



The Growth Machine

East Valley development cycle continues to churn

When thoughts of growth and the east Valley come to mind, Tempe and Mesa are usually the first to be considered. But its sister cities—Queen Creek, Chandler, Apache Junction and Gilbert—are also feeling acute growth. It has become a situation that begs to be clichéd: the East Valley is growing like a weed.

Queen Creek, for instance, has a population of 4,500 within its 48 square miles and is issuing 30 building permits a month. According to Queen Creek Mayor Mark Schnepf, the town of Queen Creek has always known that growth was going to reach them, and so a plan was put into place 10 years ago to prepare for it. "It's not catching us by surprise," says Schnepf. "We are fully prepared in terms of planning for the growth that is coming our way." Schnepf adds, "If we stick to the plan, we are going to have a community 20 years from now that will be the jewel of the East Valley."

To accomplish this task, Queen Creek has become aggressive in encouraging businesses to locate in the city, focusing on retail and industry. The city has 800 acres zoned for industrial use just waiting to be snapped up. And the leaders of the community are wooing all available prospects.

"We have a very sophisticated economic development committee, which is putting together strategies to identify the clusters that we want to go after," says Schnepf. "We work with the Department of Commerce and any other government agency that may be able to assist us in attracting businesses into the community."

As would be expected with tremendous growth, Queen Creek is experiencing an acute housing shortage. The average house now costs between \$160,000 and \$170,000 and prices are rising. To alleviate some of the pressure, the city's first medium-density, master-planned community is expected to be completed, within the year. Despite all the pains that go along with growth, Schnepf touts all the positives of moving to Queen Creek. "We have more open space, good schools, and it's a very safe environment with a low crime rate," he says. "We are a city that

values its agricultural heritage and we're working to preserve that within the community."

Not surprisingly, Chandler is also experiencing explosive growth. In January of this year, the city's population stood at 163,000. In May, that figure had soared to 180,000 and is still growing. To manage the influx, Chandler held its annual forum in May this year to focus appropriately on managing growth throughout the city. The forum, called Chandler Today, is an annual event in which many of the city's leaders come together for an economic progress report on where the city has been and where it's heading.

Like Queen Creek, Phil Guana, director of business development for the Chandler Chamber of Commerce, says Chandler is attracting many retail and industrial companies. Some of those companies include AJ Fine Foods, Cosco and Wal-Mart. Bank First is also building a call center. "Retail is exploding," he says. "When you bring in industrial, you create retail, and I think that's what is happening."

Without question, some of the biggest problems facing the east Valley concern traffic congestion and efficient, affordable transportation. These problems could have been somewhat alleviated in Chandler if a May 18 vote, approving a three-eighths of a cent sales tax to fund and improve bus service, had been successful.

Guana says the Chandler Chamber of Commerce fully supported the tax, which would have raised the city's tax rate to 1.87 percent. "When any city grows as fast as this is growing, [traffic congestion] is the nature of the beast and part of the deal," he says. "The transportation tax would have alleviated a lot of the transportation issues we are experiencing right now."

Other cities in the east Valley have found more success. In 1996, Tempe approved a half-cent sales tax to increase its bus service. Mesa also approved a 13 percent sales tax increase for its transportation projects last year. But voters in Scottsdale and Phoenix rejected similar increases.

by Cynthia Scanlon

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To alleviate traffic congestion, much of the East Valley is also pinning its hopes on the completion of the ambitious San Tan Freeway, which is expected to open in seven years. Once finished, it will move from Chandler through Gilbert and end up outside of Williams Gateway Airport.

For Apache Junction, traffic congestion does not appear to be as critical a problem. That, says Curtis Shook, city manager for Apache Junction, is due, in part, to pre-planning. The city has steadily installed street lights and other signal systems to keep the cars and trucks moving. The city has also created controlled landscaping and site development ordinances as well as instituting development fees to help contain and manage its growth.

The city discusses its new rules and regulations for development with its residents and then assesses appropriate fees for each new project. It is, in fact, those development fees that currently has the city in a legal battle with developers. Like most cities, Apache Junction requires development fees that are payable with the taking of a building permit to finance roads, police, libraries, recreation and municipal buildings.

Where Apache Junction differs from its sister cities is in the requirement of developer's to pony up an additional school fee. "We are the only community to access a school development fee," says Shook. "Right now, whether or not the city has the right to access school development fees is being argued in the courts."

Shook says the Homebuilders Association of Central Arizona has filed suit against the city asking the court to rule on whether collecting such a fee is legal. But until such a ruling comes down, Apache Junction continues to collect the school fee from developers.

And fee dispute or not, developers continue to pour into the city. Three-thousand new homes have been built in the past 18 months, according to Shook. "If you use an average of three people per home, we're averaging 110 new building permits a month," he says.

The draw to Apache Junction, says Shook, comes down to quality of life. "People tell us they are moving here because it's a beautiful place, and it's the home of the Superstitions," says Shook. "We live a relatively relaxed lifestyle in comparison to some of the cities in the metropolitan area."

Relaxed would not exactly be the word used for Gilbert's growth. Currently, 1,000 people a month are moving into the city, according to Mayor Cynthia Dunham. To accommodate that growth, Dunham's main goal is creating solid financial

stability for the community. By bringing the jobs closer to where people live, she hopes to lessen the burden of traffic congestion, commuter stress, and negative impact on the environment.

"We have increased our emphasis on economic development because we've been a bedroom community, and we need to have a more diversified portfolio," says Dunham. "We cannot afford for our taxes to continue to go up to support services."

Like many other cities, Gilbert has targeted potential business clusters with a primary focus on retail. "Right now we are too dependent on the sales tax revenues that are generated by the construction industry," she says. "We need to be more financially stable on other sources of revenue," Dunham says.

Gilbert is also looking seriously at its traffic congestion and trying to find cost-effective solutions. The mayor wants to upgrade bus service throughout the city and also look to other transportation alternatives including a light rail proposal that would travel from Glendale, down through Phoenix, through Tempe, into Mesa. In 1980, Gilbert issued 90 building permits. In 1998, that number jumped to 3,379.

According to Dunham, Gilbert has not begun purchasing property and retiring it from being developed, a move, she says, that would dramatically control growth. And while she admits the percentage of residents willing to take a look at the issue seriously has been increasing, she is still not confident such a measure would be approved on a ballot. "If our community really wants control to the greatest degree that it could, then we need to buy the property and development rights," she says. "That's where we've hit our wall for now because it's a difficult thing for people to get their arms around."

Dunham points out that two years ago, Gilbert residents did vote for an \$85 million budget override to build four schools. "If we had voted that amount of money to allow the town to purchase property, think of all the acres that we could have retired," she says.

Still, the city seems to be growing at a managed pace, and Dunham credits much of that to its Public Participation Rezoning Pilot Program, which allows residents to come together with developers before [a project] comes to the pre-application process. "Everyone is more amenable to identifying the issues and getting them worked through," she says. "When the community has a strong voice in what happens, I think that is the greatest control method possible."

AB

Cynthia Scanlon is a Tempe free-lance writer.

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