



Saguaro Development wins 2nd Land Development Pitch Competition

In just one year, the quality level of presentations at the 2nd REIAC Southwest/Junior Achievement of Arizona Land Development Pitch Competition skyrocketed. It was especially evident in confidence team members exuded.



Four teams of students from GateWay Early College High School in Phoenix tried to convince a panel of REIAC judges that their project was the best investment. Saguaro Development Company captured the competition May 6 for its hypothetical student housing development at 106 W. 9th St., in Tempe.

The team consisted of Edgar Gutierrez, Verania Pacheco and Leray Gilmore. Each won a \$175 gift card; their teacher, Karen Hawkes, received a \$275 gift card. Following the event REIAC Southwest President Mark Singerman received a heartfelt letter from Hawkes. In part it reads:

"I just wanted to thank you again for your contributions to our students. Not just monetarily, but to their ideas about their future. One of the biggest obstacles for first generation students who also live in poverty is the ability to see themselves as something 'different' than their families. We often hear, 'My dad makes \$30,000 a year and we do fine, so that is all I need to make.' However, if you were to ask a student what they hope to get out of life they will tell you, 'I just want to be someone.' (And most will tell you they want to buy a house for their parents).

"You all made our seniors extremely happy and most importantly, confident as they leave our school and move on to bigger and better futures. This year among our seniors we have a Dell Scholar, two future ASU Barrett Honors College attendees and 25 other students heading to university. The rest have plans to stay at a community college or a trades pathway. That's not bad for a graduating class of 49 who have the average family income of about \$25,000. In fact, they were able to earn more than \$1 million in scholarship monies for the next four years.

"Thank you again from the bottom of my heart. It is because I get to see the growth in these students and the affect their success has generationally that I remain in the classroom after all this time. I cannot thank you enough for taking an interest in our amazing students and our little school."

Highlights of the Saguaro Development project included close proximity to the Arizona State University campus and Metro light rail; and amenities including Cartel Coffee, AMC Theaters, Whole Foods and Chick-fil-A.

The development totaled eight stories with three layouts. It included a roof top pool, trees and shade enclosures, study rooms on the first floor, and a discount at CorePower Yoga (there is no gym in the building).

The building cost was \$11.92 million; the total price tag was \$14.4 million.

The other teams – Innovators of Tomorrow, Envision Housing and DLJ – also selected student housing as their development project. The other options were office or hospitality.

Last year, REIAC Southwest entered into a sponsorship agreement with Junior Achievement of Arizona (JA) with a financial commitment of \$12,000 annually (\$6,000 per semester). The program utilizes the experience and skills of REIAC members to introduce high school students to the built environment and real estate development.

Last year's inaugural event was held December 18.

"This program introduces students to a possible career path," said Mark Singerman, REIAC Southwest President. "We hope this sparks an interest by the students in real estate development, architecture, engineering, construction, commercial brokerage, property management or any number of careers related to creating the built environment."

REIAC members presented a curriculum prepared in cooperation with JA for five classes. The classes walked the students through the basic real estate development process. They were introduced to market research to determine what product type is in

demand in a submarket, debt and equity financing, assembling the consultant team to inspect and design the property; then building the project, finding tenants, managing the property, and then selling it.

REIAC members that taught the classes and served as judges included Mark Singerman, The Rockefeller Group; Dave Kross, Irgens Development; Dan Henderson, Town of Gilbert; T.A. Shover, DMB Associates and Andrea Drozdowicz, Wells Fargo International.