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Maricopa ready for a revival

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Maricopa arose out of the desert in Pinal County almost overnight, in time for the Arizona housing boom and the painful crash that followed.

Now, it's showing signs of rising again.

The area once consisted of an Amtrak depot, farms and miles of feedlots for cattle heading to market.

Then, thousands of people priced out of the Valley's housing market sought refuge 16 miles south of Phoenix at the end of a lonely highway.

Rooftops began to sprout around the feedlots in 2000 and continued to spread as the county issued building permits at a breakneck pace.

Maricopa's population exploded from about 1,500 in 2002 to more than 35,000 in less than five years, spurred by subprime loans and affordable housing. Maricopa was a picture of everything that was booming about real estate: big, new houses, low mortgage payments, prosperity.

But then came 2007.

Across the country, the mortgage industry began to collapse. In Arizona, Maricopa was among the first to implode.

An epidemic of foreclosures spread across the community. Suddenly, Maricopa was a picture of everything that was wrong with real estate. Houses were abandoned. Home values were in free fall. The closest jobs were miles away. There was hardly anywhere in town to go shopping.

A series of nicknames followed. ABC's "Nightline" called it the "the poster child for the housing crisis." "Boomtown mirage," quipped the New York Times in 2008.

"Some of the negative perceptions in Maricopa just aren't accurate," said Danielle Casey, economic development manager.

Or at least, they are out of date.

Housing starts, home purchases and a smattering of new retail stores are green shoots of an economic recovery. To many in Maricopa, they suggest there is a future, that after the bust, a real town may emerge from that boomtown mirage.

Housing comeback

Once again, Maricopa is the home of affordable housing.

Armed with low-interest mortgages and an \$8,000 federal tax incentive, people are buying foreclosures and starter homes.

Nearly 1,000 homes sold in Maricopa in the first quarter of 2009, the highest first-quarter sales total since 2006. Combined resales and new-home sales for last year were higher than in 2007. Maricopa officials are hoping that the pace continues picking up this year.

"If you're interested in a house in Maricopa, this is the ideal time," said Mike Orr, real-estate analyst with the Cromford Report, which tracks the residential resale market in greater Phoenix.

In May alone, 295 home sales went through, compared with 155 during the same time last year.

Banks sold the most homes in May. About 75 percent were lender-owned, and nearly 13 percent were short sales or homes on the verge of foreclosure. The rest were normal sales.

Maricopa is also offering the cheapest housing prices in the southeast Valley. The current average sale price is \$99,633, or about \$49 per square foot.

In comparison, the average price in Chandler is \$105 per square foot, or about \$167,190.

"These homes are selling well below what they cost to construct," Orr said. "A lot of people are starting to say these are great bargains."

Slightly fewer than 450 single-family homes in Maricopa were for sale the final week of May. That's the lowest active-market inventory since July 2007.

"Maricopa seems to be a really nice, burgeoning community," said Robert Hill, 42, who rents a home in the city's Meadows subdivision but wants to buy. His family moved from San Diego this year.

Hill called Maricopa a community where his family "can be a part of building instead of being a part of something established."

Business rising

Not every community sees Walmart as a savior. But for Maricopa, the image of the future is cast in the blue glow of a sign that reads "Always low prices."

When the store opened May 20, it created 320 jobs and gave Maricopa the chain retailer it needed to keep more money, and sales-tax revenue, in the community. Studies suggest that Maricopa residents spend four-fifths of their money outside the city.

"We've been so excited just waiting to get it," said Kat Grover, 52, one of the first customers at the 24-hour supercenter.

Maricopa issued 135 business licenses in 2004, the year after its incorporation. By the end of 2008, 970 companies were doing business within city limits.

The majority of them are home-based, while a few are storefronts such as Poco Loco Home Decor & Unique Gifts.

Sonja Templeton and her daughter, Dareece Rosales, opened the store on a main drag in 2006 with an inventory of mostly home decor. When the housing market went bust, the mother-daughter team decided it needed a different business model.

"People are walking away from their houses; they're not fixing them up to make them look good," Rosales said. "So they'd rather make themselves look better."

The women reinvented Poco Loco as a boutique in 2008, selling purses, jewelry, apparel, accessories and shoes. The shop still offers home decor and design consulting services but on a smaller scale.

Templeton thinks Walmart will help expand her customer base.

"It's really going to benefit us because people will stay in Maricopa to shop," Templeton said. "If they stay here, they're going to shop here more and they're going to eat here more."

Cleaning up

When Molly Farabee's children go on walks with the neighbors, they play a game: Each one carries a trash bag. They compete to see who can pick up the most trash from the lawns of empty houses.

The casualties of the housing bust are as easy to spot in Tortosa, the subdivision where Farabee lives, as they are across Maricopa. But while the weeds grow tall in places, some say local activism will keep these neighborhoods from ruin.

As the bust arrived, more and more houses fell to foreclosure and went dark. The 2005-07 U.S. Census American Community Survey found that 20 percent of the homes in Maricopa were vacant. The current vacancy rate is thought to be between 15 and 25 percent, according to a city-commissioned report by Elliot D. Pollack & Co.

At the same time, tax revenues fell and the city downsized. It used to employ two code enforcers. Now, Brian Duncan, the city's senior code-compliance officer, is the only one left to patrol for overgrown lots and other problems.

"When you're dealing with hundreds of these properties, you just can't get to them all," Duncan said.

That's where neighbors step in.

Residents in the Acacia Crossings subdivision started volunteering to manicure lots and clear weeds.

The Community Services Department took it as a model and launched a program in 2008 called Copa Cares.

Several subdivisions in Maricopa have taken advantage of the free yard-cleanup programs. Homeowners associations need only to gather volunteers, while the city frees up dumpsters for yard waste. ACE Hardware Maricopa provides tools, rakes and shovels to get the job done.

The Villages at Rancho El Dorado, a subdivision of about 1,850 homes, has hosted two Copa Cares events since April 2008. "It inspires neighbors," said Peggy Chapados, president of the Villages HOA.

On Farabee's street in the Tortosa subdivision, she said people help each other with their yards.

"I think we all want to live in a beautiful neighborhood," said Farabee, 30, an eight-year resident of Maricopa. "Regardless of where the economy stands, we want to feel pride in our homes and where we live."

Obstacles remain

City officials are well-aware that Maricopa faces obstacles as it rises from the ashes of the housing bust. The city needs to overcome budget issues, attract employers and improve transportation.

Meanwhile, the city is trying to expand its services. The first public building, a library, is opening this month, and city officials are still planning on an aquatic center and a permanent City Hall.

Maricopa officials and other leaders say new residents such as Hill continue to move in, and they cite the Maricopa Unified School District's growth.

An estimated 40 new students are added each month.

The city isn't out of the woods yet, warns Jay Butler, director of Arizona State University's Real Estate Center. Butler said time will tell whether Maricopa can truly thrive.

"Do you have the resources to survive?" he said. "Is it getting the revenue needed to supply the services to its citizens at a level that will attract new residents?"

Butler also cautioned that home sales are not a good indicator of growth.

"Just because a house has sold doesn't mean somebody moved into it."

City Manager Kevin Evans said officials have re-evaluated city code and "cleaned up" or simplified processes -- such as building permits -- to make it easier for people and companies to do business in Maricopa.

"For a down economy, we're busier than heck," Evans said. "Now, it ain't all come to fruition yet, but it will. The economy will turn around. We've positioned ourselves to be one of the first that starts back up."

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