

The Gigabit Life: San Travesia, Scottsdale, Ariz.

This month, **BROADBAND COMMUNITIES** showcases San Travesia, an elegant new community located near Scottsdale's quaint Old Town. Developer Mark-Taylor wanted the apartments to have the best of everything, including Internet access, so San Travesia became one of the first Cox G1GABLAST communities. "It's pretty fantastic," said one new resident of the gigabit-speed, fiber-to-the-unit service. Thanks to John Carlson of Mark-Taylor and Denise Tremmel of Cox Communications for providing the information for this profile.

By Masha Zager / *Broadband Communities*

Things are percolating in the McDowell corridor, a formerly rundown, 8-square-mile portion of southern Scottsdale. Ever since the mall that anchored the area closed, the city has promoted revitalization there; today, private capital is pouring in, and new jobs are opening up. The McDowell corridor has great potential because it's close to everything – the Phoenix beltways, the Sky Harbor Airport, Arizona State University, the quaint Old Town (Scottsdale's downtown area) with its financial and health care institutions, and the cities of Phoenix and Tempe.

"It's a phenomenal location," says John Carlson, vice president of the residential division of Mark-Taylor, one of Arizona's largest apartment developers. So phenomenal, in fact, that Mark-Taylor chose it as the site of a Next Generation community – the designation it gives its newer assets, whose living units, Carlson says,

are "more like modern, custom homes" than like apartments.

Assembling the 29-acre site was a complex undertaking – Mark-Taylor had to redevelop several parcels, including the dilapidated mall – and took several years. It was worth the effort, Carlson says: "We felt this was the ideal product for an urban environment like south Scottsdale. An opportunity with this much space is quite rare. We leveraged the expansiveness by building the Valley's largest rental units. ... We believe residents appreciate that apartments don't have to be compact just because they're in urban locations."





San Travesia (named after the Spanish word for “crossroads,” not for an actual saint) opened in January 2015, complete with “everything a discerning apartment resident expects, and more.”

The property is already nearly half leased; the average resident age is 32, and the average household income is above \$100,000. Residents include both empty nesters moving out of their houses and young professionals who aren’t ready to buy their first houses.

One thing Mark-Taylor expected discerning residents to want was good Internet access. Fortunately, the property was being planned at about the

same time as Cox Communications’ 1 Gbps service, branded as G1GABLAST. When Cox approached the developer about installing the new technology at San Travesia, Carlson

jumped at the chance. “Our strategy is long-term hold,” he explains. “We’re not looking to exit. We wanted to be armed with the right technology to take care of our residents on a going-forward basis.”

PROPERTY OF THE MONTH HIGHLIGHTS **~ San Travesia, Scottsdale, Ariz. ~**

- Luxury apartment community in a rapidly redeveloping area of Scottsdale
- One of the first Cox G1GABLAST communities
- Fiber-to-the-unit network supports 1 Gbps Internet access along with other services

PROPERTY OF THE MONTH

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The choice appears to have been a good one. When the property first opened, leasing agents had to explain to prospective residents what a gigabit was; today, residents tell their friends about the gigabit service, and the friends call the leasing office to ask when they can move in. The property is

9 percent ahead of its rent projection – which, given that Mark-Taylor prides itself on accurate projections, is “very significant,” Carlson says.

The company’s next three developments will all be G1GABLAST communities. “There’s no going backward at this point,” Carlson says.

‘EVERYTHING WORKS AT THE SPEED OF LIGHT’

Residents of San Travesia are enthusiastic about having gigabit Internet service and say it makes a positive difference in their lives. Rob Wax, a business developer for an energy services company, uses his Internet connection for both work and play.

“I don’t really have hours,” he explains. “I work when my customers are working. We do a lot of videoconferencing. My team is spread out across the Southwest, so we use GoToMeeting. It’s critical to have high-speed Internet so we don’t have choppy calls and so we can download files without cutting down the bandwidth for the call. That’s what clogged everything up [before moving to San Travesia] – we’d be doing a video call, and a 5 MB file would take forever to download, or the call would get choppy.

“Now, I don’t have to go into the office as much. I’m on the road a lot, and when I get back and I can work from home, it’s pretty fantastic – it’s a stress-free environment. It makes life a lot easier for me.”

Wax, a former New Yorker who says patience is not his virtue, also appreciates being able to download a high-definition movie in five seconds. “It’s a crazy thing to watch. I used to have to check back on the progress. Now it goes from 0 to 100 percent instantly. It’s the coolest thing to see. Everything works at the speed of light.”

At another G1GABLAST community, Park Place in San Diego, resident Andy De La Cruz is equally appreciative of the gigabit Internet service. De La Cruz works from home full-time, counseling patients as they return to the “real world” after stays in rehabilitation centers. He spends most of his time on video or VoIP calls while logged in to several Web-based applications. For him, gigabit service means not having to worry about whether his roommate might be trying to use the Internet during his work hours.

“Before, I would notice a total difference if there was someone in the other room – it would freeze up, or there would be a lag in the video feed,” he says. That no longer happens – and, “for our line of work, that’s very imperative, and very helpful.”

“The take-home is that, as you move into the future, apartment properties might be branded or labeled in terms of their Internet access as much as their curb appeal. If owners don’t plan for that, they’ll miss an opportunity.”

VITAL STATISTICS

Property Description: San Travesia is a two-phase (441 units and 131 units), 572-unit community that covers 29 acres, with large, open, recreational areas and an amenity package for residents that includes a 6,000-square-foot fitness facility, a spinning and yoga studio, a poolside volleyball court and outdoor living rooms. It is the only contemporary, low-density rental community in the midst of the high-rise developments in downtown Scottsdale.

As part of “The Next Generation of Mark-Taylor,” the apartments have features that are expected in modern, custom homes, such as kitchen islands, custom wood cabinets, clean steel appliances, distressed plank flooring, oiled-bronze fixtures, pendant lighting and direct-access garages.

The McDowell Road corridor, where San Travesia is located, has garnered acclaim for its ongoing revitalization. Helped in large part by its irreplaceable location, directly between Loop 101, Loop 202 and Sky Harbor Airport, the area has become a very attractive residential option.

Demographics: The average age is 32, and the average household income is \$100,400.

Greenfield or retrofit? Greenfield

Number of units: 572

Style: Garden apartments

Time to deploy: 21 months

Date services started being delivered:
December 4, 2014

SERVICES

Services offered on the network: High-speed Internet access with top speed of 1 Gbps, digital video with DVR

and video on demand, telephone, common-area Wi-Fi with 50 Mbps, home security and automation

Technical support: Provided by Cox

BUSINESS

Which parts of the network are owned by the service provider, and which are owned by the property owner?

The distribution system is owned by Cox. Inside wiring is owned by Mark-Taylor.

Is there a marketing agreement with the property owner? Yes, there is an exclusive marketing agreement.

Does the agreement include an incentive such as a door fee or revenue share? Yes.

How do the service provider and owner work together to market the services?

Cox and Mark-Taylor work together to have active Internet service turned on before a resident moves in. Cox supports property events, and in return it is provided with an opportunity to market services at key events.

Is there a bulk-service agreement? No.

Network benefits: Prospective residents are asking about the gigabit Internet service, and the property is leasing faster than expected.

TECHNOLOGY

Broadband architecture: Fiber to the unit. Within each unit, signals are distributed via Cat 6 cables and a wireless 802.11ac gateway.

Where are ONTs placed? In each unit's structured wiring panel

Technology used: GPON for Internet service, RFoG for video and telephone service

Methods for running cables between and within buildings: In-ground conduit and risers

LESSONS LEARNED

Answers from John Carlson, Mark-Taylor:

What have you learned about the role of technology in multifamily communities? The Internet has

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become deeply embedded in residents' everyday lives, and an era is approaching when people are not constantly limited by the capabilities of their connections. Increased connectivity will change all aspects of life, including the existing business model. Sensors will be located everywhere on the property – including thermostats, appliances, doors, lights, plumbing fixtures and so forth – feeding digital information to the cloud. A washing machine will send an electronic alert to management to inform them what the issue is and what part is needed for repair. The system will automatically schedule a repair based on availability of the technician and resident. This will allow for a much more efficient working environment and communication platform.

Ultimately, people will expect to be able to access and control everything they own that uses electricity all the time from any location, using a device they always have with them.

The take-home lesson for apartment firms is that, in the future, apartment properties may be branded and labeled as much for their Internet services as they are for their unit finishes and curb appeal. It will be imperative that owners anticipate and plan ahead for broadband demand if they hope to capture a share of the 86 million millennials and more.

What feedback does the leasing office get from residents? What has the experience taught them about marketing, installing or supporting these services? The leasing office gets

a lot of positive feedback about the service – people haven't seen speeds like that before. There are also a lot of comments on the customer service and installation. You could have a great product, but without the customer service, you wouldn't get that kind of feedback. Cox really nailed it.

Prospects who work from home are very excited to know that 1 Gbps service is available. They can work more efficiently, and there is no downtime when downloading or uploading documents or other work material. Some prospects do not have a great deal of understanding of the 1 Gbps product, but after the team explains the benefits of fiber optics and the speed, it does make a difference in their decision to lease. The staff is quick to point out that no other community in San Travesia's submarket has 1 Gbps service available.

Because San Travesia was the first community to roll out 1 Gbps service, our leasing strategy for marketing was mainly word of mouth paired with Cox Communications' social media campaigns, news articles and television exposure. This really gave us the edge up on our leasing presentation. The team pushed the campaign of being the first community to roll out the 1 Gbps service. Ultimately, word got around, and prospects started asking first about the service at the first point of contact. ❖

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