

APRIL 2006

THE TREASURE OF THE SUPERSTITIONS

SCENARIOS FOR THE FUTURE OF SUPERSTITION VISTAS

ARIZONA'S PREMIER STATE TRUST LAND IN THE SOUTHEAST VALLEY



MORRISON INSTITUTE
FOR PUBLIC POLICY
ARIZONA STATE UNIVERSITY

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STATE TRUST LANDS ARE AMONG THE GREATEST PUBLIC ASSETS

in Arizona's portfolio. Set aside at statehood, the Arizona State Land Department manages more than 9 million acres of trust lands on behalf of 14 beneficiaries. The largest of which by far is Arizona Public Education K through 12. The mission of the Land Department is to maximize revenues from these trust lands. In FY 2005, state trust lands generated \$115 million for all beneficiaries, of which \$101 million was designated to support public K-12 schools. These amounts are increasing rapidly as more state trust land becomes attractive for development in Arizona's urban areas.

The parcel discussed in this report, "Superstition Vistas," stands out as the jewel among Arizona's trust lands. Not only is it situated in the path of metro Phoenix growth, but it also borders thousands of acres of public land managed by the Tonto National Forest and U.S. Bureau of Land Management. Estimates of its total value run well into the billions of dollars.

With so much at stake, we at the Land Department sincerely appreciate Morrison Institute for Public Policy's research, and the ideas and vision of all who have contributed to this thoughtful discussion regarding the future of the Superstition Vistas property.

The Treasure of the Superstitions sets the stage for a continuing dialogue about the potential for Superstition Vistas, and indeed, all of Arizona's trust lands. We look forward to listening to and working with our beneficiaries, citizens, counties, municipalities, real estate businesses, and other interested parties to make the most of Arizona's "treasure."

Mark Winkleman

State Land Commissioner, Arizona State Land Department

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A SPECIAL TRIBUTE *Dave Longey helped to point out the importance of Superstition Vistas to the future of greater Phoenix and was a dedicated participant in this study's early stages. Dave worked tirelessly to preserve and plan land, especially in the southeast Valley, so it would serve the people who live there now and in the future. Dave passed away in November 2005. The authors of and contributors to this report want to acknowledge Dave's critical role in getting people to think about Superstition Vistas and how its development could be of the greatest benefit to future generations of Arizonans.*

THE TREASURE OF THE SUPERSTITIONS EXECUTIVE SUMMARY

One cannot look at the Superstition Mountains without thinking of the legend of Jacob Waltz and his burro searching for lost gold. Today, however, it's clear that the treasure of these storied mountains lies not in mythical gold, but in a more tangible commodity — land. Growth in greater Phoenix and the state continues to stoke the hunger for developable property.

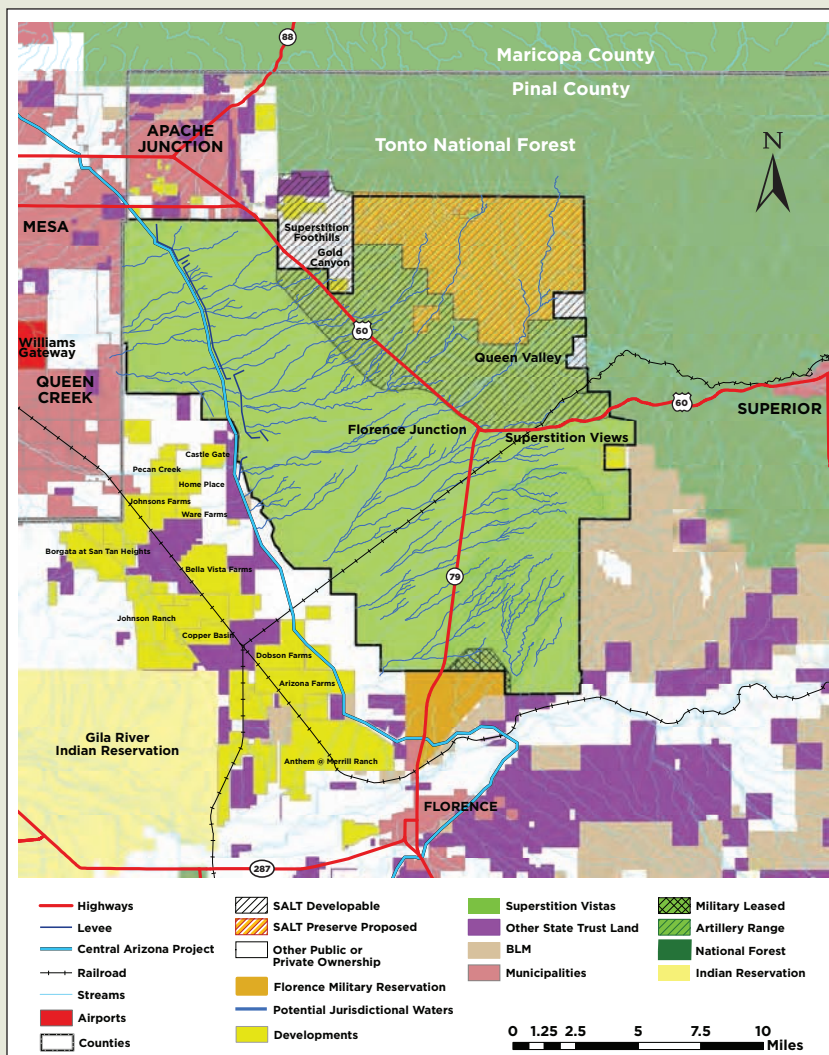
The Treasure of the Superstitions is the result of a group of public and private entities wanting to think in new ways about Arizona's unique state trust land in northern Pinal County. It is not a "plan" for Superstition Vistas. Instead, this report seeks to encourage stakeholders to develop an enduring vision. To that end, *The Treasure of the Superstitions* lays out three scenarios for the area's future. Each shows how policy decisions made in the near future could influence development over the next 50 to 60 years.

FUTURE TRENDS: FORCES THAT WILL SHAPE SUPERSTITION VISTAS

To inform the scenarios, experts at Arizona State University and other organizations prepared background papers on population projections, urban living trends, and water resources. They concluded:

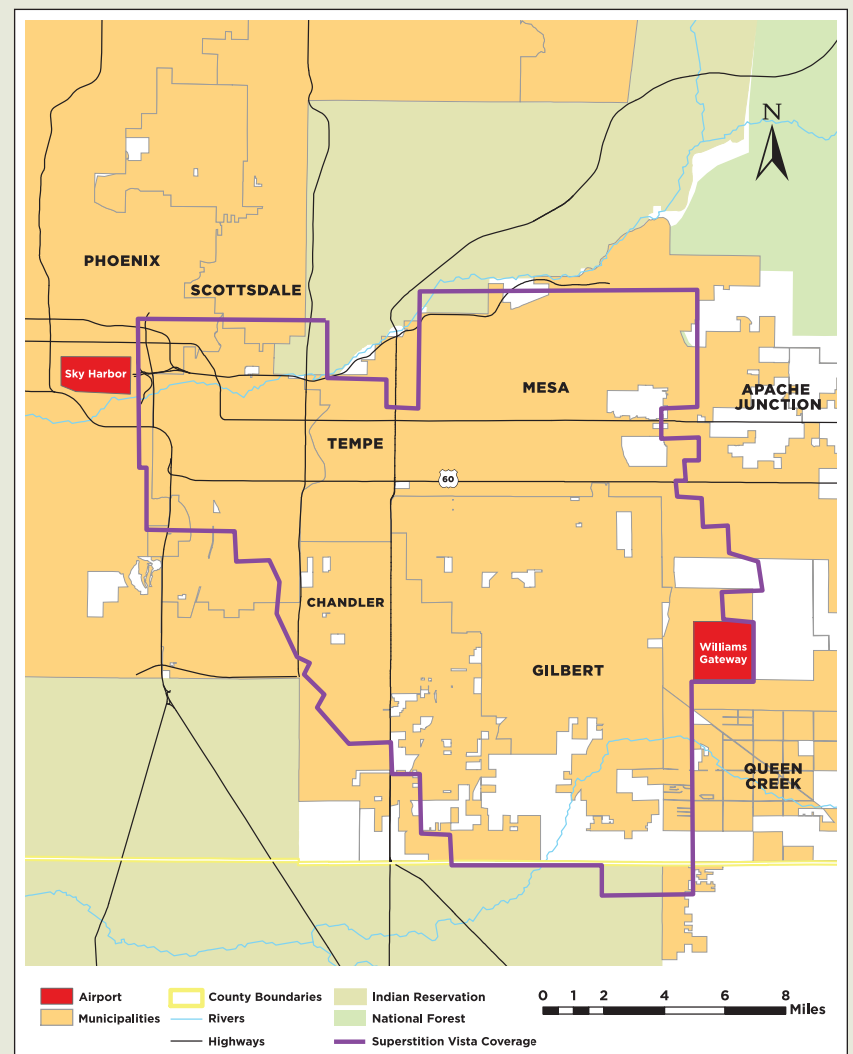
- The Superstition Vistas population may some day reach 900,000. That number could be approached by 2060, but may take much longer, depending on the rate of growth.
- Five trends are likely to shape future urban lifestyles: aging of the baby boomers; more diversity; rising transportation costs; more technology and telecommuting; and embracing new ways of designing communities.
- Everyone wants to know if there is enough water for Superstition Vistas. Water is a regional, rather than geographic, issue. As the metro area expands, Superstition Vistas will have to compete for regional water resources. Four regional sources with different costs, reliability, and availability could sustain the area: Central Arizona Project, other Colorado River water, groundwater, and reclaimed water. Superstition Vistas is well-positioned to compete.

PRIVATE AND PUBLIC LAND SURROUNDS SUPERSTITION VISTAS
*Area Land Ownership, 2005**



* Superstition Vistas and surrounding areas are generalized from various sources; small holdings may exist that are not visible here.

AT 275 SQUARE MILES, SUPERSTITION VISTAS WOULD STRETCH FROM SKY HARBOR AIRPORT TO WILLIAMS GATEWAY AIRPORT
Comparison with East Valley Cities



Source: Design Workshop, Kimley-Horn and Associates, Inc., and Morrison Institute for Public Policy, Arizona State University, 2005.

SCENARIOS FOR THE FUTURE OF SUPERSTITION VISTAS

THINKING BIG: From Infrastructure to Livability

By 2045, the Superstition Vistas region had grown to the point that the original name had largely disappeared into six urban villages. Wide swaths of open desert used to carry drainage, accommodate utilities, and provide recreation connected and separated these communities.

At the outset of Superstition Vistas, one big thing was done right: major infrastructure was planned to serve the entire area. The Arizona State Land Department asked for planning to locate the “trunk lines” for water and sewer service, drainage facilities, recharge sites, roads and freeways, utilities, and even trails and open space. Those corridors became the “network” around which development parcels were planned. Thus, as the area grew, no one argued about freeway locations or open space.

The extensive planning helped the Land Department to package land logically for disposition. Individual areas developed into distinct villages based on the vision of the developers who bought the parcels.

As more villages were built, the benefits of the large-scale master planning became clear. New development neither overwhelmed road networks, nor resulted in inconsistent developments butting up against each other as was so often the case in the past.

The “big thinking” of the Land Department about infrastructure location became the hallmark of the area. Early criticisms of the high cost of planning and of the burdens imposed on early auctions disappeared as the area grew and huge revenues flowed to the land trust and its beneficiaries. The experiment worked.

SIMPLE GREEN: Performance Standards Free the Market

“Sustainability” was *the* buzzword of the early 2000s. The term communicated the recognition that existing patterns of settlement in the latter half of the 20th century placed too many demands on the earth’s resources. The Arizona State Land Department’s most valuable asset was the subject of interest just when sustainability became a priority. Every homebuilder coveted the area known as Superstition Vistas. But at the same time, it seemed like every other person had a plan for how the area could be “unique” or “sustainable.” The Land Department looked for a way to deal with too many ideas. What emerged from a major retreat in 2010 was the concept of “performance zoning.”

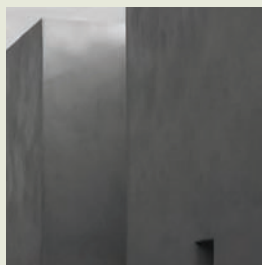
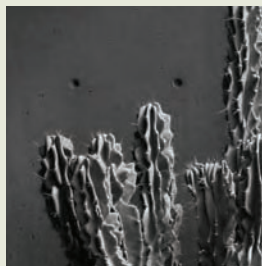
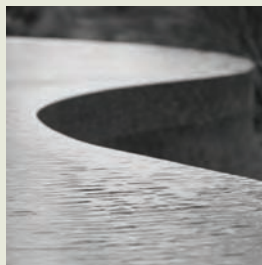
Superstition Vistas became widely acclaimed because of the adoption of three basic “performance standards” that every development had to meet.

- “100 a day” or 100 gallons per capita per day for all water use
- “Half and half” for use of half of the per capita energy consumption in Arizona and half of *all* energy generated from renewable sources
- “Cool 1” for raising the average nighttime temperature less than one degree over the average of the last 10 years

Development could use any means to meet the water, energy, and “heat island” guidelines. Project approvals, otherwise, went through the normal process. By 2050, not all of the standards were fully achieved, but they had made a huge difference in the way the area grew. Superstition Vistas was recognized as one of the most dramatic “green” development success stories of the century and one of the truly “cool” spots on the planet.

SUPERSTITIONVILLE: A New Way to Govern

Sometimes *who* is more important than *what*. In 2040, that was the obvious lesson of Superstition Vistas. Instead of trying to figure out what should be built at Superstition Vistas, the Arizona State Land Department decided to first establish who would guide the development over time. That decision drove everything and made Superstition Vistas truly different.



In 2008, the Land Department asked the Arizona Legislature to change state statutes to allow “pre-incorporation” on major tracts of state trust land. The idea was to put a city government in place before development and have the interim governing body create a master plan. That’s how the City of Superstitionville, Arizona came about.

An appointed council created a detailed plan, including the residential density for every subdivision. The plan also set aside large areas in different locations for “employment reserves.” In addition, two strong urban design concepts were implemented: 1) a true “downtown” would capture all of the shopping; and 2) a “no fences” rule would ensure that the famous vistas would not be obscured and everyone would know their neighbors.

As people moved in, the Superstitionville City Council transitioned to elected members and political turmoil began. Most of the argument was about whether the original plan should be changed to make the town more competitive and less expensive. The debate slowed development and raised housing prices, but in the end the plan produced a distinctive community.

Realizing the dream of Superstitionville took longer than expected and some short-term profits were sacrificed. But by 2040, the nearly half built out town really did represent a different kind of place that its residents were proud to call home.

WHAT NOW?

Preparing *The Treasure of the Superstitions* brought a profound recognition that Arizonans are dealing with something larger than even 275 square miles of potential development. Many of the issues and ideas presented in this study apply to the future of all cities and new growth areas in the Valley of the Sun, and perhaps the future of cities in general.

Take a piece of land. Fill it with a million people. What should it look like? How should we decide? These are the questions and opportunities that Arizona faces.

The Treasure of the Superstitions

BEFORE SEPTEMBER 18, 2003, SUPERSTITION VISTAS DID NOT EXIST.

There was just “all that state trust land in Pinal County.”

On that day, East Valley Partnership president Roc Arnett, a member of a group interested in bringing attention to the trust’s holdings in Pinal County and their relationship to the southeast Valley, was driving home from a meeting about development in the region. As he came over a rise in the road, the entire sweep of the Superstition Mountains became visible. The panorama inspired a name for the trust land he and others had become so passionate about: “Superstition Vistas.”

The image of the Superstition Mountains is one of the great icons of the American West. It is a tableau of purple cliff faces rising above the desert foothills in a picture-perfect outline: massive, rugged, and resonant. One cannot look at these storied mountains without thinking of the legend of Jacob Waltz and his burro wandering the Superstitions in search of lost gold.

Today, however, we know the treasure of the Superstitions lies not in mythical gold, but in a more tangible commodity — land. The state has a great hunger for developable land due to the flood of people drawn by weather, opportunity, and the lure of the West. They continue to move to Arizona, especially greater Phoenix, and their migration keeps it one of the fastest-growing regions of the U.S. Whether the Lost Dutchman’s mine ever existed is doubtful. But the real prize to be found between Apache Junction and Florence is neither imaginary nor obscure. The land now called Superstition Vistas is worth billions of dollars. The owners of these rich lands are the beneficiaries of Arizona’s state land trust. Among the trust’s roughly 9 million acres, Superstition Vistas has been called its most valuable asset.

The Treasure of the Superstitions is the result of an effort by a group of public and private entities to think about Arizona’s unique property in northern Pinal County in new ways. Seldom in the history of the U.S. has there been a chance to envision the future of one piece of property this large, this strategic, and this close to a major metropolitan region. Never has any such opportunity been coupled with public ownership and public education benefiting from the proceeds of development.

Deciding how Superstition Vistas will be sold and developed into desirable communities will take time and money. This study is not in any sense a “plan” for Superstition Vistas. Instead, it seeks to encourage stakeholders to develop an enduring vision. To that end, *The Treasure of the Superstitions* lays out three very different scenarios for the area’s future, each based on a review of development trends, interviews, and other research. The policy choices are intended to provoke discussion and foster critical thinking. The scenarios should stimulate serious consideration of what could — and should — happen and how decisions made today will determine the future.

Before there can be a plan, there needs to be a vision. Before there can be a vision, there had to be a name.

Welcome to Superstition Vistas.

Superstition Vistas' Geography, Considerations, and Realities

GEOGRAPHY: FROM NORTH TO SOUTH

Superstition Vistas is approximately the size of California's San Fernando Valley and half again as large as Irvine Ranch in southern California's Orange County. Closer to home, if the Superstition Vistas site were imposed over the East Valley, it would cover nearly all of the cities of Mesa, Gilbert, Tempe, and Chandler. If it were overlaid on the City of Phoenix, it would cover the entire city below Dunlap Avenue.

Physically, Superstition Vistas' northeastern portion is part of the Superstition Mountains and includes craggy cliffs, deep canyons, and lush desert. A study done by the Superstition Area Land Trust (SALT), a nonprofit organization dedicated to protecting sensitive

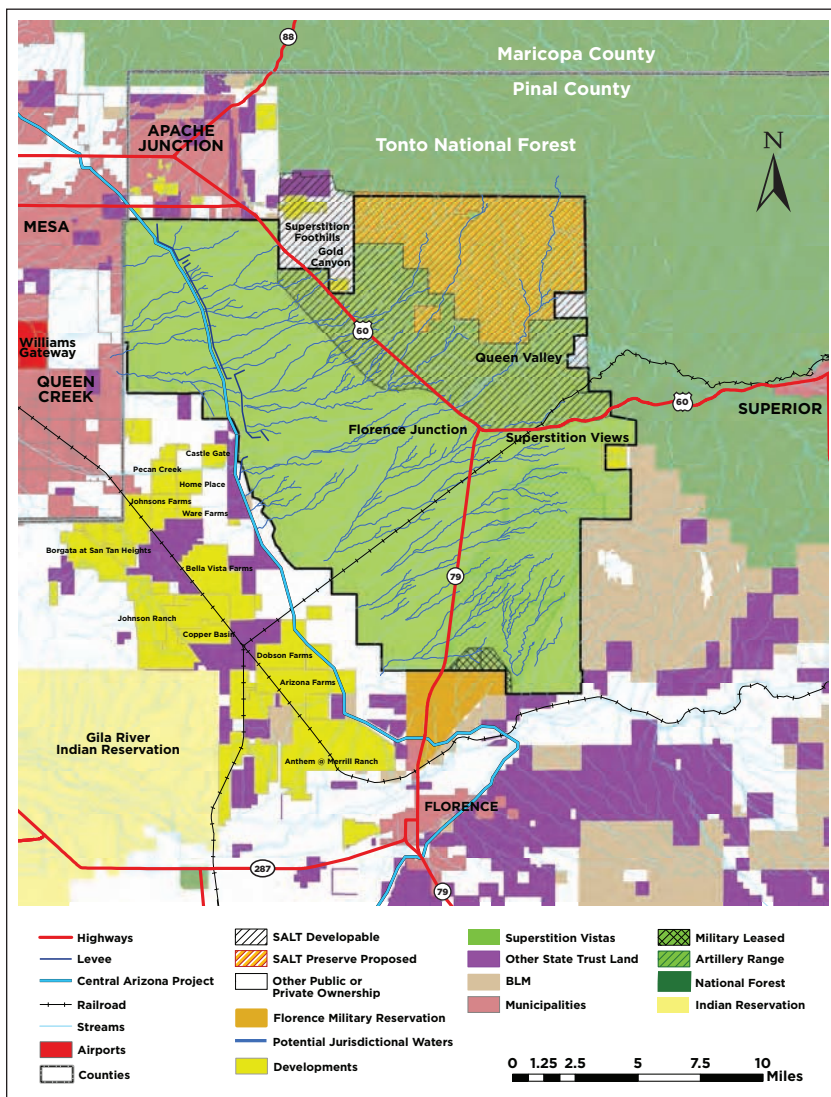
lands surrounding the Superstition Mountains, looked at all of the Superstition Vistas property north of U.S. 60 and recommended that approximately 25,000 northern acres be preserved permanently as a natural area.

The land immediately south of the suggested preserve is sloping desert with creosote, palo verde, and saguaros. The SALT study designated this land as suitable for development. It is similar in character to two developed areas nearby, Gold Canyon Ranch and Superstition Mountain.

Further south, particularly below U.S. 60, Superstition Vistas is flatter with less vegetation. Here the land forms a relatively uniform alluvial plain with numerous washes, many of which are of sufficient size to be regarded by the U.S. Army Corp of Engineers as "waters of the U.S." or "jurisdictional waters." An alluvial plain is a fairly flat, gently sloping landform found at the base of mountain ranges. This geography requires careful planning so that drainage patterns are preserved. Designation of "jurisdictional waters" means that before such washes can be disturbed for development, the U.S. Army Corps of Engineers must issue a permit under the Section 404 program. Past negative effects from development motivated the creation of the "404" process. In recent years, the Corps of Engineers and the U.S. Environmental Protection Agency have become active in reviewing development proposals. It is likely that numerous washes in the Superstition Vistas area will affect what is developed and how it is done.

PRIVATE AND PUBLIC LAND SURROUNDS SUPERSTITION VISTAS

*Area Land Ownership, 2005**

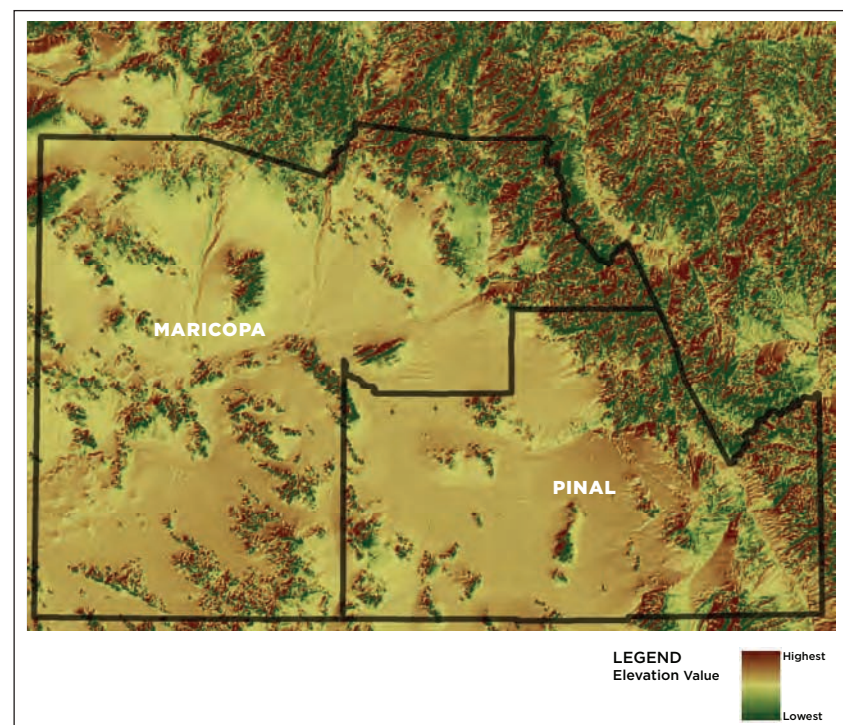


* Superstition Vistas and surrounding areas are generalized from various sources; small holdings may exist that are not visible here.

Source: Design Workshop, Kimley-Horn and Associates, Inc., and Morrison Institute for Public Policy, Arizona State University, 2005.

SUPERSTITION VISTAS COMBINES UPLANDS AND LOWLANDS

Maricopa and Pinal Counties Relief, 2005



Source: Morrison Institute for Public Policy, Arizona State University, 2005.

EXISTING USES AND CONSIDERATIONS

Three existing state trust land uses are prevalent in Superstition Vistas: grazing, recreation, and military. Cattle are present at various times throughout the property. The Arizona State Land Department may cancel grazing leases as it moves pieces of land into development. Hikers, horseback riders, and hunters are just some of the groups that value Superstition Vistas as wildlands. In addition, the Arizona National Guard uses the Florence Military Reservation and nearby areas for training maneuvers through an arrangement with the Land Department.

CENTRAL ARIZONA PROJECT CANAL

Central Arizona Project (CAP) is the agency responsible for delivering Colorado River water to Maricopa, Pinal, and Pima counties. When the CAP system was built across Superstition Vistas in the 1980s, the U.S. Bureau of Reclamation (the federal agency in charge of large-scale water projects) constructed levees to protect the canal from potential floods. After completion, the Maricopa County Flood Control District became responsible for them. Behind the levees, a flood control easement “sterilized” many acres against development. The levees and easement will remain in place for some time into the future. As Superstition Vistas develops, the “sterilized” land could be reconfigured and reduced in size to free up more land for development. The easement portion remaining might then also become part of a park or natural area.

Central Arizona Project recently has become interested in creating a trail system along its entire canal. Because the full length of the CAP canal is fenced — to protect the canal from people and wildlife and people and wildlife from the canal — any trail must lie outside the fenced area. Since there is no development around the canal now, Superstition Vistas represents one of the best opportunities to incorporate recreational amenities along the CAP in advance of development.

DEVELOPMENT PAST AND PRESENT

For years, metro Phoenix development pressure was only a remote influence on Superstition Vistas. Just a few developments in Apache Junction and Gold Canyon Ranch came close to the area. Beginning about 1999, however, new developments happened along the western and southern edges of Superstition Vistas, including Johnson Ranch, Bella Vista Farms, and others. Building permits started booming in 2002 and have continued to increase since.

Most of the recent developments surrounding Superstition Vistas are driven by either retirement housing or workers willing to accept longer commutes to jobs in metropolitan Phoenix. Superstition Vistas, however, represents such a large development area that it cannot rely just on retirees and commuters. Jobs will need to be created closer to the property. Williams Gateway Airport and related entities are a major potential source of significant employment. Between Williams Gateway and Superstition Vistas the 7,800 acre General Motors Desert Proving Ground is another prospective job

center. Half of the proving ground has been sold to an investment group. The remainder may become available as well since GM has indicated its intent to relocate the proving ground outside of the U.S.

STATE TRUST LAND — CURRENT REALITIES AND POTENTIAL REFORMS

As western states were admitted to the Union or territories organized prior to statehood, the federal government conferred on them various quantities of land for specific purposes, generally schools and other public institutions. The land that makes up Superstition Vistas is part of that held “in trust.”

States have treated their trust land very differently over time. Nevada auctioned off most of its holdings shortly after statehood. New Mexico and Texas retained much of their trust land and have earned substantial revenues from oil and gas wells located on it. Arizona decided to earn dollars for the beneficiaries through the “highest and best use,” which until the 1980s generally meant permits for farming, mining, grazing, logging, and similar activities. This made sense because much of the land was in rural areas and such pursuits played a prominent role in Arizona’s economy. Until just about 25 years ago, trust lands’ natural resources were more important

than their possibilities for urban development.

ARIZONA’S URBAN LANDS ACT

In the late 1970s, Governor Bruce Babbitt recognized that some state trust lands were under increasing pressure for urban development and the timing of the land’s release could influence metropolitan growth patterns. He appointed a task force to study the issue. The group identified parcels of land with development potential and suggested new legislation to allow the property to be sold to the private sector for residential and commercial uses.

STATE TRUST LAND:

An Enduring Asset

In 1912, Arizona’s first legislature created a three-member State Land Commission to make recommendations about the land Congress granted to the state. The commission concluded that Arizona should not sell its trust land outright. Instead, the lands should be put to their “highest and best use” with decisions to sell or lease based on the potential use of each parcel. The State Land Department was established in 1915 to manage the land trust and maximize its revenues for the 14 beneficiaries. From Arizona’s original approximately 10 million acres, occasional sales have reduced the trust holdings to a little over 9 million acres. When trust land is auctioned (a process called “disposition”), the proceeds go to the “permanent fund,” which is invested so that the income benefits the entity designated for each parcel. Among the states, Arizona has the largest permanent fund created without oil and gas revenues — approximately \$1.5 billion as of 2005.

Source: Arizona State Land Department.

Following the task force's recommendations, the Arizona Legislature passed the *Urban Lands Act* (ULA) in 1981. The ULA's goal was for the state to receive "retail" prices for state trust land. The statute assumed that planning and zoning of state land before auction would increase its value and raise prices. The ULA created a system for planning state trust land for urban uses and then releasing it for sale or long-term lease. However, it stopped short of providing all of the tools needed. The ULA provided no means for the state to install the infrastructure required to achieve retail returns.

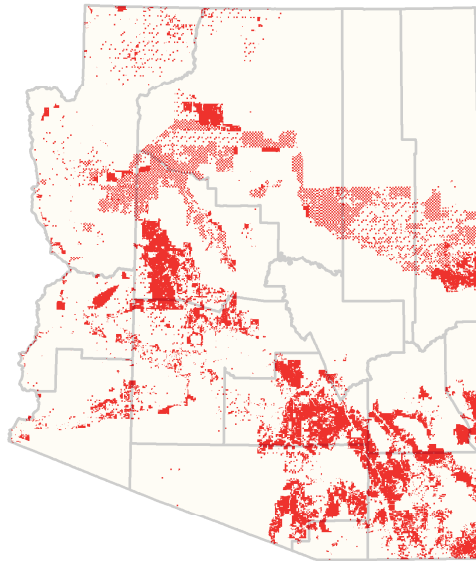
The first auctions under the ULA took place in 1983. As the Land Department moved to sell various parcels, however, many residents and some jurisdictions objected. Since the land had come to be seen as "public land"—like national parks and forests—many expected it to remain open forever. The Land Department was also accused of selling land too early and too cheaply and for furthering urban sprawl and low quality development. Despite the controversy, the Land Department used the ULA provisions to entice private developers to invest in planning approximately 20,000 acres of trust land in a variety of locations. Planning in this context generally refers to infrastructure. In addition, the Land Department spent state dollars to plan 5,000 more acres. But the high land prices heralded in today's headlines were still a decade away.

PROPOSED STATE TRUST REFORMS

Because of the controversy associated with development of state trust land, the late 1990s saw sentiment growing in favor of reforming the Land Department's operations. Much of this discussion was caught up in a larger debate about growth and development in Arizona, which spawned numerous proposals and ballot measures. In November 2000, Arizona voters considered a ballot initiative to require most Arizona cities and towns to draw "urban growth boundaries" around their communities, beyond which new development would be prohibited. In reaction, the Arizona Legislature passed measures referred to as *Growing Smarter* in 1998 and *Growing Smarter Plus* in 2000, which expanded Arizona's planning and zoning enabling acts. One piece of *Growing Smarter Plus* was a constitutional amendment referred to the 2000 ballot to set aside 300,000 acres of state trust land as permanent open space. In the election, voters rejected both growth boundaries and the open space proposal.

ARIZONA'S STATE TRUST LANDS ARE FOUND IN EVERY COUNTY

*State Trust Lands**



* Areas lighter in color reflect a "checkerboard" pattern of ownership.

Source: Morrison Institute for Public Policy, Arizona State University, 2005.

EAST OF SUPERSTITION VISTAS: Middle Gila Conservation Area

A broad group of interest groups from hikers to four-wheelers and public agencies including the U.S. Bureau of Land Management and the Arizona National Guard have worked together to create a vision and goals for the Middle Gila Conservation Area east of Superstition Vistas. This scenic area is prized by many for recreation and is also used for training by the National Guard. Handled with care, the Middle Gila Conservation Area is potentially an asset for Superstition Vistas and all of Pinal County. See www.mgca.org.

increase the value of the area by releasing parcels to the market in an orderly sequence in order to extend infrastructure to additional parcels, foster competitive bidding, and build on past development. It could also make Superstition Vistas a showplace for the best in urban development.

In the wake of the 2000 election, a group of homebuilders, developers, educators, environmentalists, ranchers, and business leaders came together in the hope of finding a way to reform trust land operations and preserve special areas. The group presented a reform proposal to the Arizona Legislature in 2004, but no action was taken.

Eventually, environmental groups and the education community joined together to try to put a reform initiative on the 2006 statewide ballot. As of this writing, it has not yet been qualified. In addition, alternative measures have been introduced in the Arizona Legislature. The proposed initiative seeks to:

- Set aside more than 600,000 acres of state trust land for natural areas, including a portion of the high priority lands identified by SALT
- Create a Land Department Board of Trustees to help oversee the operation of the Land Department
- Allow the Land Department to make right-of-way dedications and recognize agreements that could result in more open space
- Create a new procedure for the Land Department and local jurisdictions to discuss land use
- Give the Land Department more flexibility in obtaining ongoing streams of revenue from major development projects
- Permit the Land Department to keep some of its revenues to increase its capacity

HOW MUCH TO GAIN FROM SUPERSTITION VISTAS?

Nearly all of the revenue that will be generated from Superstition Vistas will support K-12 education. If the land at Superstition Vistas yields an average of \$50,000 an acre, its entire value would reach about \$9 billion. For parcels that were planned and had infrastructure available, however, recent sales of state trust land have yielded as much as \$500,000 an acre. Clearly, a solid strategy for Superstition Vistas could

Planning and State Trust Land: The Example of Desert Ridge

One of the most significant *Urban Lands Act* (ULA) successes is Desert Ridge, a master planned community in north Phoenix. Desert Ridge was a 5,700 acre grazing lease in the 1980s. Development firm Northeast Phoenix Partners (NPP) acquired the grazing lease and approached the Arizona State Land Department about using the ULA to create a master planned community. NPP spent nearly five years and several million dollars to plan the property and obtain zoning approval from the City of Phoenix.

To start Desert Ridge, the Land Department auctioned 550 acres under a commercial lease for an urban village core, a resort site, and a golf course. It also sold 780 acres in 1993 for residential development and a second golf course. NPP had the winning bid on all of this land, and the low price it paid justified the requirement that it plan and install the infrastructure necessary for the entire 5,700 acre Desert Ridge community.

The sales history within Desert Ridge shows how, for good reason, values can escalate during development. The 780 acre parcel was sold at an appraised value of \$12,000 an acre. NPP put in infrastructure to serve the purchased and adjoining lands, bringing its investment in the property close to \$75,000 an acre. NPP subsequently resold the land to

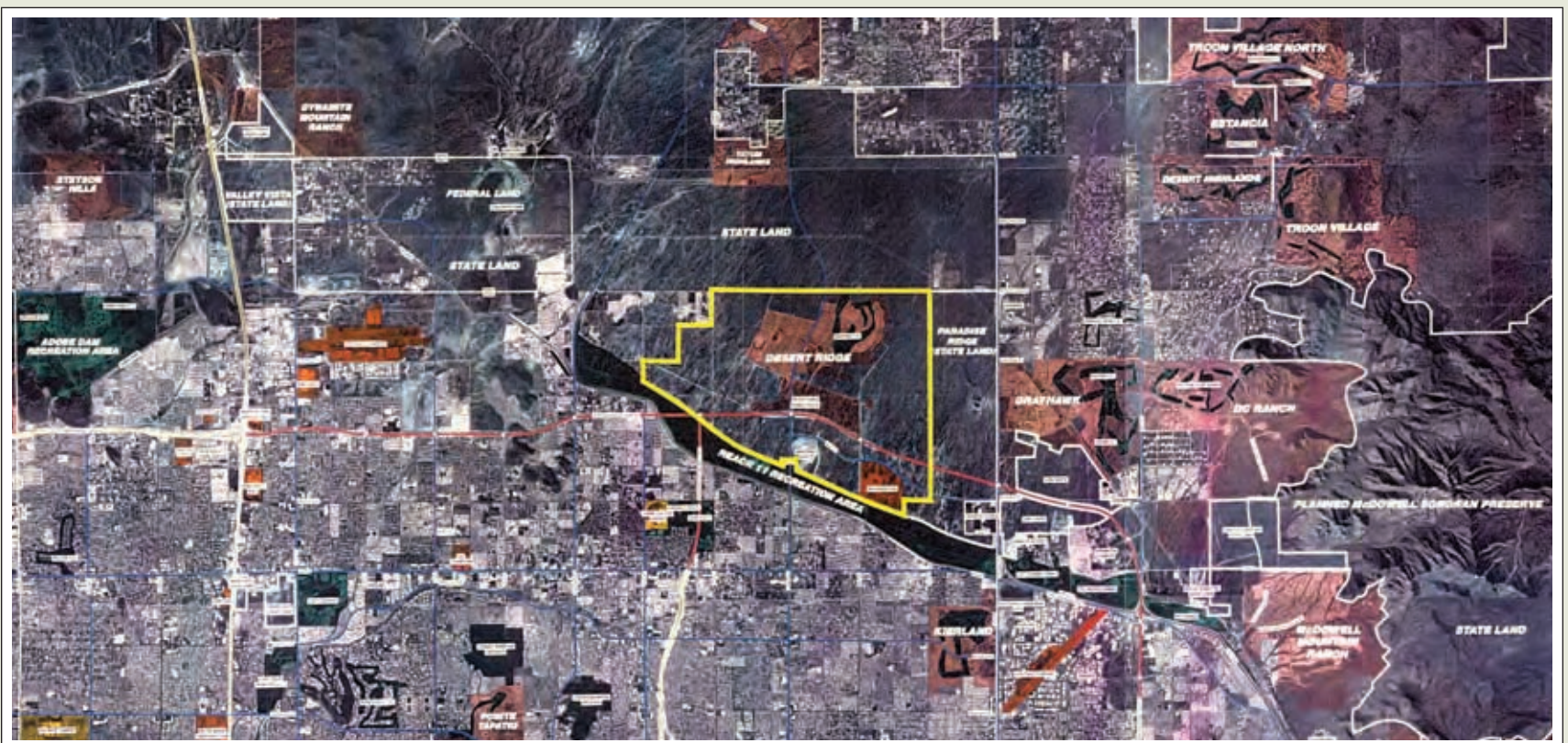
homebuilders at approximately \$85,000 an acre. Those sales were criticized because it appeared as though a company that bought land for \$12,000 an acre had turned it shortly thereafter for \$85,000.

Desert Ridge has continued to develop, with active sales by the Land Department every year. The project now includes a Marriott hotel that is the largest in the state, a Mayo Clinic hospital, and the Desert Ridge marketplace with more than 1 million square feet of retail uses. All of this was made possible by the original plan and infrastructure. Recent parcels have sold for nearly \$1 million per acre. Total sales by the Land Department to date are approaching \$600 million.

The success of Desert Ridge has been hard to repeat. Most of the land auctioned in the early 2000s was planned in the 1980s and early 1990s. While these dispositions turned out remarkably well, the press and some state leaders often lambasted the mechanisms that had been used to attract private sector planning, causing most private planning of trust land to cease by the mid 1990s. As a result, the Land Department now is quickly running out of land that has been planned and is ready for sale. No comparable large-scale plans on state trust land have come to fruition.

DESERT RIDGE STANDS OUT IN THE NORTH VALLEY

Desert Ridge and Surrounding Areas



Source: Northeast Phoenix Partners, Inc., Undated.

Future Trends: Forces That Will Shape Superstition Vistas

Many interacting forces will shape the way new lands develop throughout the Phoenix metro area. For *The Treasure of the Superstitions*, experts from Arizona State University and other institutions were asked to study three of the most critical drivers:

- Population growth
- Urban living trends
- Water resources

The experts prepared “white papers” with their findings. (See www.morrisoninstitute.org for the papers.) Complementing these studies are outlooks obtained from interviews with a cross-section of stakeholders. The papers and interviews are summarized below.

GROWTH, ECONOMY, JOBS: HOW MANY MIGHT CALL SUPERSTITION VISTAS HOME?

With Superstition Vistas located next to the currently urbanized portion of the Phoenix area, projections for Superstition Vistas start with projections for the growth of the entire metropolitan area. Using these, the Phoenix area’s overall growth can be allocated geographically, with the understanding that development in Superstition Vistas will be in competition with that elsewhere in Pinal County and Maricopa County.

The forecast of the growth of the Phoenix area starts with an analysis of growth up to the present time. While the growth rate of the Phoenix area has varied by year with the economic cycle, annual average growth over three economic cycles from 1970 to 1991 was relatively steady in number. In the most recent (1991 to 2001) cycle, however, numeric growth was much greater. Since 2001, it appears that the pace of growth has been at least as great as during the last cycle. This historical pattern suggests three scenarios for future numeric population growth in the Phoenix area:

- High Growth: Continued acceleration
- Middle Growth: Stabilization near the recent or current level
- Low Growth: Slowing back to the 1970-1991 level

Many factors will affect the future growth of the Phoenix area. With the region already one of the largest metro areas in the country, further growth will mean that the “disamenities” that often attend to large metro areas, such as long commutes, pollution, crime, and increased cost of living, will become increasingly important. While each of the factors will impact Superstition Vistas and other developing areas, resource availability and other factors will determine relative growth rates among the various areas. Of key significance is the distance to employment, shopping, and entertainment centers from Superstition Vistas and other developing areas in all directions from central Phoenix.

Employment centers are developing around the Phoenix area, but the historical employment center that stretches from central Phoenix to central Scottsdale and central Tempe still is of considerable importance. As such, Superstition Vistas has a locational advantage over some currently developing areas that are farther away.

The population projections for Superstition Vistas depend on various assumptions:

- Adequate water at a reasonable price will be available.
- Fuel prices (after adjusting for inflation) will not be substantially higher than at the current time.
- An adequate transportation network will be built on a timely basis.
- Housing prices will be less than in more centralized locations.
- Employment opportunities will increase to the east of Tempe.
- Working-age people will continue to migrate to Sunbelt locations.
- Retirees will continue to move to Sunbelt locations, particularly locations near the fringe of metro areas.
- Population growth will continue to move gradually outward from the Phoenix urban core in all directions.
- The existing moderate population density of the developed Southeast Valley will continue in Superstition Vistas.

Assuming that 245 square miles of land can be developed in Superstition Vistas (i.e., 30 square miles are set aside as a preserve) and the population density will be equal to the urbanized area average (3,638 per square mile in 2000), the Superstition Vistas population may reach about 900,000. This population would be reached in 2060 in the high scenario. In the middle scenario, Superstition Vistas would have about three-quarters as many people in 2060. (See Table 1 on the following page.)

TABLE 1: SUPERSTITION VISTAS' FUTURE POPULATION DEPENDS ON MANY FACTORS
Population Projections, 2010-2060

	Population Projections		
	High	Middle	Low
2010	35,000	35,000	20,000
2020	175,000	175,000	40,000
2030	340,000	340,000	60,000
2040	530,000	485,000	110,000
2050	720,000	610,000	190,000
2060	900,000	710,000	270,000

Source: *Superstition Vistas: Demographic Issues*, 2005.

HOUSING, TRANSPORTATION, LIFESTYLES: WHAT MIGHT PEOPLE WANT?

Urban living will undoubtedly evolve in coming years and numerous factors will influence how preferences and tradeoffs play out. An examination of five of the clearest trends points toward possibly dramatic changes in communities and residents' outlooks on good places to live.

ACCOMMODATING AGING BABY BOOMERS

Early baby boomers, born between 1946 and 1955, comprise the largest demographic group in the U.S. They will swell the ranks of retirees and the elderly over the next 40 years and drive demand in many areas. Among retiring baby boomers, approximately 30% are expected to make long-distance moves — 500,000 per year by 2015 — with many likely to move to Sunbelt states such as Arizona.

Surveys reveal that many early boomers are nervous about their financial future and many plan to fund their retirement by selling their primary homes and working part time. They are also expected to travel less as they age, which should increase demand for housing close to services and amenities.

In retirement, early baby boomers are expected to want:

- Relatively dense developments with high quality, but smaller-than-average housing units
- Easy access to services, either by walking or transit
- Nearby amenities such as shopping, dining, physical fitness activities, entertainment, and educational opportunities
- “Elder-adapted” housing so that retirees can age in place
- Multigenerational communities
- Access to the latest information, communications, and health technologies

ADAPTING TO MORE DIVERSITY

A dramatic change in racial and ethnic composition will occur in the U.S., due in part to accelerating immigration. Between 2020 and 2040, Hispanics and Asians are expected to be the fastest-growing segments of the U.S. population 25 years of age and older, representing nearly two-thirds of the total change. Blacks will add almost 20% to that growth, while non-Hispanic Whites will account for less than 10%. Increased minority purchasing power will have profound effects on consumer markets.

RISING TRANSPORTATION COSTS

Nothing has had more impact on the decentralization of urban living over the last 100 years than cars and trucks. Conversely, nothing has more potential to alter current patterns than escalating costs of such personal transportation. With the exception of a few price spikes, however, the average cost of oil has been relatively stable. Barring a disruption to oil production or similar event, most analysts see oil prices dipping over the next few years, then rising through 2030 as demand increases and supplies tighten. The highest forecasts for 2030 predict oil prices will settle at more than double the 1988-2002 long-term average using constant dollars. Thus, a combination of increases above the long-term average and potential rises in gasoline taxes could add an estimated \$1.35 to the retail price of gasoline by 2030. Economists expect this level of price increase would cut total miles driven in the U.S. by 14% and reduce overall gasoline consumption by 32%.

INCREASING USE OF TECHNOLOGY AND TELECOMMUTING

By all accounts, technology will continue to change how people live and work, although the speed of adoption is difficult to predict. For example, the number of “telecommuters” so far has been much less than predicted. Most occupations are still location-dependent and reliant on face-to-face contact. Nevertheless, it is expected to play a larger role in the future.

EMBRACING ASPECTS OF NEW URBANISM AND OTHER DESIGN DEPARTURES

Architects and urban planners developed “New Urbanism” in response to the negative aspects of urban sprawl. Considered by many to be one of the most important design trends of the late 20th century, it seeks to slow the consumption of open space, reduce auto dependence, and build inviting neighborhoods that are diverse and community oriented. New Urbanist communities are conceived along the lines of historic villages — compact, walkable, and transit friendly with a mix of residential and commercial uses. They usually feature town centers, smallish lots, and walkways to shops, restaurants, and jobs.

New Urbanism is only one design trend that is seeking to change the currently dominant suburban style. Overall, a wide variety of data reveal that many homebuyers and residents are looking for something different in communities. The focus on everything close at hand to reduce driving and commuting is one change that resonates with many.

FUTURE WATER RESOURCES: WILL WATER CONSTRAIN SUPERSTITION VISTAS?

One question raised consistently about Superstition Vistas — and indeed about metropolitan Phoenix — has been “Is there enough water for all of these people?” In asking this question, people often focus on whether sufficient water is geographically “right there” to serve future development. The metro Phoenix reality, however, is that the water supply and delivery infrastructure is sophisticated, integrated, and regional in character with many different water suppliers.

Unlike many other places in the U.S., an area like Superstition Vistas can develop without an immediate local water supply. Rather, it needs to compete successfully for available supplies in the region. The water resource analysis completed as part of this study identified four potential regional resources that could sustain Superstition Vistas, each with a different degree of reliability, cost, and likelihood of availability. Superstition Vistas’ development is likely to require water from all four sources over the long term and thus success in an increasingly competitive situation.¹

2 TABLE 2: WATER SUPPLIES WILL COME FROM FOUR MAIN SOURCES

Type of Water Supply	Potential Components
Central Arizona Project	Municipal and industrial subcontracts Indian leases Non-Indian agricultural water State Land Department allocation
Colorado River	Indian leases Non-Indian water rights
Groundwater	Local Water farms inside active management areas Water farms outside active management areas Recovered water
Reclaimed	Wastewater cleaned sufficiently to reuse for some uses

Source: *Superstition Vistas: Water Matters*, 2005.

Population projections show that Superstition Vistas could grow to 900,000 people by 2060 in a “high growth” projection. Using the average demand of 186 gallons per capita per day estimated for new subdivisions in the metro Phoenix region now, water demand for Superstition Vistas would be nearly 190,000 acre feet per year. Demand could vary significantly from these estimates depending on how Superstition Vistas is designed and on how water conservation policies and practices evolve over time.

Superstition Vistas is well-positioned to compete for regional water resources. Because of its immediate access to the CAP canal, and because the Land Department has some unusual water resources available, Superstition Vistas should be able to compete favorably

even toward the latter part of the planning horizon. Development, however, likely will need to meet new and increasingly stringent expectations about water conservation.

An Acre Foot of Water

An acre foot is the volume needed to cover one acre of surface to a depth of one foot or about 325,851 U.S. gallons. This is roughly the average amount of water used annually by a family of four.

STAKEHOLDERS’ VIEWS: WHICH FUTURE DO THEY WANT?

Scores of stakeholders were interviewed for their opinions and insights on potential development of Superstition Vistas. These Arizonans included: representatives of environmental and community organizations, elected and appointed officials of federal, state, county, and municipal governments, public and private sector planners and architects, and private sector developers. Stakeholders were asked about desirable and undesirable uses for Superstition Vistas, potential models, influences, and the best approaches. Most responses from stakeholders clustered around the broad “Wants” and “Don’t Wants” presented in Table 3.

3 TABLE 3: THE DESIRED FUTURE FOR SUPERSTITION VISTAS STRESSES LIVABILITY

Top 5 “Wants”	Top 5 “Don’t Wants”
Open, friendly, distinct urban places with real downtowns, diverse walkable neighborhoods, and a variety of nearby jobs	Endless sprawl characterized by cookie cutter “garage-burbs” with a sea of red-tile roofs
Environmentally sensitive, sustainable communities with high quality of life	“Scrape-and-build” development with destruction of desert and no natural areas
Integrated multimodal transportation choices including highways, transit, and trails	No long-term plan for roads, growth, and jobs
Special attention to washes and natural drainages as amenities and natural infrastructure	“Man-conquers-nature” infrastructure without sensitivity to the environment or people
Quality long-term planning for land use and infrastructure	Confusing land release process with uncertainties for cities, county, and developers

Source: Morrison Institute for Public Policy, Arizona State University, 2005.

Interviewees offered a range of examples of the type of developments they would most like to see, and those they would not. (See Table 4 on the following page.)

¹ See *Superstition Vistas Water Matters* for details on regional water supplies and considerations for acquisition and use.

Positive Models Cited	Cautionary Models Cited
Verrado, Arizona A DMB Associates “village” development close to the West Valley’s White Tank Mountains	Standard metro Phoenix developments with same-style houses and little sense of community
Irvine Ranch, California Southern California development created by the Irvine Company beginning in the 1960s	Anthem-style leapfrog development with little regard to location
DC Ranch, Arizona A DMB Associates development in north Scottsdale	Piecemeal subdivisions without comprehensive planning, such as Johnson Ranch and Rio Verde
Celebration, Florida New Urbanist community in central Florida developed by Walt Disney Company in the 1990s	Existing sprawl cities and their suburbs, such as Los Angeles and Houston
Seaside, Florida New Urbanist community in Florida designed by Andres Duany and Elizabeth Plater-Zyberk in the 1980s	Sameness of many Arizona cities, such as Sun City, Lake Havasu, Gilbert, and Oro Valley
Stapleton Community, Colorado New Urbanist development of former Denver airport site by Forest City Enterprises beginning in 2001	Older neighborhoods left to decay to support new fringe neighborhoods

Source: Morrison Institute for Public Policy, Arizona State University, 2005.

Interviewees provided a wealth of ideas about how to ensure a quality future for Superstition Vistas, including:

CITY OF VILLAGES Create small-town-sized villages between major washes with each one connected to the others by high quality multi-modal corridors that accommodate cars, but encourage alternate forms of transportation from walking or horseback to light rail.

JOB AND HOUSING CONNECTIONS Ensure that employment is not an afterthought in Superstition Vistas. Make jobs at all economic levels available.

MODEL OF SUSTAINABILITY Feature Superstition Vistas as a large-scale model of sustainable development, a city with total dedication to deploying the best technologies in energy production and resource conservation.

INTEGRATED INFRASTRUCTURE Design and construct an integrated infrastructure corridor that combines the CAP canal, flood control, a trail system, a north-south highway, and a utility corridor. The goal is to greatly reduce overall size of easements, construction costs, and environmental impacts while making use of attractive natural systems to handle drainage and recharge.

RAIL SOLUTIONS Expand Southern Pacific’s rail system through the Valley to add freight capacity and commuter access from Superstition Vistas through Williams Gateway, ASU, Sky Harbor, Phoenix, and Goodyear.

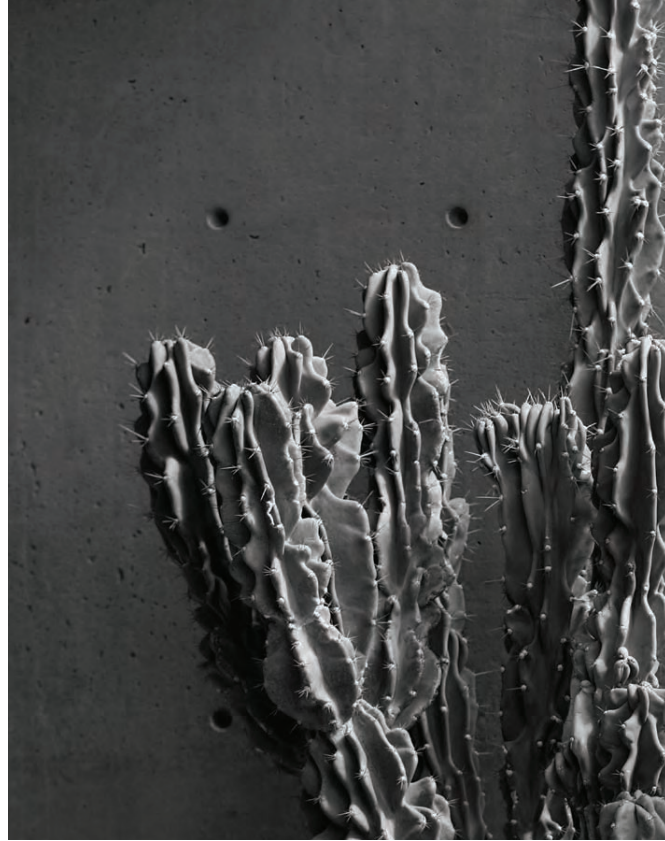
MILLION SOLAR ROOFS Require electricity-generating solar roofs on all buildings in sufficient size to fulfill most of the daily needs of that building.

PARALLEL PLUMBING Install multiple supply and wastewater plumbing systems in buildings to allow the capture, treatment, and reuse of water for appropriate purposes. For example, recycle treated effluent back to buildings to flush toilets, or supply untreated CAP water to wash cars or maintain landscaping.

LAND BANK Set aside large plots of untouched, yet developable, land in a land bank for future generations. As portions of the land bank reach their maturity dates, residents will be able to decide how best to use the land to meet evolving needs and conditions.

PRE-INCORPORATED CITY Change state laws regarding incorporation so that Superstition Vistas can be incorporated as a city prior to development. Possible advantages include better master plan enforcement, early municipal infrastructure bond financing, and ordinances that allow traditional neighborhood development with narrow streets, minimum setbacks, and mixed uses.

MULTIPURPOSE WASHES Take advantage of complex drainages by designing them as combination infrastructure (drainage, recharge), recreation (trails), natural areas (riparian preserves), and wildlife habitat (migration, water, and food).



SCENARIOS FOR THE FUTURE OF SUPERSTITION VISTAS

The scenarios that follow are stories about possible futures for Superstition Vistas. Based on the research conducted for this report, they depict a range of paths development could take as policy choices made in the next few years influence long-term outcomes. Each scenario focuses on a different aspect of growth policy — infrastructure, performance standards, and governance — and the way that mechanism could be used to shape the future.

These scenarios are intended to provoke discussion about visions, investments, and choices. They are neither intended to be prescriptive nor exclusive. Scenarios are not supposed to be Utopian outcomes. Instead, they are expressions of reasonable expectations of how the future could turn out based on trend analyses.

What is truly important is that Arizonans recognize that Superstition Vistas presents an extraordinary opportunity. Never before has an Arizona property the magnitude of Superstition Vistas been the subject of a broad public dialogue about the future.

What policy choices will we make? How will it turn out? Perhaps the next few pages will provide a glimmer.



**THINKING
BIG**

AS THE SUPERSTITION VISTAS AREA WELCOMED ITS 700,000th new resident in 2045, the region had grown to the point that the original name had largely disappeared into six urban villages, each with its own identity. Residents live in places like “Peralta,” a colorful village of Hispanic-accented, patio-oriented homes; or “Reavis Ranch,” a lower-density, territorial-style village of houses with broad, shaded porches; or “Modera,” a move-up village of Tuscan-influenced mini palazzos. These communities are connected and separated by wide swaths of open desert dedicated to carrying drainage, accommodating utilities, and providing recreation opportunities.

What the residents don’t often realize is that their villages work well because, decades ago, they were intentionally located, sized, and shaped by well-designed corridors of infrastructure and natural areas that now form the “backbone” of the entire area.

One big thing — the planning of major infrastructure — had been done right at the outset of Superstition Vistas. As a result, the area grew with:

- No fights over where a freeway should run
- No conflicts over using open space for development
- No hearings on where to put the power lines or build a generating plant
- No condemnations when a road needed to be widened

Looking back from 2045, it is hard to imagine how radical the Land Department seemed when it decided to plan infrastructure for all of Superstition Vistas at once. The typical practice had been to auction off trust land in development-sized tracts and leave individual builders to deal directly with a city or county on where roads and utilities should run. Only fairly vague “general plans” and *ad hoc* negotiations in the context of each development governed coordination from one area to the next.

In 2005, however, the Land Department had reflected on its experiences and embraced the idea of selling a strategically placed parcel to a developer with the requirement to plan a much larger area. Based on the success of the “buy and plan” approach in various areas, the Land Department decided to apply this still-new model to its “jewel,” Superstition Vistas.

In 2006, voters made the Land Department’s new path easier by passing a constitutional amendment reforming state trust land operations. Arizonans clearly wanted their Land Department to think bigger, smarter, and longer term. In early 2007, the newly appointed Arizona State Trust Land Board of Trustees and the Land Commissioner announced a sweeping planning process for Superstition Vistas and advertised for the largest consulting contract ever: a master infrastructure plan for the entire 275 square miles of land.

The goal was to delineate the major corridors for *all* “trunk line” infrastructure, as well as groundwater recharge sites. These corridors, which were more than half a mile wide in some areas, were the designated routes for major regional transportation, utilities, and recreational amenities. The 2006 reform measure allowed the Land Department to identify these corridors in advance and dedicate the land for infrastructure without having to auction it off to the highest bidder, as was required in the past.

While many master planned community developers in 2007 were experienced in infrastructure planning, the scale of Superstition Vistas was truly unprecedented. Superstition Vistas was nearly 10 times the size of the largest master plan communities in metro Phoenix. Municipal general plans covered such large areas, but these were usually done after most of the development occurred or were created in pieces as the city annexed territory. Never before had plans been prepared to guide infrastructure development so far into the future.

Often, the Superstition Vistas plans were much more specific than previous planning efforts. For example, the transportation element included surface streets, transit routes, and freeway corridors. This was revolutionary thinking: usually ADOT would only indicate the “possibility” of a freeway corridor in a general area. But here, the Land Department decided to draw hard lines for future roadways, and reserve the land until construction was warranted. Even more unusual, the transportation portion included “transit ready corridors” to coordinate transit with freeways and accommodate more transit as communities grew.

The corridors, in turn, determined the location of drainage facilities and natural areas and provided plans for how the two would work together. This was really important to satisfy the requirements of the U.S. Army Corps of Engineers. The Army Corps in the 1990s had started using its jurisdiction over the “waters of the U.S.” to review individual proposals affecting desert washes. This process resulted in long delays and often produced results at odds with what cities and residents wanted.

At Superstition Vistas, the Land Department had the resources to hire engineers and hydrologists permanently. So, the Army Corps permitting process could be completed quickly for a vast area of land. The result was a comprehensive plan to preserve, and often enhance, major wash corridors as drainages with a comprehensive network of trails linking the entire area together. This made much wider corridors possible, and the open space was expressly designed to allow people and wildlife to move back and forth throughout the area. Each corridor connected to the 18,000 acre Superstition State Park carved from the most spectacular land at the north end of the area.

The Land Department also decided where to use its access to water resources to support development at Superstition Vistas. Thirty thousand acre feet of Central Arizona Project (CAP) water had been designated for the Land Department in 1986 and some of it was dedicated to this tract. Additionally, the Land Department struck a deal with CAP to move groundwater from state lands in western Arizona to Superstition Vistas through the CAP canal. This decision meant that a comprehensive water supply solution was largely in place from the start. The result, the Land Department believed, would be higher land values and speedier development to meet the steadily growing demand for housing and business locations in the Phoenix metropolitan region. The Land Department’s prediction turned out to be right.

It took 18 months, \$3 million, and 20 public hearings, but by the end of 2008 the State Trust Land Board of Trustees and Pinal County Board of Supervisors had approved the Superstition Vistas Area Plan. The document showed all of the backbone infrastructure corridors and identified locations of major development. The plan had only general land use designations — highlighting where a village should lie. Plans for the communities themselves were purposefully vague, with details for each left to subsequent planning and development.

Starting in 2009, the Land Department began soliciting development interest in various villages. A private sector team was selected to develop the early phases of each village. That developer would share its profits from the area with the Land Department through a negotiated “Participation Agreement.” The first phase of a village typically covered about 2,000 acres. After its development was underway, the infrastructure opened up the rest of the village to potential developers, and parcels ranging from 50 to 500 acres could be auctioned by the Land Department directly to homebuilders and others.

Initially, the Land Department took some heat for this approach. Auctioning large chunks of land with an infrastructure obligation attached meant that smaller companies could not afford to bid. The early bids also seemed low to the press and legislature, because it was hard to understand the obligations and easy to just compare price per acre to other nearby sales. There was also concern that the infrastructure-burdened auction did not generate enough competition. But Arizona’s newly elected governor in 2010 believed that master planning would pay off. The State Trust Land Board of Trustees agreed, which helped deflect criticism and maintain the approach.

By 2012, subsequent sales of parcels allowed many smaller builders to bid and the prices for infrastructure-served parcels started to rise above comparable private land sales.

As more villages were built, the benefits of the large-scale master planning became clear. New development neither overwhelmed

road networks, nor resulted in inconsistent developments bumping up against each other, as had happened before. By 2025, four of the six villages within Superstition Vistas were well underway. Each village had a distinctive character because different developers had been involved in the early village planning. Some of the development took place within areas annexed by surrounding cities. Some was approved in Pinal County. In each case, the winning bidder on a parcel could choose which path to follow.

In one case, for example, “KLP Development,” a company known for its lifestyle marketing savvy, sought county approval for a high density, walking-oriented retirement community called “Urbano.” It had gathering spots and trails...but no golf courses. By the time KLP sought Pinal zoning in 2012, golf was largely viewed by residents and officials as an inappropriate use of land and water. Parks and trails cost less to build anyway, required relatively little maintenance, and provided the image that was a mainstay of the company’s selling strategy.

Another major disposition resulted in a village based on modular manufactured homes. In this case, the Land Department’s 2017 auction covered about 1,400 acres. The buyer, “ModPod,” was a multinational company that delivered high quality, low cost modular homes that buyers and the media could not get enough of. Since the median price of a traditional home in Arizona had just reached \$524,000, residents embraced ModPod for its sleek 1,500 square foot models priced from below \$300,000. The community garnered international recognition and spawned a host of competitors, including “BoKlok” a division of IKEA, the European furniture company. As a bonus, ModPod’s success led the company to become a major employer in Pinal County, where it opened design and manufacturing facilities.

The Land Department did not seek to enforce any particular types of development, believing that the private sector was better positioned to react to market trends. But in all cases, the disposition parcels had been shaped by the original master infrastructure plans. All of the communities connected to that trunk infrastructure and thus to each other. The original infrastructure plans were not perfect. Sometimes lines had been too small to meet demand. But the location of the infrastructure corridors did not change and that was the whole point of this new way of thinking. It was not that the initial decisions on location were always right — it was that they were decisions. The area grew up relying on a network of infrastructure corridors that shaped everything else. Each subsequent development reinforced the validity and importance of the network.

Because of thinking big, the trust made a lot of money; the area grew in a more orderly, more desirable fashion than had been true of most of metro Phoenix; open space was preserved and integrated into the development. The experiment worked.

Getting from Here to There: Today's Complex Transportation Planning Process

Planning for freeways, highways, streets, transit, and other transportation forms is a complex business in Arizona, as it is everywhere. Federal programs that pay for much of the planning require regional organizations, such as councils of governments or COGs, to manage most transportation planning and implementation in the state. This regional orientation allows a single group of leaders to coordinate plans, programs, and projects to deal with common problems and challenges. For the Superstition Vistas area, two of Arizona's six COGs — Maricopa Association of Governments (MAG) and Central Arizona Association of Governments (CAAG) — have responsibility.

Arizona's iterative transportation planning process often begins with studies based on needs identified by a COG, Arizona Department of Transportation (ADOT), or both, and finishes with recommendations to ADOT's transportation board. In addition, the Arizona Legislature may request specific studies for particular areas.

A typical study involves an assessment of current population, employment levels, and existing transportation infrastructure. Population and employment projections are calculated, and transportation needs are modeled to satisfy those projections. Planners also consult community leaders, subject experts, and other stakeholders and incorporate data from other reports. Options are produced to show what alternatives might make sense in a study area.

The study usually documents general corridors, environmental concerns, stakeholders' inputs, and broad funding estimates.

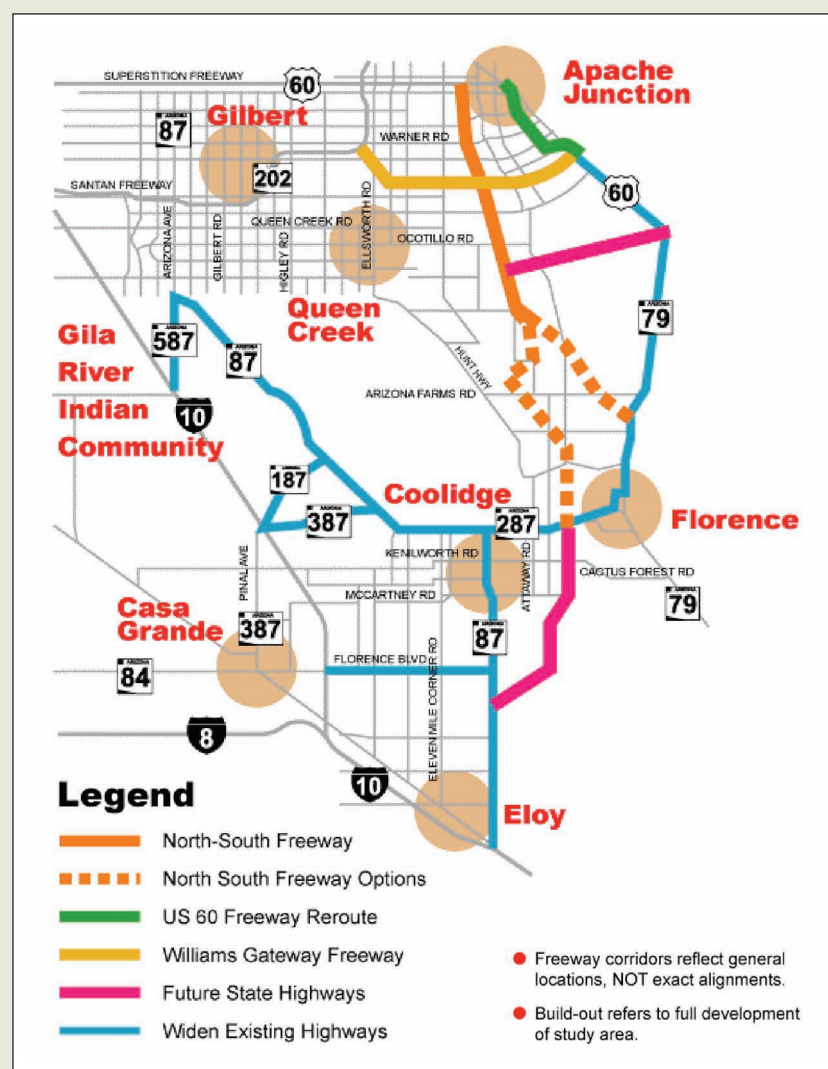
This high-level vision is discussed at "open houses" for residents and leaders, and their reactions and suggestions are incorporated into an interim published report. Phase II of the study usually requires more detailed modeling of the alternatives presented, an environmental impact statement, engineering studies, and additional citizen inputs. The results, augmented by cost estimates, are incorporated into a final recommendation that is approved, changed, or rejected by the ADOT board. Projects that are approved have funding sources determined and then either ADOT or a COG formally accepts the project and adds it to the overall transportation plan.

Because transportation studies for Superstition Vistas and surrounding areas include parts of Maricopa and Pinal counties, the Arizona Legislature asked ADOT to work with MAG and CAAG on the studies. The three organizations released two reports in 2003, the *SE Maricopa/Northern Pinal Transportation Study* and the *2003 Regional Transportation Plan*. These considered freeways, arterials, non-motorized transit (i.e., bike routes) and mass transit, and identified five corridors as potential locations for new freeways/highways. Four of these corridors — Williams Gateway Freeway, Apache Junction/Coolidge Corridor, East Valley Corridor, and U.S. 60 Freeway Extension

— crossed Superstition Vistas and were assigned to formal studies. At the time of this report, the conclusion of the transportation planning process was not yet known. However with Superstition Vistas, ADOT appears to be approaching the area with a view to accommodating a variety of possible futures.

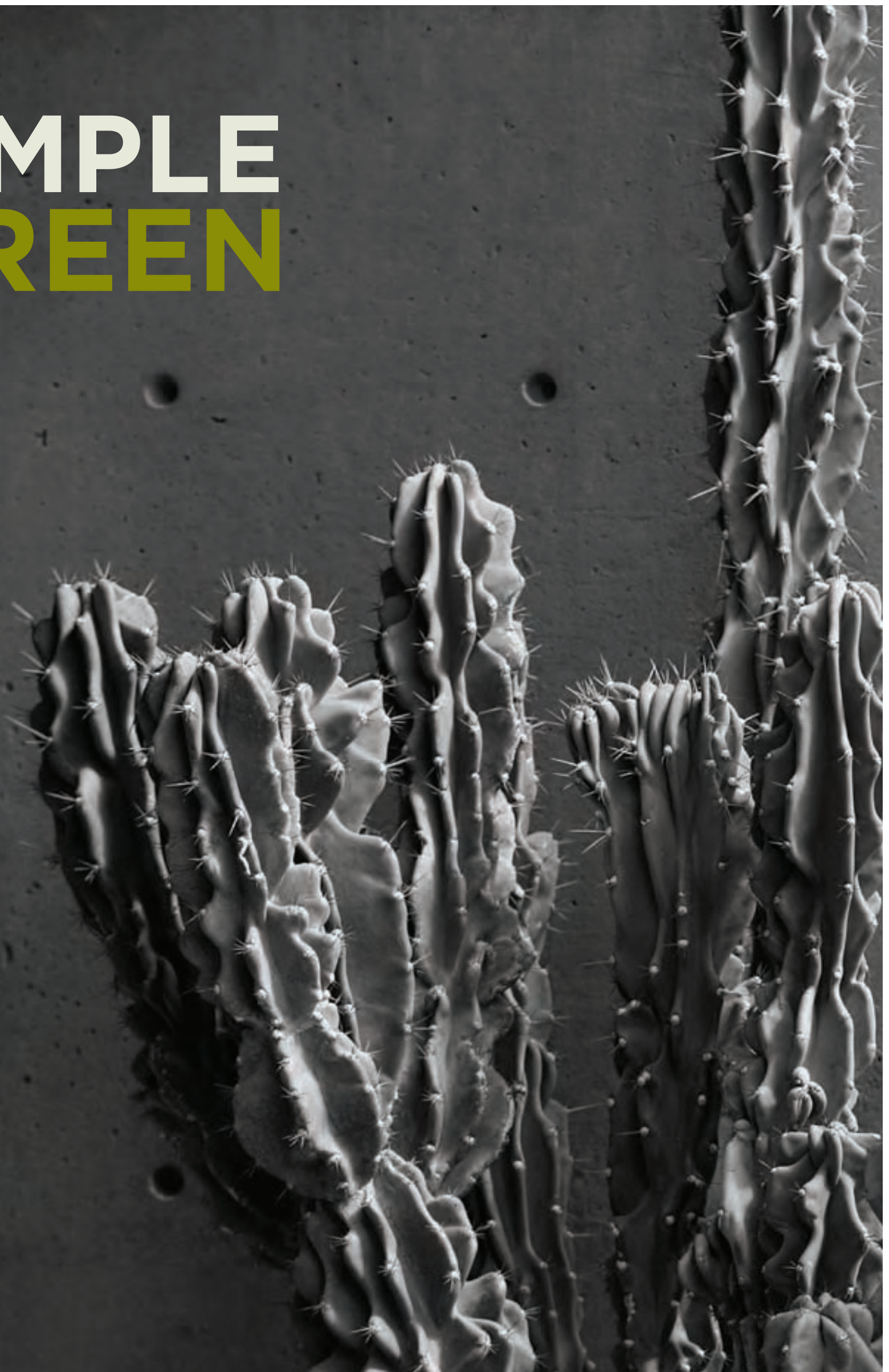
TRANSPORTATION OPTIONS WOULD AFFECT SUPERSTITION VISTAS

Proposed State Transportation System, February 2006



Source: Arizona Department of Transportation, 2006.

SIMPLE GREEN



Performance Standards Free the Market

“SUSTAINABILITY” WAS THE BUZZWORD OF THE EARLY 2000s. Scholars started the trend — holding conferences, creating institutes, even offering degrees aimed at studying the ability of humans to live sustainably on the planet. From academia, the word passed into general use as a goal for development and lifestyle. The term communicated the recognition that existing patterns of settlement in the latter half of the 20th century just placed too many demands on the earth’s resources. But recognizing that development should be more “sustainable” didn’t really answer the important question: “What should we do to be sustainable?” Nor did the word explain the scale at which sustainability should be measured — a development, a city, a region, the whole planet? Ironically, the problem was not a lack of ideas, but too many options from too many people — with no way of telling which ones really would make a difference.

The Arizona State Land Department’s most valuable asset — a 275 square mile patch of vacant desert on the edge of metro Phoenix — was the subject of interest just when sustainability became a priority. Every homebuilder coveted the area known as Superstition Vistas: largely flat, easy to develop, close enough for people to “drive ‘til you qualify” and buy houses there. At the same time, it seemed like every community activist, environmentalist, academic, commentator, and politician had a plan for how the area could be “special” or “unique” or “sustainable.” A highly visible report issued in 2006 said that Superstition Vistas presented an “unparalleled opportunity” to envision the future of an area that might one day be home to almost 1 million people. But the Phoenix region’s history made people nervous. Newspaper headlines after the release of the report read: “Will We Blow It?”

So, the ideas were legion and contradictory:

Require every house to use effluent for landscaping. Build paths for electric vehicles so everyone could shop using a golf cart. Mandate a balance between houses and jobs. Put a front porch on every house. Eliminate private swimming pools. Raise the densities. Lower the densities. Ban red tile roofs. Require cultured stone veneers on the front façade of every house. Put in alleys. Put garages on the alleys. Add “granny-flats” over garages. Restrict parts of the development by age. Prohibit age restrictions anywhere in the development. Put in lots of golf, but with really low-water-use grass. Eliminate golf but have lots of places to “power walk.” Ban big box commercial. Or allow big boxes, but require their fronts to look like a lot of little boxes.

Some ideas were too small. Some, like front porches, were better suited to individual developments within the huge tract. Plus, everyone knew that trends like front porches would come and go in a development phased over 50 years. The Land Department was worried that extending such restrictions over an area that could

eventually have 400,000 homes was unrealistic and might reduce land values.

Other ideas were too big. Altering commuting patterns or getting people to buy more fuel-efficient vehicles were national problems being addressed by the marketplace and federal agencies. The fact that the high cost of gasoline was a nonstop topic of conversation by 2010 was certainly beginning to impact Arizonans’ auto-centric mindset.

When all the different proposals on how to make Superstition Vistas “special” and “better” were toted up, hundreds of pages of restrictions, regulations, covenants, and rules had been proposed. It soon became clear that trying to codify them into a single governing document would take years.

A growing concern that development was being slowed by these circumstances led the Land Department to hold a major retreat in 2010 with developers, activists, and local government officials to discuss a concept originated in the 1970s called “performance zoning.” The idea was that, instead of long lists of “do’s” and “don’ts” applied to every piece of property, simple goals would determine how development should perform when it was built. For example, instead of an absolute height limit on any building on a given piece of property, a performance standard would say that development should not cast shadows on neighboring properties or block mountain views. Developers could then choose how to achieve those goals with a variety of market-sensitive designs. Performance codes were adopted in a few small cities around the country, but proved to be tricky to enforce and monitor in big, growing cities where building happened too quickly and at too large a scale to see if individual projects were really “performing.” It was easier for bureaucrats to simply say “yes” or “no” based on clear, prescriptive things like setbacks and building heights.

The 2010 retreat led to what people called the “Superstition Vistas debates,” which raged for six intense months. But three major areas of performance goals finally emerged as hallmarks of sustainable development on this piece of Sonoran Desert: water, heat, and energy.

Out of the myriad of ideas, three performance standards felt “just right.” First, for Superstition Vistas to grow as the Land Department hoped, water use had to be managed carefully. After considering many technical mandates, a single performance standard was adopted as a goal. Aggregate water use throughout the Superstition Vistas region had to be planned to account for no more than 100 gallons per capita per day (gpcd). This number included residential, commercial, industrial, and public uses. This standard was less than half of the gpcd for metro Phoenix in 2005, and 30% lower than Tucson, the most water-sensitive big city in Arizona. No other water mandate was imposed. Referred to as “100 a day,” every development or subdivision

was required to submit a plan showing how the goal would be achieved before it could be approved. Some of the options included: limitations on landscaping; internal use of gray water; innovative plumbing fixtures; and higher densities. The method was left to individual proposals.

One pattern that emerged was that it was easier to achieve the goal in larger developments where a variety of measures could be employed at the same time. A kind of market even emerged, in which a development with projected use below 100 (usually high density residential proposals) could partner with other projects to allow a higher average in another area.

The second standard dealt with the “heat island effect.” Arizona State University (ASU) researchers had determined that the mass of pavement, roofing, concrete, and buildings in greater Phoenix had increased nighttime low temperatures dramatically as the urban region expanded, creating an island of unusual heat. They showed where it was as much as 10 degrees hotter on a summer night than in the surrounding desert. There were lots of ways to mitigate the impact: more trees, less pavement, more open space, changes in building materials or different colored roofs. Doing so would have benefits not just for the comfort of residents — it also reduced energy consumption, though one important technique, using plant materials, had potentially negative implications for “100 a day.” Again, a simple performance measure was adopted. At the time of approval for any development, a heat island projection was required based on ASU’s models. The projected could add less than 1 degree to the average nighttime temperature over the average of the last 10 years. At first, builders had a hard time understanding the “cool 1” standard, but they soon figured out how to deal with it. It actually proved relatively easy and inexpensive to alter roofing and building materials, eliminate unnecessary paving, and adjust landscaping plans.

The final standard was about energy. Anything built in Superstition Vistas had to use just half of the state’s per capita level of energy consumption. And half of the energy in the region had to come from renewable sources, such as solar or wind power. This combination came to be known as the “half and half” standard, and it applied to commercial, industrial, and residential uses — no exceptions were allowed. If a project was too small to meet this standard on its own site, it could buy power from neighboring projects. Fortunately, the local utility, Salt River Project, embraced “half and half” and saw the business opportunity it presented: Salt River Project (SRP) supplied the expertise and made some of the technologies available to help everyone in Superstition Vistas meet the standard while building quality communities.

Developers, residents, and businesses used many techniques to meet the standard. The most efficient appliances were featured in state-of-the-art energy-saving homes and buildings. Some neighborhoods, especially very dense ones, used a central heating and cooling plant instead of individual home units. A significant number of consumers sold home-generated power back to SRP, making it easier for the utility to meet its renewable energy requirements.

Other than these three standards, development in Superstition Vistas proceeded in the normal course of approval. Modeling techniques were refined to project performance of development proposals against the standards — just as traffic impact studies had been required on projects for years. The models weren’t always right. Sometimes after projects were built, some of the techniques were less effective than anticipated, and so the models were refined over time.

Initially, developments throughout Superstition Vistas looked quite different from those in other places. Plant materials, colors, and site orientation were only a few of the differences. Visitors saw photovoltaic panels everywhere and met residents who were enthusiastic about discussing the successes and failures of various technologies for sustainability. On the other hand, many residents didn’t really notice. Over time, some areas looked more conventional, as developers simply learned to incorporate the requirements into their normal products.

In 2050, Superstition Vistas was recognized as one of the dramatic success stories of the century in “green” development. An international study assessed the effectiveness of each of the standards. “100 a day” had not quite been met. Though the area had the lowest per capita use of any large urban area in Arizona, the average hovered at about 106 gpcd. The “half and half” goal was half met — per capita consumption at 50% was achieved. But the goal of one-half of the power in the area being from renewable sources had not worked out as well. Superstition Vistas drew power from all over Arizona and the Western grid, and the goal of influencing generation within the area proved to be at odds with the interconnected nature of electrical supply. Still, the results were impressive enough to get attention.

The most striking result was the effort to mitigate the heat island effect. The audit showed that, overall, the development of the area had not raised the nighttime low temperatures at all. In the face of the major crisis in global warming that was apparent by 2050, Superstition Vistas’ success made it recognized as one of the truly “cool” spots on the planet.

Irvine Ranch: Lessons on a Large Scale

Irvine Ranch, an agriculture company that began urban development on its land in 1960, is considered the largest privately master planned development in the nation, and one of the most successful projects in U.S. history. Irvine Ranch encompasses all or portions of several cities, including the City of Irvine, incorporated in 1970. Among the key factors of Irvine Ranch's success were:

- A patient investment style based on land as a long-term asset, not a short-term commodity
- Infrastructure planning for transportation, water supply, employment, and retail through build out
- Plans for full-service communities where residents can live, work, shop, and recreate without leaving the area
- Strong relationships with surrounding government entities and other potential adversaries
- Flexibility to adapt to circumstances, such as development of the interstate highways, growth of technology industries, and incorporation of the City of Irvine
- Ample land reserved for employment centers

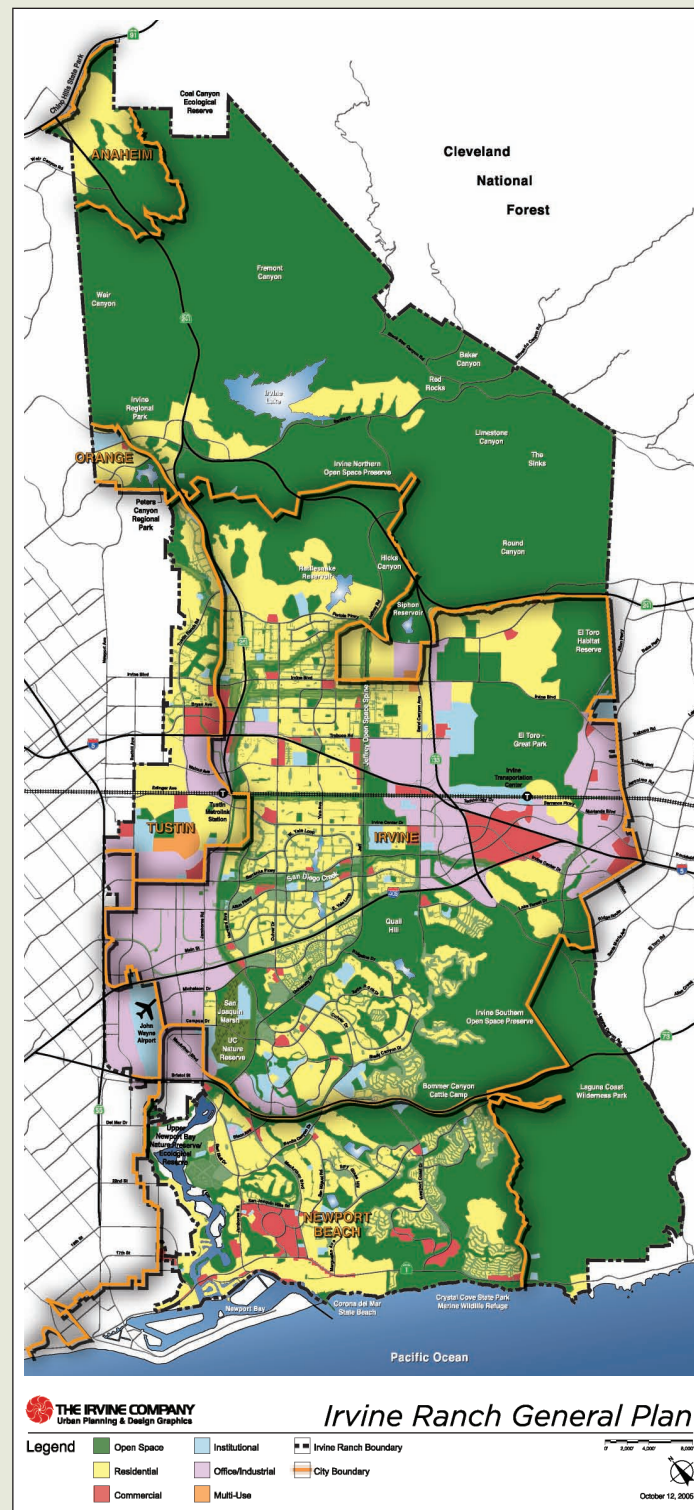
In the 1960s, encroaching southern California growth and rising property taxes pressured Irvine Ranch to embrace real estate development. Irvine Ranch management decided to undertake a long-term planning process that would guide development of the entire property for years to come. Master planning started with the designs of architect William Pereira. In support of a proposed University of California campus, Pereira designed Irvine Ranch's first village, a 100,000 person "university-community" on 10,000 acres adjacent to the new campus.

IRVINE RANCH HAS FEATURED MASTER PLANNING

Irvine Ranch General Plan, 2005

- Location: Between Los Angeles and San Diego
- Size: 93,000 acres, 145 square miles, and 52% of Superstition Vistas
- Population: 230,000*
- Jobs: 225,000*
- Natural Areas: 50,000 acres
- Largest City: Irvine, population 172,000*

* 2004 estimates.



Source: The Irvine Company, 2005.

The central idea was to balance economic growth with quality of life. Designs called for distinctive residential villages connected by trails, roads, and transit. Leaders located employment centers, diverse housing choices, multiple transportation options, shopping, educational institutions, and open space in close proximity. A master infrastructure design was developed that could accommodate build out in 2020 with about 375,000 residents.

In many ways, Irvine Ranch has exceeded expectations.

- Jobs currently outpace households more than three to one. Ranch residents also have higher-than-average incomes and shorter commute times than most Californians.
- Trails and bike paths augment roads and highways in connecting population centers.
- Much of the housing is attached units, allowing more land for other uses.
- Open space and long-term preserves cover more than half the total land area.
- "Dual plumbing" systems recycle wastewater in homes and businesses.
- Growth has produced diversity with only 57% of residents reported as non-Hispanic White in 2000.

The overall lesson of Irvine Ranch is that good ideas have staying power. While the development has not been without criticism, Irvine Ranch has followed its original plan and remain successful for nearly half a century.



SUPERSTITIONVILLE

SOMETIMES WHO IS MORE IMPORTANT THAN WHAT.

In 2040, that was the obvious lesson of Superstition Vistas. Instead of trying to figure out exactly what should be built at Superstition Vistas or where the roads should be, the Arizona State Land Department decided to establish who would guide the development over time. That courageous decision drove everything about the development and made it truly different.

Typically, major new development in Arizona has occurred under one of two circumstances. One alternative is for a large tract of property to be annexed into an existing municipality. At the request of at least one property owner, a city extends its boundaries to cover the parcel and then reviews and approves development proposals for that parcel under the city's planning, zoning, and subdivision regulations. The other alternative is for development to be approved by a county. In this case, the county's planning, zoning, and subdivision rules apply. After a period of time, however, homeowners in a county-approved development may decide that their community should incorporate, or become its own city. Homeowners can force an election on incorporation through a petition procedure.

At Superstition Vistas, the Land Department decided to seek a radically different alternative. In 2008, the Land Department asked the Arizona Legislature to change state statutes to allow a new method called "pre-incorporation" to be used on major tracts of state trust land. The idea was to put a city government in place before development and have this interim governing body create a plan, review proposals, and approve projects. One benefit of this novel approach was that the new community would not be designed by a single developer. The model would also free the Land Department from making all of the long-term development decisions, thereby providing political cover.

The resulting statute recognized a 200 square mile area centered in the middle of Superstition Vistas as the basis for the new city. This boundary allowed existing municipalities to annex some adjacent areas to expand their cities and left some additional land for future growth.

The statute declared the area to be the City of Superstitionville, Arizona. The legislation also provided for an appointed seven-member council to govern until a certain number of residents was reached. The Land Department appointed three members — two retired East Valley educators and one former real estate developer. The Pinal County Board of Supervisors selected three more to serve. Each of these members lived on the edge of Superstitionville and was known as a political activist. The six council members chose the seventh member — the mayor — a former elected official from Iowa named Thomas Hanson. He had moved to Queen Creek several years before and served as chair of that town's Planning and Zoning Commission.

The seven council members worked well together. Mayor Hanson proved to be a strong leader with firm ideas. The Land Department and Pinal County provided the council with start-up funding, as did the Arizona Legislature. Since expenses were few in a city where no one lived, almost all of the money could be used for planning. The council hired a planning director as its first employee and contracted with a nationally known planning firm to prepare a comprehensive general plan. Without citizens to quarrel with the council's proposals, it was easy to adopt a sweeping set of land use plans, development ordinances, and design review guidelines. An independent review committee appointed by the legislature and the Arizona League of Cities and Towns cited all of Superstitionville's documents as state of the art when the council approved them in early 2009.

The plan specified each parcel's use, including identifying every subdivision's density. The plan also set aside several thousand acres in different locations for "employment reserves" with the expectation that the area would have sufficient jobs for its residents. The plan featured two strong urban design concepts. First, the consultants had advocated that a true "downtown" be created that would capture all of the city's shopping. In contrast to the usual metro Phoenix development pattern of shopping centers on nearly every corner, Superstitionville's downtown was designed as a main street district with grocery stores and other major commercial uses. Buildings along Superstition Boulevard could be up to eight stories tall. Small convenience markets and neighborhood services were scattered throughout residential areas, but any retail use of more than 5,000 square feet had to be located in the downtown.

Mayor Hanson liked the downtown concept and also offered a planning idea of his own: no solid fences or walls around backyards or other areas. The mayor advocated a policy completely different from the standard single-family home pattern of metro Phoenix. Fences *were required* only around swimming pools. Fences *were allowed* elsewhere, but every fence had to be transparent. The mayor believed this would help ensure the neighborliness that had contributed to the quality of life where he grew up.

Following adoption of the comprehensive plan, the Land Department advertised for the initial dispositions. Because development rules were clearly set out in advance, the bidders could easily appraise exactly what was being offered. The result was competitive bidding and high prices for developable land.

The pre-incorporation statute provided for a staggered transition to popularly elected officials. After 2,500 citizens established legal residence, one council member would be popularly elected. The balance of the council and the mayor were phased into elected status with one being added every two years thereafter.

Despite the clear land use plans, development still had to respond to the market and there were some problems initially. Without enough “rooftops” to start development on Superstition Boulevard, residents were forced to drive more than 10 miles each way for groceries. Because the first roads were built with only two lanes, more development created traffic congestion before widening occurred. When downtown finally did get going, many citizens still drove further to shop at locations with more choices and lower prices.

Developers also started to quarrel with the rigidity of the rules. The City Council was heavily lobbied to allow other commercial locations. Some homebuilders complained that the “no fence” rule cost them sales to other developments and that fences should be allowed in some neighborhoods. Developers tried to have at least some of the employment land re-designated for houses since few employers had materialized as yet.

By 2013, four of the seven council members, including the mayor, were up for election. The growing pains of Superstitionville were serious enough by that time that a slate was organized on an opposition platform protesting governance without representation. Using the Boston Tea Party as a touchstone and “no taxation without representation” as a slogan, three members of the slate were elected, but Mayor Hanson beat back his challenger with a strong “keep the faith” campaign. He found himself presiding over a deeply fractured council. The three new members, elected with strong development industry support, favored more shopping centers and walls around backyards. The remaining council members and the mayor vowed to stick to the original plan.

By 2015, even the Land Department felt that aspects of the original master plan needed revision. In the pre-incorporation statute, the Land Department had agreed that land use would be governed by the community’s rules and that it had no power to overrule them. As a result, the Land Department found itself allying with some developers and some of the new city council members to support revisions to the original plan.

By this time, Mayor Hanson also had become concerned about congestion and the slow pace of commercial development, but still felt strongly about the strength of the original plan. He was especially adamant about defending the “no fence” rule, which gave Superstitionville a distinct appearance that was contributing to a growing national reputation. He successfully appealed to a broad-based coalition of residents who agreed that the dream of a different community would be severely jeopardized by the proposed changes. In a bitterly contested decision, the council turned down the Land Department’s proposal for changes to Superstitionville’s master plan.

The turmoil slowed development of Superstitionville. Only proposals that did not deviate from the original plan in any detail got through.

But while the Land Department and some developers voiced frustration, a remarkable community began to emerge. Superstitionville *did look* and *feel* different. No fences meant people knew their neighbors and this led to a strong sense of community. Downtown became a distinctive destination that attracted people from outside the area, even though some national retailers refused to live with the tough guidelines. The fights over the plan were tough, but Superstitionville had an extraordinarily high level of civic engagement. Every development proposal became a major topic of conversation. The local e-zine, which began largely as a justification for real estate ads, evolved into a community blog read and commented on by residents in most households.

The delays because of political turmoil also drove up the price of housing. The quality of development was high — but so was the cost.

Holding the line against land use changes meant that the large employment reserves had not been converted to housing. As a result, BioDisco, a brand-name, nationwide tech company that had long been courted by the Greater Phoenix Economic Council (now the economic development entity for Pinal County and its cities) announced relocation of its world headquarters to Superstitionville in 2018. In choosing Superstitionville, the company’s CEO cited the “extraordinary small town character,” the predictability of the land use process, and the availability of a parcel suitable for their use as reasons for the move. The company was also attracted by the area’s high quality of life. BioDisco immediately relocated 2,500 high paying jobs, but the company’s campus was designed to accommodate nearly 10,000 employees. As BioDisco’s suppliers and “affinity” employers followed, the dream of Superstitionville as a complete community where people could live, play, and work began to come true.

As more council members were elected and more residents and businesses moved to Superstitionville, a moderating effect was evident. Business began to move toward a more normal municipal model. Occasional exceptions to the plan were allowed though they were held to a very high standard. In the end, despite its unusual birth, Superstitionville’s politics became like that of other cities. But for the metro Phoenix region, one really unusual aspect of the debate over municipal growth dominated politics in Superstitionville: everything was measured against the original plan adopted by the first city council.

Realization of the dream of Superstitionville took longer than expected. Some short-term profits were sacrificed for the sake of adherence to the plan. But by 2040, a nearly half built out town of about 400,000 really did represent a different kind of place and, indeed, one that its residents were proud to call home.

Incorporation and Annexation: The Usual Ways to Deal with Urban Growth

In Arizona, a community of at least 1,500 residents in an unincorporated area may become a municipality by means of incorporation. This can occur in two ways: either organizers obtain signatures from at least two-thirds of the qualified voters in the community who approve of the incorporation, or organizers gather signatures from at least 10% of qualified voters in the community, hold an election, and have a majority of voters approve.

First, however, the proposed municipality must qualify as a “community.” Arizona law defines that as a “locality in which a body of people resides in more or less proximity having common interests in such services as public health, public protection, fire protection, and water which bind together the people of the area, and where the people are acquainted and mingle in business, social, educational, and recreational activities.” The community must also be “urban in nature,” which means that it “not include large areas of uninhabited, rural, or farm lands.” State law gives county boards of supervisors the task of determining whether an area is a community and urban in nature.

Since the early 1960s, state law has discouraged communities from incorporating close to existing municipalities by requiring permission from those municipalities. The hopeful community can request permission directly to incorporate from a city or town, or it can formally ask to be annexed by a neighboring city or town, and if this request is not granted within 120 days, the community is considered to have met the state’s permission requirements.

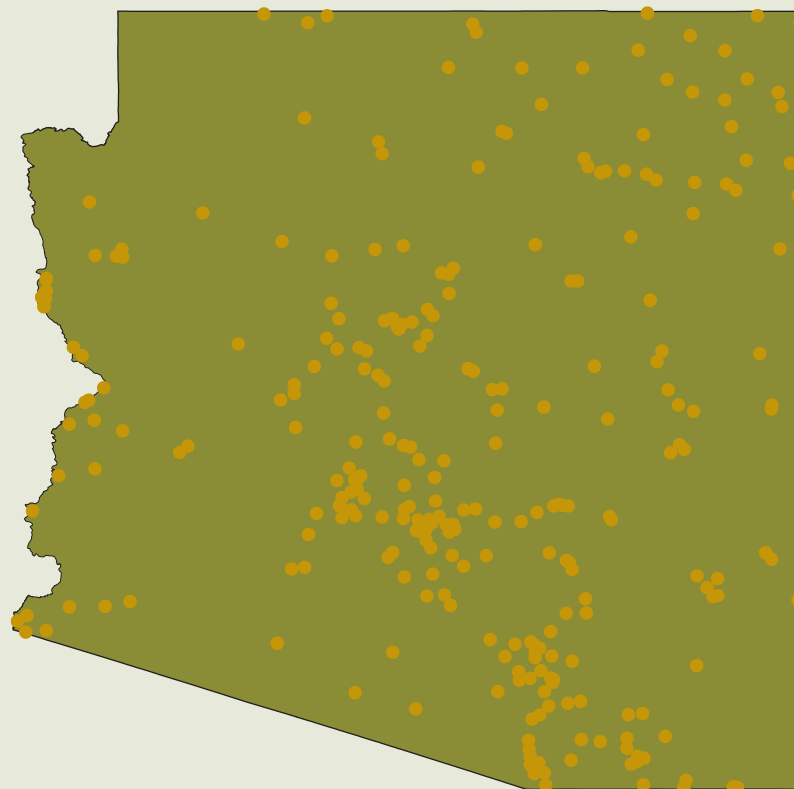
In practice, the incorporation process can be a long one. One example is Fountain Hills, Arizona. The town developed in the late 1960s on some 11,000 acres once belonging to a large cattle ranch, but did not incorporate until 1989. Organizers first had to get the permission of neighboring Mesa and Scottsdale, a task that required considerable bargaining on specific boundaries. Then it took three elections to secure voter approval from community voters. Part of the problem organizers faced was opposition from a group that favored annexation with Scottsdale.

Considering legal conditions and past practices in Arizona, some parts of Superstition Vistas are likely to be annexed into existing cities and towns. Arizona municipalities in the past have been aggressive about annexation because they viewed territorial expansion as essential to their well being. The annexation process gives them more control over developments on their boundaries and it allows them to capture increased revenues from sales taxes generated by retail businesses. Increasing their population size also helps revenues because Arizona municipalities receive state aid based on population formulas. City and town officials, however, are often selective about the areas they target for annexation, passing up opportunities where the anticipated revenues do not exceed the cost of providing more services.

Given the size of Superstition Vistas, considerable room is available for existing municipalities to expand, new cities to be created, and some unincorporated areas to remain as potential spawning grounds for new communities.

CITIES AND TOWNS ARE BASIC

Location of Incorporated Local Government Entities



Source: Morrison Institute for Public Policy, Arizona State University 2005.

SEIZING THE OPPORTUNITY WHAT NOW?

The most important message for readers to take from *The Treasure of the Superstitions* is to engage now and not let go.

The ideas presented here are only a first step in the dialogue about the future of this property and the surrounding communities. Opportunities abound, but with each policy decision or lost opportunity the field is narrowed. Too often choices about development and growth are made by default, without collaboration or the realization that a small nudge of trajectory today can produce an enormous difference down the road.

For the Arizona State Land Department, this study suggests a number of significant issues to be addressed in the planning of Superstition Vistas:

- Major issues of flood control, wash preservation, trails, transportation and utility corridors, and cooperation among jurisdictions should be addressed early and on the broadest possible scale.
- The full resources of the Land Department should be employed to deal with water supply issues for this area as a whole, rather than leaving solutions to individual developments. Doing so could bring greater value to the land.
- Disposition and development should be managed using the most creative public/private mechanisms the Land Department can devise. These mechanisms will work better at larger scale and they will work still better if proposed state trust land reforms are enacted.

Finally, for all of us who worked on this effort, there came a profound recognition that we were dealing with something larger than even 275 square miles of potential development. Frankly, the issues and ideas presented in this study apply to the future of all the cities and new growth areas of the Valley of the Sun, and perhaps the future of cities in general.

Take a piece of land. Fill it with a million people. What should it look like? How should we decide? These are the questions and opportunities that Arizona faces.

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