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Tempe Marketplace Takes Shape

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Vestar Development is halfway through construction on the \$270 million Tempe Marketplace shopping Center. Vestar, which is planning a September 2007 grand opening for the 1.3 million-square-foot retail and entertainment complex, has leased about 95 percent of the property. That's 10 percent to 15 percent more than company officials were hoping to fill by this point.

"I'd say we're well ahead," said David Larcher, executive vice president for Vestar. "(It's) an indication of the demand for this type of project."

Company officials said retailers are flocking to the complex for several reasons including its location. Tempe Marketplace is the first major outdoor retail center of its kind in the area, and it abuts the state's second busiest intersection - loops 101 and 202 - which lead about 600 cars per day past the center.

The unleased space, which totals about 40,000 square feet, may get saved for some high-end or exclusive "first-in-market" retailers, although officials wouldn't disclose which ones they were targeting.

"The goal for the remaining available space is to round out the tenant mix with the best possible compliments," Vestar spokeswoman Stacy Pearson said.

The project, which represents about 10 years of planning for the city, was a massive undertaking. Not only is Vestar building it at a breakneck speed - the fastest rollout of a retail center in Arizona history, according to the developer - the area required a huge cleanup effort. The former industrial-zoned land had extensive toxic contamination, making it eligible for federal assistance.

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“It was easily the most complicated in state history,” spokeswoman Stacy Pearson said.

Construction manager Rob Kerwin said that simply cleaning the land has cost somewhere between \$40 million and \$50 million.

Meanwhile, the cost of the overall project has grown by \$20 million.

Larcher said the area harbored some unexpected hurdles for the company such as PCB contamination, a toxic chemical believed to cause cancer in humans, and one of the landfills was deeper than previously thought.

“It has definitely had its challenges,” he said.

Once the project is finished, Larcher said it will represent about \$4.5 million in sales and property tax a year to Tempe.

Neil Calfee said he’s not sure how many potential customers the Mesa Riverview project will siphon off. The center, which is a short drive away on Loop 202 in Mesa, is expected to open this summer. “They don’t appear to compete for the same dollar,” he added.

Larcher said the projects are different.

Tempe Marketplace is shaping up as a traditional lifestyle center with stores typically found in a mall. The developer is modeling the center after its Desert Ridge Marketplace, a posh outdoor mall of sorts located in northeast Phoenix.

Mesa Riverview will have its own attractions such as Bass Pro Shops Outdoor World megastore and some car dealerships, and already has a Cinemark movie theater.

But Larcher said, “Beyond that, it’s a Wal-Mart and a Home Depot.” Some of the major features Tempe Marketplace will have include the state’s first Dave & Buster’s entertainment complex, a multiscreen Harkins movie theater, Best Buy, Target and other so-called “big box” retailers. So far, about 80 tenants have signed on to the project.