

JDM Partners

West Valley Opportunity

Presented To:
WESTMARC

Presented By:
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JDM Partners

- Owner & Developer: iconic assets & ventures
 - **ARIZONA DIAMONDBACKS**
 - 2001 World Series Champions
 - **PHOENIX SUNS**
 - Sold in 2004 for \$401 million
 - **CHASE FIELD**
 - \$354 million stadium development cost
 - 48,500 seats
 - **U.S. AIRWAYS CENTER**
 - \$200 million arena development cost
 - 18,000 seats
 - **COMERICA THEATRE**
 - \$38.4 million theatre development cost
 - 5,500 seats



Chase Field

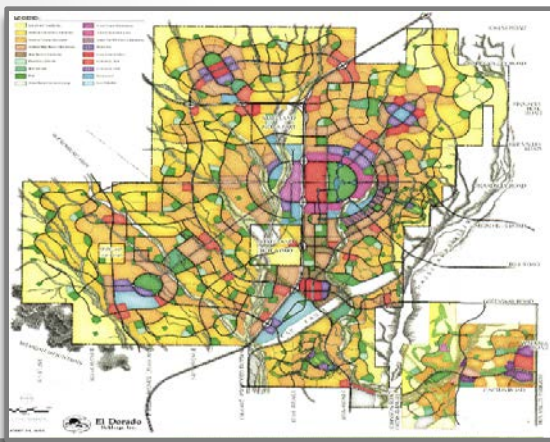


Comerica Theatre



U.S. Airways

JDM Partners



■ Iconic assets & ventures cont.

– PAGOSA LAKES & WYNDHAM PAGOSA HOTEL

- 26,000 acre community in SW Colorado

– COTTON CENTER

- 286 acre business park
- 3.2 MSF of office, industrial & retail space

– WIGWAM RESORT

- 440 acre full-service resort
- 54-hole semi-private golf facility

– ARIZONA BILTMORE GOLF & COUNTRY CLUB

- 36-hole championship golf property

– DOUGLAS RANCH

- 33,800 acre master-planned community located west of Greater Phoenix

– TRILLIUM

- 3,042 acre mixed use master-planned community



Douglas Ranch

Wigwam Resort



Cotton Center



Biltmore Golf Club

JDM Partners

- JDM Principals have participated in over **100** transactions with a concentration in Greater Phoenix

- Public-Private Partnerships
- Special Purpose
- Master-Planned Communities
- Entertainment
- Hospitality
- Office
- Industrial
- Retail
- Multi-Family



Phoenix Demand Drivers

- Pro-business attributes

- Foreign Trade Zones
- “Right to Work” state laws
- Decreasing tax rates
- Competitive utility rates
- Tax credits & incentives

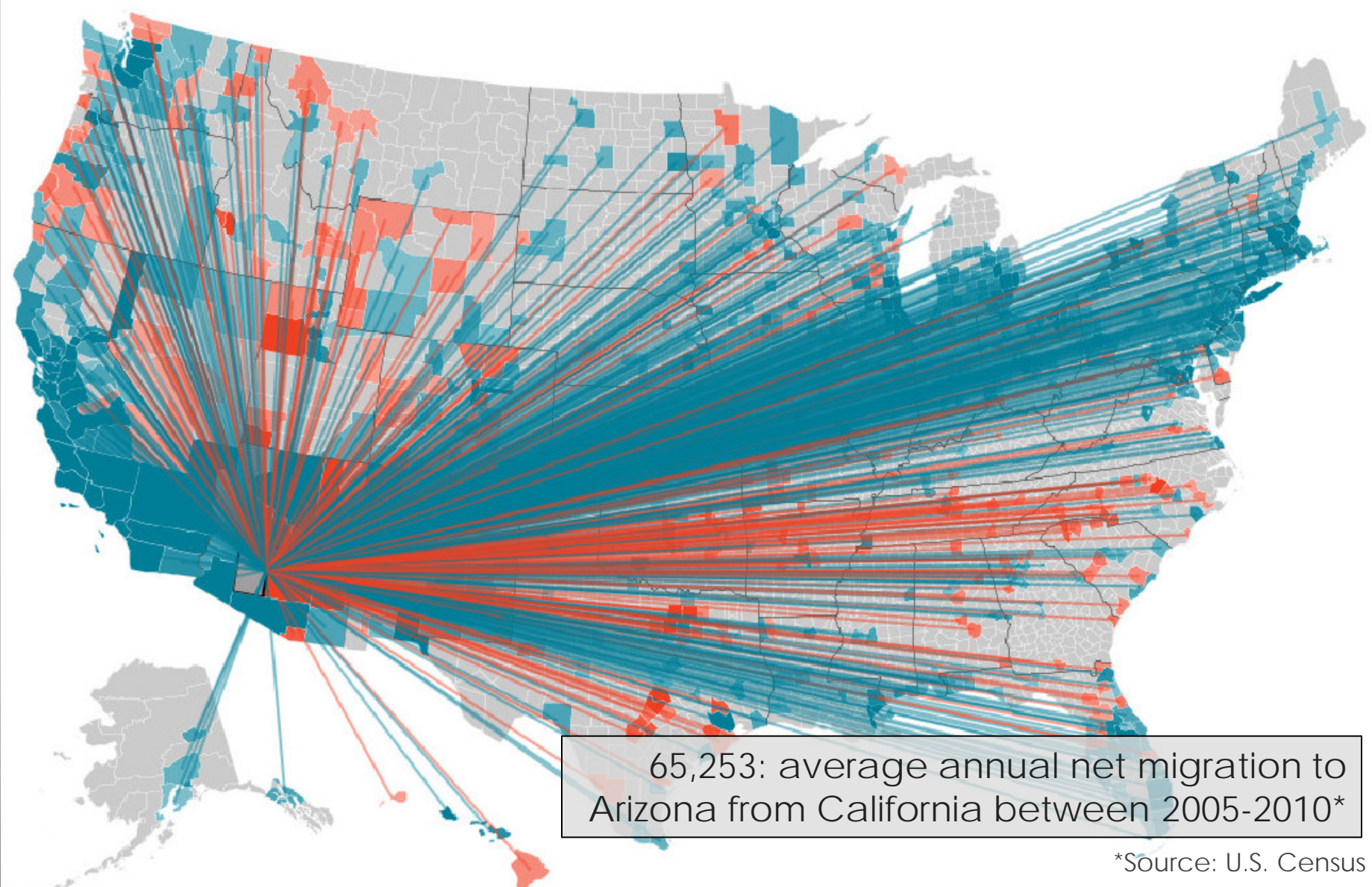
- Pro-living attributes

- Young, rapidly growing, diverse & educated population
- Affordable housing
- High quality of life
- Low cost of living
- Average of **321** days of sunshine each year



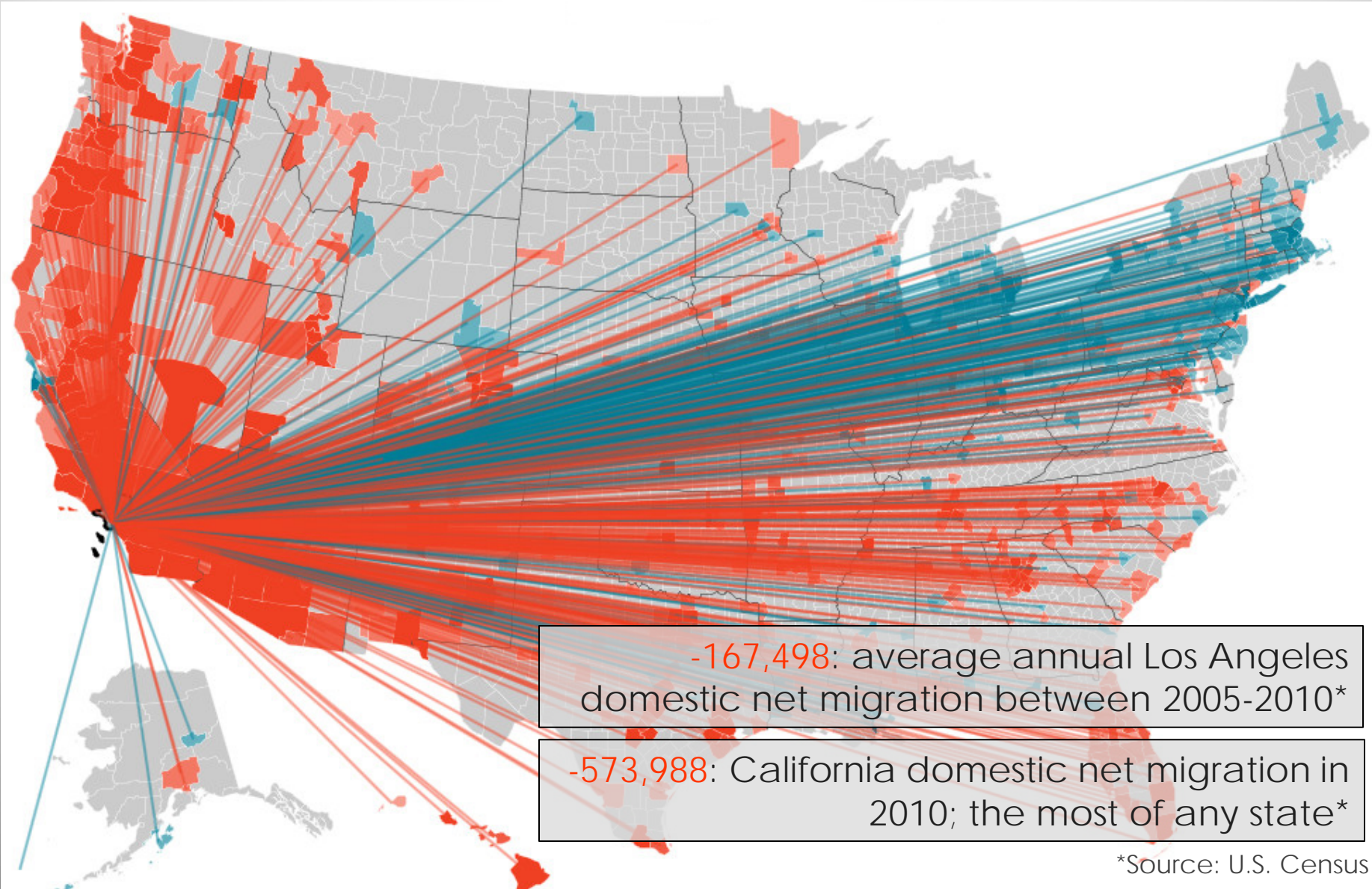
Forbes Migration Trends: Maricopa County (Phoenix)

Inbound Migration
Outbound Migration



Inbound Migration
Outbound Migration

Forbes Migration Trends: Los Angeles County (L.A.)



*Source: U.S. Census

Global Business Presence

▪ INTEL

- \$5 billion investment in Fab 42
- 4.5 million SF, ±\$20 billion total investment
- 2nd largest current construction project in the world

▪ FIRST SOLAR

- \$300 million investment
- 1.3 million SF production & distribution plant

MAJOR EMPLOYERS: Avnet, Boeing, Honeywell, Raytheon, U.S. Airways, Freeport McMoRan, Republic Services, PetSmart, Apollo Group



Intel Fab 42



First Solar Distribution

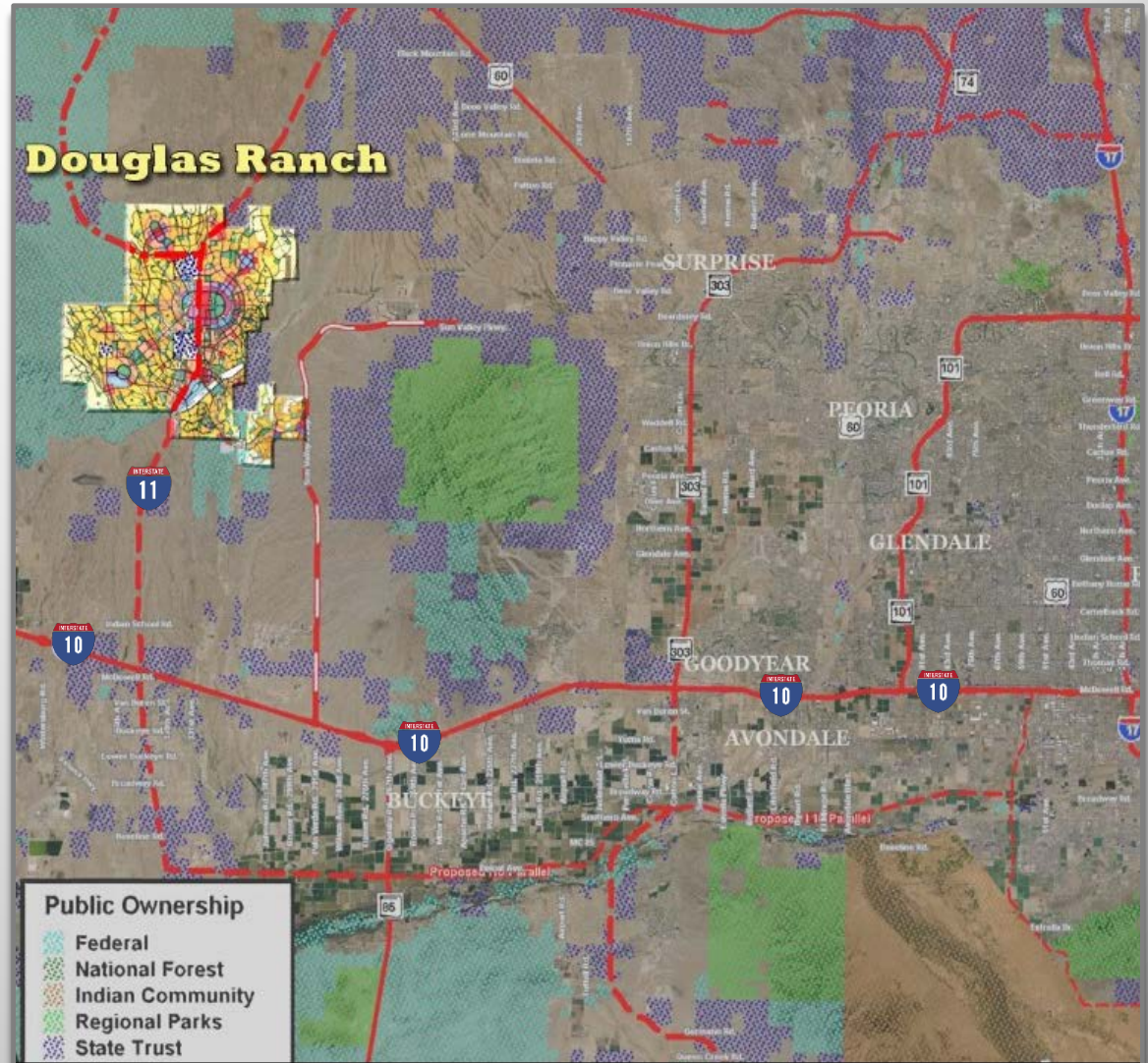
Population Growth

52% of growth in Maricopa County is expected to occur in the west valley*

Growth will follow transportation corridors

West Valley is beneficiary of Greater Phoenix Growth restrictions from lands owned or controlled by:

- The State of Arizona
- Indian Communities
- Bureau of Land Management



*Source: Greater Phoenix Economic Council

Population Growth

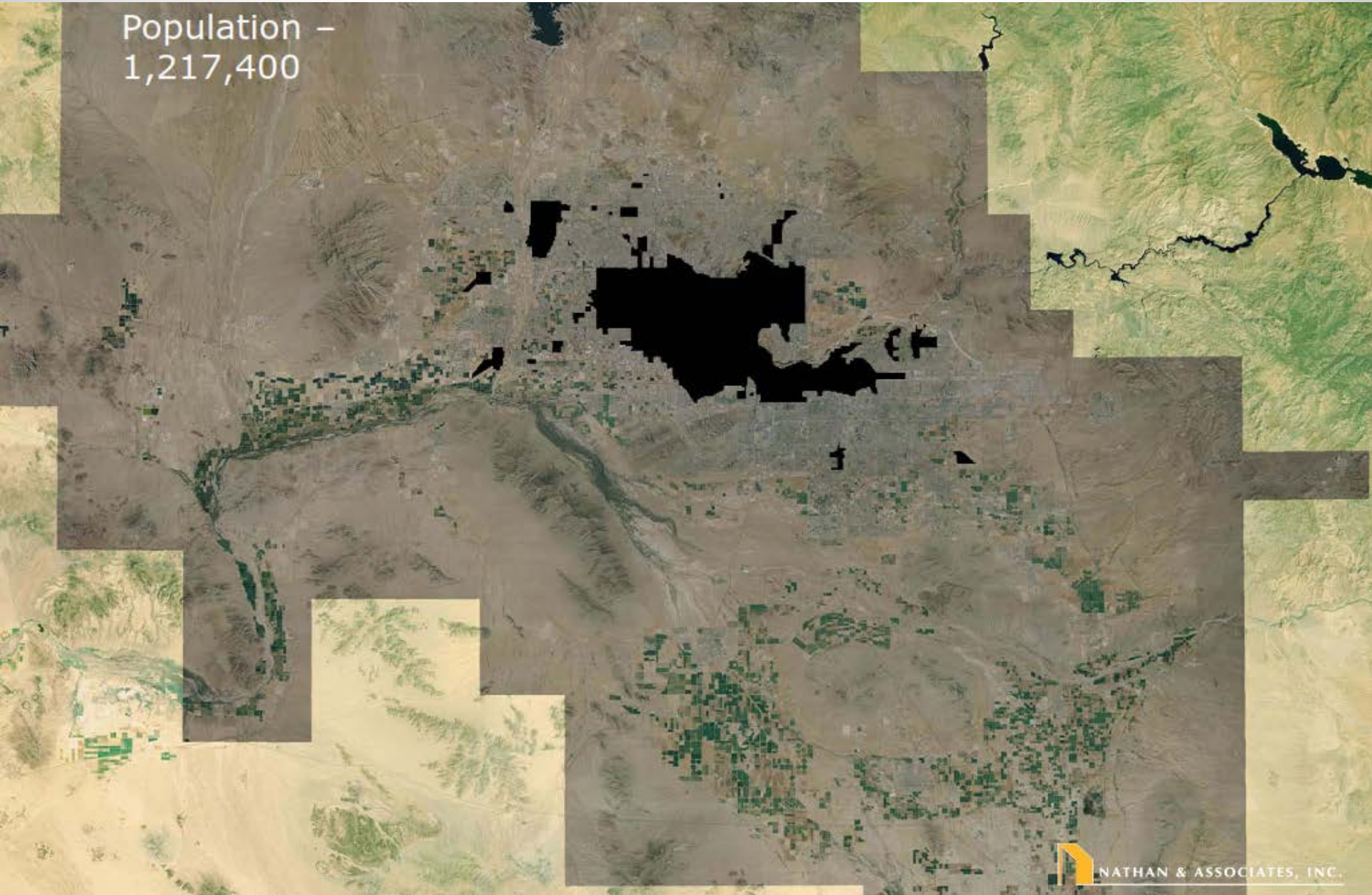
- Arizona has been in the top 5 in every decade for percentage growth in both population & personal income in the U.S.
- Buckeye growth projections 2010-2035
 - Population: **673%** (over **429,000** persons)
 - Housing Units: **710%** (**158,035** units)
 - Employment: **812%** (**159,682** jobs)

	1990	2000	2010	2030 Estimated
Arizona	3.7M	5.1M	6.6M	10.7M
Maricopa County	2.1M	3.1M	3.8M	6.1M
West Valley	250k	500k	750k	1.9M
Buckeye	4k	8k	51k	419k

*Source: Maricopa Association of Governments

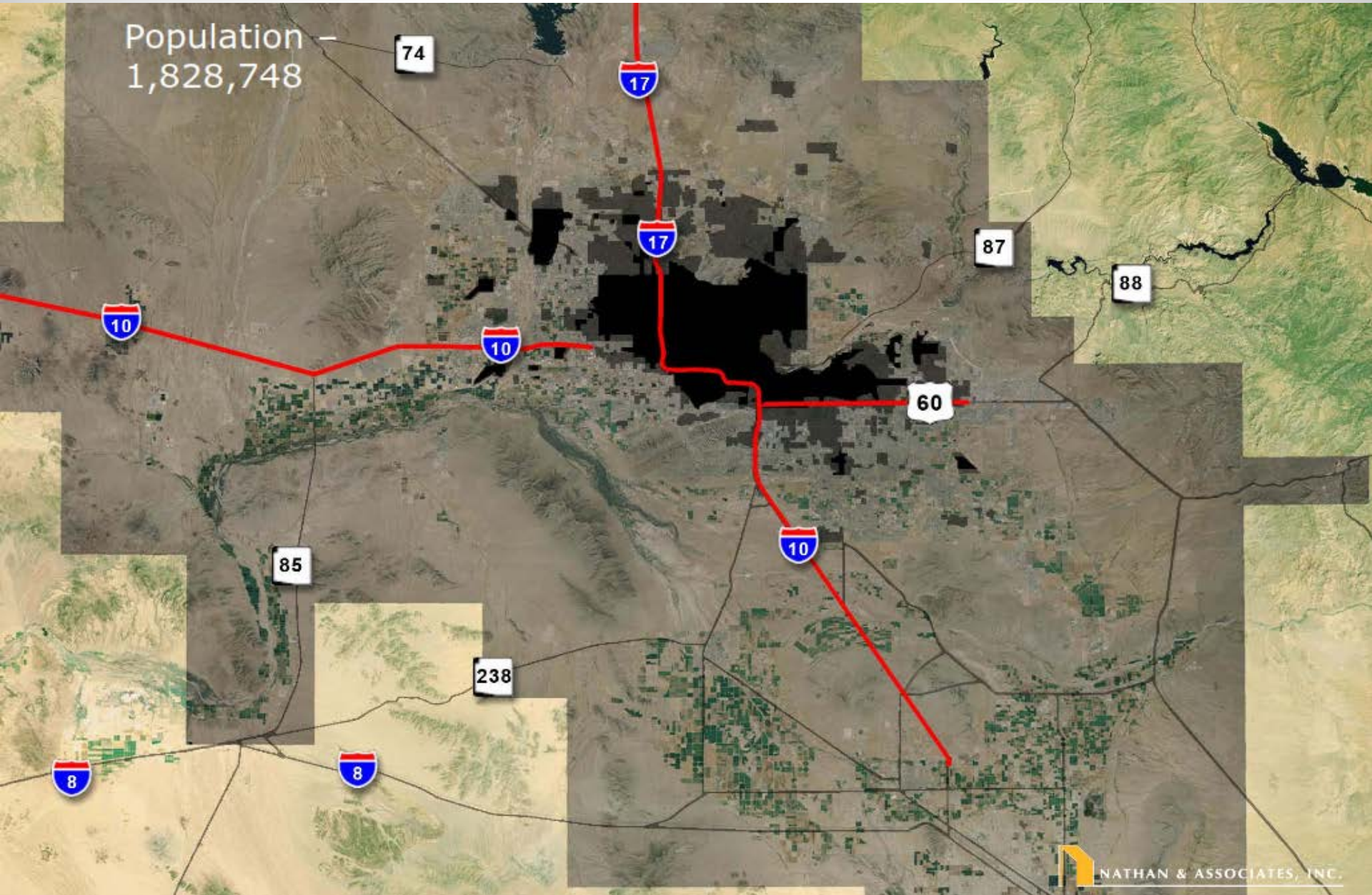
Residential Development: 1974

Population –
1,217,400



Residential Development: 1985

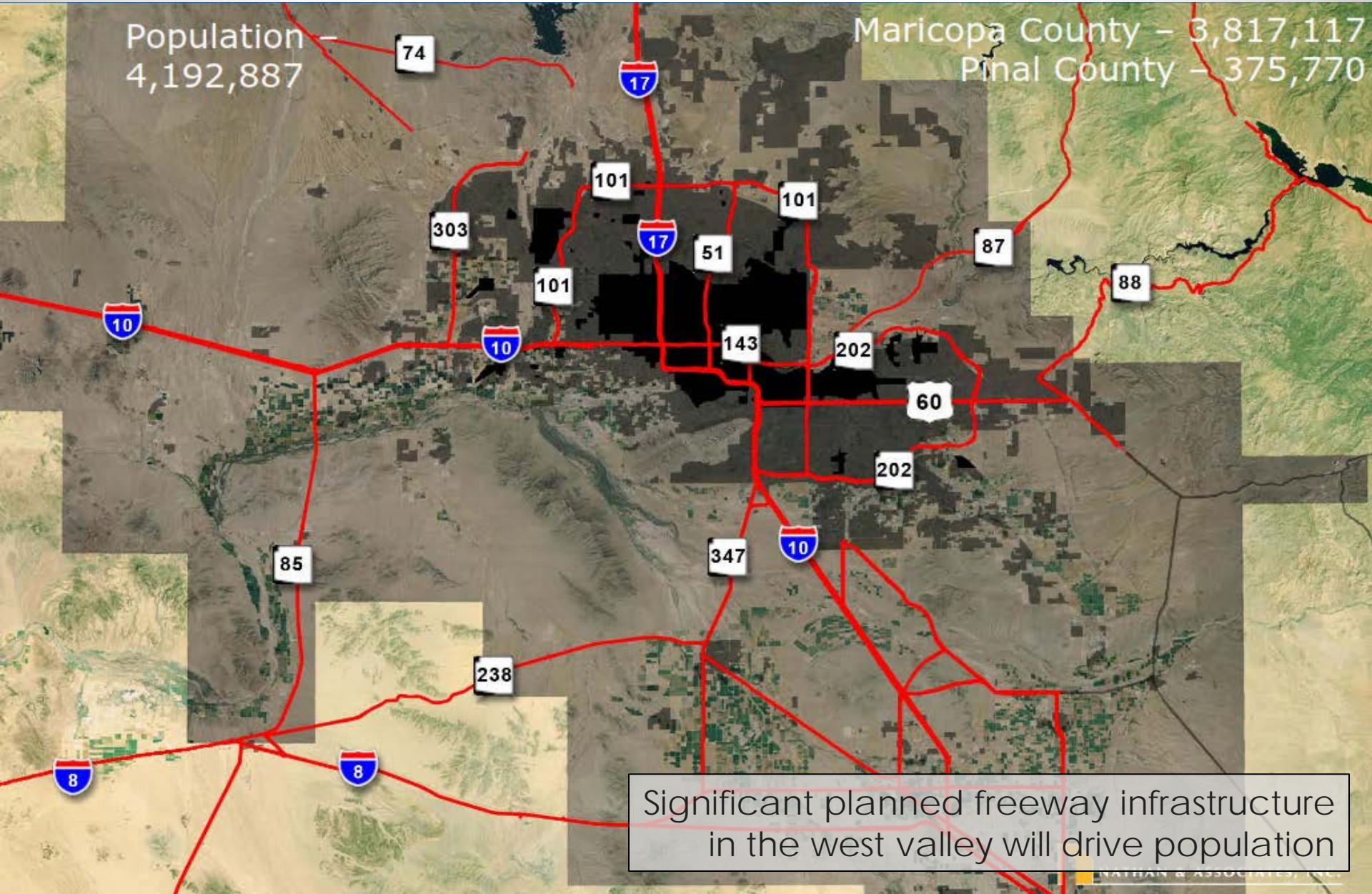
Population
1,828,748



Residential Development: 2011

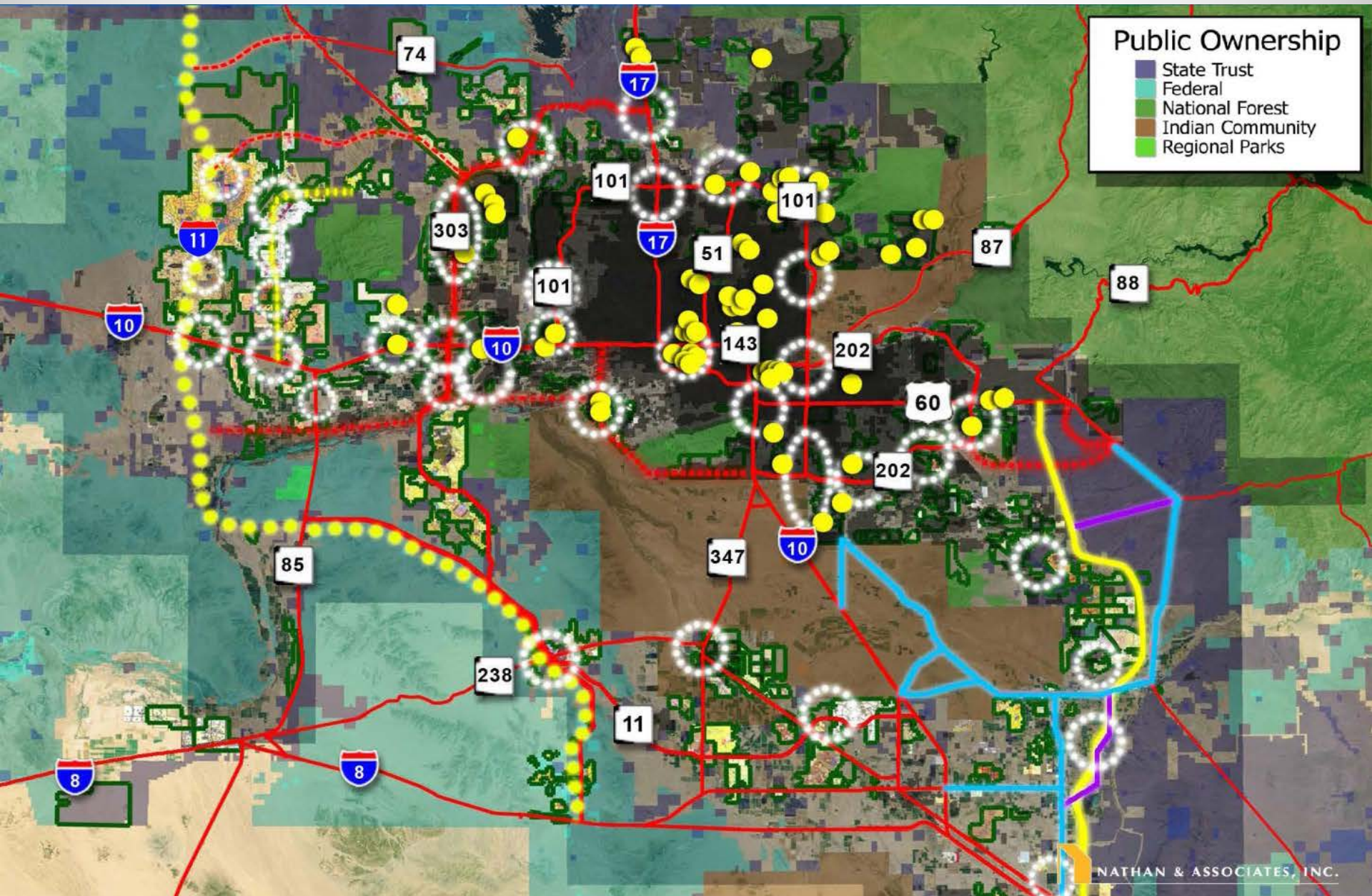
Population —
4,192,887

Maricopa County — 3,817,117
Pinal County — 375,770



Significant planned freeway infrastructure in the west valley will drive population

Planned Communities



Greater Phoenix Industrial Market

- 2011 absorption highlights:

- Amazon: 4,500,000 SF
- Home Depot: 2,000,000 SF
- Target: 1,300,000 SF
- Wal-Mart: 1,500,000 SF
- Macy's: 800,000 SF
- PetSmart: 600,000 SF
- Staples: 300,000 SF
- GAP: 412,000 SF
- Home Shopping Network: 340,000 SF
- TJ Maxx: 302,000 SF
- Sub-Zero: 440,000 SF
- Dick's Sporting Goods: 640,000 SF



Greater Phoenix Industrial Market

- Market Size: **274 million SF**
- Growing Sectors: Distribution, manufacturing & online fulfillment centers
- Annual average absorption : **6-7 million SF** (1985-2011)
- With **7.75 million SF** positive net absorption in 2011, Greater Phoenix ranked **2nd** in the nation

Of **7.75 MSF** positive net absorption in **2011**,
4.63 MSF or **60%** was in the west valley



West Valley Industrial Market

- 1-day drive from a population of **33 million**
- Ideally located to serve California & the western U.S.
- Less than **4 hours** from the U.S.'s **2nd** largest export market (Mexico)
- Located within Federally Mandated **11 hour** maximum round-trip trucking drive time, providing connectivity to the Ports of:
 - L.A. / Long Beach
 - Proposed Punta Colonet
- The vast expense to conduct business in California has triggered industrial relocation and expansion to the West Valley
- Many companies consider the West Valley an extension to the ports of LA due to its location

At **62 MSF**, Southwest Phoenix is the largest submarket in the Valley



West Valley Industrial Market

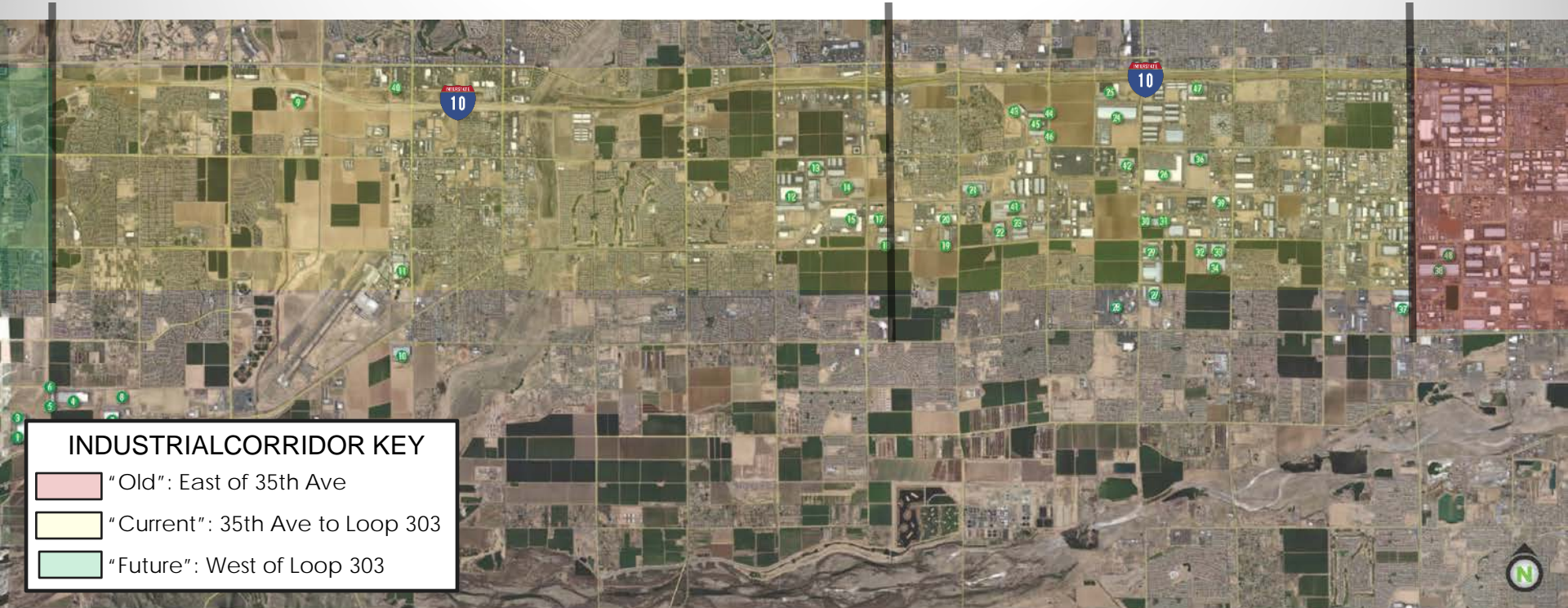
- +**12** million SF of total deals (leasing, built-to-suit & Owner/User sales, >100,000 SF) has been completed in the last **36** months
- 4th quarter 2011 net absorption: **1.3** million SF
- 2011 net absorption: **4.49** million SF (58% of Greater Phoenix market net absorption)
- Vacancy rate **tightened by 7.9%** from 2010 to **9.73%** in 2011
- Complete supply absorption projected by 3rd quarter 2012

West Valley Industrial Market

LOOP 303 alignment

LOOP 101 alignment

35th Ave



INDUSTRIALCORRIDOR KEY

- "Old": East of 35th Ave
- "Current": 35th Ave to Loop 303
- "Future": West of Loop 303

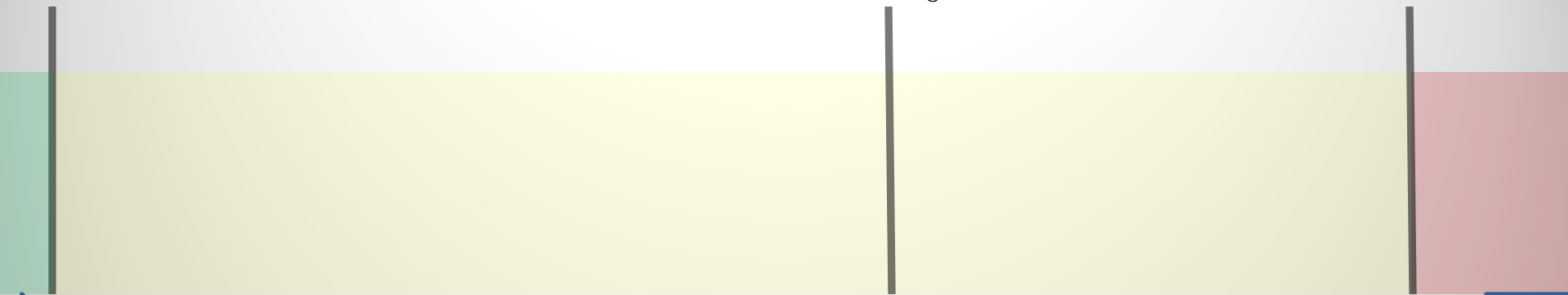
- | | | | | | |
|---------------------------|--------------------------------|------------------------|--------------------------|-----------------------------------------|-----------------------|
| 1. Schoeller Arca Systems | 9. SNYDER'S OF TENNESSEE | 17. AIPC | 25. PETSMART | 33. HD SUPPLY | 41. COSTCO WHOLESALE |
| 2. SAINT-GOBAIN | 10. MACH1 TRACT SERVICES, LLC | 18. Western Container | 26. TARGET | 34. amazon.com | 42. AutoZone |
| 3. TOWER AUTOMOTIVE | 11. LOCKHEED MARTIN | 19. Holsum / BIG TIRES | 27. GAP | 35. SUB-ZERO | 43. QT Quality |
| 4. amazon.com | 12. Tropicana | 20. States Logistics | 28. SWIFT | 36. FARMER'S MARKET | 44. K |
| 5. SUNTECH | 13. States Logistics | 21. FARMER'S MARKET | 29. PILKINGTON | 37. FritoLay / American Building Supply | 45. CardinalHealth |
| 6. Kysor Panel Systems | 14. Albertsons | 22. STAPLES | 30. FedEx | 38. amazon.com | 46. OM Owens & Minor |
| 7. macy's | 15. Smith's FOOD & DRUG STORES | 23. HAGER COMPANIES | 31. tyco | 39. American Building Supply | 47. Rellly AUTO PARTS |
| 8. NATIONAL OILWELL VARCO | 16. FREIGHTLINER | 24. amazon.com | 32. Keebler / philosophy | 40. McLANE | 48. FARMER'S MARKET |

West Valley Industrial Market

LOOP 303 alignment

LOOP 101 alignment

35th Ave






In 2011, Sub-Zero relocated from their 35th Avenue location to a new 440,000 SF distribution center near the intersection of Indian School Rd & Loop 303

SUB-ZERO

Many corporations located either in "Old" industrial territory or east of the Loop 101 alignment are relocating to "Future" territory, west of the Loop 303 alignment

West Central Phoenix and the Airport had negative net absorption of 640,000 SF in 2011

INDUSTRIALCORRIDOR KEY

-  "Old": East of 35th Ave
-  "Current": 35th Ave to Loop 303
-  "Future": West of Loop 303

West Valley Distribution & Online Fulfillment

- 92% of 2011 southwest valley industrial absorption was distribution & online fulfillment space
- ±5 million SF of distribution centers leased over the past 24 months
- Only 1 available property to accommodate a >200,000 SF user
- No new speculative development under construction

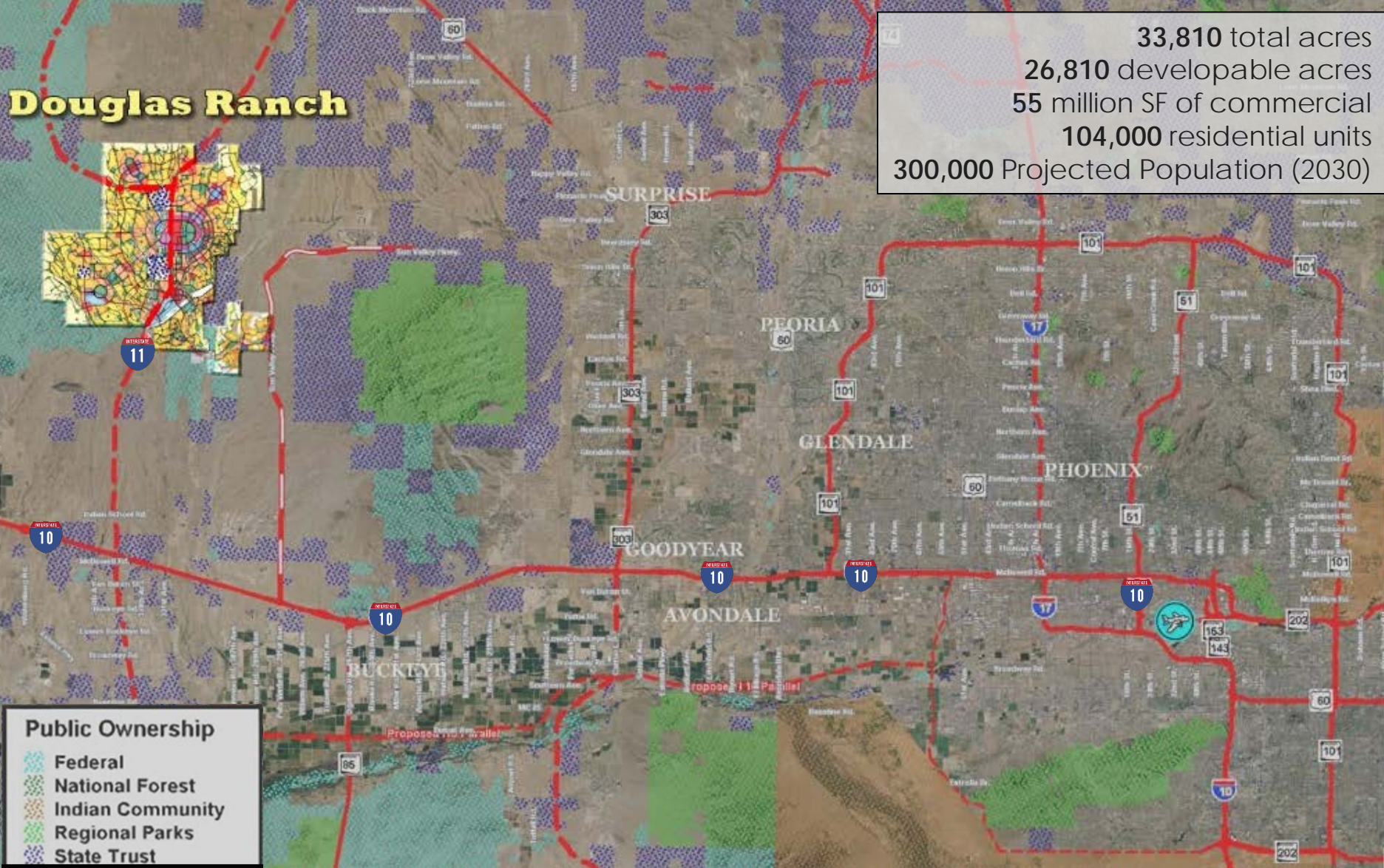
Current tenant & user requirements of ±7.9 million SF

Projected to be completely out of space
by third quarter 2012

Douglas Ranch Master Planned Community

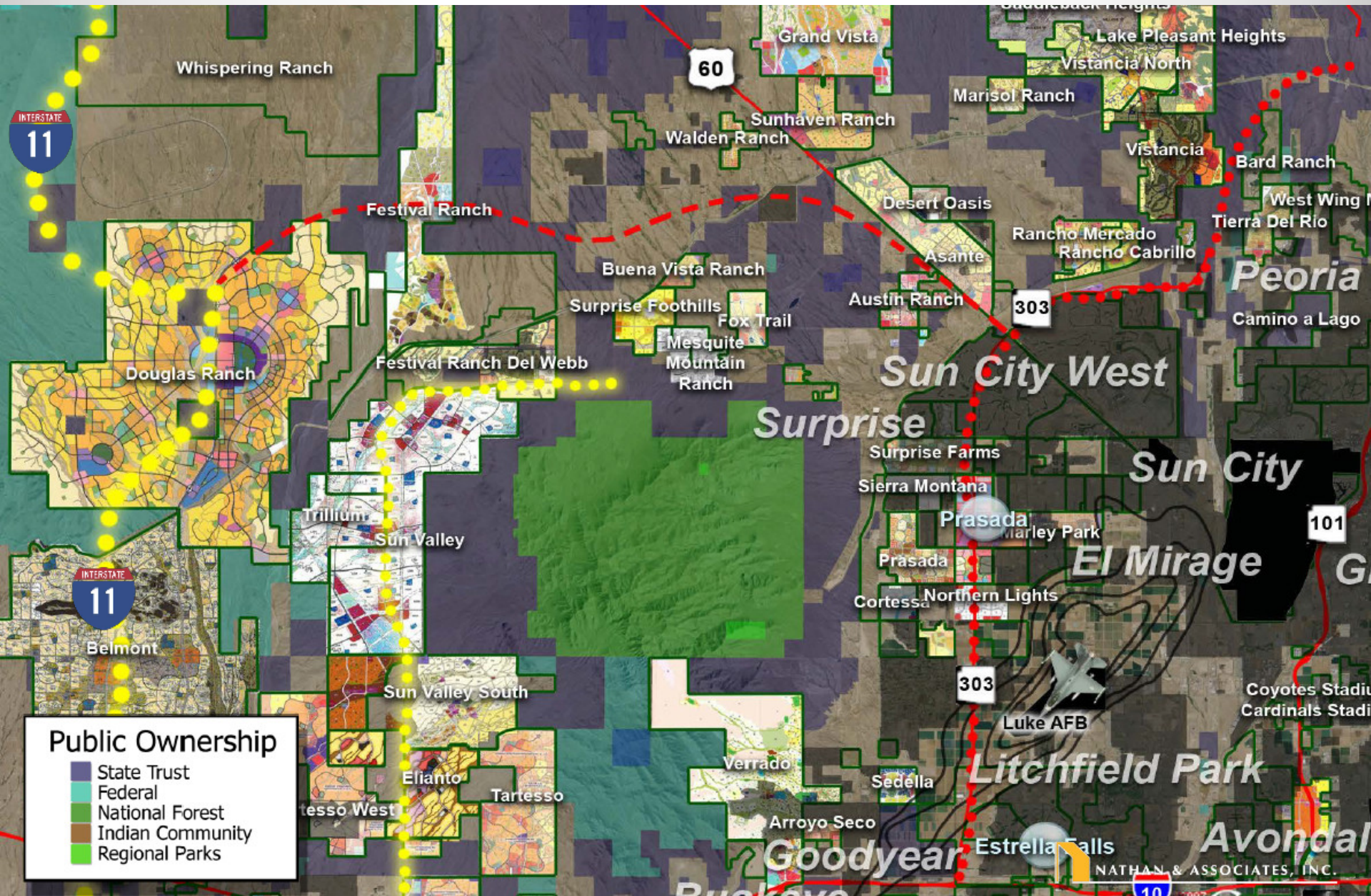
Douglas Ranch

33,810 total acres
26,810 developable acres
55 million SF of commercial
104,000 residential units
300,000 Projected Population (2030)



- Public Ownership**
- Federal
 - National Forest
 - Indian Community
 - Regional Parks
 - State Trust

Surprise/White Tank Emergence





JDM PARTNERS

VISIONARY DEVELOPERS OF THE GREAT SOUTHWEST