Plan Participants:
Les Peterson, Mayor
John Crane, Vice Mayor
Michael Krahe, PhD, Councilmember
Gary Neiss, Town Administrator
Jim Keen, Town Accountant
Stephan Hatcher, Resident
Gary Hayward, Resident
Leslie Hine, Resident
John Traynor, Resident
Jerry Wetta, Resident
Why are we here?

- Carefree is in the **midst of a transition to a new financial reality** as a result of state legislative changes which will adversely impact the Town’s future revenues.

- Without **changes in the Town’s business model**, the Town will have a future structural deficit (Expenditures exceeding Revenues).

- Under the assumption that residents do not support a local property tax, the **only incremental revenue generating avenue available to the Town** is stabilizing, and then increasing revenues from **Municipal Sales Tax Revenue**.
The Town’s growth pattern:

<table>
<thead>
<tr>
<th>YEAR</th>
<th>POPULATION</th>
<th>HOMES</th>
</tr>
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<tbody>
<tr>
<td>2000</td>
<td>2,927</td>
<td>1,769</td>
</tr>
<tr>
<td>2005</td>
<td>3,708</td>
<td>2,180</td>
</tr>
<tr>
<td>2010</td>
<td>3,363</td>
<td>2,251</td>
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<tr>
<td>2015</td>
<td>3,610</td>
<td>2,706</td>
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</table>

2000-15 Growth Rate

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>2000-15 Growth Rate</td>
<td>23%</td>
</tr>
<tr>
<td></td>
<td>53%</td>
</tr>
</tbody>
</table>

Projected Build Out

<p>| | |</p>
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Projected Build Out</td>
<td></td>
</tr>
<tr>
<td></td>
<td>6,000</td>
</tr>
<tr>
<td></td>
<td>4,400</td>
</tr>
</tbody>
</table>

Source: United States Census

*Note: The build out population is based upon the Town’s General Plan*
## 10 Year Financial Overview – *Revenues vs. Expenditures* ($000)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Revenue</th>
<th>Change</th>
<th>Total Expenditures</th>
<th>Change</th>
<th>Revenues Minus Expenditures</th>
<th>CPI-U</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>6,942</td>
<td>(.2%)</td>
<td>6,753</td>
<td>13.4%</td>
<td>189</td>
<td>2.8%</td>
</tr>
<tr>
<td>2008</td>
<td>6,927</td>
<td>(22.3%)</td>
<td>7,660</td>
<td>(22.6%)</td>
<td>(733)</td>
<td>3.8%</td>
</tr>
<tr>
<td>2009</td>
<td>5,382</td>
<td>(13.0%)</td>
<td>5,926</td>
<td>(27.0%)</td>
<td>(544)</td>
<td>(.4%)</td>
</tr>
<tr>
<td>2010</td>
<td>4,682</td>
<td>15.6%</td>
<td>4,328</td>
<td>13.8%</td>
<td>354</td>
<td>1.6%</td>
</tr>
<tr>
<td>2011</td>
<td>5,414</td>
<td>(9.0%)</td>
<td>4,927</td>
<td>.2%</td>
<td>487</td>
<td>3.2%</td>
</tr>
<tr>
<td>2012</td>
<td>4,926</td>
<td>1.5%</td>
<td>4,938</td>
<td>12.3%</td>
<td>(12)</td>
<td>2.1%</td>
</tr>
<tr>
<td>2013</td>
<td>4,998</td>
<td>8.2%</td>
<td>5,543</td>
<td>(1.0%)</td>
<td>(545)</td>
<td>1.5%</td>
</tr>
<tr>
<td>2014</td>
<td>5,408</td>
<td>11.5%</td>
<td>5,485</td>
<td>(7.6%)</td>
<td>(77)</td>
<td>1.6%</td>
</tr>
<tr>
<td>2015</td>
<td>6,031</td>
<td>6.9%</td>
<td>5,069</td>
<td>26.7%</td>
<td>962</td>
<td>.1%</td>
</tr>
<tr>
<td>2016</td>
<td>6,449</td>
<td>11.5%</td>
<td>6,420</td>
<td></td>
<td>29</td>
<td>2.1%</td>
</tr>
</tbody>
</table>

Source: Carefree Audited Annual Financial Statements

*Note: CPI-U (All Urban Consumers) 2016 vs. 2007 difference of 12.1%*
# Primary Municipal Revenue Sources ($000)

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Sales Tax</td>
<td>4,019</td>
<td>4,048</td>
<td>3,417</td>
<td>2,945</td>
<td>2,966</td>
<td>3,149</td>
<td>3,067</td>
<td>3,147</td>
<td>3,607</td>
<td>3,709</td>
</tr>
<tr>
<td>State Revenue</td>
<td>833</td>
<td>939</td>
<td>923</td>
<td>819</td>
<td>690</td>
<td>561</td>
<td>645</td>
<td>685</td>
<td>743</td>
<td>761</td>
</tr>
<tr>
<td>Local Property</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Carefree Audited Annual Financial Statements

*Note: CPI-U (All Urban Consumers) 2016 vs. 2007 difference of 12.1%*
### Key Contributors to Carefree’s Sales Tax Revenues ($000)

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Construction</td>
<td>1,166</td>
<td>1,777</td>
<td>635</td>
<td>414</td>
<td>505</td>
<td>542</td>
<td>458</td>
<td>586</td>
<td>633</td>
</tr>
<tr>
<td>Retail</td>
<td>608</td>
<td>773</td>
<td>915</td>
<td>941</td>
<td>934</td>
<td>956</td>
<td>964</td>
<td>1056</td>
<td>1126</td>
</tr>
<tr>
<td>Accom./Rentals</td>
<td>1028</td>
<td>910</td>
<td>721</td>
<td>508</td>
<td>467</td>
<td>524</td>
<td>510</td>
<td>497</td>
<td>756</td>
</tr>
<tr>
<td>Rest/Bars</td>
<td>233</td>
<td>225</td>
<td>217</td>
<td>226</td>
<td>234</td>
<td>240</td>
<td>230</td>
<td>105</td>
<td>133</td>
</tr>
<tr>
<td>Develop. Fees</td>
<td>453</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Carefree Audited Annual Financial Statements

**Note:**
1. *Recent and proposed legislative changes have and will adversely impact future construction sales tax revenues.*
2. *Due to state legislative changes, Development Fees are no longer collectable for new development within Carefree.*
<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Admin.</td>
<td>1,287</td>
<td>1,306</td>
<td>1,285</td>
<td>1,463</td>
<td>829</td>
<td>780</td>
<td>833</td>
<td>856</td>
<td>1,028</td>
<td>1,093</td>
</tr>
<tr>
<td>Plan/Building</td>
<td>566</td>
<td>563</td>
<td>491</td>
<td>321</td>
<td>281</td>
<td>315</td>
<td>336</td>
<td>359</td>
<td>375</td>
<td>424</td>
</tr>
<tr>
<td>Public Works</td>
<td>1,463</td>
<td>753</td>
<td>679</td>
<td>576</td>
<td>926</td>
<td>702</td>
<td>1468</td>
<td>1760</td>
<td>1303</td>
<td>968</td>
</tr>
<tr>
<td>Public Safety</td>
<td>2,446</td>
<td>1,833</td>
<td>1,952</td>
<td>1,468</td>
<td>1,818</td>
<td>2,131</td>
<td>1,665</td>
<td>1,743</td>
<td>1,820</td>
<td>1,890</td>
</tr>
<tr>
<td>Marketing</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>96</td>
<td>96</td>
<td>142</td>
<td>156</td>
<td>176</td>
<td>230</td>
<td>213</td>
</tr>
</tbody>
</table>

Source: Carefree Audited Annual Financial Statements

**Note:**

- Administration is a broadly combined category which includes but is not limited to capital assets, loans, town facilities, and salaries/benefits of several departments.
- A nimble organization - the Town of Carefree has 13 FTE as opposed to a comparable community such as the Town of Cave Creek with 26 FTE working only 4 days per week while paying approximately $1.3 million more than Carefree in salaries/benefits.
# Impact of Fire/Emergency Response on Expenditures ($000)

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,017</td>
<td>1,294</td>
<td>1,380</td>
<td>1,022</td>
<td>1,418</td>
<td>1,722</td>
<td>1,279</td>
<td>1,312</td>
<td>1,345</td>
<td>1,369</td>
</tr>
</tbody>
</table>

- **New Master Contract and Fire Station**
- **Recession relief**
- **Fire truck Paid off**
- **New Contract**

Source: Carefree Audited Annual Financial Statements

*Note: Figures do not include MCSO contract*
How does the Master Fire Contract Benefit Carefree Citizens and Businesses?

- **Past History:**
  - Rural Metro began a process of re-organization in the early 2000s, eliminated service to Scottsdale.
  - If this happened to Carefree, how could Carefree ensure it could rapidly adapt and provide uninterrupted emergency services. Best community practices pointed to owning the equipment and fire station and contracting for labor.
  - Out of pocket annual cost of private/individual subscriptions range from $800 to $1,100 per residence

- **Contract for Labor:**
  - The Town conducted Request for Proposals from available emergency service providers
  - Rural Metro provided the lowest possible costs, Phoenix not interested, Daisy Mountain and Scottsdale were more than twice the costs of the Rural Metro proposal.
  - Recently, Rural Metro agreed to pay for leasing of ambulance space and cost recovery for Carefree’s equipment responding to nonsubscribers outside of the Town boundaries. This approach helps to in part, offset inflationary increases to annual contract.

- **Financial Benefit to Carefree Residents and Business:**
  - Annual Master Contract cost to the Town of Carefree this year is approximately $1.4 million, if this cost was spread directly amongst each residence and business it would be $517 annually per account.
  - However, under current model, the direct/out-of-pocket costs to residents/businesses is $0
  - Original Subscription Fee: $800 - $1,100 per residence
  - Additionally, some insurance providers discount for master contracts vs. subscriptions due to reduction in community risk (improved ISO ratings), an additional savings to residents/businesses.

**Summary:** Current model places approximately $1,000 in residents/businesses pockets annually and provides assurances of minimal interruptions in the case Rural Metro eliminates services when compared to original model.
How to reconcile:

THE ISSUE

Carefree needs to consider diversification of its municipal sales tax base (the Town’s only significant revenue stream that it can influence).

- State legislative changes will negatively and dramatically impact future revenues
- Desire NOT to implement a property tax
- Carefree has a nimble organization therefore, significant savings could not be yielded without eliminating beneficial services such as the master fire contract

THE SOLUTION

In order to achieve this diversification, Carefree needs to evaluate the highest and best land uses for a hand full of remaining undeveloped properties.
Factors Influencing these Remaining Undeveloped Properties

- Development/Growth adjacent to Carefree:
  - North Scottsdale State Trust Land
  - Cave Creek “White Paper” more intense development along Carefree Highway corridor and their Town Center
  - Multi generational campus in Scottsdale & Desert Mountain subdivision
  - More subdivisions around and south of this campus in Phoenix and down Cave Creek Road.

- Aforementioned development contributes to additional traffic along major arterial streets

- Local market forces illustrating downsizing trend while quality low density residential not being highly supported/valued along heavily travelled arterial streets
External Factors – the Growth

North Scottsdale Rezoning and Development Plan Narrative
February 2016

Introduction
The Arizona State Land Department ("ASLD" or the "Department") and the City of Scottsdale ("City") have an extensive history of working together for mutual benefit. ASLD is filing this zoning application as the final step in a collaborative process initiated by the City in 1999 to acquire State Trust land through the Arizona Preserve Initiative ("API"). Through the API process, the City was able to acquire approximately 13,000 acres of State Trust land from ASLD for their McDowell Sonoran Preserve. Completion of this rezoning case will bring the zoning entitlements on approximately 4,020 acres of State Trust land into conformance with the City’s General Plan and provide enhanced value to the remaining State Trust land in the northern part of the City as mandated by state statute and as agreed upon by the City at the time ASLD agreed to designate 13,000 acres of State Trust land as suitable for conservation. The State Trust land that is the subject of this application (the “Rezoning Property”) is generally located in an area bounded by Scottsdale Road (west), the 104th Street alignment (east), Stagecoach Pass Road (north), and Happy Valley Road (south) (the “Subject Land” – depicted on the attached Exhibit A: State Trust Land to be Rezoned, and left).
External Factors – the additional traffic

- Four major arterial streets serve the foothills community, Carefree Highway (CH), Cave Creek Road (CCR), Scottsdale Road/Tom Darlington (TD) and Pima Road, are:
  - Traffic on these roads is heavy and will likely grow in the future
    - CH/CCR intersection – traffic will mirror existing volumes at Scottsdale Road and Pinnacle Peak (+45K)
    - CH/TD intersection – traffic will mirror existing volumes at Pima Road and Pinnacle Peak (+25K)
    - CCR/Pima intersection – traffic volumes will exceed 20K per day
  - The majority of this traffic is generated from the growth outside of Carefree.
  - It would be financially advantageous to generate revenue from this regional traffic which adds to the costs of maintaining these arterial streets.
Planning Sustainable Neighborhoods

- Placing low density residential next to heavily travelled arterial streets/intersections results in:
  - transitional ownership, deteriorating homes and rentals
  - declining property values – the longer a home sits on market the more the price/value declines, this results in listings typically removed and relisted over time, can have a detrimental on overall neighborhood property values

- Local market does not support high quality, low density residential found through the balance of the community on these remaining undeveloped properties

- Local Examples:
  - Numerous homes adjacent to Cave Creek Road east of Pima have sat on the market for years or frequently change owners which has resulted in declining property values
  - Low density subdivision at Cave Creek Road/Pima not salable/marketable and is in decline
The Market - What we are hearing . . The “Down Sizing Trend”

• Many of the more senior Foothills residents tell us that their current homes are simply too large, or their upkeep is too expensive – and they want to “downsize” or “simplify their lives” but they don’t want to leave Carefree

• These residents tell us they would like to see smaller, high quality, single story homes with less interior and exterior/landscaping and upkeep made available in Carefree

• The success of the recent higher density housing developments in Carefree along Cave Creek Road attest to this need.

Keystone Homes (developer of Carefree residential subdivisions - Almarte and Eastwood) states that, “70% of their buyers are residents from Carefree, Cave Creek and Scottsdale - north of the 101“.
### Acreage of Commercial in Comparable Communities

<table>
<thead>
<tr>
<th>Community</th>
<th>Total Acreage</th>
<th>% Open Space</th>
<th>Net Acreage</th>
<th>Existing/Built % Commercial*</th>
<th>Planned at Build-out**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cave Creek</td>
<td>17,280</td>
<td>28%</td>
<td>12,442</td>
<td>.8%</td>
<td>5%</td>
</tr>
<tr>
<td>Paradise Valley</td>
<td>10,550</td>
<td>23%</td>
<td>8,102</td>
<td>3.8%</td>
<td>5% - 6%</td>
</tr>
<tr>
<td>Fountain Hills</td>
<td>13,005</td>
<td>30%</td>
<td>9,103</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>Sedona</td>
<td>11,745</td>
<td>49%</td>
<td>5,990</td>
<td>3.2%</td>
<td>4%</td>
</tr>
<tr>
<td>Carefree</td>
<td>5,440</td>
<td>10%</td>
<td>4,896</td>
<td>1%</td>
<td>2%</td>
</tr>
</tbody>
</table>

*% of Total Acreage available for development
**Per General Plan Data

**Note:** Carefree has considerably less commercial developed and planned/potential commercial development than the benchmark communities shown above.
What/where are the undeveloped properties

- **Much of Carefree was initially zoned in the County** with a blanket 2 acre to 5 acre zoning. Historically, zoning was changed for signature community elements:
  - Carefree Resort and Conference Center
  - SkyRanch Airport
  - Carefree Town Center
  - The Boulders community
  - Desert Forest Golf Club

- **“Remnant” properties** are larger, undeveloped properties with legacy county low density residential zoning which does not transition well to adjacent uses.
  - Typically, these properties are located along heavily trafficked roads/intersections
  - May be adjacent to existing commercial/mixed use areas and/or airport

- **Remnant” properties**, total approximately 112 acres, **2% of Carefree’s total acreage**, this includes:
  - State Land: Cave Creek Road & Mule Train: 40 acres
  - StageCreek: Cave Creek Road west of Pima: 35 acres
  - NE corner of Carefree Highway & Cave Creek Road: 23 acres
  - NW corner of Carefree Highway and Tom Darlington: 10 acres
  - SE corner of Pima Rd & Cave Creek Road: 4 acres
Existing/Potential Higher Density Residences

LEGEND

- Areas of **Existing** Higher Density Residences
- Areas of **Potential** Higher Density Residences

Skyranch Airport (Private)
Existing/Potential Commercial Uses

LEGEND

Existing Commercial Uses

Potential Commercial Uses
Potential Mixed Uses

LEGEND
Potential Combination of Commercial & Residential Uses (Mixed Uses)

Skyranch Airport (Private)
Potential Refinements

- Carefree needs to consider the best use of the remaining “remnant” properties for the long term benefits of the majority of the Town residents. Heavily traveled roadways, particularly intersections, are generally not desirable for single family luxury homes. This land is typically more appropriate and utilized by other communities for:
  - Mixed use and/or commercial
  - Higher density residential communities

- Managed commercial development enables residents to purchase desired products and services from retailers closer to their homes

- Properly controlled commercial can enhance the quality of life and bring value to the immediate neighborhood. An example here would be the higher-end resorts and restaurants in Paradise Valley

- Quality commercial can make a significant sales tax contribution to a municipality
Conclusions

- **Carefree is in the midst of a transition to a new financial reality.** The historical reliance upon Sales Taxes, particularly construction sales tax, and State Shared Revenue, combined with very little commercial development and no Town property taxes, is a business approach which can’t realistically continue into the foreseeable future.

- **Without changes in the Carefree business model starting to be made soon, we are projecting that the decreases in Sales Tax Revenue will continue and accelerate in the future.** Additionally, we foresee the realistic potential for a continued weakening of State Shared Revenue in the future.

- The Town cannot realistically control or reduce the decline in State Shared Revenue, and under the assumption that residents do not support a local property tax, the **only incremental revenue generating avenue available to the Town is stabilizing, and then increasing Municipal Sales Tax Revenue.**
What Path to Take - Strategic Options

Option #1: Ignore issue, make no changes
- Results in drawing down reserves until exhausted
- Address deficit at that point

Option #2: Reduce services to residents
- Likely target would be the Town funded fire service
- Would result in significant cost increases for residents

Option #3: Continue to revitalize the downtown and utilize “remnant” properties to increase/diversify municipal sales tax revenues.
- If insufficient sales tax revenues generated, implement when appropriate:
  - Property tax which could be limited to cover annual costs of fire and police
  - Bonds for capital expenditures, including street maintenance and improvement projects

Option #4: Implement a Town property tax when appropriate
Objectives for Carefree

- **Overriding Framework:**
  1. maintain the rural character and spirit which permeates Carefree while
  2. establishing an economic business approach and model for the Town which enables it to meet the Town’s rising costs, without a local property tax, as desired by residents

- Continue to cultivate events and activities which draw consumers to Carefree on a more frequent basis
  - Marketing addresses the social and cultural aspects which create experiences to bring consumers to Carefree
  - Economic development addresses the brick and mortar businesses (retention and recruitment) which will generate revenue to the Town

- Generate sufficient funds to provide the desired level of Town services to Carefree residents
  - Including Town funded fire service

- Accrue funds for periodically occurring major financial expenditures (e.g., street maintenance and improvements, major repairs requiring significant capital, etc.) to minimize borrowing needs or other financing requirements
Vision for Carefree

The vision would be for Carefree to:

- **Seek to firmly establish the downtown as a vital, exciting dining and entertainment venue** which would appeal to a broader consumer base of area residents and visitors.

- **Facilitate higher density residential development in the downtown area, and medium density residential development on the undeveloped properties south of the SkyRanch Airport along Cave Creek Road,** while maintaining/preserving the low density housing approach in existing neighborhoods.

- In addition to the downtown Carefree area **explore selective commercial and/or mixed use/resorts, and possibly medium/higher density residential, development in the “remnant” property areas** which are currently undeveloped to generate additional sales tax income for the Town on an on-going, annual basis.

- These locations would be selected on the basis of their being more conducive to limited commercial and/or mixed use development rather than strictly low density residential development. Also, they would be properties located where appropriate “buffering” could be accomplished to substantially maintain the rural neighborhood characteristics for the nearby residences.
Implementation

**Required Actions:**
Generate an addition of $2 - $2.5 million annually.

*Reasoning:*
- Continue to provide the desired level of core Town funded services, including fire/emergency services
- Support the Town’s capital reserves to fund major street maintenance and drainage infrastructure repairs estimated at a total cost of $20 to $25 million (necessary within the next 10-20 years)

**Strategies:**
1. Downtown and Existing Development
2. Higher Density Residential Development
3. Explore additional Commercial/Mixed Use Resort Development
Implementation: **Strategy #1**

**Downtown and Existing Development**

1) **Work with existing commercial property owners and retailers**, particularly those retailers selling everyday staple products which residents and others utilize on a frequent basis, to help them build their businesses
   a) The returning of the permissible **commercial building height from 24 feet to 30 feet** approximately one year ago was a necessary first step. Investigate and implement additional changes, as appropriate
   b) **The Basha’s remodel & historic Spanish Village** are prime examples of this strategy

2) **Encourage the continued development and re-development of the downtown Carefree area**, including the addition of multi-level residential products and businesses with broad appeal to the primary trade/market area
   a) Work with the current owners of the **Easy Street property** to find a suitable residential and/or mixed use replacement development. Preferences for this property would be luxury rental homes (luxury apartments) or a resort hotel
   b) **Attract complementing restaurants with a broader appeal** with appealing food/beverage offerings and financial backing, and other businesses selling taxable frequently use products, to open in Carefree and continue strong operations throughout the year
   c) The **Carefree Resort returning to, and hopefully exceeding, its previous, more robust, business level** for both its accommodations and restaurants
   d) **The potential moving of the current Town offices on Sundial Circle**, located on a prime retail property in the downtown area, to a central but non-prime retail location and replacing the existing building with a facility and business which would add retail excitement and generate sales tax revenue
Implementation: **Strategy #2**

**Medium/High Density Residential Development**

1. **Encouraging, where appropriate, medium/higher density residential development of the few remaining undeveloped “remnant” properties suitable for such development**, taking care to address the desires of the nearby residences, including the following:
   a) Encouraging the development of additional *medium density single family housing and/or multi-family housing in Carefree along the Cave Creek Road/Stagecoach Pass corridor* which are adjacent to higher density attached multi-family residences such as SkyRanch Condominiums and the Village at Carefree Condominium communities as well as industrial hangars of SkyRanch
   b) Allowing, where appropriate, the inclusion of *higher density/multi-family housing as a portion of commercial/mixed use development* on the “remnant” properties
Implementation: Strategy #3

Explore Additional Commercial/Mix Use/Resorts

1) Resolve acceptable commercial/mixed use/residential development of the NE corner of Carefree Highway and Cave Creek Road

2) The rezoning and development of the 40 + acre State Land Property on Cave Creek Road across from the SkyRanch Airport to allow for a broader array of uses, including commercial and resort land uses as well as complementing residences similar to the Paradise Valley model

3) The potential commercial/mixed use development of the 10 acre property on the NW corner of Tom Darlington Road and Carefree Highway

4) The potential limited commercial/mixed use development of the 4+ acre property on the SE corner of Cave Creek Road and Pima Road

5) Encourage the development of at least one additional, and preferably two or more additional, resort-hotels
Appendix: *Examples of Municipal Sales Generated by Land Uses*

<table>
<thead>
<tr>
<th>Development Type</th>
<th>Construction</th>
<th>Annual/On-Going</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential (40 homes)</td>
<td>$350,000</td>
<td>--</td>
</tr>
<tr>
<td>Resort/Boutique Hotel</td>
<td>$500,000 - $1,000,000</td>
<td>$400,000+</td>
</tr>
<tr>
<td>Luxury (Apartment) Rentals</td>
<td>$500,000 - $1,000,000</td>
<td>$100,000+</td>
</tr>
<tr>
<td>Specialty Grocer (Small/Med)</td>
<td>$50,000</td>
<td>$200,000+</td>
</tr>
<tr>
<td>Restaurant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1 million Annual Sales</td>
<td>$20,000</td>
<td>$30,000</td>
</tr>
<tr>
<td>$2 million Annual Sales</td>
<td>$40,000</td>
<td>$60,000</td>
</tr>
<tr>
<td>$3 million Annual Sales</td>
<td>$60,000</td>
<td>$90,000</td>
</tr>
</tbody>
</table>