

Rancho Sahuarita

Tucson, Arizona

PROJECT DATA

USE

MASTER-PLANNED COMMUNITY
11,000 RESIDENCES AT BUILDOUT

OTHER USES

1.3 MILLION SQ FT (121,000 SQ M)
RETAIL AT BUILDOUT

6 ON-SITE SCHOOLS (COMBINED
170 AC) WITH 4,000 STUDENTS

40 MI (64 KM) PAVED PATHS
AND BIKE TRAILS AT BUILDOUT
(EXCLUDING NEIGHBORHOOD
SIDEWALKS)

YEAR OPENED

2002

SITE SIZE

3,000 AC (1,200 HA)

SALES PRICES

\$220,000–\$350,000 (FOR MOST-
RECENT HOMES)

PROJECT COST

\$100 MILLION, SPINE
INFRASTRUCTURE AND
AMENITIES; \$125 MILLION,
BUILDER SUBDIVISION
IMPROVEMENTS; \$1.3 BILLION,
TOTAL IMPROVEMENTS (HOMES,
PUBLIC AND COMMERCIAL
BUILDINGS)

DEVELOPER/OWNER

SHARPE & ASSOCIATES INC.

INITIAL LENDERS

NATIONAL BANK OF ARIZONA,
ALLIANCE BANKS OF ARIZONA;
PROJECT CURRENTLY
UNENCUMBERED

EQUITY PARTNER

PRIVATE PLACEMENT OFFERING

EQUITY INVESTMENT

\$4.1 MILLION

INSPIRED BY SOME OF THE COUNTRY'S GREAT master-planned communities—such as Columbia, Maryland; Reston, Virginia; Celebration, Florida; and Rancho Mission Viejo, California—developer Robert Sharpe set out to create the most affordable, highly amenitized, lifestyle-oriented community in southern Arizona founded on promoting physical, social, and emotional well-being. By making physical activity and other elements of wellness readily accessible, the developer made it easier for residents to pursue healthy life choices. Moreover, convenience and easy access to these health-related amenities were important in appealing to the community's primary market—first-time buyers and generation X families—as well as in distinguishing Rancho Sahuarita from competing neighborhoods.



A safari trail with life-size bronze animals is one of the kid-friendly community features that encourage play. *Rancho Sahuarita*



The Rancho Sahuarita Clubhouse features a fitness center and more than 50 classes per week. *Rancho Sahuarita*

Located nine miles (14.5 km) south of Tucson in the town of Sahuarita, Rancho Sahuarita, is a 3,000-acre (1,200 ha) master-planned community with a town center and a central Lake Park. Since 2002, national homebuilders have sold more than 5,000 homes—about half of the residential portion of the project—and there are currently more than 15,000 residents.

Main Wellness Features

AMENITIES FOR PHYSICAL AND SOCIAL ACTIVITY

The developer has invested more than \$100 million in community infrastructure, with about 30 percent allocated to amenities that encourage healthy physical and social activities.

To help offset the cost of this extensive amenities package, Rancho Sahuarita assesses a “parks and rec” fee of \$2,500 per home on builders and the HOA charges a 1 percent “community enhancement fee” on resale houses. The HOA’s annual operating budget, which is funded by monthly dues of \$93 per home, is about \$5.5 million, with about 40 percent of this income spent on maintenance of the amenities.

* **Ten-acre lake as community focus.** When Sharpe created the ten-acre (4 ha) Sahuarita

Lake, he set back homes from the water to provide space for a park and a wide pedestrian promenade. Lake Park, which is visible from two collector roads, serves the entire community and is a popular venue for concerts, art fairs, triathlons, parades, and festivals.

* **Community facilities.** The Rancho Sahuarita Clubhouse, a 30,000-square-foot (2,800 sq m) recreational facility located on the lake, has a 6,000-square-foot (560 sq m) fitness center with cardiovascular and strength-training equipment, dance and aerobic studios, multipurpose rooms, a lap pool, and a splash park. Residents can select from more than 50 classes a week, most of which are covered by the HOA fee, including karate, yoga, ballet, tennis, and stability ball classes; residents can register online for events and classes. Personal training and sports camps are also offered, and a fee is charged for some of the more advanced programs.

The clubhouse also has an “adventure park” with an activities lawn, basketball and tennis courts, a playground, and a mini-golf course. Sharpe’s goal is to use Rancho Sahuarita’s facilities and services to help busy generation X households pursue a healthy lifestyle as they take care of ordinary chores and responsibilities. For example, Rancho Sahuarita’s on-site baby-sitting service makes it easy and convenient



for residents to work out at the health club or swim at the pool without having to worry about taking care of their kids.

- * **Neighborhood facilities.** Neighborhoods are served by 15 pocket parks and several larger satellite parks with pools, volleyball and basketball courts, and other amenities to promote physical activity.
- * **Kid-friendly community facilities.** The developer created butterfly and desert gardens for children, as well as an African animal safari trail, replete with life-size animals in bronze.
- * **Paths and trails.** Forty miles (64 km) of paved walking paths and bicycle trails connect residents to schools, parks, and commercial and recreational areas.

PARTNERSHIPS TO PROMOTE FITNESS AND HEALTH

The developer's primary strategy for promoting health care and wellness is to form partnerships with like-minded stakeholders such as Carondelet Health Network, a major health care provider in the Tucson area, which operates a primary and urgent-care facility in Rancho Sahuarita's Market-place shopping center. Carondelet is in the design phase for a larger Health and Wellness Pavilion in the community's town center, which will combine on-site urgent care with preventative health care facilities.

Rancho Sahuarita also partners with Carondelet to offer a children's "Be Well" Summer Camp, a "Healthier You" lecture series, a Health and Wellness Day, and "Walk with a Doc" and "Lunch and Learn" programs that provide residents the opportunity to ask local physicians questions. In addition, Carondelet supports Rancho Sahuarita's kindness program by giving a "kindness mug" to residents at coffee socials to encourage compassion and empathy in the community. This emphasis on the relationship among kindness, happiness, and mental health furthers Rancho Sahuarita's goal of creating a friendly place to live in by promoting kindness as a key to emotional and social well-being.

The developer has partnered with numerous other organizations—United Way of Tucson and Southern

Top: The ten-acre (4 ha) lake is a popular venue for community-wide events. *Rancho Sahuarita*

Center: Among the activities organized by the community are sports camps for kids. *Rancho Sahuarita*

Bottom: The splash park and lap pool are popular for fun and fitness in the Arizona heat. *Rancho Sahuarita*



Arizona, American Red Cross, United Community Health, Tucson Alliance for Autism, and the Young Athletes program of the Special Olympics—to enhance health and wellness programming.

Rancho Sahuarita also has a strong working relationship with the Sahuarita Unified School District (SUSD), which has located six of its schools and recreational amenities in the community and within walking distance of most of the homes. The development’s “walking school bus” provides parents and children the opportunity to exercise together every day. SUSD’s health-related summer activities include free baseball camps and swimming programs at the new aquatic center located in the town center.

Sharpe notes that in response to the recession, many developers have elected to cut costs and have incorporated lower-budget amenity approaches into their master-planned communities, like programmed open space. He emphasizes the importance of investing in hard infrastructure—such as the activity center, the lake, parks, and linear parks with walkways—that creates venues for the “soft” programming. “Programming is not a quick, easy, and inexpensive solution to create instant community,” adds Sharpe’s son Jeremy, who heads Rancho Sahuarita’s community development endeavors. “It requires enormous effort and commitment to do programming well.”

Performance

Since 2002, national homebuilders have sold more than 5,000 homes at Rancho Sahuarita with a total value topping \$1 billion, making the development one of the best-selling master-planned communities in the country. Rancho Sahuarita has continually dominated southern Arizona’s housing market, accounting for an 8 to 18 percent share of sales in the Tucson metro area.

From 2001 to 2006, it’s platted lot prices more than doubled. During the same period, Rancho Sahuarita’s home prices, which initially experienced a 10 percent discount to similar homes in better-located subdivisions, rose almost 80 percent and now command a 10 percent premium. Robert Sharpe attributes these price increases and the accelerated sales pace to Rancho Sahuarita’s healthy lifestyle, amenities, and programming. “Our overall success indicates that the strategic positioning of a development through an amenities program that promotes health and wellness can differentiate a community from competing neighborhoods and mitigate long-term risks,” he says.

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