



A Simonton Coleman Company

ALLIANCE

INVESTMENT GROUP

Project Overview



AVAILABLE PROPERTIES

477 +/- Acre Farm– Safford, Arizona

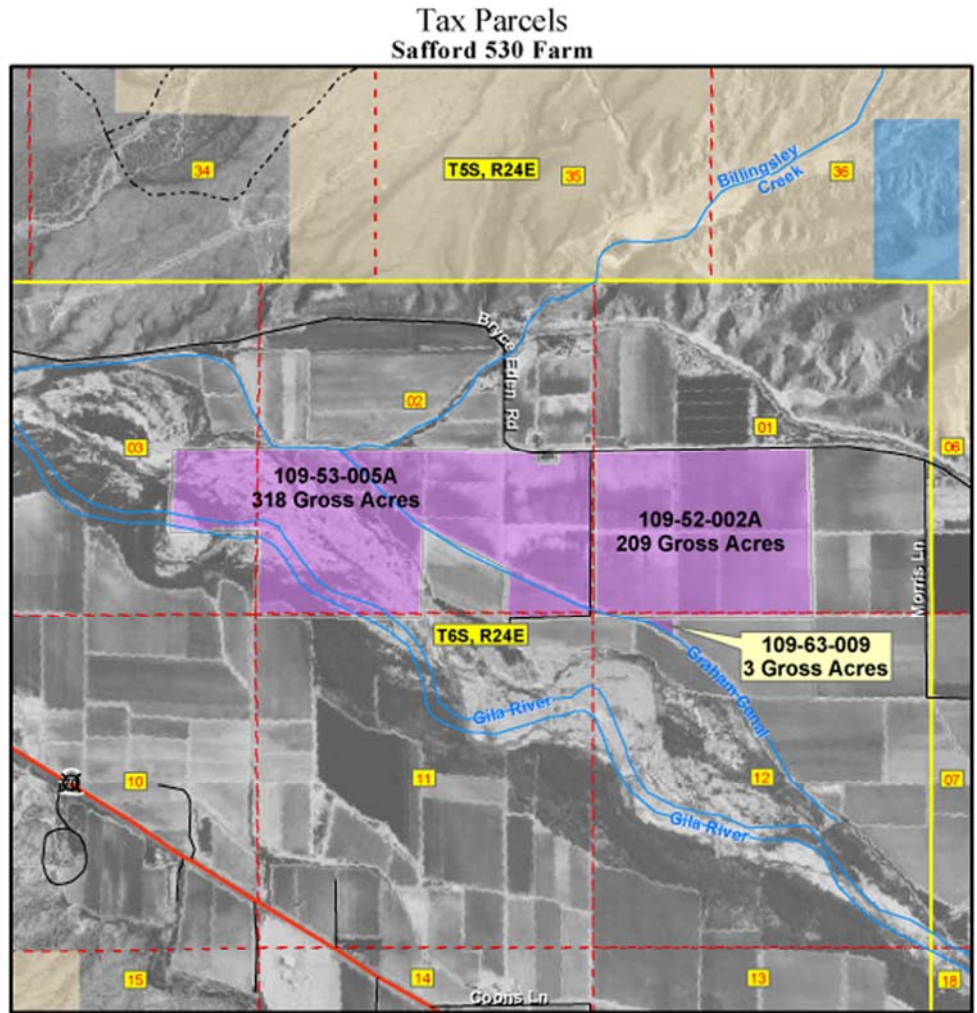
- **Municipality:**
Safford, Graham County, Arizona
- **Location:**
Property is located north of State Highway 70 on Bryce-Eden Road.
- **Size:**
Approximately 477 acres
- **Zoning:**
Agricultural
- **Tax Parcel Number:**
109-52-002A, 005A, 009
- **Utilities:**
Access – Frontage on Paved Bryce-Eden Rd
Electricity – Graham County Electric
Water – Graham County Utilities
- **Comment:**
This property is a very nice working farm. Currently Leased to Farmer. The area of Safford is booming right now with opening of new 600 million dollar Phelps Dodge copper mine.
- **Price:**
\$6,500/acre
\$3,100,500 total
- **Contact:**
Joshua S. Simonton
Office: 480-988-0060
Mobile: 480-688-5658
FAX: 480-988-0061
E-mail: jsimonton@alliance-ig.com

Jim Edens
Southwest Land Brokers
Office: 480-988-0438
Mobile: 480-231-1525
FAX: 480-988-0061
E-mail: j_edens@cox.net



*The information contained herein is solely for the purpose of introducing the subject property. Some of the information contained herein has been compiled from outside sources deemed to be reliable, but not guaranteed. This information may be subject to error. All information that is considered material must be independently verified by Buyer.

SAFFORD, ARIZONA



- Township/Range
- Section
- Tax Parcels



SCYTHE & SPADE COMPANY
Environmental & Land Management in Agriculture & Forestry

For Reference Only

© 2005, Scythe & Spade Co.



FACTORS DRIVING GROWTH IN SAFFORD

SAFFORD COPPER MINE

What: Open-pit copper mine 170 miles southeast of Phoenix.

Status: Under construction; scheduled opening in mid-2008.

Developer: Phelps Dodge Corp.

Property: 20,000 acres, 8 miles north of Safford.

Ore: 626 million tons averaging .4 percent copper.

Annual production: 240 million pounds of copper cathode sheets.

Employment: Up to 1,000 during construction, then 400 Phelps Dodge employees, plus 100 contract workers.

Construction cost: About \$600 million.

Annual economic impact: \$210.7 million for Arizona.

Mine life: About 18 years.

County's growth rate doubles

By Diane Saunders, Staff Writer

As more people seek to call the Gila Valley home, the resulting population growth of the last couple of years has caused a shortage of affordable housing.

"For many years this area has grown at a slow rate — 1 percent or 2 percent (a year)," Will Wright, Graham County Planning and Zoning director, said. "Now it's at 4 percent."

To meet housing demands, real estate developers are submitting their plans to the Graham County Planning and Zoning Department at a record rate, Wright said in a recent interview in his office.

There are 11 subdivisions in various stages of the approval process — from conceptual to planning — on the county's books, Wright said. When completed, the subdivisions will provide land for 617 single-family homes.

Wright said each subdivision is different. Some are designed for manufactured homes and at the other end of the spectrum are developments for site-built homes that come with \$250,000 price tags.

The most critical need, however, appears to be housing for temporary construction workers at the the new Phelps Dodge mine. Wright said there are about 500 temporary workers now with another 500 expected in a few months.

Graham County was not ready for the influx of temporary construction workers, and Wright said investors are not willing to commit to housing that will be vacant within three years.

Mark Herrington, chairman of the Graham County Board of Supervisors, said Monday that some of those construction workers have resorted to sleeping in their trucks because they cannot find temporary housing in Graham or Greenlee counties.

The new mine will likely bring in 400 permanent workers. Serving the needs of those workers will require an additional one and a half service industry jobs per permanent mine employee, Wright said.

Those service industry jobs include retail sales, medical, dental, and legal personnel, Wright said. Money paid for those services will likely stay in the Valley. "Our area is remote. We retain a lot of our wealth here," Wright said.

Although the housing needs in the Gila Valley are at the critical stage, Wright does not advocate hurrying the subdivision process. Making sure developments adhere to county standards is better for the consumer and the county.

Subdivision plats — a detailed plan for the development — must include roads, sidewalks, curbs, gutters and an accurate land survey. These services must be built to county standards, Wright said.

He said a significant amount of the county's residential growth is occurring in Central and around Pima, west of Safford.

Another growth area is south of Safford, along or near Highway 191. While several land parcels have been rezoned for commercial use, a large portion is still zoned residential. Wright expects the residential zoning to change over the next few years.

"We foresee (that) someday all of it will have commercial-type zoning," Wright said.

Graham County's 4,618 square miles has a total of 15 zones that cover residential, agriculture, commercial and manufacturing uses. Wright said sections of the county's codes, adopted in 1969, have been amended several times in the the last 37 years.

There will likely be more zoning changes in the future to meet the needs of residents and developers. Zoning changes take three to five months to complete, and subdivision platting takes six to eight months, Wright said.

"You can do your zoning simultaneously with your subdivision (plat)," Wright said.

New Safford copper mine brings hope, problems

Safford welcomes jobs, struggles to house workers

Max Jarman

The Arizona Republic

Oct. 30, 2006 12:00 AM

SAFFORD - A new \$600 million copper mine, the first in 30 years, is turning this small city in southeastern Arizona into a modern-day mining boomtown.

Phelps Dodge Corp.'s Safford Mine isn't expected to open until mid-2008, but it already has brought plenty of jobs to the area, where the latest census figures indicate that 48 percent of the households have annual incomes below \$25,000.

But with the prosperity have come big-city problems, such as traffic congestion, housing shortages and skyrocketing real estate prices.

"I just don't think the town's prepared for the growth," said Richard Cervantes, 68.

At the mine site, eight miles north of town, 500 construction workers are building roads, putting in utilities and erecting steel for a network of buildings that will process ore from the nearby hills into sheets of copper called cathodes. By March, 1,000 workers are expected on the site. They will be in addition to the 200 people who have come to work at Phelps Dodge's new central laboratory and its process technology center, where engineers and scientists look for new ways to mine and produce copper. Safford also is home to Phelps Dodge's central office, which oversees operations at the company's mines in Arizona, New Mexico and Colorado.

"The economy is on the upswing and that hasn't happened in a long time," said Jim Palmer, a Graham County supervisor and Safford native. "The hotels are full, the restaurants are packed and there's a 'help wanted' sign in every window."

Lots of ribbon-cuttings

The activity has business people and civic leaders excited about the prospects for the community of about 9,000 residents.

"We've been doing a lot of ribbon-cuttings," said Wayne Griffin, vice president of the Graham County Chamber of Commerce and manager of Safford Title Co. "You used to have to drive to Tucson or Phoenix to shop. Now the stores are coming to us."

A Wal-Mart Super Center and a Home Depot opened in the spring, there is the new Hibbett Sports sporting goods store and there is persistent speculation that the Chili's restaurant chain is coming to town.

"They've been rumored to be going on almost every corner in town," Griffin said.

Also booming is the Bull Pen, one of two saloons in the traditionally Mormon community that was home to Spencer W. Kimball, 12th president of the Church of Jesus Christ of Latter-day Saints.

At the Bull Pen there is an irritability among the locals that is not reflected by the civic leaders and Chamber of Commerce boosters.

"There's good and there's bad," said Mary Luzania who works at the Bull Pen. "We're busy all the time, and that's

good. But if you don't own your own home, you can't afford to live here anymore."

Housing crunch

Demand for housing has ballooned as construction workers and Phelps Dodge technical workers pour into town. That has pushed rents and home prices through the roof, and with the mine workforce expected to double by spring, they are likely to go higher. Real estate agents report that home prices have increased 40 percent during the past year and rental rates have more than doubled.

A one-bedroom apartment that rented for \$400 a year ago is now going for \$900. "Dormitory living," according to a newspaper classified ad, is available for \$400 per month.

Fernando Arreola, who came to Safford from El Paso to work on the mine project, brought a recreational vehicle to live in.

Others aren't so lucky. They sleep in their cars or bunk four to a room at a hotel.

Construction workers and others in town on mine business have pushed Safford's hotel occupancy rate to 80 percent and made it very hard to simply drive into town and find a room, according to Gale Phelps at the Days Inn.

When Phelps Dodge developed a new mine in the past, it also built houses that it leased to miners. But the company has no plans to build a company town in Safford and acknowledges it is concerned about the housing situation.

"It's a problem, and we're doing what we can to help the community solve its housing issue," said Kimball Hansen, a Phelps Dodge spokesman in Safford.

After the construction crews leave in 2008, the mine will employ about 500 people and generate 250 support jobs in the area. The company expects that by that time, new housing will be built to meet the demand.

At the meeting Thursday of the Safford Planning Commission there were proposals for two RV parks and eight single-family subdivisions.

"It's the next year that's going to be tight," Hansen said.

But while hundreds of homes have been approved, few are under construction and with prices starting at \$200,000 at many of the new subdivisions, they will be out of reach of the average miner, who will earn about \$40,000 per year, plus benefits.

"What we need are low-priced houses," said Gary Curtis, a former Safford mayor and owner of Coldwell Banker Curtis Real Estate in town. "They're gone as soon as they hit the market."

Workers needed

The housing shortage and resulting high rents and home prices are contributing to a shortage of unskilled workers.

Many moved up to the new mining jobs from positions in the fast-food, retail and hospitality industries, creating

vacancies at restaurants, hotels and supermarkets. Many of those vacancies are going unfilled because they don't pay enough to cover the escalating housing costs.

"The housing's outpriced the economy," Coldwell Banker office manager Crystal Wriston said.

The Wal-Mart Super Center that opened in March still is not fully staffed. To ensure a supply of trained workers for its new mine, Phelps Dodge has set up a vocational education center in conjunction with Eastern Arizona Community College in nearby Thatcher.

Phelps Dodge bought, remodeled and equipped the building that opened last month. The company pays the \$2,500 tuition for the one year of classroom training if the student agrees to work for two years at its mine in Morenci, 45 miles to the east, or at Safford when it is operational. The mine also provides weekend apprentice work at Morenci at \$12 an hour.

Fifty people are enrolled at the center, studying diesel mechanics, plant maintenance and electrical engineering.

Phelps Dodge has 1,000 job openings at its Arizona and New Mexico copper mines and its molybdenum mine in Colorado.

Services tied to tax rate

Besides jobs, the new Safford mine is expected to bring badly needed tax revenue to Graham County, which has the lowest assessed valuation of any Arizona county. Only about 7 percent of the county is in private hands, with the remainder controlled by Indian tribes and the federal and state governments.

"Trying to provide services on the back of only 7 percent of the county is hard," Graham County Manager Terry Copper said. "It takes a 3-cent property-tax increase just to hire a secretary."

The new mine will significantly boost the assessed valuation of the county, shifting some of the tax burden from residents.

Phelps Dodge estimates that the mine will generate \$5.4 million in tax revenue per year, both from property taxes and severance taxes of the extracted copper. That's on top of the \$23 million in personal income and \$34 million in business income that the mine is expected to produce a year.

Phelps Dodge has brought more than jobs to the community. It is a supporter of the Gila Valley Arts Council and Eastern Arizona Community College, which is vying to move from a two-year to a four-year college.

Recently, Phelps Dodge sponsored a two-week visit by the Wacongo Dance Company. The performers hail from the Republic of the Congo, where Phelps Dodge also is developing a new copper mine.

"It's sort of a cultural exchange program," Phelps Dodge's Hansen said.

But for many, the cultural benefits are icing on the cake.

"We're just happy to have the jobs," said Palmer, the county supervisor.

The new jobs mean more young people can remain in Safford instead of moving away to find jobs.

"Our best no longer have to leave," Palmer said

Reach the reporter at max.jarman@arizonarepublic.com or (602) 444-7351