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Industrial output, home building exceed expectations

By MARTIN CRUTSINGER and DANIEL WAGNER
AP Economic Writers

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WASHINGTON — Hopes that the economy can sustain its recovery drew support Wednesday from news that industrial ouput rose for a seventh straight month and home construction hit a six-month peak in January.

Analysts cautioned, though, that the gains in both sectors could falter if consumer demand weakens.

The report on industrial production from the Federal Reserve showed gains in all three major categories: manufacturing, mining and utilities. It was the first such collective show of strength since August. Manufacturing output rose 1 percent, led by a nearly 5 percent gain in auto production.

Manufacturing has been a big contributor to the early stages of the economic rebound. In the fourth quarter, for example, roughly two-thirds of growth came from a burst of manufacturing activity. Factories have been churning out goods for businesses that had let their stockpiles dwindle as a way to save cash.

A separate sign of strength came in a Commerce Department report on housing construction. Home building posted a better-than-expected increase last month.

Construction rose 2.8 percent to a seasonally adjusted annual rate of 591,000 units. That was better than the 580,000 annual pace economists were forecasting. Applications for building permits, a gauge of future activity, fell 4.9 percent to a rate of 621,000. That followed two months of sharp increases.

Also Wednesday, Federal Reserve policymakers forecast that unemployment will stay high over the next two years. They said it will take “some time” for the economy and the job market to return to normal. The policymakers did not spell out how long that would be. Previously, they suggested it could take five or six years for economic conditions to return to full health.

In its updated projections, the Fed said the jobless rate this year could hover between 9.5 percent and 9.7 percent and 8.2 percent to 8.5 percent next year.

The Treasury Department, meanwhile, said the federal budget deficit through the first four months of the budget year is running at a record-breaking pace. The red ink reflects the continued fallout from the recession and financial crisis. It highlights the challenges President Barack Obama faces in trying to get the deficit down to manageable levels.

In the meantime, U.S. manufacturers are benefiting “across the board” as companies rebuild inventories, creating especially robust demand for metals, chemicals and paper, said Thomas Duesterberg of the Manufacturers Alliance/MAPI, an industry group.

Still, companies will eventually let their inventories fall again unless consumers — who account for about 70 percent of the economy — spend more. Unlike past rebounds driven by the spending of ordinary shoppers, this one appears to hinge on spending by businesses, foreigners and — until it runs out — government stimulus.

Last month’s gains in home construction add to evidence that the industry is starting to sustain its recovery from its worst slump in decades. Still, analysts noted that most of the strength came from a jump in the volatile sector of apartment buildings. The much larger single-family category rose only slightly and didn’t make up for a sharp decline in December.

Overall housing activity remains sluggish. Construction is now 23 percent above its record low of April. But January’s seasonally adjusted annual rate of 591,000 is still far below a normal monthly construction rate in a healthy economy: An annualized rate of about 1.5 million single-family homes and apartments per month.

Patrick Newport, an economist with IHS Global Insight, said he doesn’t think construction will return to that pace until early 2012. He pointed to problems in the market for multifamily buildings, including high rental vacancy rates. Builders also are having trouble getting construction loans.

And economists cautioned that a housing recovery could stall if the government's tax credits for home buyers expire as scheduled at the end of April. They also noted that the gains in industrial production, though encouraging, may provide only limited benefit to the broader economy.

"Unfortunately, activity in other sectors of the economy, such as housing and services, is still relatively weak," Paul Ashworth, an economist at Capital Economics, wrote in a research note. "The problem is that the factory sector is now such a small part of the overall economy that the wider impact will be modest."

The increase in home construction last month was led by a 10 percent jump in activity in the Northeast and an 8.9 percent increase in the West. Construction was up a smaller 1 percent in the South and 3.2 percent in the Midwest.

The strength in January pushed construction activity up 21.1 percent from the pace in January 2009. Even with last month's gain, the annual rate of construction starts remains 72 percent below the peak reached in early 2006, when a speculative boom drove home building to unsustainable levels.

Construction of single-family homes rose 1.5 percent in January to a seasonally adjusted annual rate of 484,000. Far stronger was building of multifamily units. It surged 9.2 percent to an annual rate of 107,000 units.

On Tuesday, the National Association of Home Builders said its housing market index — a measure of builders' confidence — rose two points to 17 in February, after having fallen for two months.

That increase in sentiment was likely influenced, in part, by a report this month that the nation's unemployment rate fell in January to 9.7 percent — still high, but lower than the 10 percent rate in December.

In addition, mortgage rates are hovering around 5 percent, pushed down by a Federal Reserve program to buy mortgage-backed securities. And builders say they are also seeing a boost in the demand for homes coming from a government stimulus program. That program provides tax credits of up to $8,000 for first-time home buyers and up to $6,500 for current homeowners who decide to move.

But private economists worry that the gains in housing could falter if mortgage rates begin to rise once the Fed withdraws its support and once the tax credits expire.

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Housing starts rose 2.8 percent

Feb. 17, 2010 06:44 AM
Associated Press

WASHINGTON - Housing construction posted a better-than-expected increase in January which pushed activity to the highest level in six months. The solid gain raised hopes that the construction industry is beginning to mount a sustained rebound from its worst slump in decades.

The Commerce Department said Wednesday that construction of new homes and apartments rose 2.8 percent last month to a seasonally adjusted annual rate of 591,000 units. That was better than the 580,000 annual pace that economists were forecasting.

Applications for building permits, considered a good barometer of future activity, fell 4.9 percent to a rate of 621,000, but that was after two months of large increases.

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Lower housing values may draw students off campus

Opinion

By: Jack Fitzpatrick [1]
Published On: Thursday, February 18, 2010
Printer-friendly version [2]

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Remember that awesome apartment you dreamt about getting? The one with cool furniture, fuzzy carpets and skylights, which was mostly based on what you saw on "Hey Arnold!"? Well, it still doesn't exist, but the crappy one across the street is now more affordable.

Maricopa County assessors reported a 33.75 percent decrease in the median full cash value (FCV) of county apartments in 2009, dropping the price from $152,000 to $100,700, according to the Maricopa County assessors' Web site.

On the bright side, now that apartments are worth only two-thirds of last year's value, wise investors have a chance at snatching up a cheap home that will increase in worth. On the not-so-bright side, your housing payments are not getting cheaper, and practically no one is getting a raise at work.

University housing prices in Tempe range from $4,300 to $8,189 per year, which equals a monthly rent of $358 to $682 for each resident. Most of the rooms include a roommate, which makes the yearly cost of a single room at least $8,600 per year.

The convenience of dorms relies mostly on their close proximity to classes, a trait that pales in comparison to the affordability of some nearby apartments.

The lowest price for a room at Taylor Place, ASU's downtown Phoenix dormitories, is $7,160 per year, according to ASU's housing Web site, while the median FCV of Phoenix single-family residential buildings sunk to $90,100.

At its current housing price over a four-year period, Taylor Place charges $28,640, over 30 percent of the price of a sensibly priced home in Phoenix.

Now it's time for a mass exodus — every ASU student will rush to the nearest bank, get a loan and buy a house they may or may not be able to afford ... well, maybe we shouldn't get ahead of ourselves.

The assessors' reports, despite the drops in value, show some positive trends, or at least some less negative trends.

The prices of houses and apartments in Maricopa County both dropped in 2009 by less than they had in 2008, which could be a good sign as Arizona's economic wounds begin to heal.

For ASU, however, the dropping market values and high University housing prices may force some students — at least the older ones — out of the dorms. It has always been slightly un-cool for upperclassmen to remain on campus, but the financial incentives now outweigh the social ones.

Books and tuition already cost enough, and even though we all want to get our money's worth from that new facilities fee, an apartment might make more sense. A quick apartmentsearch.com search of the Tempe area finds apartments for under $500 per month, apartments with kitchens and apartments that allow cats and dogs.

It may not be the apartment of your dreams, but there are some good alternatives.

Jack watched too much "Hey Arnold!" Reach him at jlfitzpa@asu.edu [4]

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If errant tree ruined pool, neighbor pays

*by **Christopher Combs** - Feb. 17, 2010 12:00 AM*
The Arizona Republic

Question: Four years ago, we purchased a home in a Chandler subdivision. The branches of our neighbor's large eucalyptus tree have now grown over the common wall into our backyard. On a windy day, the leaves from this large eucalyptus tree litter our yard, stain our patio, and clog our pool cleaning system. We have had to replace the pool pump because of overheating due to the leaves clogging our pool cleaning system.

Can we trim the branches of this large eucalyptus tree? If so, can we get reimbursement for the cost of the trimming?

Answer: The general rule is that a homeowner is entitled to trim up to the property line the branches of a neighbor's tree that hang over onto the homeowner's property, provided that this trimming will not kill the neighbor's tree. Therefore, prior to trimming the overhanging branches of a neighbor's tree, a homeowner should consult with an arborist or other professional. If trimming is allowed, the neighbor is generally not liable to reimburse the homeowner for the cost of the trimming.

If the branches of the tree, however, cause "sensible injury" to the homeowner's property, the neighbor will be liable for any costs, including the homeowner's trimming costs. The damage to your pool-cleaning system, including the replacement of the pool pump, is probably a "sensible injury." Therefore, you should be able to get reimbursement from your neighbor for the cost of trimming the branches of your neighbor's large eucalyptus tree. In addition, you should be able to get reimbursement for the cost of a new pool pump.

Q: My boyfriend and I are ASU students, and we rent a condominium in downtown Phoenix. Our one-year lease expires June 30.

We were quite surprised when we received a notice last week from the bank stating that there will be an auction by the bank of our condominium in the next 90 days. We then contacted our landlord and he informed us that he stopped making payments to the bank several months ago.

We want to stay in the condominium until June 30, when school ends. Do we continue to make our rent payments to the landlord until the auction? After the auction, will the bank let us stay in the condominium until our lease expires? Is our landlord or the bank obligated to refund our $1,500 security deposit to us when we move out?

A: Under the federal law effective in May, a tenant is generally entitled to stay in the rented premises after the foreclosure sale, until the term of the lease expires. The

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lender or third-party buyer at the foreclosure sale, however, has no obligation to refund your security deposit to you when your lease expires June 30.

On the other hand, your landlord not making the mortgage payments for several months is probably an "anticipatory breach" of your lease. Therefore, you may not have an obligation to continue making rent payments to the landlord. I would suggest, however, that you negotiate with the landlord for the return of the security deposit to you now in exchange for you continuing to make the rent payments to the landlord if you stay in the condominium.

The bank has the right to have a receiver appointed by the court before the foreclosure sale to collect the rents and, in that event, you would have to make the rent payments to the bank's receiver and not your landlord.

The answer to the second question originally appeared Feb. 10, but it was attached to an incorrect question. The full Q&A is reprinted here. Christopher Combs is a real-estate attorney with Combs Law Group PC.

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Commercial property values go up, while residential values go down

Assessor's valuations

By Roger Yohem, Inside Tucson Business
Published on Friday, February 12, 2010

It defies logic and hundreds of owners of commercial real estate in Pima County don't understand why.

Despite the grueling recession and plummeting real estate values, owners were informed this month by the Pima County Assessor's Office that valuations of most commercial properties are up.

The valuation notices that were mailed out Feb. 4 to all property owners set the valuations that will be the basis for property taxes for 2011-2012. Although most residential real estate valuations dropped, that wasn't the case for commercial properties.

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Its an economic irony: commercial property valuations are higher because there were not enough foreclosures recorded in 2010.

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The short answer for the dichotomy is that technically, the economic calamity that's hit the commercial real estate market hasn't happened yet in the county assessor's eyes, says James Wezelman, an attorney and principal owner of Sage Tax Group.

"To set values, the Pima County Assessor looks in a rear-view mirror," Wezelman said. "There is enough data there now on residential property that the assessor can utilize, that recognizes that the residential market is under duress and make adjustments downward. However, we have not seen enough sales of commercial property that reflects this."

The valuation notices that were mailed out are based on the most recent market transactions as of Jan. 1, 2010. Taxing jurisdictions use the valuations to set property tax rates in August each year. The tax rates using these latest valuations will be set in August 2011 and apply to tax bills mailed out in September of that year.

In the meantime, property owners who want to file an appeal of the valuation set by the assessor's office have until April 5 to do so.

Sage Tax Group reviewed assessor's office latest data for about 400,000 real estate parcels.

"We compare that data with the ending values for prior years," Wezelman said. "Overall, we see if an entire class of property is increasing or decreasing. But we know by talking to commercial building owners that they are under stress."

For example, commercial property owners are coping with higher vacancy rates and discounting rents to try to retain tenants. Some properties have fallen into foreclosure.

For commercial real estate, the dilemma is that "many distressed properties have not yet gone back to the lender," Wezelman said. In 2009, there were too few defaults recorded to put downward pressure on the valuations. The assessor's office is required to use figures that are actually on the books, not foreclosures that may be booked in 2010.

The bottom line is that, overall, residential property values are down but commercial property valuations are up.

Across Pima County, Sage’s analysis showed that single-family home values declined an average 12 percent and condominiums fell 13 percent. For residential and commercial land, values fell 6 to 6.5 percent.

But by itself, the commercial sector saw bank building values increase an average 9 percent, industrial properties were up 6.5 percent, office buildings were up 5 percent, auto mall properties were valued upward by 4 percent, and retail was up 3 percent.

The only commercial category to see declining valuations was apartments, down 16 percent.

As soon as the notices began hitting owner’s mailboxes, Wezelman said clients and others started calling Sage’s office.

“We have already received quite a number of calls, wanting to know how an increase (in value) is possible when everyone knows the market is going down,” he said.

Sage Tax Group estimates it handles about 75 percent of the commercial property tax appeals in Pima County.

For 2010, conditions seem to point toward a horrific year for commercial real estate. Several economic experts foresee a spike in defaults and foreclosures as $250 billion to $300 billion in loans mature nationally.

If that occurs, Wezelman said the assumption would be that some of the foreclosed properties would be resold by lenders at significantly reduced prices. And the number of transactions could be enough to show up on the assessor’s books to drive down property values on notices mailed out a year from now.

“But realistically, no one really knows what will happen in 2010. We’re on new ground,” Wezelman cautioned. “The assessor has a difficult job, valuing commercial real estate is a double-edged sword. When the market goes up, the assessor uses older sales data and owners like that. But when it goes in the opposite direction, such as is the case now, owners don’t want old data used. How to set values today, using existing data that doesn’t reflect decreases, is a difficult task.”

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Goodyear study urges new, increased user fees

by Eddi Trevizo - Feb. 9, 2010 12:00 AM
The Arizona Republic

A study of Goodyear user fees recommends new and increased fees across the board to cover the costs of providing municipal services.

If approved, the proposed fees would generate an estimated $350,000 a year.

The changes, including almost 50 new fees, would raise the cost of doing business with the city for builders, vendors and restaurants, as well as the cost to participate in youth and adult sports or to hold an event in Goodyear.

City officials said the last user-fee study was conducted in 1996 and current fees are outdated. MGT of America Inc., a consulting firm based in Tallahassee, Fla., conducted the nearly $70,000 cost-of-services study over a 10-month period, analyzing eight city departments.

The planning, parks and recreation, and engineering departments had the largest number of recommended fee changes.

For example, a site-plan review involving Planning and Zoning Commission or City Council approval would cost $4,715 under the proposal.

Currently, there's no fee for such reviews.

The council was briefed on the recommendations at a recent work session.

"I think it is unfortunate that the city has waited this long to have this study; it's not good practice.

"Unfortunately, what most people are going to see is that we are raising rates when people can't afford it, and I understand that," Councilwoman Joanne Osborne said.

Mayor Jim Cavanaugh and Councilman Frank Cavalier echoed Osborne and were hesitant to increase fees when residents and small businesses couldn't afford them.

"I think we need to do less government fundraising right now," Cavanaugh said.

In September, Goodyear's general sales-tax rate rose to 2.5 percent, from 2 percent. That same month:

• The hotel tax climbed to 2.5 percent, from 2 percent.

• The rental tax rose to 2.5 percent, from 2 percent.

• A new use tax of 2.5 percent went into effect, charged on vehicles, commercial equipment and other big-ticket items when the seller doesn't collect a city sales tax.

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In January, Goodyear's business license went from free to $75. The study recommends an annual renewal fee in the same amount.

Council members will seek public feedback before implementing any fees.

"I think the key is to get public input: Do they want (costs) to be covered 100 percent or subsidized by taxes? Do they want (charges) phased in?" Councilman Joe Pizzillo said.

Officials said the proposed fees should be presented to the Goodyear Citizen Budget Committee and the Recreation Roundtable for more recommendations.

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Recycling program downsized in Fountain Hills

by ***Beth Duckett*** *- Feb. 5, 2010 10:00 AM*
The Arizona Republic

High demand and budget restrictions forced Fountain Hills to downsize its free recycling program this week, but the town could ease the load by hiring a single townwide hauler and instituting mandatory recycling.

The recycling drop-off program has grown increasingly popular since it took effect in fall 2008. Plans called for a 40-cubic-yard bin at El Lago Boulevard and La Montana Drive, which was later replaced with six, 8-cubic-yard containers.

Faced with a budget shortfall, Fountain Hills had three of the containers taken away on Monday. Cardboard boxes are no longer accepted and must be discarded at a nearby Bashas' grocery store.

Raymond Rees, environmental planner for the town, said overwhelming response from residents forced officials to increase the frequency of pick ups, which created the shortfall.

Money earmarked for the program, $11,000, was exhausted halfway through fiscal 2009-10.

"Cardboard seemed to be the item that was taking up most of the room in the containers," Rees said. "Coupling that with the large boxes that were not being broken down, this seemed to be the area most likely we could reduce by not accepting it any longer."

Officials have mulled hiring a townwide trash hauler which would eliminate the need for multiple haulers that mill the streets nearly every day.

As it stands now, residents contract with haulers through their homeowners' associations for trash and recycling pickup.

Recycling would be mandatory in the town's program, which Rees said could alleviate strain on the community recycling containers. The program was designed for residents who live in apartments or condominiums and don't have recycling, he s aid. But residents in single-family homes also use the services, and many have canceled their home recycling to use the town's bins.

Resident Kurt Kwiatkowski said he watches trucks drive by his house every week but they don't pick up recycling. He relies on the town's bins.

"I see these trucks driving up and down my street all day long," Kwiatkowski said. "(Shouldn't they) have them pick up recycling too?"

Kwiatkowski questioned the costs associated

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with a townwide hauler.

Rees said town staff will present a draft request for proposals for haulers to the Fountain Hills Town Council Feb. 11. The work-study session will include information gleaned after the request was posted on the town's Web site, he said.

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Commercial Real Estate: Only consumer confidence, cheap money can rally retail

By Roger Yohem, Inside Tucson Business
Published on Friday, February 05, 2010

The success of retail real estate depends on consumer confidence and spending.

On Jan. 26 consumer confidence hit its highest level in 18 months. The next day, the Federal Reserve bank voted to leave its short-term interest rate unchanged, at virtually zero percent, for the foreseeable future.

Taken together, increasing consumer confidence and cheap money from the government have created optimism that 2010 will be a better year for consumer spending, helping retail real estate to recover.

Greg Furrier, with Picor, said that during the fourth quarter of 2009, “Tucson saw a strong positive shift” in net absorption. A total 165,688 square feet were absorbed.

“Tenant activity appears to be increasing, a sign that 2010 will be a more productive and stable market,” he explained. As more space is rented, rates will stabilize “and may find equilibrium in the second half of 2010.”

Nancy McClure, of CB Richard Ellis, said two large retail additions to the market are positive signs of improvement. Burlington Coat Factory will make its debut at 3601 E. Broadway in El Con in a 65,000 square-foot building. Ultimate Electronics leased 34,000 square feet at 4638 N. Oracle Road.

Another sizeable lease was Sam Levitz Furniture taking over the 220,000 square-foot former American Home warehouse at 2020 W. Prince Road.

David Houge, with Tucson Realty & Trust, cited significant leases in Tucson Mall: outdoor gear and clothier REI took 15,000 square feet and the Cheesecake Factory took 10,000 square feet.

Don Ahee, office operations manager for CB Richard Ellis, said retail vacancy rates have been rising steadily since bottoming out near 7 percent in 2007. At the end of 2009, the rate was 11.9 percent.

Vacancies increased in all geographic submarkets. The southwest ended the year with highest vacancies, at 14.3 percent, followed by the northwest, at 12.2 percent.

Ahee is watching closely the spread between availability and vacancy. The available rate is 15.3 percent, a sizable 2.4 percentage points above vacant space.

“This spread indicates space that is still occupied but available for sublease. For the last 18 months, the availability rate has predicted future vacancy," he said. "If this trend continues, we are looking at higher vacancies in the coming periods."

Lease rate averages also have been falling for 18 months. Ahee said there have been "significant rental concessions as landlords hang onto their tenants."

Most triple-net rates are in the range of $14 to $18 per square foot, added Houge.

Although retail real estate has "hit most of the lows, unfortunately, there likely will be some additional fallout with distressed retailer properties going back to lenders," said Houge. "Nationally, investors see 2010 as an ideal time to start increasing portfolios. Many are geared up for acquisitions."

But before a sustainable recovery can take place, Houge said that distressed building owners and lenders will have to realize their losses and dispose of under- performing properties.

This year will be as challenging and trend up slowly, he said. But because of tight financial markets for investors and tightening credit card policies for consumers, a full recovery could take until mid-2011.

Contact Roger Yohem at ryohem@azbiz.com or (520) 295-4254.

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Commercial Real Estate: What little land sold, was grabbed at fire-sale prices

By Roger Yohem, Inside Tucson Business
Published on Friday, February 05, 2010

Yawn…

No demand. Few sales. No money.

During 2009, there was not much of a market for raw dirt or platted residential lots. The only exception, said Land Specialist Mick Cluck, of Tucson Realty & Trust, were cash-rich buyers "who took advantage of the bleeding."

"A lack of sales and buyer motivation made it very hard to value land for analytical purposes. The land that did exchange hands was purchased at fire-sale prices," he said. "Like 2008, finished lots were trading at infrastructure development costs or less, depending on where the parcels were located."

Will White, of Land Advisors Organization, added that the land market in 2010 will remain unsettled. He sees signs of some pent-up demand from home builders, but because there is currently little to zero demand from end-use consumers, "raw land can't be valued today," he said.

Throughout 2009, parcels that did sell were unevenly spread among undeveloped, platted and finished lots. Cluck reported there were only 28 sales over $1 million for the year.

The top sales price of $8.2 million was for the La Estancia mixed-use development on the southeast side at Interstate 10 and Kolb Road. Tucson-based R.B. Price & Company purchased the site that included 664 finished residential lots, from National Bank of Arizona. The bank had taken over the property from a Las Vegas-based investor group.

Also in the southeast, another notable transaction was the sale of 463 finished lots in a stalled residential development in Vail for $8 million. Pulte Homes purchased the Four Seasons at Rancho del Lago project from K. Hovnanian Homes

And in December, D.R. Horton Homes bought the remainder of Canoa Homes' inventory of 203 finished and unfinished lots for $5.8 million.

Overall, White said there were seven bulk land purchases by homebuilders totaling just over $25 million, all in the second half of 2009.

"There was a perfect storm of buying opportunity created by the fact that the homebuilders put the brakes on buying land in mid-2006. They spent the last two and a half years raising cash. Land prices in 2009 dropped to some of the lowest prices we have seen," he said.

Based on current market conditions, White and Cluck predict more of the "better finished lot" packages will be acquired this year.

Generally, finished residential lots for 2009 were priced in the high teens to the low $20,000 range. For 2010, these parcels will remain below replacement costs and "will be absorbed by well-funded developers and investors," said Cluck. "The market for undeveloped and platted lots will continue to be flat."

In all of Pima County, there were only 15 commercial land transactions in 2009, a 52 percent drop from 2008 and a 65 percent decline from 2007.

The largest sale was downtown, at 88 E. Broadway, where the old vacant Santa Rita Hotel, owned by apartment developer Humberto S. Lopez was purchased for $6.5 million by UniSource Energy. The hotel has already been razed and work has begun on a new 100,000 square-foot headquarters for Tucson Electric Power. The $45 million office complex is to be completed in 2012.

Overall, there were only 63 land sales over $100,000. Cluck cited that low number "to illustrate the decline in activity and price point for land." Currently, there are 335 commercial parcels on the market.

As distressed properties are "cleared out" over the next two years, White said that will "pave the way for values to start to rise."

Last year, only 2,077 new residential home permits were purchased, a decline of 31 percent compared to the 3,018 permits in 2008. For 2010, permits are projected to increase slightly to 2,100.

Knowing that finding finance is the wildcard, White hopes the market will wake up and new home builders will see better times this year.

White interpreted the late 2009 acquisition rally as being due to some pent-up demand, revised business plans by builders and developers, and some available cash.

To provide inventory for 2011 and 2012, "the market needs to consider building new lots," he said.

Contact reporter Roger Yohem at ryohem@azbiz.com or at (520) 295-4254.

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Planned community moves to next phase

BY JOYCE LOBECK, SUN STAFF WRITER
2010-02-06 22:30:00

A new neighborhood is coming to Yuma and developers are working to raise awareness about it.

Named Laurel, the community within the city has been designed to be a master-planned, pedestrian-friendly, mixed-use development to include a variety of housing options from apartments to suburban, commercial, recreation and agricultural.

It is planned for 220 acres on the northeast side of Yuma off Araby Road between 24th Street and the Terraces subdivision.

The new development first came to the community's attention with an application last year to amend the land use plan to allow for its mixed uses on traditional farmland. The property has since been annexed into the city.

As the design phase moves forward, developers are looking for public input, said Keith McCoy, a principal with Urban Community Partners, the master developer for property owner Tanimura & Antle.

"We're reaching out," he said. "We want to raise awareness of the project. We want feedback on it ... the architectural styles, the types of uses on its main street that people are interested in. We're going to have a couple of soccer fields for use by the whole city. Do people want them lighted?"

Another goal is start compiling a list of potential homebuyers and interested businesses, he said.

The next step in the development, said McCoy, is some utility extensions to the site.

When actual construction starts will depend on the economy, he said. "We hope to start in 2011."

McCoy said the intent is to use local builders. "We want a variety of builders."

Consistent with the agricultural background of the land and the property owner, an organic farm is envisioned as part of the community, McCoy said. Laurel Farm will offer a farmers market to residents not only of Laurel but also the wider community - along with an understanding of how their food is grown.

"We hope to have the local farm stand off 24th Street to kick-start the project," McCoy said.

In addition to the local farm, he said a tree farm is planned to grow the trees that will become part of the landscape throughout Laurel.

For more information about Laurel, visit www.laurelyuma.com.

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