

Commercial Real Estate

Axon confident in long-term vision for Scottsdale HQ months after public spat




Image: Jim Poulin | Phoenix Business Journal

Charles Huellmantel, an attorney with Huellmantel & Associates, chats with Axon CEO Rick Smith on the manufacturing floor in Scottsdale.

JIM POULIN | PHOENIX BUSINESS JOURNAL



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When CEO Rick Smith said Axon Enterprise Inc. was exploring markets outside of Scottsdale for the company's long-term headquarters, he was prepared for contingencies.

But the company, which makes Taser guns and other products for the law enforcement industry, ultimately decided to press ahead and revamp its plans to try and make it work in the Valley.

"We've been approached by a lot of folks ... these are pretty highly coveted [jobs]." Smith said. "Our goal is to get it done here. We do know there will be plenty of other options, but I want to stay focused."

The Phoenix Business Journal sat down with Smith at Axon's current Scottsdale headquarters on Oct. 28, months after a [frosty reception during a Jan. 24 meeting](#) of the Scottsdale Planning Commission where it proposed its new global headquarters and mixed-use development on some 74 acres near the southeast corner of Loop 101 and Hayden Road.

Facing resistance to the plan, Axon requested [and was granted a continuance](#) at the Feb. 14 Scottsdale City Council meeting.

In the subsequent weeks - and even during a company earnings call - Smith called out the city of Scottsdale and questioned whether the city wants Axon to remain in town, suggesting the company had started exploring other options. While he did not disclose what markets the company was exploring, Smith reiterated that the priority remained developing the campus in Scottsdale.

"[Moving the plans elsewhere] would set this back pretty dramatically in terms of hitting the restart and the zoning and all that," he said. "I think we can get it done here."

Over the last few months, Axon (Nasdaq: AXON) made significant changes to the plan and have had ongoing conversations with traffic planners and water resource experts to iron out the feasibility. Smith said conversations with decision makers who will vote yes or no on the project have recently begun; to that end, Commissioner George Ertel left Axon's building as the Business Journal prepared to interview Smith.

New project proposals were filed to the city of Scottsdale just days ago. Smith now expects some of the changes made to the vision will result in a thumbs up to proceed. Charles Huellmantel of Huellmantel & Associates - an attorney representing Axon in its rezoning case - said the project is set to be heard by the planning commission on Nov. 13 and city council on Nov. 19.

Axon adjusts headquarters campus plans

While Axon already has the zoning green light to proceed with developing its new 400,000-square-foot office headquarters building, other portions were not received well by Scottsdale officials.

Axon originally proposed to rezone about 32 acres on the west end of the parcel to make way for more than 2,500 multifamily residential units, a 100-key hotel and retail in six five-story buildings.

Residents expressed concerns about the impact on traffic, neighborhood density and increased water use that would come from the housing portion.

Axon has also adjusted its plans with the hopes of receiving a more positive reception this time around.

The nearest buildings would now be 420 feet from the nearby neighbors' back walls, which is further back from the previous version (295 feet). Axon's new version also realigned roadways to create a wider buffer from the campus to the neighborhood.

The campus is designed to be walkable with 1.5 mile running trail; a 13,000-square-foot dog park; and 49,486 square feet of restaurants and retail.

Axon still wants to build restaurants and retail, along with a hotel, but plans now call for a 23% reduction in residential units. Of the 1,965 units contemplated, 365 would be owner-occupied condos. The housing component is a recruiting tool for highly sought after tech employees who Axon will be competing for against top companies.

Smith also said a 435-key, five-story hotel – more than [four times the size of the original vision](#) – is essential to the project as Axon can play host to current and future conferences, as well as big company events. The atrium in the planned office building will have a capacity of 2,000 with a floating platform for speakers to reach an audience across multiple levels. The goal, Smith said, is to make the campus the "epicenter of public safety."

"I'm itching to get the [office] building going," Smith said. "We will go as soon as we can get clarity that the whole project is a go."



Image: Jim Poulin | Phoenix Business Journal

AXON CEO Rick Smith.

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Should it receive all approvals and move forward in developing the site, Smith estimates it'll be a multi-phased project built over multiple years.

Axon bought the land for \$49.1 million at an Arizona State Land Department auction in September 2020, a month after the company [reached an agreement](#) to keep its headquarters in Scottsdale. Axon's current headquarters is just to the southeast of the 74-acre site at 17800 N. 85th Street in Scottsdale. Smith said the plan is to keep the building even after the new world headquarters is built out.

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