

2007: A year of economic rises and falls for the East Valley

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Tony Natale, Tribune

The shriveling housing market took the bloom off an otherwise bright year for East Valley businesses in 2007. However, for most of the East Valley there were more financial blossoms than bitter herbs during the past 12 months.

Here are summaries of the top stories from the Tribune business pages describing major economic developments of the past year:

HOUSING

Arizona joined virtually all other states as home prices continued to fall as a result of rising mortgage interest rates that caused a slowdown in demand.

Industry analysts believe the problems that hampered the new-home market in 2007 — an oversupply of homes, tighter lending standards and buyer skepticism — will continue into 2008, although some are predicting the market will eventually improve in the new year, or at least bottom out.

Foreclosures, meanwhile, are expected to stabilize in 2008 as lenders appear to be more willing to work with borrowers.

A total of 5,767 filings — including default notices, auction sale notices and bank repossessions — were recorded in Arizona in November, a 35 percent drop compared with filings from August.

Still, experts believe the ramifications of the mortgage crisis in 2007 that has narrowed the pool of potential homebuyers entering 2008 will continue. The number of Valley homes for sale totals more than 50,000.

SHOPPING CENTERS

Three new, regional retail shopping venues drew buyers and dollars in 2007 — Tempe Marketplace, SanTan Village in Gilbert and Mesa Riverview — and they are expected to continue to attract customers.

Tempe Marketplace opened in September near Loop 202 and McClintock Drive, a project built by Vestar Development that took 10 years of planning and a revamping of a former industrial district.

The 1.3-million-square-foot shopping district features a lineup of “big-box” stores, restaurants and a Harkins Theatre complex with the state’s largest movie screen.

SanTan Village at Williams Field Road and Loop 202 in Gilbert opened in October with more than 85 retailers and restaurants at its 1.2-million-square-foot open-air mall.

Mesa Riverview, a shopping center on 250 acres between Dobson and Alma School roads south of Loop 202, drew one of its biggest tenants in June — Bass Pro Shops Outdoor World, a sporting goods and accessories store.

FAB PLANT BUILT

Computer chip manufacturing giant Intel Corp. officially opened its latest \$3 billion factory called Fab 32 at Dobson and Ocotillo roads in Chandler in October.

The corporation's state-of-the-art factory is Intel's first to mass-produce chips with transistors 45 nanometers in size. The new plant contains floor space equal in size to 17 football fields and is expected to provide 1,500 jobs.

PHOENIX-MESA GATEWAY AIRPORT

The former Williams Gateway Airport, renamed Phoenix-Mesa Gateway Airport, in Mesa opened its doors to Allegiant Air, a Las Vegas-based airline that serves 54 cities, to provide passenger service from the Valley to 12 other cities.

The new service has attracted more and more travellers seeking low-priced tickets for direct flights to midsized cities in Iowa, Illinois, Washington, Montana, California and South Dakota.

WAVEYARD WINS

Mesa voters in November overwhelmingly approved a package that allows construction of Waveyard, a \$250 million resort, adventure park and mixed-use complex replacing the Riverview Golf Course and four ballfields south of Loop 202 and east of Loop 101.

Waveyard will emphasize outdoor water sports and will include a luxury hotel, an indoor water park, retail shops, restaurants, offices and residences.

Target opening date is 2010.

SCOTTSDALE COMPANY SCORES CONTRACTS

Scottsdale's General Dynamics C4 Systems division won a number of military contracts, including a big piece of a U.S. Army contract worth up to \$1.4 billion in November. The contract was for enhancing war zone information communication systems.

The company was also called upon to work on a multi-level security system under a new, \$83 million contract awarded in November by the U.S. Navy. That contract includes developing Common Enterprise Display Systems for Navy ships, among other functions.