



Image from the Boise Planning & Development Services website

Hyatt Place will be built right up to the sidewalk to give it an urban setting.

## Hyatt Place construction in downtown Boise could start by Christmas

By TEYA VITU  
*Idaho Business Review*

PEG Development expects to start construction of its 150-room Hyatt Place at Bannock and 10th streets before Christmas, company CEO Cameron Gunter said.

Hyatt Place, which will occupy what is now a Boise Plaza parking lot, would be the third new downtown Boise hotel to come out of the ground since September. The Residence Inn by Marriott and Inn at 500 Capitol have both started initial work at opposite corners of Capitol Boulevard and Myrtle Street.

Hyatt Place, like PEG's other dozen or so hotels, will target Gen X travelers ages 35 to 55. Gunter also has a firm eye on millennial business travelers – those born between 1980 to 1999 – an age group in which he's gained expertise.

"It's the Gen-X era. Business travelers don't want to be in big hotels anymore," Gunter told the Idaho Business League recently. "(The Boise hotel will be) good for business, and good for families and sports teams on the weekends."

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## Bank association to members: Quit complaining about credit unions

By BENTON ALEXANDER SMITH  
*Idaho Business Review*

Bankers are being asked to refine their message and to stop focusing on the perceived tax advantages enjoyed by credit unions.

"People don't care when we say credit unions don't pay taxes," Risk Management Association president Nick Sutton said at a meeting for Idaho bankers at the Riverside Hotel Nov. 10. "We are here to discuss what might work."

Bankers and policymakers have long debated how banks should compete with credit unions. Many bankers feel credit unions benefit from unfair tax benefits, and have told media and customers that they're looking for public policy solutions to the problem.

But the Nov. 10 panel, made up of the Idaho Department of Finance, Idaho Bankers Association, and



Photo by Celia Southcombe

Nick Sutton, an assistant relationship manager at Mountain West Bank and the local president of the Risk Management Association.

American Bankers Association, told about 100 bankers representing 14 banks that the most effective strategy would be to repackage the message.

"If you argue that banks are experiencing unfairness the average consumer does not care," said Trent

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## I-84 Industrial Park largely fills up in one month

By TEYA VITU  
*Idaho Business Review*

Boise-based Rocky Mountain Companies bought the vacated Syngenta Seeds plant along Interstate 84 in Nampa in July 2013. Though Rocky Mountain had signed on a couple of small tenants, some 100,000 square feet had sat empty since Syngenta departed in 2008.

The park remained nearly unused for seven years. Then September and October came along. Mother Earth Brewing signed on for 40,710 square feet with plans to move its primary beer brewing functions from San Diego to Nampa. Off-Spec Solutions leased 2.9 acres of yard space and 3,050 square feet of office space for its trucking operation.



Chris Pearson

US Foods leased 1 acre of yard space, also for trucking purposes, and Legends Lumber Co. least 2 acres of yard space and 8,640 square feet of building space. Rocky Mountain had first brought on Harris Moran in April 2014 for 16,080 square feet and Teffco for 15,126 square feet in June 2015.

All of a sudden, the renamed, 146,932-square-foot I-84 Industrial Park was 92 percent occupied with just one "vacancy" on its 34.75 acres, a 40,000-square foot building leased through March 2016 by Materne USA for short-term storage for its nearby GoGo squeeZ squeezable apple-sauce manufacturing plant.

"It's a developer's home run," said Mike Fery, Rocky Mountain's chief executive.

"We did 115,000 square feet in September," said Chris Penland, Rocky Mountain's president. "It was a good month."

Rocky Mountain had acquired a curious industrial site, one built for a single user. The property, now called I-84 Industrial Park, is the only one property broker Chris Pearson knows of in the Treasure Valley

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Photo courtesy of Rocky Mountain Companies  
Off-Spec Solutions with its trucking fleet is one of the companies that helped fill up the I-84 Industrial Park in Nampa.



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**I-84** *'It's right on the Interstate. It's free advertising.'*

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that has abundant yard and building space for multiple tenants.

"I-84 Industrial Park is very unique in that regard," said Pearson, a broker at Thornton Oliver Keller Commercial Real Estate, which has represented the property since Syngenta put it on the market in 2008.

Rocky Mountain sought 'growing companies with dynamic leaders and solid visions that needed yard space, companies that would fit well alongside its neighbors.

"The puzzle pieces started coming together," said Ben Zamzow, Rocky Mountain's vice president of real estate development. "We view them as partners rather than tenant-landlord relationships."

TOK's Devin Pierce and Pearson had been negotiating with the tenants for five or six months while Rocky Mountain was finishing up two years of \$1 million-plus in improvements. The company insulated and painted the buildings, added a new layer of asphalt, brought in a 12-inch water line under the freeway, and tore down the trees along the freeway.

The park wasn't ready for large-scale tenants until late summer, Penland said.

"It was not very well-maintained (before Rocky Mountain bought it)," said Beth Ineck, Nampa's economic development director. "Certainly, we would not have had Mother Earth if they had not created an environment."

Fery sensed promise in the property near the Franklin Boulevard freeway exit from the onset.

"If you could buy a million-dollar property for \$200,000, would you buy it?" Fery said, speaking hypothetically. He didn't disclose the actual purchase price, though he and Penland said it was "definitely" less than 50 percent of the replacement cost.

"It's right on the interstate," Fery continued. "It's huge exposure for the tenants. It's free advertising."

The vacant Syngenta plant (except for 8,000 square feet that Syngenta con-



Photo by Teya Vitu

Rocky Mountain Companies' Ben Zamzow (left), Brian Watt, Chris Penland and Mike Fery with Penland's three-screen computer setup.

tinues to use for storage) languished on the market because the opening \$6.5 million list price and even the later reduced \$4.5 million asking price did not entice clients.

Also, back in 2013, the numbers showed an abundance of availability industrial real estate in Canyon County. But Penland and the TOK team noticed that 600,000 of the 800,000 square feet of industrial vacancy were just three properties: the former Micron Technology building now occupied by GoGo squeeZ and Heartland RV; a partly built but never completed structure for Rx Elite; and the Syngen-

ta factory.

"The statistics were misrepresentative of the actual situation," Penland said. "We figured there would be a shortage in time (with industrial property in Canyon County)."

By that time, Syngenta had dropped the asking price even more on the park that had been built in phases from 1975 to 1995.

"Syngenta wanted to get it off the books," Pierce said.

Three years ago, Pearson took Penland for a drive to Canyon County.

"That made it a little more appealing," Pearson said. "Penland was the

driving force. It was him saying 'let's put pencil to paper and see if we can make this happen.'"

"Instead of 140,000 square feet," Penland said, "we were looking at leasing it by individual 2,000- to 40,000-square-foot buildings."

Rocky Mountain is thinking beyond the existing buildings. The park has 11.9 acres of excess land along the freeway.

"We have surplus land designed to accommodate 150,000-plus square feet in multiple buildings, depending on tenants' requirements," Penland said.

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