

# Lot owners upset over Sereno Canyon plan

By Edward Gately  
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A group of lot owners in Sereno Canyon, an undeveloped subdivision just outside the McDowell Sonoran Preserve, say they bought a vision, not just a piece of land.

"We looked at it when it was in the raw, and my wife is an animal lover, and we saw horses and everything, so to us that's where we wanted to live," said Jim Canning, who lives in Fountain Hills.

"They sold us a beautiful place, a tranquil spot away from all the hustle and bustle, so we could build a really nice home," Scottsdale resident Rick Popper said.

Duffy Corn, also of Scottsdale, said she was attracted to the "quiet, knowing my neighbors and having a nice community to retire to."

Now, they say that vision is threatened because the property owner, Crown Community Development, wants to locate a spa and resort with higher-density residential surrounding their lots, in what originally was to be a low-density, single-family residential neighborhood.

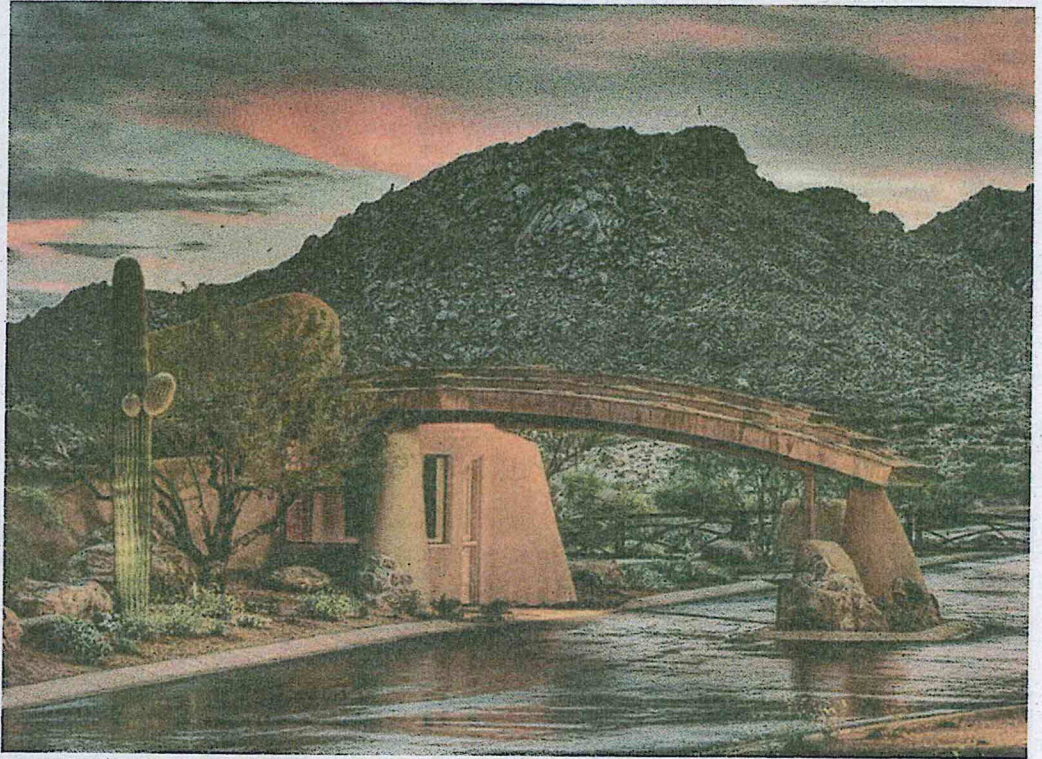
Crown Community is proposing Sereno Canyon Spa & Resort on a portion of 350 acres at the northwestern corner of Pinnacle Peak Road and 128th Street, stretching north along Pinnacle Peak to East Ranch Gate Road. The proposal would allow 397 units on the site. Of the 350 acres, a minimum of 176 acres would remain open space.

The Scottsdale Planning Commission already has recommended the project be approved by the City Council. It unanimously endorsed the project's three related requests, including an amendment to a previously approved zoning case, a non-major General Plan amendment and a zoning-map amendment for a combination of single-family lots and a resort/spa development.

The council will consider the requests at a special meeting, at 5 p.m. Monday.

Travaasa Destinations will build and operate the 100-room, campus-style resort. Travaasa's parent company is Amstar, a Denver-based real-estate investment management firm.

"We currently have the resort planned next to the preserve and trailhead along the southeast portion of the project," said Joy Berry, Travaasa's president and co-founder. "The resort site plan is designed to take advantage of the natural arroyos and surrounding vis-



A minimum of 176 acres would remain open space under the latest plan for Sereno Canyon. PROVIDED BY CROWN COMMUNITY DEVELOPMENT

tas."

If possible, Travaasa would like to start construction in 2014 with completion in 18 months, she said.

The lot owners, represented by land-use attorney John DiTullio, hope to persuade the council to take their concerns into account when deciding whether to allow Crown Community to proceed with its plans.

"This is definitely a David and Goliath battle," DiTullio said.

Not so, said John Berry, a zoning attorney representing Crown Community. The acreage has always been a "unique site for tourism" and may have evolved into "a resort type of opportunity," as opposed to all large-lot residential with open space, he said.

"What Goliath is trying to do is repre-

## SERENO CANYON

» 350 acres owned by Crown Community Development.

» East of 118th Street on Ranch Gate Road in far north Scottsdale.

» Originally to include multi-phase, single-family residential subdivision.

» Developer wants to locate a spa and resort, and higher-density residential on the acreage.

» Travaasa Destinations will build and operate the 100-room, campus-style resort.

» A minimum of 176 acres would remain open space.

## History

Crown Community Development, an affiliate of Chicago-based Henry Crown & Co., has owned 330 acres since 2004 and has since acquired an adjacent 20 acres.

sent the interest of the entire city and its taxpayers whose taxes are kept low and the economy kept stronger as a result of tourism, and bringing the first new resort to north Scottsdale in decades," he said.

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**SERENO CANYON**

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Sereno Canyon was previously approved as a 122-lot subdivision. Only nine lots were sold and no homes have been built. The 2- to 3-acre lots sold for an average of \$750,000, according to the lot owners.

DiIulio represents the majority of lot owners: Canning, who owns two lots; Rick and Sveta Popper, who own one lot; Mike and Duffy Corn, who own one lot; Tom Fisher, a Scottsdale resident who owns two lots; and Dan Meadows, a Scottsdale resident who owns one lot.

They all bought their lots in 2007 and have been paying HOA fees for the past five years.

"I wanted to be behind a manned gate (in a) large lot, non-amenity subdivision, one of the last remaining communities like this in north Scottsdale to build my private residence," Fisher said. "I got one for myself and I have a partner that owns the other lot with me who wanted to build a home for his family."

Canning said he already has spent more than \$18,000 on building plans for his home.

"It was right when the market started to turn, and we had families here who ac-

tually started working on their building plans, and then they get letters from the developer saying we're totally changing the concept," DiIulio said.

The overall development proposal is an increase in density and intensity from the current approvals, and decreases the overall natural area open space, according to the report prepared for the Planning Commission by Jesus Murillo, senior city planner.

"It's like after-the-fact zoning," Rick Popper said. "Here, we bought into something and they change their whole mind and vision, and everything ... and thank you very much, you just have to live with it and feel good about what we're going to do here."

The guard house and entrance to Sereno Canyon are off Ranch Gate Road on the northern end of the acreage and closest to the lots in what was to be the first phase of the subdivision. The resort would be on the southeastern portion of the acreage, while the higher-density lots would spread throughout the northern acreage.

Lot owners are upset that the only access to and from the resort, as well as the higher-density residential, would be the existing entrance off Ranch Gate Road, bringing the traffic through their neigh-

borhood.

"Instead of seeing herds of horses, I'm going to see herds of 18-wheelers and the Mustang will say Ford on it," Canning said. "Instead of hearing coyotes at 2 a.m., I'm going to hear radios."

John Berry said Crown Community has offered to install gates to restrict traffic on the lot owners' streets, "but the lot owners said no to that."

He also said an access point has been identified along 128th Street, but it cannot be used until the street is fully improved by the city.

**Solutions**

The lot owners want Crown Community to buy back their lots for the amount they paid in 2007.

"They told me that they would pay me the same price that the lot that came out of bankruptcy sold for, which is \$225,000, and we paid \$765,000," Mike Corn said.

Most of the lot owners said they haven't been given any offers.

"We've offered to exchange their lots for other lots on the property," John Berry said. "We've offered to exchange their larger lots for two smaller lots. What they have said through their attorney is

they want to be bought out at their original purchase price. I think everybody in the down real-estate market would like somebody to come along and buy them out at the top of the real-estate market, but that's not reality."

DiIulio said if Crown Community won't buy the lots, an acceptable compromise could be giving the resort and accompanying residential a separate entrance south of the subdivision. Also, the 1-acre lots should be moved out of the northern portion of the acreage.

"Basically, we just want to be left alone," Rick Popper said. "If they want to do a resort and they want to do all this stuff up, and increase the density, power to them, but leave us alone. We're Phase I, we have our own entrance way. Go develop 128th Street, go through there and go through your resort and the other areas of land that you've got."

If the council approves Crown Community's requests, the next step would be a Development Review Board proposal for the site plan, elevation and landscaping, said Tim Curtis, the city's planning director.

"After that, they would do the final plat, they have to replat the subdivision, and then just building permits and construction," he said.