

PHOENIX BUSINESS JOURNAL

Left outside the core
Apple could eschew local
contractors in data center retrofit
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March 6, 2015



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Jaime Molera sees business
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Gov. Doug Ducey to get
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THE RISE AND FALL OF

Sky Mall

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Cigna building new Peoria office with Irgens

One of the region's biggest insurance
and health care providers is building a
new facility in the West Valley that will
open in late 2016.

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Kona Grill prep for global expansion

The Scottsdale-based eatery hired a
former Chuck E. Cheese executive
to expand the brand outside the U.S.

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Business leaders split on Net neutrality

Local executives see both sides in
how the Internet should be regulated
after the FCC stepped in last week
with new rules. **HAYLEY RINGLE, 16**



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► NUMBERS TO KNOW

\$42 million

Sale price of the Camelback Square office building in Old Town Scottsdale. Dallas-based private equity firm Velocis bought the Class A building from Lincoln Property Co. and Oaktree Capital Management LP. The 174,900-square-foot building near Scottsdale Fashion Square is home to Mastro's City Hall Steakhouse. CBRE brokers Barry Gabel and Chris Marchildon helped negotiate the sale. Lincoln will continue to manage the property after the sale.

BEFORE



AFTER



PROVIDED BY EL CHORRO LODGE

El Chorro Lodge

1.1 million

Amount of renewable energy in kilowatt-hours produced at the El Chorro Lodge restaurant in Paradise Valley since its renovation and reopening five years ago. Desert Star Construction and Candelaria Design Associates led a team that built and installed three solar panel-covered carports, solar thermal water heaters and LED lighting. A normal home uses about 1,000 kilowatt-hours per month.



PROVIDED BY MARK-TAYLOR RESIDENTIAL INC.

The San Sonoma apartment complex

590

Units at new Tempe apartment complex built by Mark-Taylor Residential Inc. and construction contractor Kitchell. The San Sonoma complex is at Warner Road and Priest Drive. Rents range from \$1,100 to \$2,800 per month.



FILE PHOTO

Apple is planning a \$2 billion, 150-worker 'command center' in Mesa. It's not clear if local contractors will get any of the work.

THE FORWARD

Apple could shun local contractors at \$2 billion Mesa 'command center'

Phoenix-area contractors are concerned they will get frozen out of work at Apple Inc.'s planned \$2 billion "command center" in Mesa.

Apple is putting in a data center and other operations at the 1.3 million-square-foot building it owns in Mesa. Apple previously tried to establish a sapphire glass factory at the building with GT Advanced Technologies, but that supplier filed for Chapter 11 bankruptcy last year.

Apple already operates data centers

in Oregon, North Carolina, California and Nevada.

Local construction contractors and architects privately worry Apple won't hire many local companies to work on the project and will rely instead on national and California contractors. It has worked with previously. That's common among companies the size of Apple, said one Phoenix-area contractor who asked not to be identified.

Local contractors and architects also worry if they talk publicly about the

Apple project, they will not be considered for work. Apple requires suppliers, contractors and even public officials to agree not to talk about their dealings with the company.

The state is crafting some new tax breaks for the Apple command center. The facility also is in line for existing property tax breaks and other incentives instituted for the failed GT plant.

Apple representatives did not respond to a request for comment, nor did state officials.

► CONSTRUCTION

INTERIM CASINO BEING BUILT NEAR GLENDALE

Tohono O'odham Nation is building an interim casino as part of the development of its West Valley Resort north of University of Phoenix Stadium. Here's a rundown of the project, which has overcome numerous legal and political challenges:

Owner: Tohono O'odham Gaming Enterprise

Location: 95th and Northern avenues

Number of slots in Phase I: 1,089

Cost of Phase I: \$200 million

Total project cost: \$400 million

Number of contractors and subcontractors: 40

Number of construction jobs: 1,300

Lead contractors: Penta Building Group, Hunt Construction Group



PROVIDED BY TOHONO O'ODHAM GAMING ENTERPRISE

The Tohono O'odham Nation's interim West Valley casino is under construction at Northern and 95th avenues in Glendale.