



Quarter-billion dollar building boom set to take off at Davis-Monthan AFB

By [Roger Yochem](#), Inside Tucson Business
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There's a huge squadron of new construction jobs landing soon at Davis-Monthan Air Force Base.

Over the next five years, construction companies and their workers will benefit from a massive \$250 million Department of Defense construction program at the base. The planned project list includes a new 144-bed dormitory, a new flight simulator, and an extensive upgrade to the jet fuel handling and distribution system infrastructure.

It will be an "unusually large scope of work," said Michael Toriello, deputy civil engineer on the base.

"These projects are very important to the base and our economy. It will rely heavily on local specialty subcontractors like structural steel, carpenters, plumbers, electricians and HVAC crews," Toriello said. "They will buy materials locally, like concrete and lumber, and a good portion of the jobs will come from the local labor force."

He could not estimate how many local workers will be needed during the five-year building spree, other than to say it will obviously be in the hundreds.

Coming in 2010 under the Defense Department's Military Construction Program is a \$23 million package to build a new simulator and related infrastructure and utility operations facilities. The new \$15 million dormitory will replace an old structure that will be razed. RQ Construction, Carlsbad, Calif., will begin work on the housing project within 30 days, Toriello said.

Next year, \$53 million in work is planned for a new C-130J military transport aircraft program. Construction will include expanded and/or new aerospace maintenance facility, cargo facility, and parts building.

Two extensive projects are set for 2012, valued at \$97 million. A medical-dental complex will be built to serve base personnel and a new aircraft fuel distribution system installed. Additionally, four miscellaneous operations projects totaling \$59 million are being designed.

"Many of the new facilities are in support of military operations. Beyond 2012, projects have been defined but they are not as set as conditions can change," Toriello said.

Toriello emphasized each construction project at the base is "extremely competitively bid" by the federal government. Pending work is publicly advertised at the Federal Business Opportunities website at www.fedbizopps.gov.

"It takes some homework to find out about the contracts, but it's all public information," said Toriello. "As a civilian, I understand how important it is to put people back to work."

Prices, inventory shrink

Housing inventory in the Tucson market slowly continued to shrink in May, along with sales prices, according to the Coldwell Banker Residential Mortgage market report. May ended with 5,447 available residential properties, a 2.3 percent decline from 5,576 in April. At the end of May 2009, inventory stood at 5,939 units for a year-over-year drop of 8.3 percent.

"A comparatively lower month's supply of inventory is more beneficial for sellers while a higher inventory is better for buyers," explained Malcolm MacEwen, president of Coldwell Banker's Arizona division. "The May inventory of 5.9 months was at its lowest level in over two years."

A key factor in the declining inventory was a decline in the number of new listings. For May, new listings fell 27 percent to 1,279 from 1,744 in April. Compared to May 2009, first-time listings dropped 4 percent.

Home purchases held steady in April and May at 929 sales each. For year-to-date transactions, May 2010 was 24 percent ahead of May 2009, at 3,888 sales compared to 3,130 sales.

Coldwell Banker reported that median sales prices continued to fall, dropping to \$148,000 in May from \$153,500 in April. A year ago, the median was \$165,000.

"The selling price per square foot is a great indicator for the direction of property values. Since median and average sales prices can be impacted by the mix of high or low-end properties in the market, the selling price per square foot is a more normalized indicator of values," MacEwen stated.

For May, the average square-foot price of sold homes was \$103, down from \$106 in April. In May 2009, the selling price per square foot was \$110.

Homes that were sold in May were on the market an average of 69 days compared to 80 days in April. For May 2009, the average was 83 days.

Lennar buys The Bluffs

Lennar Arizona Inc. has purchased 24 finished lots within the Rancho del Lago master planned community in Vail for \$960,000 from Scotia JV 2005 LLP. The purchase, said president Alan Jones, "is part of the company's goal to increase its communities in the Tucson market by finding deals that make sense."

The new home builder paid \$40,000 cash per lot at The Bluffs at Rancho del Lago, at East Via Rancho del Lago and South High Bluff Drive just north of Interstate 10. It holds an option to buy another 23 lots a year from now at an undisclosed price.

"The Bluffs was one of a number of properties we're looking at. We have eight active communities now, and want to grow the Tucson division," Jones said, adding the company is not making its purchase decisions based solely on location or price, but "by factors that work for us in that given segment of the market."

Scotia JV 2005 LLP is an affiliate of Scotia Development Partners/A.F. Sterling Home Builders. Will White and Ted Herman, of Land Advisors Organization, handled the transaction.

New fire station

Picture Rocks Fire District has opened its new \$2.18 million station at 7341 N. Sandario Road. The 9,974 square-foot facility was designed by Breckenridge Group Inc. Architects/Planners, 700 N. Stone Ave.

The station includes three drive-through bays and dorms for eight firefighters per shift. The station has several sustainable features including a photovoltaic system, a solar thermal system, low-flow water fixtures, tubular daylighting devices, and canopied windows.

Breckenridge Group is led by co-founders Klindt Breckenridge and Terry Lee. Now in its 25th year, the firm has completed more than 475 projects, valued at some \$1.1 billion in construction.

Sales and leases

• **Tierra Vida Apartments LLC**, Kirkland, Wash., purchased the 200-unit Tierra Vida apartment complex, 1970 W. Magee Road, for \$15.2 million from **Tierra Vida Property LLC**, New York, NY. Art Wadlund, Hendricks & Partners, handled the transaction.

• **Arizona Holdings LLC** purchased a 5,081 square-foot office building at 50 N. Alvernon Way for \$1 million from **Old Pueblo Office Plaza LLC**. Rick Kleiner, Picor Commercial Real Estate Services, represented the buyer. Buzz Isaacson and Ike Isaacson, CB Richard Ellis, represented the seller.

• **Natural Life Chiropractic** purchased a 6,000 square-foot office complex at 7235 N. Paseo Del Norte for \$960,000 from **Larson-Brashear LLC**. James P. Robertson Jr., Long Realty Commercial Services, handled the transaction.

• **Mei Ling Tsai** purchased 51,391 square feet of land at 1113 W. Grant Road for \$162,000 from **BBVA Compass Bank**. Mick Cluck, Tucson Realty & Trust, represented the seller. Joe Warren, Tierra Antigua, represented the buyer.

• **Zang Shi Zhu**, Panda Buffet, leased a 6,722 square-foot restaurant building at 2419 E. Broadway from the **City of Tucson**. Rick Borane, Volk Company Commercial Real Estate, represented landlord.

• **Chon's Paint and Body** leased a 5,360 square-foot building at 5150 N. Casa Grande Highway, from **Tin Cup Properties**. Ron Zimmerman, Bourn Partners, handled the transaction.

• **Orange Grove Pediatrics** leased 4,123 square feet at 1925 W. Orange Grove Road, Suite 302, from **Healthcare Realty Services**, represented by Thomas Nieman and Rajan Lal, Picor Commercial Real Estate Services. Bruce Suppes, CB Richard Ellis, represented the tenant.

• **Swanson's Furniture** leased 3,220 square feet at 4620 E. Speedway from **Frank and Gail Montuoy Living Trust**. Rob Tomlinson, Picor Commercial Real Estate Services, represented the landlord.

- **Pacific Dental Services** leased 3,026 square feet at Buena Vista Shopping Center, at the southwest corner of Cortaro Road and Interstate 10 in Marana, from **Vail Building Arts Associates Ltd.** The landlord was represented by David Hammack, Volk Company Commercial Real Estate. Tim Gunnink, GDC/RE, represented the tenant.
- **Mays Counter** restaurant leased a 3,000 square-foot building at 2945 E. Speedway from **Ricisair Investments LLC.** Terry Dahlstrom, Volk Company Commercial Real Estate, handled the transaction.
- **SPEXpress** leased 2,913 square feet at 1610 N. Kolb Road from **Arizona Equities Investor Group LLP.** Thomas Nieman, Picor Commercial Real Estate Services, represented the tenant. Diana Dessy, Anthem Equity Group, represented the landlord.
- **Tucson Pie LLC**, a franchisee for Picazzo's restaurant, leased 2,700 square feet at Plaza Escondida, 7850 N. Oracle Road. Landlord **HJ Tucson LLC** was represented by Shannon Murphy, CB Richard Ellis. Linda Montani, Commercial Retail Advisors, represented the tenant.
- **Arte Indigena Imports** leased 2,520 square feet at 2560 N. Coyote Drive, Suite 101, from **Kyle and Carmen Miller.** Paul Hooker, Picor Commercial Real Estate Services, handled the transaction.
- **Neace Lukens Inc.** insurance leased 2,486 square feet at 6303 E. Tanque Verde Road, Suite 101, from **Roben Family Partnership LP,** represented by David Cooper, Whirlygig Properties LLC. Michael Gross, Tucson Realty & Trust Co., represented the tenant.
- **AAA Furniture** leased 2,430 square feet at 4146 E. Grant Road from the **Yeung Trust.** Rob Tomlinson, Picor Commercial Real Estate Services, handled the transaction.
- **Burger King** leased 2,400 square feet in Suites 63 and 64 of Midway Business Park, 4500 E. Speedway, from **Presson Midway.** Rob Glaser and Paul Hooker, Picor Commercial Real Estate Services, represented the landlord. Mike Ebert, Trident Commercial, represented the tenant.
- **Rivas Custom Builders** leased 2,400 square feet at 9034 E. Camino Abril, near the intersection of Rita and Old Vail roads, from the **Garold C. Brown Family LP.** Chuck Corriere and Clint Nelson, Long Realty, represented the landlord and tenant.
- **Warriorschool LLC** leased 2,400 square feet at Midway Business Park, 4500 E. Speedway, Suites 56 and 57, from **Presson Midway LLC.** Rob Glaser and Paul Hooker, Picor Commercial Real Estate Services, handled the transaction.
- **Communicus One LLC** leased 2,224 square feet at 310 S. Williams Blvd, Suite 300, from **DHS Property Investments,** represented by Rajan Lal, Picor Commercial Real Estate Services. Clint Nelson and Chuck Corriere, Long Realty, represented the tenant.
- **American Technologies Inc.** leased 2,166 square feet at 3939 S. Park Ave., Suite 100, from **Foothills Business Ventures.** Ron Zimmerman and Gary Emerson, Bourn Partners, represented the landlord. Richard Deane, Long Realty Company, represented the tenant.
- **The Showard Law Firm** leased 2,166 square feet at 2990 N. Campbell Ave., Suite 230, from **Camelback Corporate Center Joint Venture LLC.** The landlord was represented by Randy Jones, Oxford Realty Advisors. Buzz Isaacson and Ike Isaacson, CB Richard Ellis, represented the tenant.
- **Brewers Connection** leased 2,200 square feet at Midway Business Park, 4500 E. Speedway, Suite 38. Rob Glaser and Paul Hooker, Picor, represented landlord **Presson Midway LLC.** Mike Ebert, Trident Commercial, represented the tenant.
- **Embry-Riddle Aeronautical University** leased 2,047 square feet at 5099 E. Grant Road from **5099 Holdings Inc.,** represented by Rick Kleiner and Thomas Knox, Picor. Thomas Nieman, also with Picor, represented the tenant.
- **Carpet and Upholstery Corp.** leased 1,860 square feet at 3815 E. Grant Road from the **McTamaha Family Trust.** Ron Zimmerman, Bourn Partners, represented the landlord and tenant.
- **YSL Restaurant LLC** leased 1,846 square feet at Paloma Village Center, at the southeast corner of Skyline Drive and North Campbell Avenue. The tenant will continue operating the existing Café Jasper in the space. **D. Wong & Associates-Arizona LLC** is the landlord. David Hammack and Brenna Lacey, Volk Company Commercial Real Estate, handled the transaction.
- **Plan B Fitness/CrossFit Trainers** leased 1,800 square feet at 9121 E. Camino Abril, near the intersection of Rita and Old Vail roads, from the **Garold C. Brown Family LP.** Chuck Corriere and Clint Nelson, Long Realty, represented the landlord and tenant.
- **Fast Lane Choppers LLC** motorcycle service and repair leased 1,750 square feet at 8150 E. 22nd St., Suite 130, from Larsen Baker. Andy Selezmov, **Larsen Baker,** represented the landlord.
- **Nam Le Nguyen PLLC** leased 1,693 square feet at La Cholla Plaza, at the northeast corner of Orange Grove Road and La Cholla Road, from **La Cholla Plaza LLC.** Debbie Heslop, Volk Company Commercial Real Estate, represented the landlord.
- **Java Edge Inc.** leased 1,643 square feet at 4400 E. Broadway, Suite 113, from **4400 Tower LLC.** Michael Gross, Tucson Realty & Trust, represented the landlord.
- **Aim Distributing** leased 1,600 square feet at Midway Business Park, 4500 E. Speedway, Suite 13, from **Presson Midway, LLC.** Rob Glaser and Paul Hooker, Picor, handled the transaction.
- **Visual Images Production Inc.** leased the 1,600 square feet at Midway Business Park, 4500 E. Speedway, Suite 8 from **Presson Midway LLC,** was represented by Rob Glaser and Paul Hooker, Picor.
- **Descending Dragon Health Center** leased 1,600 square feet at Midway Business Park, 4500 E. Speedway, Suite 19, from **Presson Midway LLC.** Rob Glaser and Paul Hooker, Picor, represented the landlord. Jeff Zellet, Picor, represented the tenant.
- **Athena Storey DDS** leased 1,590 square feet at Mercado at Canada Hills, 10550 N. La Canada Drive, Oro Valley, from **Whirlygig Properties of Tucson.** Pete Villaescusa, Jesse Peron and Shannon Murphy, CB Richard Ellis, represented the landlord. John Ash, also of CBRE, represented the tenant.
- **Premier Hearing Center** leased 1,517 square feet at 5285 E. Knight Drive from **TMC Holdings LLC.** Rick Kleiner and Thomas Knox, Picor Commercial Real Estate Services, handled the transaction.
- **Laman Design Studio** leased 1,502 square feet at Steam Pump Village in Oro Valley, from **Evergreen-Steam Pump LLC.** David Hammack and Brenna Lacey of Volk Company Commercial Real Estate represented the landlord.
- **Hollis Graphics Inc.** leased 1,500 square feet of space at 178 E. Broadway Blvd. from **The Lewis Hotel LLC.** Ike Isaacson of CB Richard Ellis represented the landlord.

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