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PHOENIX

Electronics plant closing, cutting

Business Pulse

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Is the business world truly beginning to care about the environment?
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CULTURE SHOCK

Valley arts groups seeing significant boost in revenue, subscribers, Page 3

GIVING BACK

City loan program helps turn run-down midtown hotel into rock-star haven, Page 3

TAXING ISSUE

Tax burden could shift to consumers as more business cuts are proposed, Page 4

CALLING AHEAD

Portland telecom company launching DSL, phone service in East Valley, Page 4

DEPARTMENTS

BIZ EDGE 30

BY MIKE SUNNUCKS

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A Silicon Valley electronics manufacturer is closing a production plant in Phoenix and axing more than 600 jobs.

San Jose, Calif.-based Sanmina-SCI Corp. reported the layoffs to the Arizona Department of Economic Security, and an employee at the local facility confirmed the plant would be closing. That employee asked not to be identified.

Sanmina reported to DES that it would be cutting 602 jobs between the end of June and the beginning of August. Federal law requires employers with major layoffs to report them to the affected states.

Sanmina makes printed circuit boards at the Phoenix plant and is in the midst of a corporate restructuring effort.

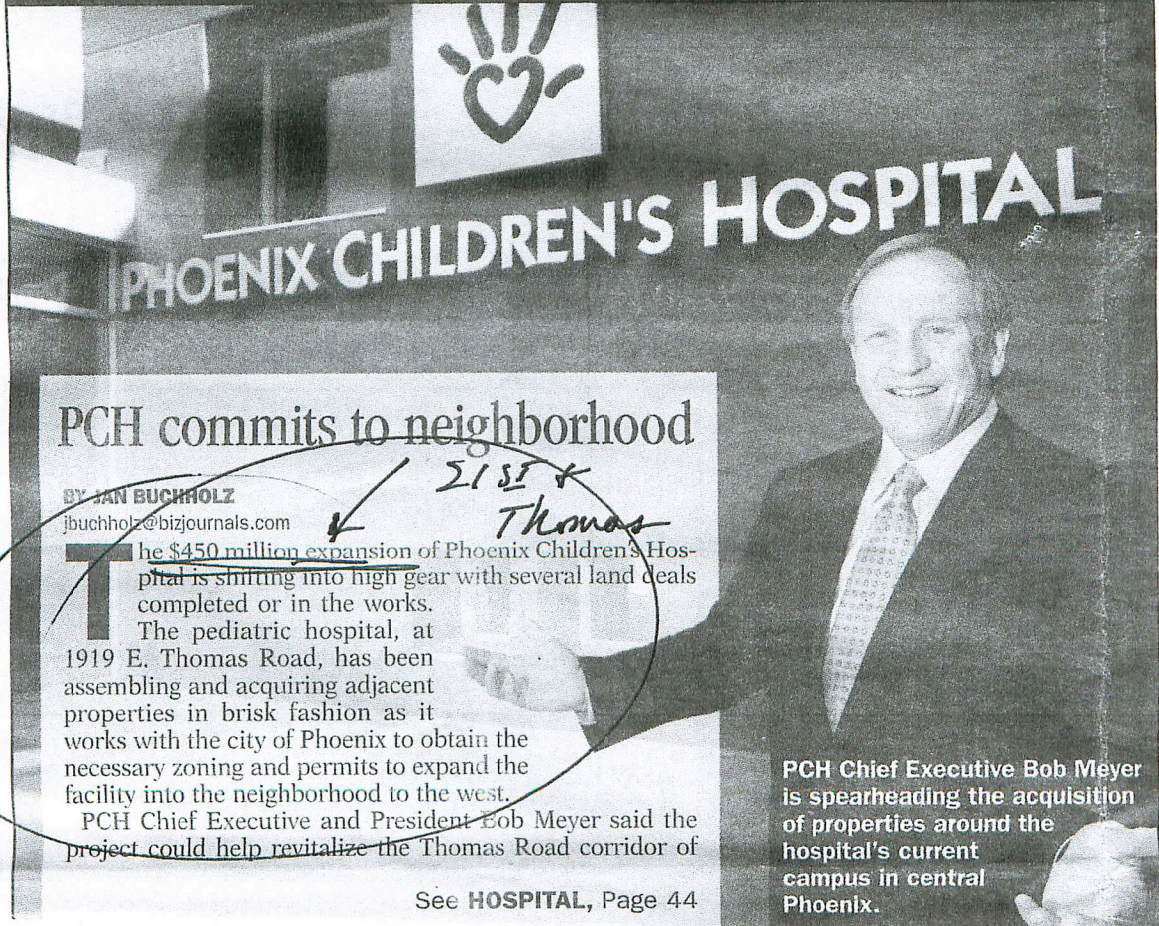
Company spokesman Michael Kovacs declined to talk to about details of the layoffs, including whether foreign or other U.S. locations would be

picking up r Phoenix.

"We don't sures," said Sanmina l China, Mala locations.

Sanmina

Embracing change



PCH commits to neighborhood

BY JAN BUCHHOLZ
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The \$450 million expansion of Phoenix Children's Hospital is shifting into high gear with several land deals completed or in the works.

The pediatric hospital, at 1919 E. Thomas Road, has been assembling and acquiring adjacent properties in brisk fashion as it works with the city of Phoenix to obtain the necessary zoning and permits to expand the facility into the neighborhood to the west.

PCH Chief Executive and President Bob Meyer said the project could help revitalize the Thomas Road corridor of

PCH Chief Executive Bob Meyer is spearheading the acquisition of properties around the hospital's current campus in central Phoenix.

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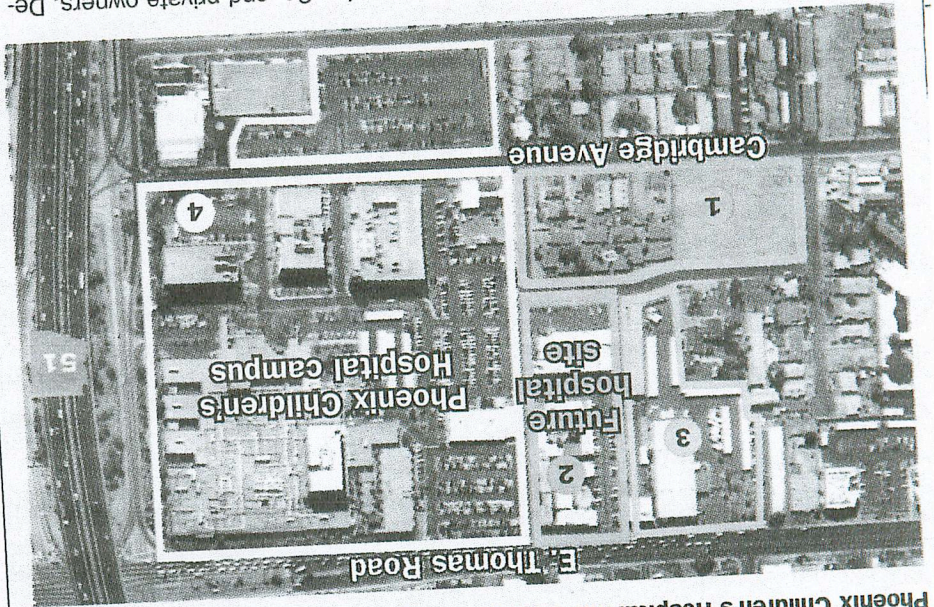
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Acquisitions, \$450M earmarked for major hospital expansion

PLANS FOR THE FUTURE

Phoenix Children's Hospital has a lot of changes on the horizon:



- 1 Properties acquired from Arizona Public Service Co. and private owners. Demolished April 2007. Currently in city entitlement process. Construction of parking garage and central power plant could begin in December or January.
- 2 Signed land lease with California owner. Property totally vacated by May 31. Construction could begin in late 2008.
- 3 In negotiations to purchase self-storage.
- 4 Ronald McDonald House breaks ground May 24. Land leased by Phoenix Children's Hospital to nonprofit.



RENDERING PROVIDED BY HKS ARCHITECTS

The Ronald McDonald House Charities of Phoenix broke ground May 24 on a Ronald McDonald House on the campus of Phoenix Children's Hospital.

This will be the second Ronald McDonald House in Phoenix.

The 17,300-square-foot facility will be constructed on the northwest corner of the State Route 51 frontage road and Cambridge Avenue. The organization is leasing the land from the hospital for \$1 a year. It will provide 18 guest rooms for the families of children being treated at PCH.

HKS Architects Inc. of Phoenix is the designer. UrbanEdge Builders of Scottsdale is the contractor. Construction is expected to be completed next year.

could be completed by early 2011.

In the meantime, Plimpton is negotiating with the California investors who own the StorQuest Self Storage facility at 1801 E. Thomas Road. "We've got a signed letter of intent, and we're in the final stages of acquiring that," Plimpton said.

That property, west of the new hospital site, could be redeveloped for research labs and teaching facilities.

The decision to stay in central Phoenix and begin the revitalization of the surrounding neighborhood is welcomed by Phoenix City Councilman Tom Simplot, who represents District 4 in which the hospital is located. "Thomas Road at the 51 will be a gateway to health care in central Phoenix. Not only will it add to the luster of the area, but it will bring that much more prestige to Phoenix in general," Simplot said. "We couldn't be more excited."

GET CONNECTED

Phoenix Children's Hospital: www.phoenixchildrens.com

to us," Plimpton said. "This is the first time they've ever done anything like this, but they were willing to do it for the children's hospital."

Almost all of the residents have been relocated to other nearby properties. The last tenants will be out by May 31. Throughout the summer, the properties will be prepared for demolition that will begin in September if not sooner. Eventually, that land will be the site of the new hospital facility, which is being designed by HKS Architects Inc. and built by Kitchell Corp.

"HKS is one of the top architects for designing children's hospitals ... and Kitchell brought an outstanding team. They've been doing a tremendous amount of medical work in town," Meyer said.

Depending on the timing of rezoning, permitting and design, the 377-bed hospital

with the situation."

The homes on that site were demolished last month, and the parcel is going through the city entitlement process. The ultimate resolution, it's hoped, will be approvals to build a new power plant to serve the entire campus and a large parking structure to be built later this year or in early 2008.

NEGOTIATING CONTINUES

In recent weeks, PCH General Counsel Laura Plimpton negotiated a 99-year land lease with the owners of the 194-unit Warren House apartments at 1819 E. Thomas Road. The complex is owned by a private family trust based in Rancho Santa Fe, Calif. None of the land in the trust can be sold outright, so the hospital negotiated the land lease. "It certainly put a hindrance to our process but they've been very accommodating