

A Bus to Benson

Prospective Profits in Napa-zona

By Nancy Lucas

A 12-hour bus trip departing Mesa at 7 a.m. on a Saturday morning to look at land for sale in Cochise County (southeast of Tucson, Arizona). Sound like fun? Or sound about as much fun as a 12-hour migraine? I thought migraine. I stepped aboard the bus with a bottle of extra-strength Excedrin stashed in my purse.

Mesa-based ACRES4U Land and Development organized the trip. Owner Stan Strom, land specialists Josh Moffitt and Matt Borkowski, chief executive officer Sam Pillsbury, and Ann Hale were on board to educate

us about population growth patterns, land development and water issues in Arizona, and opportunities in Cochise County. Their informative, yet casual style fit the occasion: No megaphones, promises of overnight fortunes, or waving of contracts in our faces. They presented the opportunity while we cruised southbound on the I-10, enjoying the bagels and coffee they provided.

WHERE WE GONNA PUT 'EM?

A University of Arizona study projects the state's population to reach 7,083,806 by 2010, 9,600,077 by 2020, and 12,945,148 by 2030 and we are already ahead of plan. Only 17

percent of Arizona's land is privately owned, the rest belongs to the federal and state governments, and Native Americans. Some of the 17 percent of land is not developable because it lacks an adequate water supply. More people needing a place to live leads to an increased value of developable land. By the time we digested all this, the bus was pulling into Benson for a pit stop.

Benson is shedding its funky little town image. Wal-Mart just opened a store there and Meritage Homes recently broke ground on a planned community that will have about 200 single-family homes at build-out. About 13,000 homes are planned for the Benson

About 50 people were on board ACRES4U's May 5, 2007 bus trip to Cochise County to get a first-hand view of land for sale there.



area. Benson residents will have about a 30-minute commute to Tucson.

We headed east on I-10 past the Dragoon Mountains to Sulphur Springs Valley. As the bus exited the freeway at SR 191, the land and views opened up before us. We were at about 4,000 feet elevation. The air was cooler and cleaner than what we left behind in Phoenix. We saw beautiful vistas, rolling hills, scrub brush, and scattered trees, farms and houses. But mostly we saw dirt.

A NEW ERA IN DEVELOPMENT

"Here's where you need 'the vision thing.' You need to see beyond what's there now to what could be there in the future," said Stan Strom, ACRES4U owner/broker. Every developed area in the world started out as a pile of rocks or dirt. Someone with vision saw what it could be. That leap of faith is what separates land investors from other investors.

As the bus rolled along we saw, dirt, dirt and more dirt. From my urbanite viewpoint, it looked like the middle of nowhere. What I didn't see was the underground aquifer

will want to live here," said Strom. "There are 82 million Baby Boomers with a net worth of \$2.6 trillion, they are a huge market for this land. Many of them want to retire away from urban areas. The development of this area does not depend on job growth."

Arizona's wine country is located around the hillsides south of Willcox.



NAPA-ZONA

"This will become like Napa and Sonoma," said Sam Pillsbury, ACRES4U manager and CEO, as he pointed to the foothills of the Dos Cabezas mountains. Pillsbury is developing Vineyard Estates, LLC, a winery and future real estate projects.

A super-luxury project called Bachmann Springs is being developed at the foot of the Dragoon Mountains

southeast of Benson with lots starting at more than \$1 million. It will feature a golf course designed by Tom Fazio. Other developers are eyeing sites for master-planned communities as well.

Most of the land is owned by families who farmed the area. The next generation isn't interested in farming and they're ready to sell.

Jamie Auerbach, a member of one of those families, was on the bus tour. In the 1970s, Auerbach's grandparents

Norman and Judy Auerbach bought 5,000 acres for less than \$200 per acre. Auerbach spent part of her childhood there. "It was a working ranch with horses, cows and pistachios," she said. The family retains some acreage and she plans to build a yoga retreat there, at the foot of the Cochise Stronghold.

The Auerbach's pistachio groves and processing plant are now owned by St. Anthony's Greek Orthodox Monastery located in Florence, Arizona.

As the bus crawls up and down the narrow roads, ACRES4U's Josh Moffitt and Matt Borkowski point out plots for sale. Here's a sampling of what they have to offer:

- 100 acres in Elfrida for \$4,500 per acre
- 4 acres on Kansas Settlement Road for \$7,475 per acre
- 20 acres on Bell Ranch Road for \$6,000 per acre
- 40 acres on Wayward Winds for \$5,000 per acre

Compare those prices to a sampling of the lowest prices (currently listed on the MLS) for a one-acre lot in developed areas:

- Apache Junction — \$139,000
- Buckeye — \$64,000
- Casa Grande — \$39,000
- Queen Creek — \$75,000

INVESTMENT METHODOLOGY

Strom explained how their approach works:

- Only 17 percent of Arizona land mass is private, meaning there is a limited supply to meet increasing demand.
- Investors will pay more per acre for a smaller parcel than for a larger parcel. Each time a parcel is divided, there are more potential buyers willing to pay higher prices per acre.
- You can split vacant land in to five parcels (each less than 36 acres) without having to wait for the subdivision and platting approval, which can take up to 18 months.
- As a landowner, you can be the bank and provide seller carry-back financing secured by a prom-



fers that make this land developable — it's got its own water supply.

"Don't judge by whether you would want to live here, other people

issory note and first deed of trust. Ideas begin to take shape: acres of undeveloped land with views that stretch for miles, altitudes ranging from 3,000 to 4,000 feet, a comfortable year-round climate (average temperatures are 96F in winter and 62F in summer), less than an hour from civilization (Tucson), supply of water from underground aquifers. Acres of brown dirt are transforming into endless green possibilities.

By late afternoon, heads spinning from information intake, the Coronado Vineyards tasting room in Willcox is a welcome sight. We tumble off the bus and up to the bar where we sample the local wines: Arizona Blush, Chardonnay, Cabernet Sauvignon, Conquistador Red, Cibola Gold, Riesling, Meritage, and Syrah.

Sated with generous samplings of Arizona wine we settle into the bus for the ride home.

LOOKING BACK TO SEE FORWARD

Land developers look to the past for clues of what will happen in the future. "We also look at what the 'big boys' are doing," said Strom. The new Walmart in Benson is an indication that the area is now on the national radar.

Rich in history, imbued with the romance of West, Cochise County may be on the threshold of tremendous growth. Who will be part of that

growth? It could be someone from across the world who finds it on the Internet and is captivated by the possibility of owning a little piece of the American West; or it could be Arizonans who remember how much land values have gone up in their hometowns.

The three-hour trip home to Mesa was quiet, as visions of land profits danced in our wine-doused heads. And happily, no need for the extra-strength Excedrin. How many of the nearly 50 people on the bus trip will buy land? I don't know. But I do know that nearly everyone bought a bottle or two of wine, presumably to help them mull over their options.

Wisely and gracefully, Stan and his team leave the next steps up to us.

RESOURCES

Stan Strom
ACRES4U.com
480-503-0777

Jami Auerbach
Invest in Arizona
www.nvestnaz.com
480-946-1920

Coronado Vineyards
www.coronadovineyard.com
520-384-2993

Pioneer Title Agency, Inc.
520-586-3733

BENSON'S RICH HISTORY

Benson has a rich history. Although founded in 1880, Benson civilization began long before the Spanish missionary, Father Eusibio Kino, established Catholic missions in the late 1600s. For thousands of years Native Americans made their homes along the San Pedro River. Familiar names like Cochise, Chief of the Chiricahua Apaches and Geronimo, an Apache freedom fighter who with his band of warriors eluded the American army for many years, are very much a part of the history of the beautiful San Pedro Valley.

Father Kino brought Christianity to the resident agriculturally-based Pimas. The Pima shared the land with the more aggressive Chiricahua Apache, who eventually gained control of the area. During the time that the Army was waging a difficult campaign with the Apaches, the Butterfield Overland Stage was founded and the Pony Express began. In 1880, the Transcontinental Southern Pacific Railroad opened the way for two more major rail lines, transporting copper and silver from neighboring mining communities. Benson quickly matured into a bustling railroad town.

Millions of years ago, dinosaurs and mammoths roamed this area, as is evident from the diggings of paleontologists and archeologists. Benson and the San Pedro River Valley are rich in natural wonders and provide a home for a myriad of wildlife, including more than 500 species of birds.

Courtesy City of Benson



As Arizona's vineyards grow and expand, they will become a major attraction for tourists and residents, like California's Napa Valley.