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Two years before the light-rail system opens, private investors are starting to pump more than \$1 billion into new developments near the rail stations.

The investments promise to reshape key corners and neighborhoods along the 20-mile route, an infusion that is typical of light-rail systems but is occurring earlier in the Valley than in other cities.

"I don't think you've seen this level of public and private investment anywhere else in the country before a light-rail line even opens," said Bo Martinez, Phoenix's economic development manager for light rail. Phoenix officials' projection is based on the dozens of applications for city permits along the route.

Developers and lenders say the investment interest is tremendous. They and city planners say real estate near stations is changing hands and prices are rising.

Last month, 6 acres next to the future Central/McDowell Station sold for \$26 million, double what the seller paid a year earlier. The buyer, a partnership between Las Vegas-based AmLand Development LLC and Israeli BSR Group, hinted at building a mixed-use development.

Other light-rail-related projects include:

- Luxury townhomes near Spectrum Mall. Developer Richard Olsen says they will cater to urban professionals working downtown.
- Developer Reid Butler's plans for a hotel, high-rise condos, shops, retail and parking along Camelback Road from Central to Fifth avenues.
- Union Station Lofts in Tempe, a mix of stores, restaurants, offices and nearly 600 condos, lofts and live-work spaces on Apache Boulevard near McClintock Road. It would replace the Tradewinds Motel.

Light rail is not the only catalyst for such developments. The housing market is shifting toward infill housing as commuters rebel against long drives and development on the fringes remains pricey.

Still, Phoenix officials say interest in rail-centric ventures is picking up.

High-profile developers, including Butler, are canvassing neighborhoods to solicit support for their projects. Real estate magazines tout light-rail opportunities.

Martinez says that about twice a month people ask him if they can have an unplanned station near their business site. It's not an off-the-wall idea. Tempe says it is close to a deal with three firms - Salt River Project, Trillium Residential and Chestnut Properties LLC - to share the cost of building a \$5 million station on Washington Street west of Mill Avenue.

Redevelopment has long been a major selling point of light rail.

In Denver, business leaders predict more than \$2 billion in private money will be invested near stations on the T-REX line, which opened recently. Development in Denver, Dallas and Salt Lake City came after train systems proved themselves.

Development in the Valley is emerging before the tracks are laid, partly because light rail's record was proved elsewhere, developers say.

