

OPEN MEETING AGENDA ITEM



0000072624

The Phoenix Plaza
21st Floor
2929 North Central Avenue
Phoenix, Arizona 85012-2793

ORIGINAL

**OSBORN
MALEDON**

A PROFESSIONAL ASSOCIATION
ATTORNEYS AT LAW

P.O. Box 36379
Phoenix, Arizona 85067-6379

www.osbornmaledon.com

Direct Fax

602.640.6074

06

jburke@omlaw.com

Telephone 602.640.0000
Facsimile 602.640.9050

2007 MAY 15 P 4:01
AZ CORP COMMISSION
DOCUMENT CONTROL

May 15, 2007

Arizona Corporation Commission
DOCKETED

MAY 15 2007

HAND DELIVERED

Commissioner Kristin K. Mayes
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

DOCKETED BY	NP
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Re: The Application of West End Water Company for an Extension of its CC&N,
Docket No. W-01157A-05-0706 (Walden Ranch)

Dear Commissioner Mayes:

At the April 11, 2007 Commission Open Meeting, you asked me when the City of Surprise expected to annex the area encompassing the Walden Ranch development. At that time, I was unable to give you a projected annexation date. I explained that as of the May 22, 2006 hearing on the extension application, the City of Surprise had not yet developed a timetable for annexing this property. After the open meeting (and directly in response to your inquiry), I requested an update on annexation plans from the City of Surprise Planning and Community Development Office. This letter conveys the information provided by the City of Surprise. As described more fully below, since the May 2006 hearing, the City has annexed new land and developed plans for additional annexations. As a result of these developments, the City now expects to complete the annexation of the property which includes Walden Ranch by either late 2007 or early 2008, presuming annexation is sought by the affected property owners.

I. Recent Annexation and Water Infrastructure Progress

Significant annexation and water infrastructure progress has occurred within the Surprise General Planning Area ("GPA") over the past eleven months. Surprise has annexed several large developments, including Asante North and Sunhaven Ranch. Asante North is a master planned community of the Lennar Corp. located due east of the extension area requested by West End Water Company ("extension area"). Sunhaven Ranch is a master planned community also located east (and slightly north) of the extension area. During the May 2006 hearing, Exhibit Number COS-9 (attached at tab 1) was used to illustrate "Annexations in Progress" at that time. Annexation area "K" on this map depicts the Asante North and Sunhaven projects. These annexations are now complete and both developments are within the Surprise city limits.

An updated version of COS-9 is attached as tab 2 (the "Annexation Status Map") and illustrates the City's current annexation plans, as well as the City's municipal boundary as of April 2007. As discussed in greater detail below, the City Planning Department now predicts that the City of Surprise will be prepared to complete the annexation of the Walden Ranch

Development (labeled Annexation Area N on the Annexation Status Map) by either late 2007 or early 2008.

The City of Surprise water infrastructure system has seen similarly rapid growth. The City has agreed to provide integrated water and sewer services to at least six sevenths (6/7) of Sunhaven Ranch, which is located just east of Walden Ranch. Sunhaven Ranch and Surprise recently entered into a Pre-Annexation Development Agreement which specifically provides that "the City will provide water service to the portion of [Sunhaven] that is not currently within the West End Water Companies [sic] existing legal CC&N area" Surprise has also agreed to provide integrated water and sewer services to Broadstone Ranch, a large development just North and West of Walden Ranch.¹

II. Walden Ranch Annexation

City planners expect that Walden Ranch will be annexed into the City by late 2007 or early 2008. This annexation schedule will, of course, also depend on the property owner's timetable for development and support for annexation.

The Annexation Status Map and the accompanying Walden Ranch Development Detail Map, attached hereto as tab 3, show that, with the recent annexations of Asante North and Sunhaven, Walden Ranch is only about ½ mile from the City boundary and will be contiguous to the current city boundary as soon as the Carioca property² is annexed. The Carioca property owners have discussed annexation with the City, and the City is now in possession of their unofficial annexation application. Together, the City and the Carioca property owners are currently working to determine the exact boundary for the annexation petition. Once agreement is reached on this boundary, the Carioca property owners will submit their application officially. As soon as the official application is submitted, the City, working closely with the property owners within the proposed boundary, will begin the legal process of annexation. Currently, it is anticipated this annexation should occur by late 2007.

Walden Ranch could join in the Carioca property owners' annexation application, as reflected in Annexation Area A2 on the Annexation Status Map. The City would support such a joint application. Currently, Walden Ranch is negotiating its pre-annexation development

¹ The Broadstone Ranch development is labeled as Annexation Area A2 on the Annexation Status Map, which reflects that Surprise will be prepared to complete the annexation of Broadstone Ranch and several other surrounding developments by late 2007 or early 2008.

² Because it is presently anticipated that Walden Ranch and the Carioca property will annex into the City as part of the same Annexation Project Area, both properties are included within Annexation Area A2 on the Annexation Status Map. Should it be determined that the two properties be annexed individually, the Walden Ranch Development Detail Map illustrates the likely division of Annexation Area A2 into an Annexation Area containing Walden Ranch and an Annexation Area containing the Carioca property.

agreement with Walden Ranch's pre-annexation development team. If Walden Ranch does not join in the Carioca property's annexation application, the City anticipates that Walden Ranch will be annexed separately, in early 2008.

III. Summary

Given annexation progress to date, Surprise expects that, with the property owner's support, Walden Ranch will be annexed within one year. While annexation timing is difficult to predict, the City of Surprise has a tested system in place for shepherding the annexation applications through to completion. The City is working diligently on infrastructure development and planning and fully expects these annexations to occur according to the general timeline provided above.

Very truly yours,



Joan S. Burke

Attachments

cc: Chairman Mike Gleason
Commissioner William A. Mundell
Commissioner Jeff Hatch-Miller
Commissioner Gary Pierce
Hearing Officer Marc Stern (w/attachments)
Charles Hains, Staff Counsel (w/attachments)
Blessing Chukwu (w/attachments)
J. Scott Rhodes (w/attachments)

and

Parties of Record in Docket No. W-01157A-05-0706.

TAB 1

City Of Surprise Annexation Progress



Beyond Expectations

Legend

Annexations Status

- Future
- Annexations in Progress

Annexations Study Areas

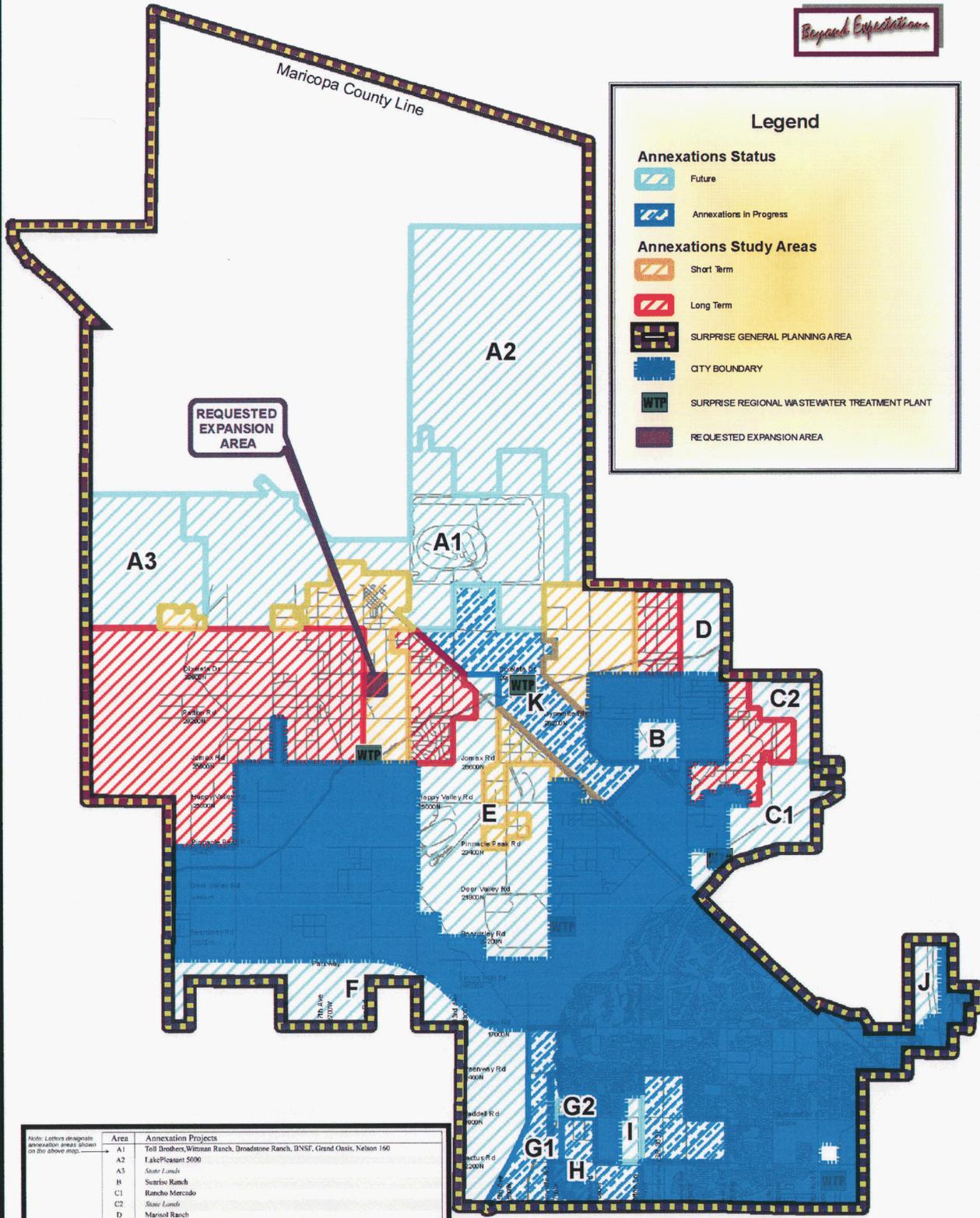
- Short Term
- Long Term

SURPRISE GENERAL PLANNING AREA

CITY BOUNDARY

SURPRISE REGIONAL WASTEWATER TREATMENT PLANT

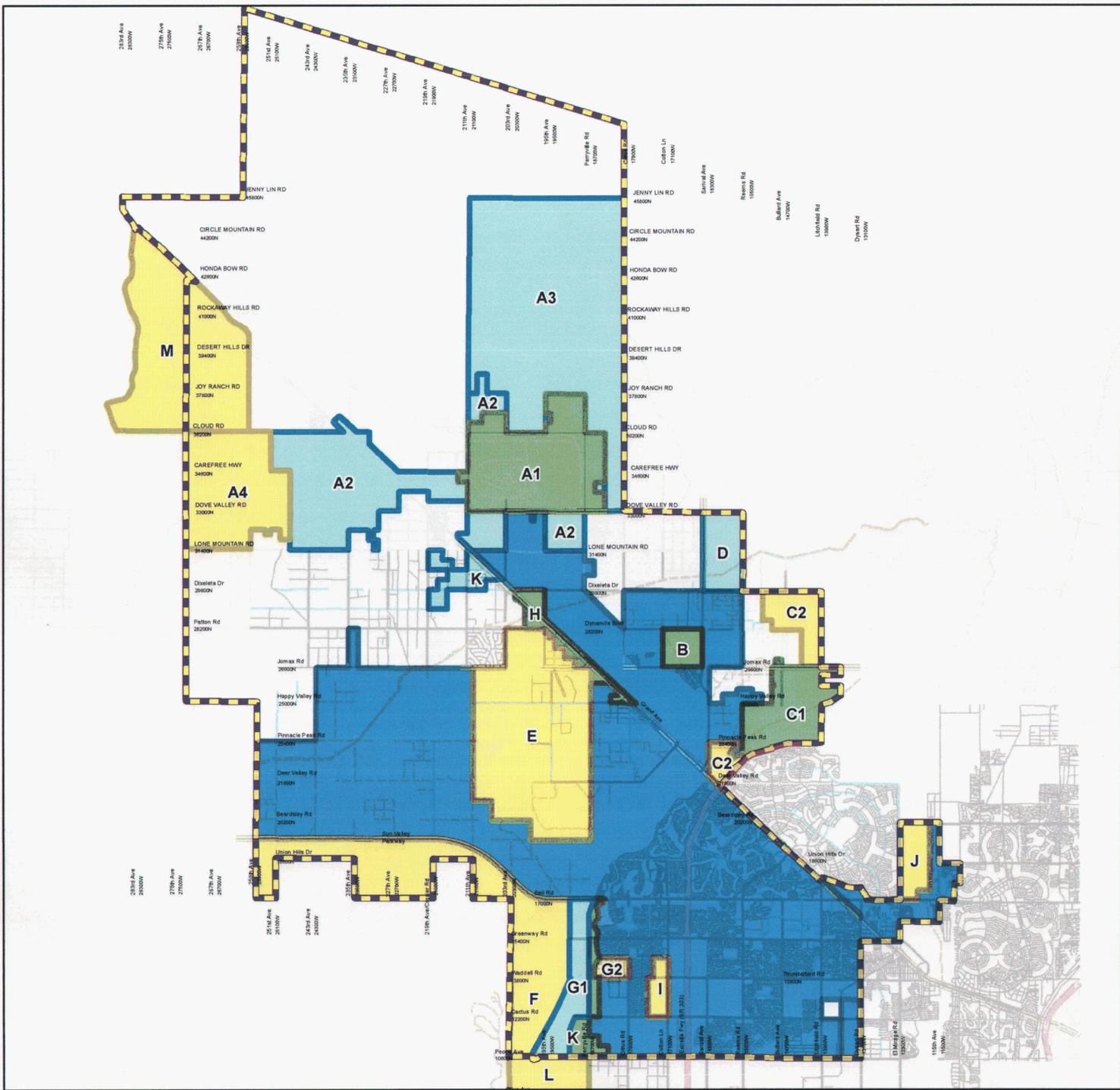
REQUESTED EXPANSION AREA



Note: Letters designate annexation areas shown on the above map.

Area	Annexation Projects
A1	Toll Brothers, Witman Ranch, Broadstone Ranch, DNSF, Grand Oasis, Nelson 160
A2	Lake Pleasant 5000
A3	State Lands
B	Sunrise Ranch
C1	Rancho Mercado
C2	State Lands
D	Marisol Ranch
E	Valco Proving Grounds, Northwest Regional Landfill
F	State Lands
G1	Zanjero Trails
G2	Waddell Haciendas
H	Pracada
I	County Island Infill
J	River Bottom
K	Asante North, Sunhaven

TAB 2



City of Surprise Annexation Areas

Note: Letters designate annexation areas shown on the above map.

Area	Annexation Projects
A1	Grand Vista
A2	Wittman Ranch, Broadstone Ranch, BNSF, Grand Oasis, Soleada
A3	Lake Pleasant 5000
A4	State Lands
B	Sunrise Ranch
C1	Rancho Mercado
C2	State Lands
D	Marisol Ranch
E	Volvo Proving Grounds, Northwest Regional Landfill
F	State Lands
G1	State Lands
G2	Waddell Haciendas
I	County Island Infill
J	River Bottom
K	Zanjero Trails
L	State Lands
H	Sonvesting

Annexation Status

- Annexations in Progress
- 2007-2008
- Future
- City Boundry
- General Planning Area

Planning and Community Development Department
 12425 West Bell Road Surprise, AZ 85374
 PH 623.583.1088 surpriseaz.com



TAB 3



Legend

- Surprise Boundary
- Walden Ranch
- Proposed Annexation

