE Listen to this article 8 min **Government &** Regulations The city of Surprise, one of several fast-growing suburbs in the West Valley, has historically been known to longtime residents as a sleepy bedroom or **Residential Real Estate** Industry retirement community. Retailing Industry But as the Phoenix metro continues to attract attention and new industries Construction expand to the Grand Canyon State, the city of about 150,000 is seeing a shift in its population, housing and commercial offerings – and its image. **CRE Brokerages Powering CRE Developers UPGRADE TO NATIONWIDE ACCESS Get Industry Insights From 45+ Major Cities** a cleaner PLUS ACCESS EVERY STORY FROM EVERY NEWSROOM **Arizona UPGRADE MY MEMBERSHIP** Palo**Verde*** **RECOMMENDED SPONSORED CONTENT** by Northern Trust - National Transferring generational wealth? Five steps for establishing family governance **BANKING & FINANCIAL SERVICES** The flight of banks: As bank branch networks narrow, entrepreneurs struggle to access capital Surprise Stadium is the spring training facility for the Kansas City Royals and Texas Rangers. It draws tens of **RESIDENTIAL REAL ESTATE** thousands of visitors annually. \$7.4 million Belle Meade JIM POULIN | PHOENIX BUSINESS JOURNAL home sale leads latest Top of the Market "We've grown more younger, we've grown more talented and we've grown more affluent," said Jeanine Jerkovic, the city's economic development **CAREER & WORKPLACE** These 20 cities will pay director at a recent Corridors of Opportunity panel hosted by the Phoenix you to move there. Here's Business Journal. "What other city in the world can you think of that's how it's working. growing at a pace that we are with a hometown character, that has a developing downtown with tremendous commercial and residential **SPONSORED CONTENT** by Umpqua Bank Umpqua Bank 2022 opportunities, with a university and major sports facility?" **Business Barometer: 5** strategies small During the past decade, Ottawa University built its campus in the city's center businesses can employ to drive efficiency and and now has more than 1,000 students, while the city's spring training facility growth in a challenging attracts tens of thousands of visitors annually. Surprise has also expanded economy with new industries like health care and continued building thousands of new homes to support the exponential population increase, but it has a lot of room Bringing it all together to grow further north and west. is how we make a difference. Jeanine Jerkovic "Surprise really is going to be the focus that we can expect many, many people to be keeping their eye on between all of these different projects and being able to still pick up larger tracts of property, versus that's not the case in other competing cities," said panelist Anna Sepic, vice president at LevRose Commercial Real Estate. The extension of key transportation links such as the Loop 303 has also helped attract developers, investors, industries and jobs to Surprise, which spans about 110 square miles. The city is also poised to benefit from the \$12 billion Taiwan Semiconductor Manufacturing Co. semiconductor fab nearby. "I've seen a momentous amount of change in our great city," said Mayor Skip Hall. "Now, I'm even more excited than ever about what the future holds." A better tomorrow awaits Join our team members in empowering everyday people to move forward on the path to a better financial future. Anna Sepic SHELBY HARRISON A hot spot for retail The Valley's retail sector had lagged due to the Great Recession but is now trying to catch up with demand for space. The West Valley has also been an Natasha P. underserved submarket in retail offerings. Marketing But Surprise is now one of several Valley cities poised to capture much of the retail growth. More than 1 million square feet of retail and restaurant space is either planned or under construction across the city, including one of the largest shopping and entertainment centers to be developed in the Valley in recent years. "When fast-growing suburban markets build enough population to demand retail, a lot of times, the initial thing you see is the mass merchandising retailers, you see the Walmart, the Target, Home Depot and Lowe's," said Ryan Desmond, a panelist and partner at Western Retail Advisors. "[Now], from a transitional standpoint, you're going to go from mass merchandisers to increased specialization in retail." The One-Stop Insurance Shop, always open for small businesses Ryan Desmond Industry experts say the \$500 million Village at Prasada, which is nearly 100% leased, is driving new types of retail to the west side of the metro. The 700,000-square-foot center will include a host of upscale restaurants, national store brands and a new entertainment facility in addition to multifamily and smaller retailers next to a newly built Costco and health care facility. Plans are also in the works to add an additional 350,000 square feet of retail space just north of Village at Prasada, where American Furniture Warehouse wants to build a 200,000-square-foot store. "Prasada will continue to spill over," Jerkovic said. "We're seeing a lot of interest in the market unlike I've ever seen before. It's not just in retail, but across the market from health care to industrial to even office conversations that I didn't think we'd be having until 2030. All markets shift, changes happen, so I think we've got a real responsibility to strike while the iron is hot." BNSF has a rail-certified industrial park in Surprise and is planning to develop a new intermodal and logistics center in the northwest part of the city. JIM POULIN | PHOENIX BUSINESS JOURNAL In addition to the power center and several small retail centers across the city, Surprise has been planning for decades to build out its city center and future downtown area, which is expected to include a mix of uses and new local Dental coverage that will make your employees smile restaurants or retail that can only be found in Surprise, Desmond said. "That's that next evolution you're going to see of retail," he added. "It's going to be a mixed-use project with retail, entertainment, they're in discussions on an office building now. When you combine that with what already exists at Humana Learn more city center, between Ottawa University, the park, aquatic center ... you're really going to create a diverse, central node in the city that acts as a magnet for people to live, work and play." **Industrial catches on** The Phoenix metro is one of the top markets in the nation for industrial development, which has made its way to Surprise's railplex core near Cactus and Litchfield Roads. In the past year, the city's industrial core nearly sold out of land for new industrial warehouses and facilities for at least 1.3 million square feet of space planned across multiple buildings. This will include a new \$65 million Carvana inspection facility, semiconductor supplier Rinchem's 145,000-square-foot facility and numerous speculative industrial buildings. "Industrial West Valley is totally different than industrial in the East Valley, a lot of that is because of its proximity for truck drivers and the time they can spend to the Long Beach port," said Adam Baugh, a partner and zoning attorney at Withey Morris PLC, who also joined the panel. "Surprise has been aware of that and recognizing that their type of industrial should be more employee based, and probably manufacturing, specialized manufacturing and high-tech, high-wage jobs." Adam Baugh ELAINE KESSLER Jerkovic said that the city has benefited from partnering with BNSF and having rail-served land for industrial projects because of the type of companies they've attracted such as Japan-based IRIS USA Inc. These types of users are "long-term holders" or family-owned businesses that want to grow Does your career with the community and make Surprise their home, she added. need a lifeline? BNSF has also moved closer to building out its proposed regional rail complex Our Tax Department is hiring experienced accountants and CPAs to join our Healthcare team! comprising a rail yard and logistics center, which could bring millions of square feet of space and thousands of jobs to the city's outer edge in the **BeachFleischman** Wittmann area. The city said that it currently has upwards of 10 square miles of commercial opportunity in north Surprise. "Not every city has rail, and that is an amenity and is being used," Sepic said. "It's really important [to be] conscientious of the type of industrial that's going to be there, looking at proximity and future growth. Surprise goes pretty far north, and with the potential of the future of [Interstate-11], that also connects to Wickenburg ... people are looking again at Surprise as that next 10, 20, 30year investment area." **Expansion to the north** One of the big challenges for West Valley cities such as Surprise and Buckeye moving forward will be how to build out their infrastructure, including water, power and transportation, to support the projected growth of their cities. By 2030, Surprise expects its population to reach about 215,000 residents. In the past two years, the city said it has approved more than 6,000 singlefamily home permits and about a dozen multifamily projects. As affordable housing remains a concern in the Valley and across the U.S., experts say more apartments will be proposed for Surprise as it gets built out. The city of Surprise is seeing massive growth across housing, retail and industrial development. JIM POULIN | PHOENIX BUSINESS JOURNAL Multiple developers have also made plans for large master-planned Join the team that communities northwest of the city in historically rural communities including backs your dream Wittmann, Morristown and Circle City with thousands of new homes, as well Our Accounting & Assurance team is hiring experienced accountants and CPAs. as BNSF's rail, industrial and employment center across 4,000 acres. The city said it is looking at different solutions and working with water providers to figure out a plan. "In the future, looking to north Surprise, we're building an entire new city, practically," Jerkovic said. "It's going to take a lot of thoughtful energy that the last 20 years required, to think about how do we balance that commercial corridor with housing and commercial. The workers that are planned for that marketplace, thousands of workers, they'll need places to shop and dine that are convenient." **THURSDAY, NOVEMBER 17, 2022 Arizona Corporate Excellence Awards** Honoring the top private and fastest-growing business in Phoenix! Join us in recognizing these businesses for the incredible work they do and their dedication to the investment of our state! 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