

[Arizona Business & Money](#)

SkySong's impact is put at \$113.6 million

GPEC study suggests center is helping south Scottsdale weather difficult times

by **Edward Gately** - Jan. 11, 2011 12:00 AM
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The Greater Phoenix Economic Council is crediting SkySong, the Arizona State University Innovation Center, with attracting new companies, creating high-end jobs and generating \$113.6 million in economic impact annually across metro Phoenix.

According to a recent GPEC study, companies located within the project have created 733 jobs to date and more than 1,000 direct and indirect jobs overall. The study estimates more than 5,000 jobs will be generated by SkySong with a total economic impact of \$9.2 billion when it reaches the 30-year mark of its operation.

Many of those jobs are tech positions that appeal to Arizona as it aims to lure employers in the renewable-energy, technology and bioscience industries to boost economic growth. During the recent recession, Arizona shed jobs faster than any state but Michigan, according to federal reports.

To date, SkySong has completed two, 150,000-square-foot buildings consisting of research and commercial space. Technology-based companies located there represent industries ranging from information technology to solar, as well as foreign direct investment to the Valley.

"I think there are a lot of people in the community who may have sold SkySong short," said Rick Kidder, president and CEO of the Scottsdale Area Chamber of Commerce.

The center is located at the southeastern corner of Scottsdale and McDowell roads, on a site once considered for the Phoenix Coyotes hockey arena, which ended up in Glendale.

In 2004, the city of Scottsdale and the ASU Foundation struck a deal to build SkySong on the site. The city agreed to pay for the land and new infrastructure, while the foundation agreed to repay the favor with revenue from the project.

Harold Stewart, the city's economic-vitality executive director, said the dour real-estate market is preventing the foundation from repaying the city for its investment. Repayment will occur when the foundation is able to either sell buildings on-site or make money off the rents, he said.

SkySong generates nearly \$100 million in annual economic impact in Scottsdale alone, and that number will increase dramatically as the project is completed, according to the GPEC study.

SkySong is a mixed-use development that is expected to encompass 1.2 million square feet of office and retail space when fully developed, in addition to residential units.

It now includes 67 companies and organizations, 19 of which are international, representing 10 countries. Of those 67 companies, 45 are located within the ASU SkySong unit, while the remaining 22 are leasing other space but have an online connection with the center and its support system.

Among the tenants are rSmart [Software](#), which provides software for educational uses, Automatic Data Processing Inc., which offers business outsourcing solutions and Ubidyne, which develops wireless technology for mobile users.

The project is now at 85 percent occupancy, a rate significantly higher than the general Phoenix marketplace, according to the study.

Barry Broome, GPEC's president and CEO, said SkySong's impact may have been underestimated.

"It was originally thought that (SkySong) would create tens of thousands of jobs immediately and that's not how technology works," he said. "It goes slow and it takes time."