Tonto Hills Annexation Study 2008

General Description

Tonto Hills is a subdivision created in 1961 that is located east of the Desert Mountain development and north of the turn-off to Bartlett from Cave Creek Road. It is surrounded on the southwest and southeast sides by portions of Desert Mountain that are also in the City of Scottsdale and on the north side by the Tonto National Forest. This is the last developed neighborhood before entering into the Tonto National Forest. Further to the north a few miles are the Camp Creek cluster of homes (burned out a couple of years ago) and the Seven Springs campground.

The site that this subdivision is located on is the eastern flank of Apache Mountain and most of the subdivision drains toward Camp Creek wash, with small portions along the west side draining to Cave Creek wash. One large wash, Blue Wash, runs across the north end of the subdivision. There is about 300 feet of elevation across the area and the area is nearly 4,000 feet above sea level. The area receives an average of over 10 inches of rain each year and as a result the natural vegetation represents a cooler and wetter climate than most of the Valley of the Sun.

Tonto Hills is only accessed via Cave Creek Road. There is no other viable access route to this site. Currently the area is served by a private water company and there is no sewer service to the lots. Most of the roads are not paved, with the notable exception of a portion of the main road that was covered with a chip-seal by the County in order to minimize dust.

There are 196 residential lots and 23 commercial lots within the subdivision. There is also one large tract on the west side that once was designated to be a resort.

Planning and Zoning

Most of this subdivision is composed of residential lots. The current County zoning is R-35 (Single Family with lot sizes of at least 35,000 square feet). The most comparable City of Scottsdale zoning would be R1-35. The small area of commercial lots at the main entrance are zoned C-2, which is similar to the Scottsdale district with the same title. The former resort site, which has been subdivided into residential lots, also has the original C-2 zoning even though it is not being used for the intended purpose.

The average lot size across the subdivision is 1.8 acres (roughly 79,000 square feet). This would indicate that the residential portion could also be zoned in Scottsdale as R1-70. The setback standards are roughly the same in the County and Scottsdale ordinances, so there would be relatively little impact in going to the Scottsdale version of the base zoning. About 1/5 of the built lots have equestrian facilities. The adjacent National Forest areas are attractive to horse owners.

The major impact of applying Scottsdale zoning to the area would be the Environmentally

Sensitive Lands ordinance. All nearby areas in Scottsdale have this overlay and there are a number of impacts that would result in its application:

NAOS – There is no equivalent provision in the County zoning ordinance. The 123 residential lots that currently have homes on them have no NAOS, although most have only built on a portion of the lot and have retained a significant area of natural desert. The remaining 73 vacant lots would be required to provide NAOS when they came in for building permits. The commercial lots are very small, and unless they were combined into larger parcels it would be difficult to provide NAOS on these.

Building Height – The current maximum building height under the ESL overlay is 24 feet above natural grade. The currently allowed building height is 30 feet. Some existing homes have 2-story elements and many of the one story homes have been built on pads where the home tops out at more than 24 feet above natural grade.

The ESL requirements for the use of native and compatible plants in landscaped areas would render some home sites as non-conforming as well as the maximum Light Reflective Value (LRV) limits. In general the limited water resource to the area has encouraged minimal landscaping and building designs are generally similar to those in northern Scottsdale.

There would need to be some discussion with the owners of lots in the former resort tract to determine what the most appropriate zoning should be.

Regarding the City's General Plan, most of this area would be shown as Rural Neighborhoods. The commercial area is so small it may not be detectable on the city's Land Use Plan map. This commercial area is not likely to be built since there is no population base to support such uses, therefore, it would be advisable to discuss alternative land uses with the owner(s) of these parcels.

Water and Sewer

The private water system serving Tonto Hills does not meet the service and emergency fire flow standards that are used in Scottsdale. If the area were to be annexed into Scottsdale, the water system would need to be completely rebuilt. Given the altitude range across the subdivision, the area would be in 3 water pressure zones. The 71 acre-feet of CAP water allocation has been adequate to serve the area based upon historical water use records but ultimately may be somewhat short based upon the city's historical water use records. There currently are no fire hydrants (the existing water system has standpipes) and the homes likely do not have sprinkler systems since they are not required in the County areas.

New off-site water lines providing secondary sources of supply will need to be provided in order to achieve greater reliability, and the entire on-site distribution system would need to be replaced. The estimated cost to replace the existing water distributions system with one that meets city standards is in the range of $6-7 million dollars. Roughly allocated across the 196 residential lots this would be in the $30,000-36,000 per lot range. Anticipated revenues from Water, Sewer and Water Resource development fees would be well short of

the costs to upgrade and build Scottsdale quality systems to serve the area.

Currently all homes in the area have septic types of wastewater systems. In general the porosity of the decomposed granite soils can support this approach. However, the City of Scottsdale has long required subdivisions to be served by public sewer systems and the water from such areas are then processed and recycled. It is physically possible to sewer this area if there were a pump station located at the northeast corner of the subdivision. This would be a key policy decision by the City Council in considering a possible annexation. If the city intends to have the area served by sewer, it would be logical to install the sewer lines at the time the water system is being rebuilt so that the streets are torn up at one time. A rough estimate of a sewer collection system across this subdivision is in the $4.5-5.5 million dollar range. If allocation across the 196 residential lots this would be in the range of $23,000-28,000 range.

A possible financing solution of the water and sewer improvements would be to form an Improvement District and finance the improvements over a 10 year period of time with the debt service payments made by the property owners within the District area.

Streets and Circulation

There are about 8 miles of streets dedicated in this subdivision as well as roughly one mile of Cave Creek Road fronting the subdivision. Currently Cave Creek Road is the only truly paved road in the area. About ½ mile of Old Mine Road has been hard surfaced and the remaining roads are dirt surfaced. The County is currently considering the paving of another ½ mile of roadway in order to control dust and deal with erosion on the roads. Given the number of lots serviced by most roads, most of them would at least need to have a dust palliative applied to them. It is probable that 1-1 ½ miles would ultimately need to be paved in order to meet the particulate standards for the Valley. The city's estimated cost for this 1 ½ miles is $870,000, and this does not include curb and gutter. It might also be advisable on some of the steeper roads to provide a surface treatment that prevents erosion in order to reduce long term maintenance costs. The long term costs to the city would be notably lower if the roads were to be paved – the cost to maintain unpaved roads is $72,000 per year per mile versus $10,000 per year per mile for paved roads.

Given the low residential density and the relatively steep terrain, there are no sidewalks or bike lanes within or adjacent to this subdivision. There are some trails in the nearby Tonto National Forest, but for the most part these are not connected to this neighborhood.

Police and Fire Service

The area is currently served by the Maricopa County Sheriff's Department for public safety function and Rural Metro and a volunteer fire service for fire service functions. The nearest fire station is in Scottsdale roughly 2 miles away.

It is unlikely that annexation of this area would require any significant changes in personnel and equipment to serve the area. The most significant issue would be that the existing

homes are most likely not sprinklered whereas virtually all the homes nearby in Scottsdale that were built after 1986 are. This would result in a heightened focus on response time. Of note is that anyone with an existing home that would desire to make a substantial addition or remodel of these homes would be required to install a sprinkler system. The number of calls each year into this area would be small.

One issue that will arise is that there would be marginal radio access to this area since it generally lies east of a major drainage divide. As with nearby areas in the upper portion of Desert Mountain, local topography makes communication for emergency services difficult in this region.

Drainage

Most of this subdivision is located on top of the drainage divide separating the Camp Creek and Cave Creek basins. As a result, most of the washes are relatively small. The exceptions to this are the Blue Wash at the north end and a couple of significant washes in the southern portion of the area. Overall, there are about 15 identifiable washes flowing across the area. Most of the road crossings are 'wet' but there are a few culverts. It appears that these culverts were not engineered and are inadequate to handle the flows that would be expected to go through them. There are 25 to 30 wash crossings that would need to be managed with culverts or have existing culverts replaced. The rough estimate for this work is over $530,000.

The only developed area downstream is a golf course and given the age of the subdivision, it is unlikely that detention basins would be needed.

Sanitation

The area currently is served by private sanitation pick up companies. Adding this area to the city's service would not likely result in the need for any additional personnel or equipment. Each homeowner would need to purchase city containers ($150 per home) and would be billed monthly for service.

Tax Revenues

It is unlikely that the commercial parcels would ever truly generate any significant Sales Tax revenue, therefore the only expected tax revenue would be from Property Taxes. Given the value of the homes and property in the area, the current tax generation per year would be roughly $330 per home and $125 per vacant lot. Under the current amount of building, the annual Property Tax revenue would be in the range of $50,000. If all the lots were improved with homes the revenue would rise to about $70,000. It should be noted that any increase in revenues from this subdivision would result in a loke decrease in the total amount of property taxes collected from all other property tax payers in the City of Scottsdale since the total amount of property taxes that the city can collect is capped.

Summary

In general, the Tonto Hills subdivision is similar to nearby areas in Scottsdale in terms of lot size, housing type and general character. However, given the extended age of the subdivision, the infrastructure serving the subdivision is significantly inadequate. The rough estimate to bring the entire subdivision up to basic current city standards is in the $18,000,000 – $21,000,000 range. Bringing the area into a workable condition for infrastructure could be done in the $10,000,000 - $12,000,000 range. The city has mechanisms such as improvement districts that could be used to upgrade this infrastructure. This would be a major work effort that might not be achievable without city assistance. Overall, due to the predominantly low density single family character of the area, it would not generate revenues commensurate with the costs to serve it.