

FULL STORY

Westgate developer buys King Ranch

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The high-profile owner of Westgate City Center bought more than 1,800 acres of land in Goodyear slated for residential development known as King Ranch.

The Ellman Cos., headed by Valley developer Steve Ellman, purchased the property recently for an undisclosed price.

The property comes with a hitch — a \$20.3 million bill payable to the city of Goodyear to cover the costs of finishing the Cotton Lane bridge and a 3.5-mile road extension between Estrella Parkway and Maricopa County Route 85.

Sonterra Partners, the previous developer, found itself in a tough position when it became unable to pay for its share of the road and bridge as the Valley's real estate boom began stalled.

Last month, Goodyear city officials agreed to front Sonterra's share of the money needed to finish the more than \$50 million project, with the proviso the developer repay the \$20.3 million along with 7 percent interest before breaking ground and beginning any construction on the high-end homes planned for the development.

Ellman's property purchase includes the King Ranch development plans already approved by the city and the project's zoning and subdivision plats are part of the package.

Likewise, Ellman's property purchase package also includes the obligation to repay the bridge bail-out money fronted by the city to the former development before breaking ground for any part of King Ranch.

The bridge and road improvements have been under construction for more than three years and are more than 60 percent finished. The improvements are expected to be completed before the end of this year. The city will continue to front the money for the project, but Ellman's development plans will remain suspended until the tab is completely repaid, according to Goodyear Mayor Jim Cavanaugh.

The deal does not specify any date by which construction must begin, and the sluggish nature of the current real estate market could cause Ellman to keep the development project on the back burner for some time. Still, city officials are eager to see the project move forward and the money for the Cotton Lane bridge and road

work repaid. Ellman has had a bumpy ride in the past few years.

The developer has been hit with \$1 million fines each summer by the city of Glendale when it failed to finish the Westgate development on time — taking two years longer than originally planned to get the work done.

A lawsuit filed in 2003 by a group of residents and a 2004 local election thwarted the developer's plans to put a Wal-Mart, Lowe's Home Improvement Warehouse and Sam's Club on the site of the former Los Arcos Town Center in Scottsdale.

Northern Crossing at 59th and Northern avenues in Glendale is another Ellman development. The retail center features a Wal-Mart Super Center, Lowe's, PetSmart and another 100,000 additional retail space.

Although the start date for work on King Ranch is uncertain, the soon-to-be-completed Cotton Lane bridge and road expansion will help lighten traffic congestion on Estrella Parkway. Residents will also have an additional route across the Gila River.