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ROCKIN' OUT: Amber Cox and other Valley professionals form bands to let their creative sides thrive. **3**

NO WORK: Teen unemployment in Arizona among worst in U.S. **5**

TOUGH CALL: Many doctors, hospitals steer clear of medical pot. **13**



Solar test facility to help develop cutting-edge technology

BY PATRICK O'GRADY
pogrady@bizjournals.com

Federal money and \$40 million in private investment are funding a solar facility in Phoenix to help companies test and rapidly develop cutting-edge, energy-efficient solar technologies.

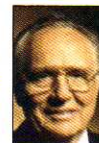
The facility was developed by Southwest Solar

Technologies Inc. Investors include John Sperling, one of the founders of Apollo Group Inc. and the University of Phoenix.

Leading the charge is Southwest Solar CEO Brad Forst, a recent addition to the company who brings years of aviation industry product development experience. In partnership with Hampton, N.H.-based Brayton Energy LLC, the Phoenix-based renewable

energy company is developing a hybrid solar system that will run even when the sun isn't shining.

To illustrate the power of the concentrated solar dish, Forst donned a pair of welder's goggles as the company's engineers angled the dish to focus on a 20-square-foot spot, making it bright enough to be



SEE SOLAR | 32 Sperling



Habitat Metro principals, from left, Tim Sprague, John Hill and Feliciano Vera recently purchased the Lexington Hotel in downtown Phoenix. They plan to renovate and expand the property, which will include a public art gallery upon completion.

JIM POULIN | PHOENIX BUSINESS JOURNAL



RENDERING PROVIDED BY HABITAT METRO

Lexington nets new future

Developers plan artsy renovation for downtown Phoenix hotel

BY JAN BUCHHOLZ | jbuchholz@bizjournals.com

The Phoenix development group that built Portland Place Condominiums has purchased the Lexington Hotel downtown for nearly \$5 million and plans to turn it into an art-themed boutique hotel with an on-site gallery.

Habitat Metro principals Tim Sprague, John Hill and Feliciano Vera are teaming up with two San Diego-based compa-

nies — Bond HD LLC and McKinney Capital Group LLC — on the redevelopment project.

Sprague said his team had an eye on the Lexington for three years, but couldn't get a deal done with the economy in a deep freeze. They were interested in large part because of the

SEE LEXINGTON | 31

Scottsdale enclave seems immune to housing collapse

BY JAN BUCHHOLZ
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The Phoenix housing crisis remains entrenched, months after economists declared the Great Recession was over. Still, one exclusive enclave seems to give credence to their optimistic observations: Silverleaf, a gated community on the slopes of the McDowell Mountains.

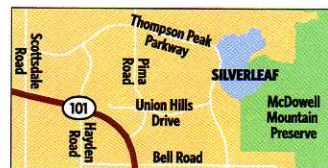
More than \$121 million in sales were logged in that North Scottsdale community in 2010, up 45 percent from 2009. Of the eight homes in the Valley that sold for more than \$5 million last year, four were in Silverleaf.

There's even a shortage of some types of properties there, according to Deborah



Beardsley

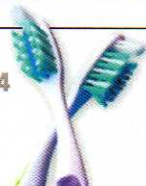
SEE SILVERLEAF | 31



AMY MORRISON | PHOENIX BUSINESS JOURNAL

THE LISTS:

Arizona hospices. **14**
Dental insurance companies. **16**



PROFILE:

Letitia Chambers, director, Heard Museum of Native Cultures and Art. **22**



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SILVERLEAF: Among 35 sales closed in 2010, most expensive was \$7.7M

FROM PAGE 1

Beardsley, associate broker with the Silverleaf Group, a division of DMB Realty Network.

"I need more 5,000- to 6,000-square-foot homes with a view," she said.

For those who assume Silverleaf is strictly a second-home community for rich, retired people, think again.

"Seventy percent are primary residences," Beardsley said.

With a signature clubhouse, spa and 18-hole Tom Weiskopf-designed golf course, the development has attracted a fair share of young, affluent families who live here year-round. An elementary school is located across the street, and the clubhouse is almost always busy with kids hanging out.

The community will celebrate its 10th anniversary in April 2012. Since it opened, 203 homes have been built on the 2,000 acres that once housed a ranching and mining operation. An additional 31 homes are under construction, and four of those are spec construction by custom builders.

Some 39 lots still are available for purchase, most with remarkable views of Scottsdale and Phoenix given that the topography rises 3,000

feet above the Valley floor.

Scottsdale-based DMB Associates built Silverleaf in partnership with the Marley/Corrigan family, owners of the land. Though Silverleaf is an extension of the company's adjoining DC Ranch, DMB decided to brand that community separately.

"We wanted to go upmarket, from the high end to the uber-high end," said Jim Hoselton, senior vice president of DMB.

2010 HOME SALES

Silverleaf sales:

Most expensive home sale: **\$7.7M**

Most expensive lot sale: **\$3.8M**

Home sales completed: **35**

Home sales pending: **6**

Lot sales completed: **56**

Lot sales pending: **2**

Source: DMB Realty

Valley luxury resales, by community*:

Paradise Valley: **202**

Estancia: **17**

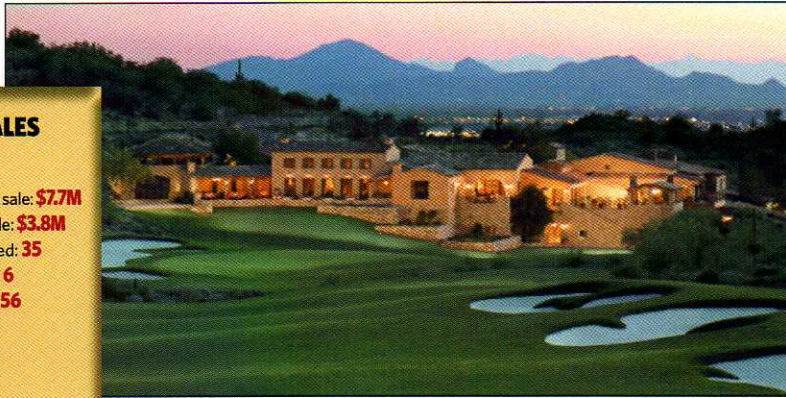
Mirabel: **17**

Whisper Rock: **13**

Desert Mountain: **60**

DC Ranch: **22**

*Does not include developer sales
Source: Moen Group



Silverleaf's clubhouse was designed by Don Ziebell, principal of Oz Architects in Scottsdale. The building is intended to emulate an Italian or French estate.

PROVIDED BY
DMB ASSOCIATES

While many buyers are locals who want to become part of the Silverleaf experience, others are from out of the state or even out of the country. For a long time, many buyers were from the Midwest, but Beardsley is seeing a change.

"Now I'm seeing buyers from the East Coast," she said.

Todd Moen, principal of the Moen Group in Scottsdale, lists and sells luxury homes throughout Scottsdale and Paradise Valley. He understands the appeal of Silverleaf.

"What's driving sales is the location and the quality of the club," he said.

Joy Lind, an agent with Russ Lyon Sotheby's International Realty, agreed.

"People love the club feel and the exclusiveness of it," she said.

The club was designed by Don Ziebell, principal of Oz Architects Inc. in Scottsdale. It emulates the feel of an ancient estate in Italy or the south of

France. Many of the details were salvaged from old European buildings.

Lind has a sale pending in Silverleaf. The buyers already own a home there, but wanted a different one and plan to lease their first residence.

Lind has had buyers and sellers struggle with whether they want to be in Silverleaf or Paradise Valley.

"People like being close to everything in Paradise Valley," said Lind, who had one Silverleaf homeowner move to Paradise Valley, then back to Silverleaf. "They ended up loving the containment."

Hoselton said DMB always has been about creating a unique, self-contained experience.

"We're in the lifestyle business, and the real estate comes with it," he said.



Lind



Moen



Hoselton

GET CONNECTED

Silverleaf: www.silverleaf.com
DMB Associates: www.dmbinc.com

LEXINGTON: Room rates could double after renovation is complete

FROM PAGE 1

LEXINGTON HOTEL

OWNERS: Habitat Metro, Phoenix; Bond HD LLC and McKinney Capital Group LLC, San Diego

ADDRESS: 1100 N. Central Ave., Phoenix

YEAR BUILT: 1974

EMPLOYEES: 20
(40 planned after renovation)

ROOMS: 108

AMENITIES: Restaurant, pool, fitness room

RATES: \$175 to \$200 a night (after renovation)

WEB: www.habitatmetro.com

location: 1100 N. Central Ave. is just a stone's throw from the luxury condos they built near Third Avenue and Portland Street.

"It's the window to the world, Portland and Central. It's the bookend of the block," he said.

The Lexington's previous owner, an individual from California, operated it as an independent hotel. According to Sprague, an entity named NCA Hotel Partners LLC in Scottsdale purchased the promissory note connected to the property from National Bank of Arizona. NCA then foreclosed and sold the Lexington to Habitat Metro on Jan. 19.

The principals did not want to disclose the purchase price, but public records at the Maricopa County Recorder's Office show Habitat Metro paid \$4.8 million.

The Lexington has 108 guest rooms, filled mostly with a mix of business

travelers and vacationers, Sprague said. The rooms are priced between \$79 and \$99 a night. That rate will jump to \$175 to \$200 a night when the transformation is complete.

Habitat Metro will keep the hotel open until July, then shut it down for six to eight months for renovations. The developers will add 8,000 to 10,000 square feet for a public art gallery and meeting space.

"We have access to some significant private collections," Sprague said. "We'll have rotating exhibits."

He would not disclose how much the group will spend to rehab and expand the space, but he said the investment will be "commensurate" with what it will take to achieve four-star status.

The hotel is near the Roosevelt Arts District, the location of the popular First Fridays Art Walk.

The downtown lodging scene can handle more business, according to Doug MacKenzie, spokesman for the Greater Phoenix Convention & Visitors Bureau.

"It's natural for an independent, boutique-style hotel to want a piece of that pie," he said.

Visitors are always looking for something a little different from what they have back home, MacKenzie said.

"They want something far from the cookie-

cutter experience. That (art) niche could be intriguing and exciting," he said.

In addition to the hotel and art gallery, the renovated property will include a restaurant and bar. Sprague said it's going to be "sophisticated, but (prices) will not be through the roof."

He said Robert Watson, CEO of Habitat's partner company Bond HD LLC, also is president of Solage Hotels & Resorts, which operates the flagship Solage Calistoga in Napa Valley, Calif.

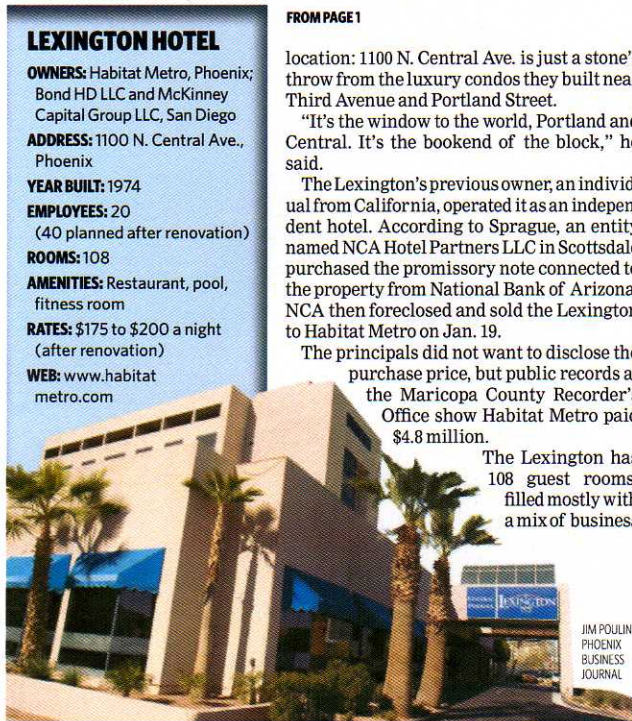
"He grew up in the Four Seasons (brand) and then Starwood. He really understands lifestyle hospitality," Sprague said.

Davis, a Tempe-based architecture firm, was chosen to design the hotel's remodel, addition and restaurant. The owners are considering a few ideas for a new hotel name, but they haven't selected one yet.

"This will be a very cool downtown experience," Sprague said.

Kristen Jarnigan, vice president of communications for the Valley Hotel & Resort Association, said the plan sounds like a great one, though there will be obstacles.

"Branding is always a challenge for independent boutique hotels, because they don't have that corporate branding behind them," she said. "But then they have a nonhomogeneous appeal as well. This sounds like a great new product that doesn't ... exist in the market."



JIM POLIEN
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MacKenzie