For the February meeting of the Phoenix Chapter of LAI, our topic of discussion was the Phoenix Mart Sourcing Center. Located in Casa Grande about 40 minutes southeast of Phoenix the Phoenix Mart will be a multifunctional wholesale servicing center that provides space for both exports and imports to the United States. Approximately two-thirds of the tenants will export US goods and the remaining third of the 1,741 suites will be occupied by importers. The Phoenix Mart is unique in that it will be open to the general public. No goods will be sold on site, but rather all purchases will be shipped to the business or residence of the purchaser.

Phoenix Mart is located near the intersection of Interstates 8 and 10 on a 585 acre site. The first phase of the development will be 1.7 Million square feet in size. An additional 4 Million square feet of supportive commercial space will be completed in future phases and will include hotels, office and dining facilities.
The financing of the site used EV-5 and private sector resources. EV-5 provides a mechanism for foreign born investors who finance developments that create jobs in the United States and in exchange the investor receives a green card (legal US residency) in exchange for financing the development. The investor does not have to operate or do business at the site. The minimum investment at Phoenix Mart was $500,000. Each applicant must be cleared by US Customs and Immigrations before they can become an investor.

Similar distributions centers are found in Atlanta and Chicago. Those merchandise marts specialize in Fashion and Home/Hotel furnishings and goods. The Phoenix Mart will include those goods, but also will have Automotive, Electronic, Food and Beverage, and Office supplies.

An additional feature of the Phoenix Mart will be on-site logistic providers and contract attorneys. They will be providing on-going seminars with tenants regarding issues in exporting and importing goods to and from foreign countries.

One of the greatest development challenges was the lack of fire and building codes for such a large scale (1.7M square feet) in a relatively rural area. Local officials worked with the developers to address these issues, but it has taken longer than expected to get final approvals. Ground breaking is expected within the next 30 days and the anticipated opening is being planned for May, 2015.

It is anticipated that nearly 8,000 new jobs will be created at the site. That number does not include construction jobs associated with the development. To provide you will some scale of the impact of the number of permanent jobs created with this development, currently there are 80,000 jobs in all of Pinal County where the facility is located.

Phoenix Mart will be the first distribution center in North America to provide such comprehensive wholesale servicing.