



Planning & Development Services

7447 E. Indian School Rd.
Scottsdale, AZ 85251

December 26, 2007

Tonto Hills Improvement Association
Attn: Board of Directors
42033 N Old Mine Road
Cave Creek, AZ 85331

RE: Clarification of Points Regarding Letter Sent to Tonto Hills Property Owners

For the most part, this letter reasonably represents comments made by myself, Doug Mann, and others from the City of Scottsdale regarding various options for dealing with the changing ownership of the water system at Tonto Hills and any possible consideration for annexation. There are a few points of clarification I would like to add:

1. The City of Scottsdale typically will not pay for the acquisition of a water company as part of an annexation. We possibly would accept the donation of a water company as a part of an annexation. There is a very slight possibility such acquisition could be done as part of an improvement district. The basic policy has been that the City does not pay for such items in annexation and that the property owners in the annexation area should be responsible for paying for improvements needed to achieve city standards.
2. The City of Scottsdale would not pay for upgrades to make the existing water system meet city standards. That most likely would need to be done through an improvement district process.
3. In order to process an annexation, the City does considerable analysis. Therefore, the Council in years past (it has been over 5 years since such an annexation) has looked for considerable property owner interest before they would direct staff to proceed with such an analysis. Hence the expectation that substantial interest be demonstrated before further efforts toward such an action be undertaken.
4. Given the complexity of the conditions that already exist in this neighborhood, we expect that a pre-annexation agreement between the association and the City will be necessary to outline and document the many different understandings that would be embodied in an annexation.



Annexations under Arizona law are a petition process by the property owners. Therefore, it is important that the affected property owners be substantially in support of the proposed annexation and that there be a limited number of representatives from the area who can work through all the items with the City that are part of such a significant action.

Don't hesitate to let me know if you wish further clarification.

Regards,

A handwritten signature in black ink, appearing to read "Don Harder", written in a cursive style.

Don Harder
Principal Planner

CC: Mayor Manross
Scottsdale City Council