

500 homes a year *And \$75 million annually is what Robson project promises city of Eloy*

By LINDSEY GEMME, Staff Writer

April 28, 2008

ELOY - EJ Ranch, a 2,120-acre master-planned development, could mean the addition of 500 homes a year with an annual economic impact of \$75 million, a city study says.

The city had filed an annexation petition last year and held a public hearing for this second phase for Robson Communities, just north of the existing Robson Ranch between Cornman Road and Florence Boulevard. At the behest of developer Ed Robson, City Finance Director Brian Wright initiated the fiscal impact study, performed by Elliott D. Pollack & Company, as part of a pre-annexation development agreement.

The impact study, just approved by the City Council, analyzed the new development in terms of economic output, wages and job creation for Eloy and the county.

At build-out, EJ Ranch is to have a total of 7,420 single-family homes expected to average around \$200,000 in price. The development includes commercial areas, nearly 200 acres of trails, almost 230 acres of open park areas and two school sites, approximately 20 acres and 13 acres.

Construction is anticipated to begin in 2010 and take about 20 years to complete.

The study estimates that EJ Ranch will add 500 homes a year, creating an average of 547 direct, indirect and induced jobs each year and generating \$23.5 million in annual wages and \$75 million in total economic impact per year (in 2008 dollars). Over the estimated 18 years of construction, the city would experience \$1.4 billion in economic activity, including wages, and see the creation of almost 10,000 jobs.

On top of that, the city levies a 4.5 percent construction sales tax for builders, 3 percent sales tax for employees purchasing goods within city limits and property tax at a rate of \$0.95 per \$100 of assessed value. Over 20 years, EJ Ranch construction (sales taxes, impact fees and secondary revenues) and home sales would total about \$54,618,000.

"The report does demonstrate that there would be a positive cash flow over the next 20 years, of \$66.2 million (for the city of Eloy)," City Manager Joe Blanton said.

That is even after a similar incentive agreement made between Robson and the city of Eloy when the 2,120-acre Robson Ranch community was being built: that 67 percent of the construction tax collected by the city is to be refunded back to the developer when the project is completed.

After complete build-out, though, the study concludes that the development will not have an economic impact, which is centered primarily on job creation and the impact those employees have on the local economy.

"Though some jobs will be created (sanitization, postal and others)," the study states, "it is not deemed sizable enough to have any major impact..."

Robson Ranch was started in the county outside of city limits, and the EJR Ranch site on the north is close to Casa Grande. The Robson company sought annexation into Eloy for the properties after a dispute with Casa Grande.

Big plans

EJR Ranch is planned to have 7,420 single-family homes, commercial areas, nearly 200 acres of trails, almost 230 acres of open park areas and two school sites.