

Town of Fountain Hills Draft Strategic Plan

Executive Summary Outline

(Newsletter Format)

Front Page:

Story overviews strategic planning concept and key events

Photo of citizen-driven process

Box shows key value statements from TH1.

Fact Box: Number of FH residents who participated in the process

Inside Left Page:

1-paragraph summary of each of the (10) strategic initiatives in the Strategic Plan, arrayed in implementation phases.

Photo of citizen-driven process

Bottom: car on road

Inside Right Page:

Box left column: List of key events in the strategic planning process

Story: Narrative description of citizen-driven strategic planning process

Graphic of funnel process

Bottom: car on road

Back Page:

Box right column: List of Town Council Members and phone numbers; list of TAC Members

Story: Institutionalizing the Strategic Planning process; Keeping the process alive.

Photo of citizen-driven process

Mailing block

TOWN OF FOUNTAIN HILLS, ARIZONA
CITIZEN-DRIVEN STRATEGIC PLANNING PROCESS

Our Town. Our Choices
A Road Map to the Future

Town of Fountain Hills Draft Strategic Plan

Table of Contents

	<u>Page</u>
Preface	
Acknowledgements	
Introduction	
Definition of Strategic Planning	
History of Planning in Fountain Hills	
Overview of Citizen-Driven Strategic Planning Process	
I. Institutionalizing the Strategic Planning Process: Keeping the process alive	
II. Vision Statement	
Tier 1	
Tier 2	
Tier 3	
III. Value Statements (“So important you don’t want to compromise”)	
[Have 27 phrases, prioritized; three consensus tiers are apparent]	
Tier 1	
Tier 2	
Tier 3	
IV. Focus Areas (“Issues the Town should address over next few years”)	
[Raw data on strategies to implement vision; other issues; frame issue and 3-4 paragraph discussion; one page max]	
1. Government Financial Stability	
2. Commercial Vitality and Business Development	
3. Arts and Culture	
4. Small Town Atmosphere and Town Identity	
5. Housing Quality and Cost	
6. Preservation of the Environment	
7. Parks and Recreation	
8. Municipal Government Services	

9. Education: Higher and Continuing Education and Support of Educational Excellence
10. Physical Planning: Zoning and Architecture

V. Action Plan

Short term actions (1-3 years)

Medium term program (3-6 years)

Long term ideas (7-10 years)

Appendix A: Description of Citizen-Driven Strategic Planning Process

Appendix B: Key Informant Interviews Summary

Appendix C: Where We Are Now Report

Appendix D: Town Hall 1 Small Group Discussion Notes

Appendix E: Town Hall 1 Evaluation Report

Appendix F: Strategic Choices Report

Appendix G: Town Hall 2 Results Report

Appendix H: Town Hall 2 Evaluation Report

Appendix I: Survey Report

Appendix J: Newsletters

TOWN OF FOUNTAIN HILLS, ARIZONA CITIZEN-DRIVEN STRATEGIC PLANNING PROCESS

Our Town. Our Choices A Road Map to the Future

Town of Fountain Hills Draft Strategic Plan

Introduction

Strategic planning is the process of deciding what kind of future an organization wants to have, and how to proceed from the current state to that future state. Thus, strategic planning is a decision-making process.

In late 2004 the Town of Fountain Hills decided to embark on a strategic planning process that involved its citizenry to a very high degree. This decision was consistent with Fountain Hills' history. Throughout the 1980s and early 1990s, the Fountain Hills Civic Association periodically sponsored a series of Town Hall meetings, where citizens were asked their opinions about potential Town policies, amenities and facilities. The last such effort, in 1995, resulted in a list of over 20 improvements, most of which have been accomplished.

In 2004, the Town Council requested proposals from consultants to help it develop a strategic plan. The Town Council decided, however, that the best responses were too expensive, and rejected all proposals.

Citizen-Driven Strategic Planning Process

In the early fall of 2004 about 40 citizens and a few Town Councilmembers met to discuss the strategic planning idea. Participants generally favored the idea of creating a strategic plan, and Town officials appointed a committee of volunteer citizens to design and oversee the process.

The volunteers—who became the Technical Advisory Committee¹—developed a citizen participation plan outlining key events that would seek out opinions of the Town's citizenry. The Town Council approved the citizen participation plan on December 16, 2004. In late January 2005 the Town contracted with a project manager,² and in February it contracted with a communications company³ to help educate the public and get out the word about the strategic planning events.

Key events in the citizen-driven strategic planning process include:

¹ Janice Abramson, Curt Dunham, Peggy Fiandaca, Jim Hamblin, Henry Leger, Civic Association President Roger Riggert, and Mike Tyler are principal citizen volunteers. Bob Yordy participated on the Committee through March. Councilmember Ed Kehe represents the Town Council. Town Manager Tim Pickering is a member, and staff member Shaunna Williams provides administrative services.

² Blackerby Associates, Inc.: Phillip Blackerby, Project Manager, and Lynne Brown, Facilitator.

³ Image Weavers: Francesca Carozza, Project Manager, and Charlotte McCluskey.

- An analysis of the Town's strengths, weaknesses, opportunities and threats, started by Town citizens in October 2004.
- A January 2005 kick-off event involving about 200 citizens to discuss the process and build volunteer lists. This event coincided with a celebration of the Town's 15th anniversary.
- In-depth interviews with about 35 community leaders in February and March.
- Creation of a web site (www.fh.az.gov/ourtownourchoices/) with information about the strategic planning process.
- Creation of a Strategic Planning Update Line, (480) 816-5295, for citizens to hear a message about the strategic planning process, and to leave messages to request additional information.
- Presentations to 18 community groups to educate them about the strategic planning process from February through May.
- A Youth Visioning Institute in March, involving 50 high school students who envisioned the future of their town, and communicated their visions through multi-media presentations.
- An April report, *Where We Are Now*, outlining current conditions in population, housing, economy, finances, physical plan, amenities, public safety environment, transportation and neighboring jurisdictions (available at www.fh.az.gov/ourtownourchoices/).
- Town Hall 1, involving over 250 citizens in brainstorming to delineate their vision and values for the town, and key strategies to make their vision and values a reality, in April.
- A series of *Informed Choices* workshops on key topics: long-term Town finances, charter government, commercial architecture and view corridor regulation, and parks and recreation, in July and August.
- An August report, *Strategic Choices*, organized issues in 10 focus areas with 31 scenarios (goals). Policies, programs and projects—with estimated annual costs per household—described how to implement the scenarios. A two-page worksheet highlighted 44 key decision points, or strategic choices (also available at www.fh.az.gov/ourtownourchoices/).
- Town Hall 2, in August, involved 190 citizens and others in stating ways to deal with Town financing issues, selecting strategic choices to analyze, and developing implementation plans.
- A scientific, random-sample survey of Fountain Hills adults in early October, measured how the general public feels about a list of decision items based on the one presented to the Town Hall 2 participants.⁴
- Input from all information sources, including both the survey and Town Hall 2, have been incorporated in this *draft strategic plan*. The executive summary of this draft was distributed to Fountain Hills residents for review and comment.
- The Town Council will hold a *work session* on the draft strategic plan November 8.
- The Town Council will *consider adoption* of the strategic plan in early December,

⁴ The survey administrator is ETC Institute, Chris Tatham, Vice President and Principal Investigator.

I. Institutionalizing the Strategic Planning Process; Keeping the Process Alive

Vision Statement

A vision statement is a description of what the future should look like if the strategic plan is implemented. While no “rules” exist for developing one, a vision statement is usually a few sentences that convey what is important to the organization, that characterizes a successful strategic plan outcome.

At the Town Hall 1 event, small groups of participants identified elements of a proposed vision statement. During the lunch break, members of the Technical Advisory Committee compiled those phrases, and out of them developed the following list of vision statement components. At the end of the day, participants were given three stickers to use to identify those statements that most closely reflected their vision of Fountain Hills’ future. The number of votes each component received is shown in parentheses. The vision statement components are arrayed by the number of votes received, and grouped into tiers, or clusters of consensus.

Tier 1

Fountain Hills is dedicated to careful stewardship of the most beautiful natural desert area in the world. It’s maintained its starry nights, clean air, and water quality. (71 votes)

Fountain Hills is Recognized as the “best” planned community in Arizona. Growth and density have been closely managed to maintain the Town’s unique character. (57 votes)

Fountain Hills has the premier school district in Arizona offering lifelong learning and a community college. (52.5 votes)

A thriving Town Center has been developed with a multitude of activities, shops and galleries.

- Business are thriving
- Tourism destination—people come from all around (48.5 votes)

Fountain Hills is known as a cultural center. It’s a community that celebrates the arts, it’s proud of and supports it’s events, and maintains it’s traditions. (47 votes)

Town Government is fiscally sound and has reliable revenue streams. (44.5 votes)

Tier 2

Fountain Hills is “the Place” to be outside as it has maintained its open space and access to hiking, biking, and enjoying the natural environment. (28 votes)

Fountain Hills is a sophisticated, vibrant, and high energy small town that thrives because of citizens’ strong pride and sense of community. As you emerge from the Valley, Fountain Hills is your respite from the hustle and bustle of one of the largest cities in the U.S. (20.5 votes)

A community defined by its unique architecture that is compatible with its natural surroundings.

- Diverse design
- Preservation of the views in regard to the unique architecture (16 votes)

Tier 3

Fountain Hills is a community that embraces volunteerism. It is a citizen driven community with a government that is responsible to its citizenry. (12 votes)

Fountain Hills is a community of Diversity. All age levels and socio-economic levels are represented supported by housing and quality jobs. (10 votes)

Fountain Hills is Recognized as a safe community because of its world class fire, police, and emergency and medical services. (10 votes)

Fountain Hills has a strong partnership with Scottsdale, Fort McDowell, and Salt River Pima Maricopa Indian Community. (9 votes)

Fountain Hills is well connected through its multi modal transportation facilities that include public transportation. (8 votes)

Fountain Hills community fabric is defined by its strong clubs and organizations that partner with the Town to address and meet the community's needs. (5 votes)

Value Statements

Value statements describe what a community values most; what is so important to the citizens that they would not want to compromise them. No “rules” exist for developing value statements; they are often key words or phrases that describe concepts that are important to the organization.

At the Town Hall 1 meeting, small groups of participants were asked to brainstorm their value statements. After the sessions, the consultant compiled all the value statements from all 13 small groups, and ranked them by the number of groups that referenced similar ideas. The following list is that compilation, in ranked order. The three tiers are clusters of consensus; they represent natural groupings based on the number of references.

First tier

- Education
- Cultural diversity
- Public safety
- Environment
- Community participation and involvement and volunteerism
- Preserve small town character
- Recreational opportunities

Second tier

- Sense of community
- Community events
- Fountain and town identity
- Affordability
- Arts and culture
- Limit growth

Third tier

- Unique, non uniform architecture
- Local public transportation
- Accessibility to town
- Communications technology
- Water
- Traditions
- Kid friendly
- Fiscally sound government
- Dark skies
- Social services
- Night life
- Commercial vitality
- Property values
- Sustainability

Focus Areas

After the Town Hall 1 session, members of the Technical Advisory Committee examined all the information collected thus far—from the key informant interviews, the Youth Visioning Institute and Town Hall 1—and analyzed it for common themes. The Committee identified ten Focus Areas, which served to organize all of the issues that had been raised. The following pages describe each of the ten Focus Areas.

Government Financial Stability

Fountain Hills has corrected the financial difficulties it faced in 2001-2002, which required significant expenditure and service cuts, and outside interest in moving to Fountain Hills—where future tax rates may be uncertain—fell off dramatically.

The current budget, for 2005-2006, is balanced. A recent bond issue earned an excellent Aa3 rating, reducing the Town's interest expense. A sales tax abatement to attract a Shea Blvd. retail development is projected to be paid off in less than two years, well ahead of schedule.

Sales taxes comprise 51% of the Town's general fund operating budget. The current local sales tax rate in Fountain Hills is 2.6%. When added to the state (5.6%) and Maricopa County (0.7%) rates, consumers pay 8.9% sales tax in Fountain Hills stores, compared to the statewide average of 8.58%. Of the state's 89 cities and towns, 23 have higher combined sales tax rates. The table compares the combined Fountain Hills sales tax rate to some other communities.

As the Town approaches build-out, projected between 2012 and 2015, sales tax and permit fee revenues from new construction will decrease significantly. This revenue accounts for about 20% of the Town's general fund operating budget.

State shared revenues comprise nearly one-third (32%) of the Town's general fund operating budget. They come from various state taxes, and are allocated to cities and towns based on their relative population. As the Town nears build-out, its population will stabilize, while other cities and towns continue to grow. Consequently, Fountain Hills' share of these revenues is projected to fall as early as budget year 2006-2007, after the mid-decade census.

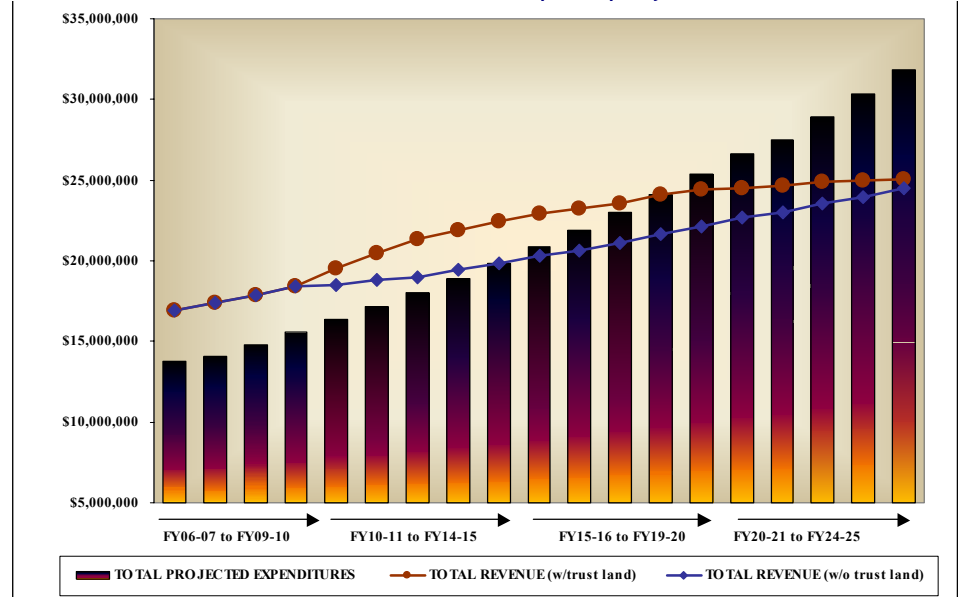
Thus, the key revenue sources that make up 83% of the Town's general fund budget (51% sales tax and 32% state shared revenues), are expected to fall as the Town approaches build-out. These projections are not a crisis at this time, but planning now may reduce the impacts of these long-term trends.

The Town of Fountain Hills has no *primary* property tax, which many other communities use to fund day-to-day operating expenses. The Town does levy a *secondary* property tax, which it uses to pay off bonds that financed open space preservation, public library and street paving projects.

Jurisdiction	Sales Tax Rate
Nogales	7.35%
Tucson	7.6%
Chandler	7.8%
Gilbert	7.8%
Mesa	7.8%
Lake Havasu City	7.85%
Paradise Valley	7.95%
Scottsdale	7.95%
Phoenix	8.1%
Tempe	8.1%
Prescott	8.35%
Payson	8.72%
Apache Junction	8.8%
Cave Creek	8.8%
Fountain Hills	8.9%
Carefree	9.3%
Sedona	9.35%
Winkelman	10.1%
San Luis	10.7%

The chart shows the general fund over the next 20 years. The vertical bars are projected Town expenses given *current* obligations for capital projects and operations. The blue lower line (diamond ♦ markers) shows projected revenues. This line crosses the expense bars in budget year 2014-2015, after which the Town is projected to have a growing budget deficit, *even if no new capital projects are begun*. Over 20 years, the Town will need about \$19 million, or about \$950,000 per year.

20-Year General Fund Revenue/Expenditure Projection
(Does not include capital projects)



The red upper line (circle ● markers) includes estimated revenues that may result from annexing the State Trust Lands. This line crosses the expenses bars in budget year 2018-2019, after which the projected budget deficit grows, *even if no new capital projects are begun*.

To deal with this issue, Town Hall 2 participants were asked to vote among four alternatives,

- A. Increase the Town sales tax by about 0.2¢ per dollar, from 2.6% to 2.8%.
- B. Levy a new *primary* property tax of about 28.5¢ per \$100 valuation, or about \$66 per year for the median home worth about \$248,000.
- C. Don't increase revenues; instead, reduce these Town services: _____.
- D. Put off any action until the deficit actually occurs.

Respondents who selected multiple options or other approaches are counted under "E. Other."

Fig. 1. Financial Stability Questionnaire

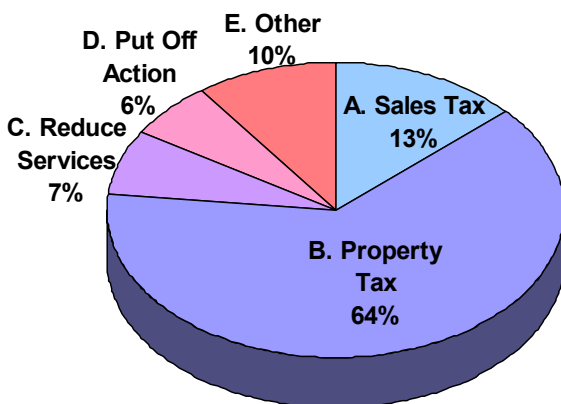


Fig. 1 summarizes responses to this questionnaire. Three-fourths (77%) of the respondents supported increasing revenues in the short run to deal with the projected long-term deficit, whether by increasing the sales tax or levying a primary property tax. In addition most of the respondents in the "E. Other" category also supported one or both revenue options. Just 6% of respondents suggested delaying action until the deficit actually occurs, and incurring higher costs.

Commercial Vitality and Business Development

Much of the discussion about commercial vitality and business development centers around downtown Fountain Hills. In particular, many residents are eager to see the south side of the Avenue of the Fountains developed with retail businesses. As part of the Town's "small town atmosphere," many residents are pleased that the area is not dominated by "big box" retailers; rather, they prefer local retail to be "mom & pop" establishments, like some that currently exist on the north side of the Avenue of the Fountains, and upscale national chains.

Some would like to see this area developed as a shopping destination, like Kierland Commons in Scottsdale or *el Pedregal* at The Boulders. Others would like to see this area developed with art galleries, jewelry and gift shops, modeled after Sedona or Old Town Scottsdale.

The Town's Economic Development Specialist staff position supports commercial vitality in the downtown area. to act as a liaison, resource and point of contact between the Town and the business community.

The Town financially supports joint tourism marketing efforts with the Fort McDowell Yavapai Nation, administered by the Chamber of Commerce. The Town provides public safety and street closure services to support the Chamber of Commerce semi-annual fairs and other events, some of which are paid for through fees.

The Town's sales tax is 2.6%, which, with state and county sales taxes, results in a combined 8.9% percent tax rate at the cash register. This sales tax rate is higher than most of its neighbors.⁵ Studies show, however, that consumers do not usually shop elsewhere to gain lower tax rates—so long as the total sales tax is below 10%—except when buying an auto or major appliances.

Part of the Town's sales tax (0.1¢ per dollar) is dedicated to downtown economic development. It pays for the downtown economic development staff, and virtually all of its revenue through 2009 (\$5.0 million) is committed to planned enhancements to the Avenue of the Fountains.

The Town has no policy guidelines governing tax abatements; instead, it examines each proposal on its own merits. The Town has in the past granted a sales tax abatement to attract a retail development; that abatement agreement is now projected to be paid off in about a year, well ahead of schedule.

At the Town Hall 2 meeting, participants preferred the downtown area to be designed to serve primarily local residents, rather than as a destination to draw shoppers and tourists from all over the Valley. However, the participants did not have information about both the costs and revenue impacts of these two alternatives.

⁵ See comparison table in section on "Governmental Financial Stability," page ___.

Arts and Culture

Small Town Atmosphere and Town Identity

Housing Quality and Cost

Preservation of the Environment

Parks and Recreation

Municipal Government Services

Education: Higher and Continuing Education and Support of Educational Excellence

Physical Planning: Zoning and Architecture

Action Plan

Phase 1

Phase 2

Phase 3