

When recorded return to:

Town of Prescott Valley
7501 East Civic Circle
Prescott Valley, AZ 86314

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT ("Agreement"), entered into this ___ day of January, 2015, by and between the TOWN OF PRESCOTT VALLEY, a municipal corporation of Arizona ("Town"), and PRESLY INVESTMENTS, LLC an Arizona limited liability company ("Developer");

WITNESSETH:

WHEREAS, on Jun 10, 1999 the Common Council of the Town ("Town Council") adopted Ord. No. 465 re-zoning approximately 82 acres at the toe of Glassford Hill (Sec 21, T14N, R1W G&SRB&M) for what was originally conceived as the Glassford Hill Marketplace ("Project"), the first phase of which would involve an automobile dealership; and

WHEREAS, on Jul 8, 1999 the Town Council adopted Res. No. 900 approving a development agreement with developers of the Project for the Town to design and construct certain needed public improvements. Under that agreement, if gross income from Town Transaction Privilege Taxes ("TPTaxes") was insufficient to cover the costs thereof by Sep 1, 2006, the developers would reimburse 50% of the insufficiency to the Town (secured by a deed of trust against any portion of the Project chosen by developers...initially 17 but eventually 8.5 designated acres); and

WHEREAS, on Jul 8, 1999 the Town Council also entered into a development agreement with Yavapai Hills, Inc. to develop approximately 463 acres below the Project (both north and south of State Route 69 ("SR 69")) for both residential and commercial purposes; and

WHEREAS, on Mar 9, 2000 the Town Council approved a Final Plan and Plat for 39 acres north of SR 69 which designated Tracts A, B and C and dedicated rights-of-way which would provide access to SR 69 for the commercial area as well as for the Project; and

WHEREAS, after initial concepts for an auto dealership in the Project did not materialize, the developers thereof proposed to build an apartment complex therein in order to generate much needed revenue and allow for the Town to apply a rent surcharge which would also be credited against the Town improvement costs. In addition, the developers would deed portions of the Project to the Town for open space; and

WHEREAS, on May 31, 2001 the Town Council (a) adopted Ord. No. 501 re-zoning land for phase 1 of the apartment complex, (b) amended the earlier development agreement to (among other things) provide for the Town to take title to the 8.5 designated acres for open space and

secure the Town's earlier investment in the Project, and (c) entered into a new development agreement to (among other things) take title to additional acres land for open space in return for paying development and utility connection charges for the apartment complex. In the end, 26.2 acres were conveyed to the Town for open space (including the original 8.5 acres); and

WHEREAS, in late 2001 the developers sold land for an auto dealership, and 6.51 acres of that land were designated to secure the Town's earlier investment; and

WHEREAS, on Nov 15, 2001 the Town Council adopted Res. No. 1052 approving a Final Development Plan ("FDP") for phase 1 of the apartment complex, and adopted Res. No. 1056 approving an FDP for a Mitsubishi auto dealership; and

WHEREAS, on Dec 6, 2001 the Town Council adopted Ord. No. 515 approving re-zoning for phase 2 of the apartment complex; and

WHEREAS, actions were subsequently taken by the Town to encourage development of a second auto dealership (Kia) on approximately 4 acres north of the first. Unfortunately, these efforts were ultimately unsuccessful. Later, the Mitsubishi dealership became a Kia dealership; and

WHEREAS, in 2004 Yavapai Hills, Inc. began working with Kitchell to develop a commercial project north and south of SR 69 to be known as "Crossroads". The earlier development agreement was amended on Aug 11, 2005 to provide certain financial incentives (including reimbursement of certain public improvement costs through remitting a portion of the TPTaxes generated in Crossroads). Based on a "site plan" in the amendment, Town staff subsequently approved building permits for construction of Home Depot and a nearby speculation building (north of SR 69) and Sam's Club and Cracker Barrel (south of SR 69); and

WHEREAS, as the Sep 1, 2006 deadline approached for payment of any insufficiency in TPTax collections and rental surcharges in the Project, it became apparent that the required threshold would not be reached. It was eventually determined that \$665,763.71 in TPTaxes had been collected during the period, plus \$97,328.08 in rental surcharges, for a total of \$763,091.79. This left a shortfall of \$2,910,648.71 and a potential repayment to the Town of \$1,455,324.11. After considerable discussion, a deed-in-lieu of foreclosure to the 6.51 acres against which the obligation was secured was negotiated with the developers and the mortgage bank. In the process, the Town received a 10' access easement across the north edge of the auto dealership property in order to make those acres more useable. This settlement was approved by the Town Council on Apr 10, 2008; and

WHEREAS, on Nov 29, 2007 the Town Council adopted Ord. No. 702 adding a Planned Area Development overlay district to the existing zoning for the Crossroads and formalizing the site plan as a "Master Site Plan". Thereafter, new businesses were approved by FDP (including on Apr 9, 2009 a plan to develop the remaining approximately 14 acres in Parcel "A" north of SR 69 as a Hobby Lobby, Dollar Tree, and speculation buildings); and

WHEREAS, in 2009 construction began on a hotel east of the auto dealership within the Project; and

WHEREAS, on Feb 9, 2012 the Town Council approved an assignment of the Crossroads development from Yavapai Hills, Inc. to Kitchell; and

WHEREAS, on Jul 25, 2013 the Town Council approved a further amendment to the Crossroads development agreement to extend the term to allow for an additional period of reimbursing TPTaxes as an financial incentive (for which Kitchell accelerated conveyance to the Town of approximately 181 acres for open space and recreational use); and

WHEREAS, ownership of the Kia auto dealership within the Project has recently passed to the Developer under this Agreement; and

WHEREAS, the Developer has now negotiated with Kitchell to expand the auto dealership into an adjacent area to the south of the Project in Crossroads (approximately 2.1 acres in Tract B (later Parcel D) as shown in Exhibit "A" attached hereto and expressly made a part hereof) ("Property"); and

WHEREAS, the Developer has indicated it will close escrow on the Property in late January 2015; and

WHEREAS, the Developer has further indicated that it desires to build in the near term a new building of approximately 10,500 sq. ft. and related improvements on the Property for a Volkswagen auto dealership ("Dealership"); and

WHEREAS, ARS §9-500.11 authorizes the Town Council to appropriate public monies for and in connection with economic development activities, including any assistance, undertaking, or program involving improvement of real or personal property or other activity that the Town finds and determines will assist in the creation or retention of jobs or will otherwise improve or enhance the economic welfare of the inhabitants; and

WHEREAS, the Town Council does hereby find and determine that construction of the Dealership on the Property will indeed create jobs and produce significant new TPTax revenues, thus enhancing the economic welfare of the inhabitants; and

WHEREAS, the Town has arranged for an independent analysis by Applied Economics whose final report ("Report") is attached hereto and expressly made a part hereof as Exhibit "B" and indicates that the Town will receive in TPTax revenues substantially more than will be expended from the general fund in relation to the fees and charges to be reimbursed to the Developer as a financial incentive under this Agreement; and

WHEREAS, the Town Council finds that this Agreement is otherwise consistent with the health, safety and welfare needs of the community; and

WHEREAS, the Town Council further finds that this Agreement is consistent with the Town's General Plan pursuant to ARS §9-500.05(B);

NOW, THEREFORE, for and in consideration of the mutual covenants and promises contained herein (and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged), the parties hereto agree as follows:

SECTION ONE. Term. The term of this Agreement (“Term”) shall be from the date first-above written until Jun 30, 2016 (unless sooner terminated as set forth in SECTION SIX below).

SECTION TWO. Purpose. The purpose of this Agreement is for the Town to remit to the Developer from its general fund an amount equal to the costs incurred by the Developer in relation to the Town fees and charges listed below for construction of the Dealership, on condition that the Dealership is constructed and a certificate of occupancy issued for the same during the Term.

SECTION THREE. Performances. The performance commitments of the respective parties are as follows:

(A) The Developer shall--

(1) pay to the Town when due all Town fees and charges applicable to construction and occupancy of the Dealership at the time of such construction and occupancy, including –

- Building Permit Fees
- Engineering Fees
- Zoning Permit Fees and Charges

- Circulation System Fee
- Public Safety Fee

- Industrial Wastewater Pretreatment Permit Fees
- Wastewater System Capacity Charge
- Water Meter Charges
- Water Resource Charge
- Water System Capacity Charge

(B) The Town shall--

(1) remit to the Developer the sum of the above applicable fees and charges up to a maximum amount of \$50,000 after the Developer has paid all of said fees and charges in full to the Town and has constructed and obtained a certificate of occupancy for the Dealership during the Term.

SECTION FOUR. Indemnification and Hold Harmless. That, to the fullest extent permitted by law, the Developer agrees to defend, indemnify and hold harmless the Town, its officers, officials, employees, agents, successors, and assigns for, from and against any and all claims, demands, suits, settlements, judgments, losses, costs, expenses, damages, and liabilities of every kind and description (including, without limitation, attorneys' fees, court costs and the cost of appellate proceedings) relating to, arising out of, or alleged to have resulted from the acts, errors, mistakes, omissions, work or services of Developer, its officers, directors, members, managers, officials, employees, agents, and assigns, in the performance or non-performance of this Agreement. The Developer's duty to defend, hold harmless and indemnify the Town, its officers, officials, employees, agents, successors, and assigns shall arise in connection with any claims, demands, suits, settlements, judgments, losses, costs, expenses, damages, or liabilities that are attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property (including loss of use resulting therefrom), caused by the acts, errors, mistakes, omissions, work or services of the Developer, its officers, directors, members, managers, officials, employees, agents, and assigns, or any other person for whose acts, errors, mistakes, omissions, work or services the Developer may be legally liable, in the performance or non-performance of this Agreement.

Notwithstanding any other provision of this Agreement, this SECTION FOUR shall continue in full force and effect beyond any termination of the Agreement. The amount and type of insurance coverages required hereinafter shall not be construed as limiting the scope of the indemnity in this SECTION FOUR.

SECTION FIVE. Insurance. That, without limiting any liabilities or other obligations of the parties hereunder, each of the parties shall, prior to commencing its performances under this Agreement, secure and continuously carry with insurers authorized to do business in Arizona and possessing a current A.M. Best, Inc. Rating of B++6 or better, the following insurance coverages:

(A) Commercial General Liability insurance with a limit of not less than \$1,000,000.00 for each occurrence, with a \$2,000,000.00 Products/Completed Operations Aggregate and a \$2,000,000.00 General Aggregate Limit. The policy shall include coverage for:

- (1) Bodily Injury
- (2) Broad Form Property Damage
- (3) Personal Injury
- (4) Products and Completed Operations, and Blanket Contractual (including, but not limited to, the liability assumed under the indemnification provisions of this Agreement).

The coverage shall be at least as broad as Insurance Service Office, Inc. Policy Form CG 00011093 or any replacements thereof. The coverage shall not exclude X,C,U. The additional insured endorsement required hereinafter shall be at least as broad as the Insurance Office, Inc's

Additional Insured, Form B, CG20101185, and shall include coverage for the party's operations and products and completed operations.

The insurance policy required herein shall be maintained in full force and effect throughout the Term of this Agreement. Failure to do so may, at the sole discretion of the other party, constitute a default under SECTION SIX of this Agreement. The insurance policy required herein shall be primary insurance, and any insurance or self-insurance maintained by the other party shall not contribute to it. The insurance policy required herein shall contain a waiver of transfer rights of recovery (subrogation) against a party, its officers, officials, employees, agents, successors, and assigns, for any claims arising out of the other party's performances under this Agreement. The insurance policy may provide coverage which contains deductibles or self-insured retentions. However, such deductibles and/or self-insured retentions shall not be applicable with respect to the coverage provided to the other party under such policy. Each party shall be solely responsible for deductibles and/or self-insured retentions and the other party, at its option, may require the other party to secure the payment of more than \$50,000 of such deductibles or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.

Each party reserves the right to request and to receive, within 10 working days, certified copies of any or all of the herein-required insurance certificates and/or endorsements of the other party. Prior to commencing its performances under this Agreement, each party shall furnish the other with Certificates of Insurance, or formal endorsements as required by this Agreement, issued by each party's insurer(s), as evidence that policies providing the required coverages, conditions and limits required by this Agreement are in full force and effect. Insurance evidenced by the Certificates of Insurance shall not expire, be canceled, or be materially changed without 30 days prior written notice to the other party. If a policy does expire during the term of this Agreement, a renewal certificate must be sent to the other party 30 days prior to the expiration date and/or at the time of renewal of said policy.

In the event the insurance policy required by this Agreement is written on a "claims made" basis, coverage shall extend for 2 years past completion and acceptance of any work or services contemplated hereunder, as evidenced by annual Certificates of Insurance.

SECTION SIX. Default. Failure or unreasonable delay by any party to perform or otherwise act in accordance with any provision of this Agreement for a period of 30 days ("Cure Period") after written notice thereof from any other party shall constitute a default under this Agreement. Provided, however, that if the failure or delay is such that more than 30 days would reasonably be required to perform such action or comply with any term or provision hereof, then such party shall have such additional time as may be necessary to perform or comply so long as such party commences performance or compliance within said 30 day period and diligently proceeds to complete such performance or fulfill such obligation. Said notice shall specify the nature of the alleged default and the manner in which said default may be satisfactorily cured, if possible. In the event such default is not cured within the Cure Period, the non-defaulting party shall have all rights and remedies which may be available under law or equity, including (without limitation) the right to terminate this Agreement on 30 days' written notice, to specifically enforce any provision of this Agreement, and/or the right to institute an action for damages.

SECTION SEVEN. Notices. That, unless otherwise specifically provided herein, all notices, demands or other communications relating to this Agreement shall be in writing, and given to the other party hereto as follows: (A) personal delivery; or (B) established overnight commercial courier with delivery charges prepaid or duly charged; or (C) registered or certified mail, return receipt requested, first class postage prepaid. All Notices shall be addressed to the addresses set forth below, or to such addresses or addressee as any party entitled to receive notices under this Agreement shall designate, from time to time, by Notice given to the party in the manner provided in this SECTION SEVEN.

Town:

Town of Prescott Valley
c/o Town Manager
7501 E. Civic Circle
Prescott Valley, AZ 86314
Telephone (928) 759-3101
Facsimile (928) 759-3125

Developer:

Presly Investments, LLC.
c/o Hal J. "Dodge" Earnhardt, IV
7300 W. Orchid Lane
Chandler, AZ 85226
Telephone (480) 783-4630
Facsimile (480) 783-4635

With a copy to:

Mary LaRue Walker, General Counsel
7300 W. Orchid Lane
Chandler, AZ 85226
Telephone (480) 783-4616
Facsimile (480) 783-4625

Notices given by personal delivery shall be presumed to have been received upon tender to the applicable party at the addresses set forth above. Notices given by overnight courier shall be presumed to have been received the next business day after delivery to such overnight commercial courier. Notices given by mail shall be presumed to have been received on the 3rd day after deposit into the United States Postal System. All copies to the applicable persons or entities designated above to receive copies shall be given in the same manner as the original Notice, and such giving shall be a prerequisite to the effectiveness of any Notice.

SECTION EIGHT. Amendments. That this Agreement may be amended only by a written agreement fully executed by each of the parties hereto.

SECTION NINE. Successors-In-Interest. That this Agreement shall inure to the benefit of and shall be binding upon the successors-in-interest of each of the parties hereto, pursuant to ARS §9-500.05(D).

SECTION TEN. Waiver of Breach. That no waiver by any party of a breach of any of the terms, covenants or conditions of this Agreement shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, covenant or condition herein contained.

SECTION ELEVEN. Attorneys' Fees. That, in the event any action shall be instituted between the parties in connection with this Agreement, the party prevailing in such action shall be entitled to recover from the other party all of its taxable and nontaxable costs, including reasonable attorneys' fees and expert witness fees.

SECTION TWELVE. Savings Clause. That, in the event any phrase, clause, sentence, paragraph, section, article or other portion of this Agreement shall become illegal, null or void or against public policy, for any reason, or shall be held by any court of competent jurisdiction to be illegal, null or void or against public policy, the remaining portions of this Agreement shall not be affected thereby and shall remain in force and effect to the fullest extent permissible by law.

SECTION THIRTEEN. Governing Law and Venue. That this Agreement shall be governed by and construed under the laws of the State of Arizona, and shall be deemed made and entered into in Yavapai County.

SECTION FOURTEEN. Town's Warranties. That the Town represents and warrants that (A) it is a validly existing and incorporated municipal corporation of the State of Arizona, (B) its execution, delivery and performance of this Agreement has been duly authorized and entered into in compliance with its Town Code and applicable Arizona statutes, and (C) no further action needs to be taken in connection with such execution.

SECTION FIFTEEN. Developer's Warranties. That the Developer represents and warrants that (A) it is a validly existing Arizona corporation, (B) its execution, delivery and performance of this Agreement has been duly authorized and entered by an authorized officer in compliance with its articles and bylaws and applicable Arizona statutes, (C) it has all necessary interest in the Property and Dealership to make the representations in and carry out the obligations of this Agreement, and (d) no further action needs to be taken in connection with execution of this Agreement.

SECTION SIXTEEN. Force Majeure. That the obligations of the parties hereunder to perform under this Agreement are subject to prevention by sickness, accident, Act of God, fire, riot, epidemic, interruption or delay of transportation, strikes, labor difficulties, any acts or orders of any public authority having jurisdiction, or any similar cause beyond the parties' control. To the extent that a party's non-performance is based upon one of the above-listed reasons, the same shall not be a default under SECTION SIX above.

SECTION SEVENTEEN. Further Performances. That each of the parties hereto shall execute and deliver all such documents and perform all such acts as are reasonably necessary, from time to time, to carry out the matters contemplated by this Agreement.

SECTION EIGHTEEN. No Partnership or Third-Party Beneficiary. That it is not intended by this Agreement to, and nothing contained in this Agreement shall, create any partnership, joint venture or other similar arrangement between or among the parties. No term or provision of this Agreement is intended to, or shall, be for the benefit of any person, firm, organization or corporation not a party hereto, and no such other person, firm, organization or corporation shall have any right or cause of action hereunder.

SECTION NINETEEN. Integration. That this Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof, and all prior and contemporaneous agreements, representations, negotiations and understandings of the parties hereto, oral or written, are hereby superseded and merged herein.

SECTION TWENTY. Multiple Counterparts. That this Agreement may be executed in multiple counterparts, each of which shall constitute one and the same instrument.

SECTION TWENTY-ONE. Recording. That this Agreement shall be recorded in the Office of the County Recorder of Yavapai County, pursuant to ARS §9-500.05(D).

SECTION TWENTY-TWO. Conflict-of-Interest. That this Agreement may be canceled without penalty pursuant to ARS §38-511 in the event of a conflict-of-interest as described therein by any person significantly involved in negotiating this Agreement on behalf of the Town.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by and through their authorized representatives the day and year first-above written.

Town of Prescott Valley, a municipal corporation of
Arizona ("Town")

Harvey C. Skoog, Mayor

STATE OF ARIZONA)
) ss:
County of Yavapai)

The foregoing instrument was acknowledged before me this ____ day of _____, 2015 by Harvey C. Skoog, Mayor of the Town of Prescott Valley, a municipal corporation of Arizona, on behalf of said municipal corporation.

Notary Public

My Commission Expires:

STATE OF ARIZONA)
) ss:
County of Maricopa)

The foregoing instrument was acknowledged before me this 5th day of January, 2015 by Hal J. "Dodge" Earnhardt IV Member/Manager of Presly Investments, LLC an Arizona limited liability company on behalf of said limited liability company.

Mary Lou Ciancullio

Notary Public

My Commission Expires:
9-14-2015

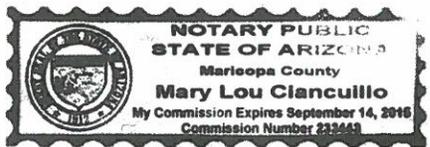


EXHIBIT "A"

Property

Legal Description

All that portion of Tract B as shown on the final development plan and final plat of Yavapai Hills at Prescott Valley as recorded in Book 40 of Maps and Plats, Page 41, Yavapai County Recorder's Office, lying within a portion of Section 21, Township 14 North, Range 1 West, of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, more particularly described as follows:

(The basis of bearings for this description is North 89°44'39" East as measured between a found 1/2" rebar at the center Quarter Corner of Section 21 and a found 1/2" rebar at the Northeast corner said Tract B.)

BEGINNING at a found 1/2" rebar at the Northeast corner of said Tract B;

Thence, South 00°34'28" West, along the westerly right of way line of Market Place, a distance of 0.23 feet;

Thence along a tangent curve, along said westerly right of way line, concave to the northwest, having a radius of 1097.00 feet, a central angle of 13°34'48", an arc length of 260.01 feet, a chord bearing of South 07°21'52" West and a chord length of 259.40 feet;

Thence, North 75°50'44" West, a distance of 525.83 feet to a point on the easterly boundary line of a parcel described in Book 4982 of official records, Page 913, Yavapai County Recorder's Office;

Thence along a non-tangent curve, along said easterly boundary, concave to the southeast, having a radius of 600.87 feet, a central angle of 27°58'00", an arc length of 293.29 feet, a chord bearing of North 63°22'06" East and a chord length of 290.39 feet to a point on the East-West center section line of said Section 21;

Thence, South 89°44'39" East, along said East-West center section line, a distance of 283.54 feet to the TRUE POINT OF BEGINNING.

Containing 91,191.13 square feet or 2.09 acres more or less.

09/11/14
LE #965-03
96503-Parcel A.doc

JASON O'BRIEN, R.L.S.



EXPIRES 6/30/16

MAP TO ACCOMPANY
LEGAL DESCRIPTION



EARNHARDT ARIZONA PROPERTIES LLC
BK 4980 OR, PG 449
APN: 103-09-084F

CENTER QUARTER CORNER
SECTION 21

P.O.B.

BASIS OF BEARINGS

TOWN OF PRESCOTT VALLEY
BK 4982 OR, PG 913
APN: 103-09-030A

THIS DESCRIPTION
PARCEL A

PARCEL B

GRANITE VIEW DRIVE

MARKET PLACE

TRACT B
YAVAPAI HILLS AT PRESCOTT VALLEY
BK 40 M&P, PG 41, YCRO
APN: 103-09-030

SUNDOG RANCH ROAD

EXHIBIT "B"

Report



December 17, 2014

Mr. Larry Tarkowski
Town Manager
Town of Prescott Valley
7501 E. Civic Circle
Prescott Valley, AZ 86314

Dear Mr. Tarkowski,

Applied Economics has been contracted by the Town of Prescott Valley to perform an independent third party review of the development agreement between the Town and Presly Investments LLC. This agreement concerns the 91,191 square foot parcel located south of the existing Kia dealership along Market Street in the Crossroads. It is intended that this parcel would be used for a new Volkswagen (VW) dealership.

This development agreement includes provisions for reimbursement of up to \$50,000 in fees and charges associated with construction and occupancy of the new VW dealership including building permit fees, engineering fees, zoning permit fees, circulation system fees, public safety fees, industrial wastewater pretreatment permit fees, wastewater and water system capacity charges, water resources fees and water meter charges. The developer would initially pay the applicable fees and they would then be reimbursed by the Town after the developer has constructed and obtained a certificate of occupancy for the dealership.

The project is expected to include approximately 10,500 square feet of built space for the new auto dealership. Projected taxable sales are estimated at \$5.3 million per year beginning in 2017 which a partial year of operations in 2016. Estimated sales are based on the size of the dealership and current sales at other local auto dealers. All auto sales would be taxed at a rate of 2.33 percent by the Town. Of that total, 1 percent would go to Kitchell based on the pre-existing development agreement for the Crossroads. The remainder would go to the Town's general fund. There would be additional construction sales tax revenues to the Town in 2016 estimated at \$20,000. Although the construction fees and charges are being reimbursed to the dealership, it is important to note that the amount of construction and retail sales taxes generated in the first year, which only represents a partial year of operations, is approximately equal to the amount of the reimbursement. By the second year, estimated annual sales tax revenues to the Town exceed \$70,000 per year.

The economic and revenue benefits of this project to the Town significantly exceed the benefits received by the auto dealer. Based on our review, we believe that the project would generate a significantly greater flow of sales tax revenues during the first full year of operations than the amount of construction fees and charges. It is also important to note that since no sales taxes are being refunded, all of the sales tax revenues are in addition to the construction fees and charges being reimbursed. Should you have any questions or concerns regarding this analysis, please do not hesitate to contact us.

Sincerely,

A handwritten signature in cursive script that reads 'Sarah E. Murley'.

Sarah E. Murley
Principal

Earnhardt Auto Group VW Dealership

	FY 2016	FY 2017	FY 2018
Taxable Transactions			
Building Construction	\$1,320,568	\$0	\$0
Taxable Sales*	\$2,216,667	\$5,320,000	\$5,320,000
Total Sales Tax Revenues (2.33%)			
Construction	\$20,000	\$0	\$0
Auto Sales	\$51,648	\$123,956	\$123,956
Fee Reimbursement to Earnhardt	\$50,000	\$0	\$0
Annual Sales Tax to KD (1%)	\$22,167	\$53,200	\$53,200
Annual Sales Tax to Town	\$49,482	\$70,756	\$70,756
Cumulative Sales Tax to Town	\$49,482	\$120,238	\$190,994

* Average auto sales per acre for existing dealers in Prescott Valley is \$2,128,000. The proposed VW dealership would include 2.5 acres.