

**TOWN OF CAREFREE  
RESOLUTION 2022-01**

**A RESOLUTION OF THE MAYOR AND TOWN COUNCIL OF  
THE TOWN OF CAREFREE, ARIZONA, AMENDING THE ECONOMIC  
DEVELOPMENT COMPONENT OF THE 2020-2022 TOWN COUNCIL STRATEGIC  
WORK PLAN**

**WHEREAS**, the Town Council has conducted a series of public workshops on September 29, October 13, and November 18, 2020;

**WHEREAS**, the purpose of these public workshops were to develop a strategic work plan for the Council;

**WHEREAS**, one of the elements of this strategic work plan specifically focused on the implementation of an Economic Development Plan;

**WHEREAS**, the Economic Development Plan was approved by resolution #2020-11 On December 1, 2020

**WHEREAS**, the attached document (Exhibit A) outlines the principle objectives for the Economic Development Plan;

**WHEREAS**, staff will incrementally present to Council updates on the status of the Economic Development Plan;

**WHEREAS**, staff is now providing a 12-month update;

**WHEREAS**, staff recommends that the plan further be revised per Exhibit A for the 12-month period from January 2022 to December 2022.

**WHEREAS**, this Resolution will formally adopt this publicly available and vetted work plan;

**NOW, THEREFORE, IT IS RESOLVED** by the Mayor and Town Council of the Town of Carefree, Arizona that the attached document will be a component of the Council Strategic Work Plan 2020-2022, and will act as the Town Council approved goals, objectives and tasks, pertaining to the Economic Development and Financial Stability component.

**PASSED AND ADOPTED BY** the Mayor and Town Council of the Town of Carefree, Arizona, this 4th day of January, 2022.

AYES 7 NOES 0 ABSTENTIONS 0 ABSENT 0

FOR THE TOWN OF CAREFREE



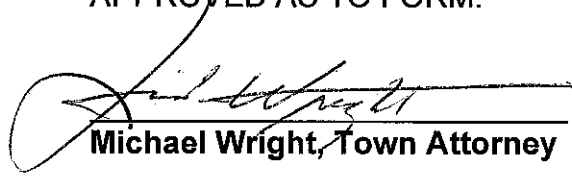
\_\_\_\_\_  
Les Peterson, Mayor

ATTESTED TO:



\_\_\_\_\_  
Kandace French-Contreras,  
Town Clerk

APPROVED AS TO FORM:



\_\_\_\_\_  
Michael Wright, Town Attorney

**EXHIBIT A**  
**Economic Development and Financial Stability**  
**2021-2022 Workplan Objective**

As the Town of Carefree examines future services requirements and costs, under the current revenue models, we project the need for approximately \$3.0-3.5 MM in additional annual revenue by 2030. The contributing factors to this budget gap include: Inflationary increases (est. \$1.8MM); Loss in revenues (est. \$400K); Replacement of depreciated assets (est. \$1.0MM). Additionally, as the Town nears build-out, the Town can rely less on one-time revenue sources, such as construction sales tax, as well as, reductions to state shared revenues.

In order to meet the future gap, and future expanded community service needs, the Town needs to create a sustainable source of recurring annual revenue. In lieu of an ad valorem tax, the Town will need to implement other sources, including retail sales tax, hospitality tax, and rental tax.

Overall, to meet this primary goal, the Town has the following Economic Development Objectives:

1. Develop the NEC of Cave Creek Road and Carefree Highway
  - a. Anticipated Use – Regional Commercial
  - b. Estimated Annual Revenue - \$1,200,000
  - c. Estimated Time Frame – 60% by 2024; 90% by 2026; 100% by 2028
2. Develop the NWC of Carefree Highway and Tom Darlington Drive
  - a. Anticipated Use – Hospitality and neighborhood retail/restaurant
  - b. Estimated Annual Revenue - \$1,000,000
  - c. Estimated Time Frame – 80% by 2025; 100% by 2027
3. Develop State land Parcel on Cave Creek Road south of Sky Ranch Airport
  - a. Anticipated Use – Mixed Use with at 50% commercial/hospitality
  - b. Estimated Annual Revenue - \$1,300,000
  - c. Estimated Time Frame – 50% by 2026; 100% by 2028
4. Maximize Town Center
  - a. Anticipated Use – Neighborhood Retail, Hotel and Rental Housing
  - b. Estimated Revenue - \$550,000
  - c. Estimated Time Frame – 40% by 2021; 80% by 2024; 100% by 2027

In order to meet these objectives, the Town will engage in the following strategic initiatives over the 24-month period (2021-2022 calendar).

- ~~Create Economic Development Advisory Board—The Economic Development Advisory Board is Town Council appointed Board, with Board Members having a two-year term. After the initial Board is created, Board Members will be selected the December after in the year of a Town Council general election, with terms running starting and ending on January 2. The Commission will meet monthly, and provide staff guidance on the economic development, land development,~~

~~disposition and acquisition and financial strategies approved by the Town Council.~~ The Planning and Zoning Commission will be assuming the role of Economic Development Advisory Board given their overlapping expertise in land use and development related issues (see below discussion).

- Evaluate Town Signage and Pedestrian Access – Town will look to engage a consultant to evaluate and provide advice on a comprehensive Town Signage, walkway and crosswalk plan. This may occur part and parcel to any refinements to the Town Center Master Plan.
- Prepare options for potential Town Hall relocation and development of current Town Hall site – Town Hall currently sits on a valuable piece of commercial property with direct frontage to Caver Creek Road and the Sundial. Staff will examine multiple options to see how a future, 5,000 square foot Town Hall can be completed, while enabling other Council objectives.
- With owner consent, initiate, March 2021, and process general plan amendments as special commercial planning areas in an effort to meet future revenue needs of the Town. It is anticipated these will be provided for P&Z consideration November 2021 and Town Council December 2021.
  - ~~45 acre State Land Parcel south of Sky Ranch~~
  - 21 acre NWC of Carefree Highway and Tom Darlington
- Work with Planning to incorporate the 45 acre state land parcel into the General Plan Update to establish future land use designation.
- Initiate retail development, tourism and absorption study to better understand the capacity and nature of retail and destination venues, such as resorts, to build a better timeline and probability of reaching future revenue goals. Absorption analysis should be done in concert with general plan amendments and Town Center master plan.
- Engage Town Center property owners, starting January 2021, and begin master plan discussions. This Master plan will further expand upon the initial concepts of the Baker Study, and along with the retail absorption analysis, refresh the economic and demographic data
  - Examine “Main Street” Concept for Cave Creek Rd and Tom Darlington Drive to provide commercial street frontage, sidewalks and on-street parking, which could improve pedestrian connectivity, slow traffic and create a better sense of arrival, as well as enable the viability of vacant commercial properties.
  - Examine parking, signage and pedestrian access in concert with a comprehensive Carefree signage and pedestrian study
  - Recommend zoning changes that allow for a more functional and efficient development and use of space consistent with the values of Carefree and financial goals to increase revenue. Specifically, mixed use should be encouraged with a focus on adding more diversified residential opportunities to the Town Center
  - Charrette key corridors to develop better auto and pedestrian linkage between commercial subgroups, for example, the roadway/sidewalks connecting 100 Easy Street to Spanish Village.

- Identify costs and funding solutions. This is critical, as any solutions may require some level of property assessment. The key is to work with property owners on these solutions so that public improvements made increase the viability and value of impacted commercial properties
- Examine options to add additional residential within the Town Center
- While staff evaluated the master plan concept for Town Center (above), including an evaluation if the physical environment, review of previous calls for revitalization in previous master plans, the inability to implement many of the items in the Village Center Master Plan, and conversations with property owners, businesses, residents and outside experts, it became evident that the Town consider a Redevelopment Area. This concept was presented to Council March 2021, and Council authorized staff to pursue a Redevelopment Area through the outreach to property owners, businesses and the Planning and Zoning Commission
  - Public Workshop was held with Planning and Zoning May 2021.
  - Staff reached out directly to property owners discussing the need and potential boundary for a Redevelopment Area.
  - Based upon property owner input and Planning and Zoning input, staff presented the necessity of finding and Redevelopment Area Boundary to Town Council, which approved by resolution the Finding of Necessity as well as the boundary.
  - With the approval of the Redevelopment Area Boundary, State Law requires the creation of a Redevelopment Plan, and creates the potential for an official Redevelopment Commission, per state statute. The Redevelopment Plan requires the recommendation of the Planning and Zoning Commission. Being that the Planning and Zoning Commission is the official recommending authority per state law, and is comprised of a diverse membership, it minimizes the immediate necessity of an additional Council level advisory committee. Therefore, as the Planning and Zoning Commission is required to review and recommend the creation of a Redevelopment Plan, the Planning and Zoning Commission, at this point is should be appointed, in the role and responsibilities of the Economic Development Advisory Board, this being the primary focus on the creation and recommendation of the Redevelopment Plan, and the future of the 45-Acre State land parcel. Additionally, the Planning and Zoning Commission, along with Town Council will further vet the need for a sole and separate Redevelopment Commission, as allowed and prescribed by state statute, to further take on the original tasks of what was anticipated by the Economic Development Advisory Board
  - Michael Baker (MBI) International has been hired as a sub consultant to Kimley Horn (KH). MBI will work on the specific requirements of the Redevelopment Area Plan, and will incorporate the KH signage, circulation and parking plan. All information will be included in an updated Village Ceter Master Plan.
  - Next Steps:

- Work with KH Study Stakeholder Group to prepare initial public package for review.
  - Prepare a public engagement plan and series of Planning and Zoning workshops. Public engagement will include property owners, businesses and residents
  - Complete signage, circulation and parking plan
  - Complete redevelopment plan
  - Update capital improvement plan financing strategy
  - Planning and Zoning Commission Recommendation
  - Town Council approval
- Continue to work with developers on NEC Cave Creek Rd and Carefree Highway. Property is already zoned, and we are actively engaged with developers for the site.
  - Create wellness and destination strategy to build upon the vast number of wellness business in Carefree, Civana, Spirit in the Desert, Hampton Inn, as well as outdoor amenities including Bartlett Lake, Tonto National Forest, desert preserves, horseback riding and off-roading. Proposal to be completed by June 2021.
  - Implement Marketing strategy (see below)
  - Work with businesses to coordinate sector associations. The idea is to create retail business sector associations, such as restaurants, art, wellness, home and fashion, and develop marketing, PR and event strategies with each to generate more traffic. The leaders of each organization can share information from group to group and can routinely provide advice to the Economic Development Commission. Complete all associations by May 2021.
  - Develop strategies to maximize gardens and Sanderson Lincoln pavilion to bring in the best possible events, that are complementary to Carefree, as well as, create a slate of community events and activities that benefit Carefree residents and businesses. Staff will consider options for professionally managed services. Bring recommendations to Council by June 2021.
  - Work with property owners on redevelopment and adaptive reuse strategies including Los Portales, Mariachi Plaza, 100 Easy Street 11 Sundial Plaza and Town Hall. Engage during Town Center master plan discussions.

### **Marketing Plan Outline**

- Hire communications and marketing coordinator
- Develop strategies for
  - Local trade area
  - Greater phoenix destination
  - National program in conjunction with resort
- Create relationships with Bartlett Lake, National forest and DFLT

- Develop comprehensive social media and electronic platform
- Update Economic Development Website with market information and site opportunities
- Implement business development strategies with developers and brokers
- Develop cluster retail associations
  - Restaurants
  - Art Galleries
  - Health, beauty and wellness
- Work closely with businesses and local associations to identify customer bases and develop targeted marketing strategies, for example art consumers
- Maximize the value of Sanderson Lincoln Pavilion, Thunderbird Artist shows, sundial and gardens