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TUCSON CITIZEN

## La Playa first new East Side office complex since 1980s

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The East Side's first sizable office complex since the late 1980s is coming to 1825-1893 N. Kolb Road at the bend where it becomes Grant Road.

La Playa Caliente Offices will offer 46,200 square feet in five one-story buildings for office or medical uses. Two like-size office complexes are under construction near Wilmot Road and Pima Street.

Wilmot Office Park north of Pima Street, with 46,785 square feet, and another

45,000-square-foot office complex at Pima Street and Rook Avenue both also will have five buildings.

"This reflects what's been going on in the past two years," said Rick Kleiner, a principal at PICOR Commercial Real Estate Services specializing in office and medical properties. "This is following other areas that were hotter."

Swan and Oracle roads had earlier booms in office complexes with options to own or lease office space.

The 6-acre La Playa Caliente will have tenant owners only, said Buzz Isaacson, an independ-

ent real estate broker who represents La Playa Caliente.

"This is being sold as town offices," he said. "You own your own land and share of the building and you have an individual interest in the project — the landscaping and parking lot."

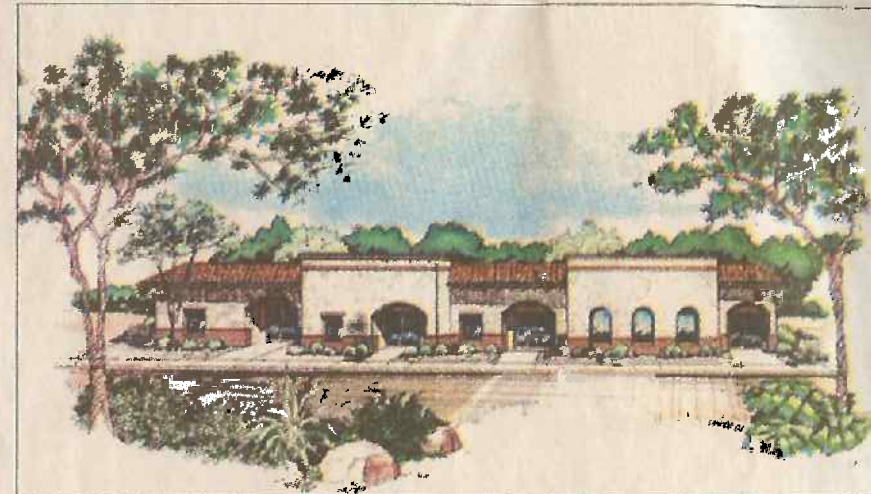
Office space is selling for \$130 to \$135 per square foot. Tenant improvements range from \$35 to \$40 per square foot, Isaacson said.

Caylor Commercial Developers and Construction in Tucson is the property's owner and developer as well as the firm that will do all tenant

improvements. La Playa's first building is nearly ready for occupancy. TCI Financial Planning is set to become the first tenant Aug. 16.

TCI is moving only a few hundred yards and across the street from its present offices, but the move is considered a step up.

"Instead of the normal tenured lease, we now have an ownership interest," said John Stephens, vice president at TCI Financial Planning, which just changed its name from TCI Asset Management and was once



Artist's rendering

## La Playa largest since Gateway Center

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known as The Conservative Investor.

"Being financial planners, having some portfolio diversification into real estate doesn't look bad."

Isaacson said La Playa will be the largest new East Side office complex since the Gateway Center went up at Speedway Boulevard and Kolb Road in 1986 and the Courtyard Center was built at 6400 E. Grant Road in 1989. Nobody at the city Development Services Center immediately knew of any offices built more recently, acting director Jessie Sanders said.

The Kolb location between

Speedway and Tanque Verde Road provides central access from the foothills and the Broadway and Speedway corridors.

"That's a location that works for a lot of people," Isaacson said. "The fact that nobody has done a (office) project in years means there is a pent-up demand. A lot of people are in space on the East Side that is 10 to 15 years old. This is a step up from what they're in and they have an opportunity to own it."

La Playa Caliente features masonry buildings with high ceilings and, Isaacson said, preferences today are for single-story offices with plenty of parking.

The five buildings have 18 office plots ranging from 1,140

square feet to 4,432 square feet. Construction on the second building should start in a week with intentions to complete the project by the end of 2003, if demand stays steady.

Isaacson said office space was "grossly overbuilt in the 1980s" but he has seen renewed interest in new offices on the East Side the past three or four years.

Kleiner, however, wonders how quickly more than 120,000 square feet of office will fill up within a couple miles of each other.

"This is a lot of new development on the East Side at one time," Kleiner said. These three developments add a lot of inventory to the area."